annual report 31 MARCH 2005

SEEKA KIWIFRUIT INDUSTRIES LIMITED

growing great prospects in kiwifruit

contents

highlights

- $57.13m total revenue – up 12%
- $4.44m operating profit before tax – a 5% increase before acquistion-related costs
- $29m lift in total assets to $75.89m – 62% increase
- Record 12.10m tray equivalents packed – up 26%
- Yields from Seeka's leased orchards exceed Seeka averages
- Aggressive acquisition programme widely supported by growers
- Integrated Fruit Supply & Logistics Limited, the supply arm of the Seeka group, forecast to handle nearly 30% of New Zealand's total kiwifruit crop at harvest 2005
- 128 new shareholders significantly broaden Seeka's share base
- Final dividend of $0.10 brings total dividend to a record $0.20 per share

business review

Commentary

The Board of Seeka Kiwifruit Industries Limited is pleased to present you with our Annual Report for the year ended March 2005, a year which has seen significant developments for Seeka, and the New Zealand kiwifruit industry.

A 26% increase in overall post harvest volumes and record yields from Seeka's own orchard activities provided the basis for a strong financial performance across all areas of group operations. While kiwifruit export returns were expected to fall quite significantly from the record levels of the past year, the extent of the reduction exceeded expectation and resulted in an $800,000 reduction in orchard leasing financial performance compared to prior year, despite greatly improved yields.

Seeka's acquisition programme commenced in December 2004 with the purchase of Eleos Limited, the 20% share in Opac and the acquisition of Bridge Cool effective from 1 April 2005. These investments incurred additional interest and costs related to capital raising of $450,000 in the current year without corresponding earnings streams which will not be received until the year ending March 2006.

The resulting operating profit before tax of $4.44m – last year $4.65m – is nevertheless a pleasing outcome, with underlying performance before unusual items producing a healthy 5% increase on the 2003/04 year. After tax earnings of $0.365 per share on average shares on issue is down slightly from $0.39 achieved in the previous year and arises from the temporary dilution caused by shares issued in respect to the Eleos purchase.

Overall the Board considers this to be a satisfactory result in the circumstances with the company having absorbed these additional costs and being well placed to capitalise on the future earnings that these new investments will bring to the group.

Dividend

The board has declared a fully-imputed final dividend for the 2005 financial year of $0.10 per share to be paid to those shareholders registered at 5:00pm, 2 June 2005. The dividend will be paid on 7 June 2005. This brings the total dividend for the year to $0.20 per share.

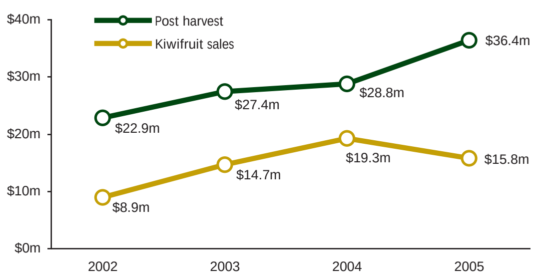
Due to the impending share issues, the Board had previously announced the suspension of the Dividend Reinvestment Plan (DRP). Accordingly the DRP will not apply to this dividend.

The Year Under Review

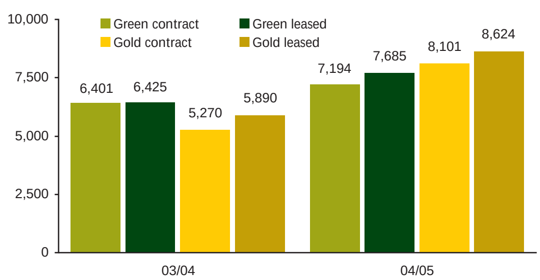
Post harvest revenues increased 26% to $36.41m on the back of increased supply. Receipts from kiwifruit sales from orchard leasing activities reduced by 18% to $15.8m from $19.3m the previous year despite a strong operational performance which saw increased production and yields.

Overall post harvest volumes increased to record levels with total tray equivalents processed reaching 12.10m – 9.7m last year. Gold volumes rose sharply to almost double the previous year. Capacity management around this growth proved highly successful with increased operating hours and careful use of new technology providing much improved asset utilisation and efficiency. As a result Seeka successfully processed these volumes in a timely and efficient manner, ensuring that grower exposure to adverse climatic influences around harvest were significantly mitigated. Nevertheless, efficient and

Revneues from post harvest and kiwifruit sales



Average yields for leased and contract orchards



economic processing of the Gold variety continues to present challenges that have yet to be overcome. Experience gained during the 2004 harvest, refinement of existing technology and implementation of further technology will be required to achieve future sustainable processing economies for both growers and post harvest.

Harvest 2004 was successful in operational and logistical terms due to the implementation of new management structures and responsibilities around the Seeka sites, as well as the people development strategies highlighted in last year's Annual Report. The dedication and commitment of our post harvest team in achieving quality and efficiency amid the intensity that the kiwifruit harvest brings, is greatly appreciated by the Board and growers alike. Seeka's human resources development and incentive programmes are a critical success factor and will be further refined in the future to maintain peak performance in this and other areas of company operations.

The company's orchard operations also excelled in operational terms. Orchard yields at harvest 2004 from Seeka's extensive portfolio of leased orchards exceeded those of our grower suppliers. This is no mean feat when considered in the context of the quality, experience and location of the total company supply base.

Seeka's orchard management team is built around experience, technical skill and peer review and continues to perform at the highest level. Investment in crop protection and enhancement mechanisms, such as frost protection and irrigation systems, have considerably reduced company exposures to the vagaries of the elements and this has benefited both orchard yield and post harvest volumes throughout the supply base.

Unfortunately export returns for the 2004 crop have been disappointing and have taken the gloss from what would otherwise have been an exceptional financial performance for the company. While the impact of adverse exchange rate movements on fruit returns was well understood by both Seeka and the industry, the impact of increased fruit volumes was not expected to provide significant challenges for global markets as these had generally been short supplied in recent years. However, the performance of the Green crop under storage gave rise to unprecedented levels of fruit loss both in the market and in New Zealand. This in turn added cost and placed pressure on market returns.

Analysis now reveals that these fruit quality issues, not largely evident at harvest, arose from unusual autumn climatic factors not experienced in the industry for many years.

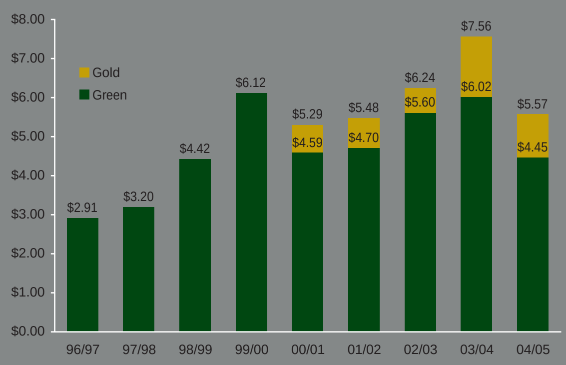
Further analysis of underlying global market performance from industry marketer Zespri reveals that against exceptionally strong growth in both Green and Gold, the strategic Asian markets maintained prices in foreign currency terms. Prices were not able to be maintained In the crucial European market however, even though more modest volume growth was achieved.

Seeka has long held the view that these issues, typical of fresh fruit marketing, require a more proactive approach to management of industry costs and accountability for supplier performance. Zespri's failure to adequately address these matters, despite regular dialogue, is a continuing disappointment for us.

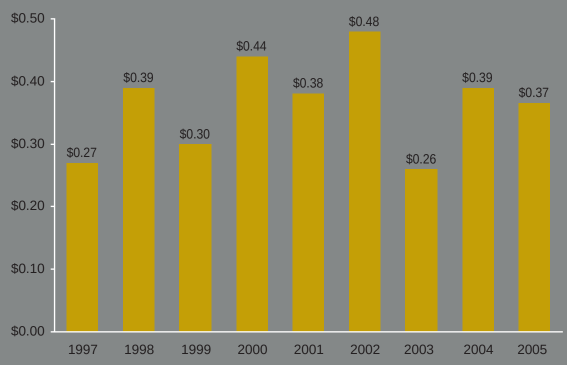
Zespri Market Performance

	Trays Sold		Change in volume	Price change in foreign currency
	2004/05	2003/04		
Europe				
Green	38.1m	33.5m	+14%	-8.92%
Gold	4.3m	2.5m	+68%	-1.20%
Total Europe	**42.4m**	**36.1m**	**+17%**	**-8.14%**
Asia/North America				
Green	20.4m	15.9m	+28%	+0.14%
Gold	8.5m	5.5m	+54%	+1.47%
Total Asia/North America	**28.9m**	**21.5m**	**+35%**	**+0.53%**

Orchard gate returns

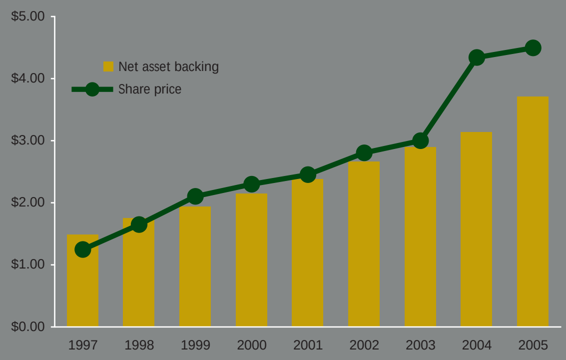


Earnings per share

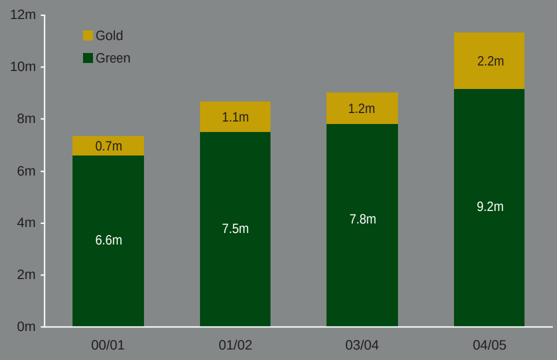


** Weighted average of shares on issue during the year*

Share price compared to net asset backing



Class I post harvest volumes



Vital Foods

Seeka's 20% stake in Vital Foods Distribution Limited, producers and marketers of kiwifruit-based nutraceuticals, performed only moderately in the first year of our investment made May 2004. The inherent properties of their products continue to attract strong interest, although marketing and distribution strategies have yet to achieve objectives. Vital Foods is still in development phase with good marketing and equity opportunities under consideration. This may involve re-branding and product refinement.

Acquisition and Consolidation

Seeka's aggressive phase of acquisitions commenced with Eleos Limited's full acquisition plus a 20% share of Opac in December 2004, and the purchase of the Bridgecool group of companies effective 1 April 2005. This has reinforced Seeka's leadership role in the New Zealand kiwifruit industry in pursuing competitive structures and cost efficiencies along the supply chain.

The Directors considerations in respect to the strategy have been to achieve sustainable long-term benefits to shareholders through:

- improved influence in the sector and consequential increased earnings
- more effective utilisation of capital
- reduced per-tray cost of post harvest assets
- improved financial returns per share.

These companies were carefully selected and are highly complementary to our existing structures and industry positioning. Access to high quality post harvest capacity, strong management and supply arrangements with growers are critical to achieving successful post harvest and supply consolidation.

This exciting phase of strategic development for the company was carefully considered by the Seeka Board at every stage and while the 2005/06 financial year will be one of consolidation and careful integration of key functions, incremental earnings are expected to provide significant benefits in the medium to longer term. The investment in Opac and their extensive involvement in offshore production of the Gold kiwifruit variety, provides additional interest to Seeka both in terms of diversification and strategic alliance with the Salvi company – one of Italy's largest kiwifruit post harvest companies.

The decision to bridge these acquisitions by temporary bank funding pending re-capitalising by way of rights and other issues in July 2005, has enabled these transactions to be effected efficiently and expeditiously. Strong and effective support from our bankers Westpac throughout this process is acknowledged and appreciated. The involvement of Rotorua Energy Charitable Trust – RECT – in a specific issue of $5m of mandatory convertible notes was also a significant milestone in completion of the acquisition programme. Your Directors are confident that the involvement of RECT in this manner is extremely positive for the company in all respects.

While a temporary lift in borrowings will increase interest costs in the short term, the longer term benefits of this strategy will accrue positively to shareholders.

The assistance of ABN Amro Craigs in securing investors and underwrite arrangements is also acknowledged. A prospectus and investment statement will be issued shortly providing further details of these investment opportunities. The Directors have also advised their intention to move to the main board of New Zealand Stock Exchange – NZX – in conjunction with the coming share issues.

Eleos shareholders were provided with the opportunity to take up Seeka shares as part of the purchase arrangement. A total of 394,003 shares were issued to 35 new shareholders. Prior to the Opac partial acquisition by Seeka, the 1,114,368 shares held in Seeka by that company were distributed in specie to their 39 shareholders. This has had the affect of further broadening our existing shareholder base and we welcome these new shareholders to the company.

KEY MARKET INDICATORS FOR SEEKA GROUP	2004/2005 ACTUALS	2003/2004 ACTUALS	2002/2003 ACTUALS	2001/2002 ACTUALS	2000/2001 ACTUALS
Volumes					
Market Share	13.6%	14.1%	13.9%	11.2%	8.9%
Supplying Hectares	1,457	1,423	1,399	945	816
Post Harvest Operations					
Total Gross Packed Trays	12,102,192	9,574,299	9,089,363	8,053,497	6,129,152
Orcharding Operations					
Orchard Production Trays	3,465,961	3,023,920	2,545,577	1,889,679	1,485,884
Orchard Production Hectares	441.00	468.00	445.13	255.72	241.60
Orchard Production Trays/Hectare	7,859	6,461	5,719	7,390	6,150
Orchard Gate Returns per Tray					
Green	$4.452	$6.022	$5.595	$4.699	$4.586
Gold	$5.566	$7.565	$6.240	$5.477	$5.287
Key Costs					
Total Interest Costs	$1,111,429	$715,419	$762,147	$658,082	$429,870
Total Depreciation	$1,925,972	$1,995,840	$1,777,003	$1,384,838	$931,473
KEY FINANCIAL INDICATORS FOR SEEKA GROUP	**$000s**	**$000s**	**$000s**	**$000s**	**$000s**
Total Income	$57,128	$51,032	$42,858	$33,733	$26,281
Net Profit Before Tax	$4,443	$4,653	$3,022	$4,221	$3,010
Total Assets	$75,894	$46,829	$43,932	$38,257	$24,448
Total Shareholders Funds	$32,204	$25,083	$22,284	$20,422	$12,294
Shareholder Equity Ratio %	42%	54%	51%	53%	50%
Earnings per Share NPAT	$0.35	$0.39	$0.26	0.48*	$0.38
Dividend per Share	$0.20	$0.18	$0.15	$0.18	$0.18
Dividend % of NPAT	55%	46%	62%	41%	48%
Share Price	$4.50	$4.32	$3.00	$2.95	$2.35
NPAT on Net Assets	9%	12%	9%	13%	16%
Total Shareholders	526	398	376	364	264
Total Shares on Issue	8,669,936	8,013,914	7,696,068	7,676,815	5,082,748

Long Term Orchard Developments Bearing Fruit

The 2005 harvest will see the first significant volumes of Gold produced from the developments commenced in 2000. While still not in full production, yields are expected to be significant in terms of volume and quality. The anticipated 2005 crop of 400,000 trays at an average yield of 9,000 trays per hectare is also expected to earn significant price premium due to the tendency of younger Gold vines towards higher dry matter levels and earlier maturity.

The company will commence the amortisation of these investments in the year ended March 2006.

Seeka's Investment in Our People

We are delighted to advise that long-serving orchard managers Gavin London and Homman Tapsell graduated with a Diploma in Horticulture from Lincoln University's extra mural programme. Orchard division staff Matt Nelson, Matthew Wells, Nathan Burt, and Simon Cram are currently enrolled in the Lincoln programme, with Matt and Matthew having the added distinction of graduating first and second respectively in their class at the Bay of Plenty Polytechnic's Certificate in Horticulture programme.

Seeka also sponsored orchard manager Robert Humphries' participation in the NZ Fruitgrowers Federation rural leadership programme.

Seeka's ongoing investment in management development programmes and tertiary training for key staff remains a significant strategy for the company and will be an important factor in sustaining our position as a highly successful rural-based corporate.

Technology Refinement

Seeka is an industry leader in the application of new technology for the kiwifruit sector. Constraints on the continued availability of skilled and seasonal staff in the orchard and post harvest environment, as well as the need to optimise crop value through segregation, are critical factors on which future success will be gauged. Leading-edge technology and automation are vital to securing future efficiency and effective capacity management. Seeka's investments in automatic blemish sorting, NIR – Near Infra Red – sorting, robotic packing and other post harvest operations will be further refined to optimise future company performance and enhance grower returns.

In-market packing options remain a key strategic objective for effective future asset utilisation and efficiency, with protocols under development in conjunction with our associate Opac, the Salvi Company and Zespri, with a view to initial implementation in harvest 2006.

Securing the Future

Prospects for harvest 2005 are strong with adverse early spring conditions offset by an excellent summer and autumn. A new record crop of good-quality product is anticipated by the Seeka group with resources well placed to optimise the grower's position.

The successful establishment and implementation of Integrated Fruit Supply and Logistics Limited – IFSL – has been a significant element in consolidating grower supply.

Seeka's strategy continues to be widely endorsed by growers as attested by their continued support across the group through the expansion and acquisition process. The objective of IFSL is to secure a strong commercial relationship with our marketer Zespri by strengthening their single point of entry through innovation, efficiency and optimisation of orchard profitability.

Our industry's single point of entry to world markets is currently represented through Zespri by way of a statutory monopoly. It is vital to the entire industry that this monopoly is equipped to efficiently respond to the dynamics of the global fresh-fruit business. This will require careful integration at all levels to ensure that technology, innovation and commercial drivers are harnessed to achieve an efficient and cost-effective supply chain for growers.

The Seeka group is committed to secure these benefits for shareholders, growers and ultimately the wider industry. We confidently contemplate a new era of grower services with the consolidation bringing together post harvest services and grower entities that handle and supply nearly 30% of New Zealand's total kiwifruit crop.

Your Board commends this strategy to you as the mechanism to likewise secure a strong financial future for the company as we continue to lead the industry, and pioneer new levels of financial and commercial achievement on your behalf.

A.E (Tony) de Farias
Managing Director

Brian Allison
Chairman


Yale

financial statements

disclosures

as required by Section 211 of the Companies Act 1993

PRINCIPAL ACTIVITIES

The principal activity of the company is to provide and manage service activities to the horticulture industry. The nature of the Company's business has not changed in the year under review.

DIVIDENDS

A fully imputed final dividend for the 2004 financial year was paid on 15 September 2004 of 9 cents per share.

The Directors declared a fully imputed interim dividend for the 2005 financial year of 10 cents per share paid to those shareholders registered at 5.00pm, 14th December 2004. The dividend was paid on 20th December 2004 and the dividend reinvestment plan applied to this dividend.

The Directors have declared a fully-imputed final dividend for the 2005 financial year of $0.10 per share to be paid to those shareholders registered at 5:00pm, 2 June 2005. The dividend will be paid on 7 June 2005 and the reinvestment plan will not apply to this dividend.

DIRECTORS HOLDING OFFICE DURING THE YEAR

The directors holding office during the year were:

E B Allison
M J Cartwright
P G Dawe
D J Emslie
A E de Farias
C R Morton
J A Scotland

USE OF COMPANY INFORMATION

During the year the Board received no notices from directors requesting them to use company information which would not otherwise have been available to them.

DIRECTORS SHAREHOLDING

Directors held the following shares at 31 March 2005:

Director	No of Shares Held
M J Cartwright*	41,521
P G Dawe	11,677
P G Dawe – Omarama Farm Partnership	19,459
C R Morton	1,478,886
D J Emslie*	120,498
J A Scotland – Scotlands Farms Limited	10,000

**Held by a trust of which the director is a discretionary beneficiary*

E B Allison, D J Emslie and C R Morton hold 236,000 shares on behalf of the Staff Share Scheme.

E B Allison is a director of B&P Investments Limited which holds 40,364 shares at balance date.

SHARE DEALINGS

During the year the following directors acquired (or sold) interests, either directly or indirectly, in ordinary shares issued by the Company.

Director	No of Shares Acquired (Sold)	Consideration Paid (Received)	Date
M J Cartwright*+	747	$4.81	15-Sep-04
M J Cartwright*+	830	$4.90	20-Dec-04
P G Dawe*	210	$4.81	15-Sep-04
P G Dawe – Omarama Farm Partnership*	234	$4.90	20-Dec-04
P G Dawe*	350	$4.81	15-Sep-04
P G Dawe – Omarama Farm Partnership*	389	$4.90	20-Dec-04
C R Morton	19,925	$4.90	21-Jul-04
C R Morton*	26,436	$4.81	15-Sep-04
C R Morton	10,000	$4.70	2-Dec-04
C R Morton*	29,578	$4.90	20-Dec-04
D J Emslie+	120,498	$4.70	23-Dec-04
J A Scotland – Scotlands Farms Limited	10,000	$5.00	5-Aug-04

**Issued as a result of the dividend reinvestment scheme.*

+The transaction relates to shares held by a trust of which the director is a discretionary beneficiary

REMUNERATION AND OTHER BENEFITS

Director	Directors Fees	Other Remuneration	Total
E B Allison	40,000	0	40,000
M J Cartwright	25,000	12,500	37,500
D J Emslie	25,000	0	25,000
P G Dawe	28,000	0	28,000
A E de Farias	0	241,410	241,410
C R Morton	25,000	0	25,000
J A Scotland	25,000	0	25,000

REMUNERATION OF EMPLOYEES

The Company has 4 employees that are not directors whose remuneration and benefits exceed $100,000 in the financial year.

Remuneration	2005 No of Employees		2004 No of Employees
$110,000 – $120,000	1		2
$120,000 – $130,000	2		1
$130,000 – $140,000	1		1

DIRECTORS INTERESTS

During the year the Company undertook transactions with the directors as set out in Note 20 to the financial statements "Related Party Transactions".

Directors have disclosed the following particular directorships held by them:

M J Cartwright – Chairman of Seeka Growers Limited, Chairman of Integrated Fruit Supply & Logistics Limited.

P G Dawe – Chairman of Kiwigold Developments Limited.

A E de Farias – Chairman of Golden Heights Limited and director of Opotiki Packing and Coolstorage Limited and director of Seeka Growers Limited.

D J Emslie – Director of Opotiki Packing and Coolstorage Limited.

J A Scotland – a director of AgriQuality NZ Limited and a director of the Horticulture and Food Research Institute of New Zealand Limited.

INDEMNITY INSURANCE

Clause 9.7 of the Constitution allows the Company to indemnify and insure directors to the extent permitted by the Companies Act 1993. The Company has provided insurance for all directors.

statement of financial performance

for the year ended 31 March 2005

	Notes	GROUP 2005 $000	GROUP 2004 $000	PARENT 2005 $000	PARENT 2004 $000
Operating revenues	2	57,128	51,032	57,128	51,032
Operating expenses	2	49,648	43,668	49,648	43,668
Operating surplus before interest, tax and depreciation		**7,480**	**7,364**	**7,480**	**7,364**
Depreciation	2	1,926	1,996	1,926	1,996
Operating surplus before interest and tax		**5,554**	**5,368**	**5,554**	**5,368**
Interest	2	1,111	715	1,111	715
Operating surplus before tax		**4,443**	**4,653**	**4,443**	**4,653**
Taxation expense	3	1,399	1,566	1,399	1,566
NET OPERATING SURPLUS ATTRIBUTABLE TO SHAREHOLDERS		**3,044**	**3,087**	**3,044**	**3,087**

statement of movements in equity

for the year ended 31 March 2005

	GROUP 2005 $000	GROUP 2004 $000	PARENT 2005 $000	PARENT 2004 $000
Net surplus attributable to shareholders	3,044	3,087	3,044	3,087
Revaluation of land & buildings	1,779	118	1,779	118
Total recognised revenues and expenses for the year	**4,823**	**3,205**	**4,823**	**3,205**
Contribution from owners				
Shares issued	3,126	1,028	3,126	1,028
Distributions to owners				
Dividend paid	(828)	(713)	(828)	(713)
Dividend payable	0	(721)	0	(721)
Movement in equity for the year	**7,121**	**2,799**	**7,121**	**2,799**
Equity at beginning of year	**25,083**	**22,284**	**25,121**	**22,322**
EQUITY AT 31 MARCH 2005	**32,204**	**25,083**	**32,242**	**25,121**

The accompanying notes form an integral part of these financial statements.

statement of financial position

as at 31 March 2005

	Notes	GROUP 2005 $000	GROUP 2004 $000	PARENT 2005 $000	PARENT 2004 $000
EQUITY					
Share capital	4	15,178	12,052	15,178	12,052
Reserves	5	5,500	3,721	5,500	3,721
Retained earnings	5	11,526	9,310	11,564	9,348
TOTAL EQUITY		**32,204**	**25,083**	**32,242**	**25,121**
CURRENT ASSETS					
Accounts receivable	6	4,561	3,270	4,246	3,270
Work in progress	7	11,401	8,832	11,401	8,832
Inventory	8	1,449	1,289	1,061	1,289
Income tax refund due		328	276	248	276
TOTAL CURRENT ASSETS		**17,739**	**13,667**	**16,956**	**13,667**
NON CURRENT ASSETS					
Advances	9	656	933	656	933
Investments	10	7,589	1,102	18,255	1,140
Property plant and equipment	11	40,914	22,607	25,878	22,607
Leased property development costs	12	8,738	8,520	8,738	8,520
Goodwill	13	258	0	0	0
TOTAL NON CURRENT ASSETS		**58,155**	**33,162**	**53,527**	**33,200**
TOTAL ASSETS		**75,894**	**46,829**	**70,483**	**46,867**
CURRENT LIABILITIES					
Bank overdraft	15	375	122	259	122
Accounts payable	14	4,114	3,203	3,781	3,203
Term liabilities – current	15	17,924	890	16,824	890
Provision for dividend		0	721	0	721
TOTAL CURRENT LIABILITIES		**22,413**	**4,936**	**20,864**	**4,936**
NON CURRENT LIABILITIES					
Term liabilities	15	9,975	11,837	6,224	11,837
Provision for deferred tax	16	6,302	4,973	6,153	4,973
NON CURRENT LIABILITIES		**16,277**	**16,810**	**12,377**	**16,810**
Mandatory convertible notes	15a	5,000	0	5,000	0
TOTAL NON CURRENT LIABILITIES		**21,277**	**16,810**	**17,377**	**16,810**
TOTAL LIABILITIES		**43,690**	**21,746**	**38,241**	**21,746**
NET ASSETS		**32,204**	**25,083**	**32,242**	**25,121**

On behalf of the Board:

E B Allison
Chairman

P G Dawe
Director

Dated: 17 May 2005

The accompanying notes form an integral part of these financial statements.

statement of cash flows

for the year ended 31 March 2005

		GROUP		PARENT	
	Notes	2005 $000	2004 $000	2005 $000	2004 $000
OPERATING ACTIVITIES					
Cash was provided from:					
Receipts from customers		57,206	51,629	57,206	51,629
Interest received		40	55	40	55
Dividends received		115	83	115	83
Cash was disbursed to:					
Payments to suppliers and employees		(52,479)	(46,198)	(52,479)	(46,198)
GST paid		(149)	61	(149)	61
Interest paid		(1,112)	(715)	(1,112)	(715)
Income taxes paid		(192)	(540)	(192)	(540)
NET CASHFLOWS FROM OPERATING ACTIVITIES	**24**	**3,429**	**4,375**	**3,429**	**4,375**
INVESTING ACTIVITIES					
Cash was provided from:					
Sale of property plant and equipment		136	170	136	170
Repayment of staff share trust advance	23	147	74	147	74
Sale of investments		0	102	0	102
Cash was applied to:					
Purchase of property plant and equipment		(3,553)	(2,695)	(3,553)	(2,695)
Staff share trust advance	23	(409)	(599)	(409)	(599)
Purchase of investments	10a	(15,119)	0	(15,003)	0
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(18,798)**	**(2,948)**	**(18,682)**	**(2,948)**
FINANCING ACTIVITIES					
Cash was provided from:					
Proceeds of term debt		16,200	0	16,200	0
Issue of shares		389	1,028	389	1,028
Cash was applied to:					
Term debt repayments		(810)	(915)	(810)	(915)
Payment of dividend		(663)	(1,406)	(663)	(1,406)
Other advances		0	(76)	0	(76)
NET CASHFLOWS FROM FINANCING ACTIVITIES		**15,116**	**(1,369)**	**15,116**	**(1,369)**
Net (increase)/decrease in overdraft		(253)	58	(137)	58
Opening overdraft brought forward		(122)	(180)	(122)	(180)
ENDING OVERDRAFT CARRIED FORWARD		**(375)**	**(122)**	**(259)**	**(122)**

The accompanying notes form an integral part of these financial statements.

notes to the financial statements

for the year ended 31 March 2005

NOTE 1 – STATEMENT OF ACCOUNTING POLICIES

a. Reporting Entity

Seeka Kiwifruit Industries Limited is a company registered under the Companies Act 1993.

The group consists of Seeka Kiwifruit Industries Limited, and its subsidiaries.

Seeka Kiwifruit Industries Limited is an issuer for the purposes of the Financial Reporting Act 1993. The financial statements and the group financial statements have been prepared in accordance with the Financial Reporting Act 1993.

b. Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed by the group with the exception of certain fixed assets which have been revalued.

c. Specific Accounting Policies

Specific accounting policies which materially affect the measurement of results and financial position have been applied as follows:

(i) Basis of Consolidation – Purchase Method

The consolidated financial statements include the holding company and its subsidiaries are accounted for using the purchase method. All significant intercompany transactions are eliminated on consolidation. In the Company's financial statements investments in subsidiaries are recognised at their cost.

(ii) Associate Companies

The associate companies are companies in which the group holds substantial shareholdings and in whose commercial and financial policy decisions it participates. Associate companies have been reflected in the consolidated financial statements on an equity basis, which shows the group's share of retained surpluses in the consolidated statement of financial performance, and its share of post acquisition increases or decreases in net assets in the consolidated statement of financial position.

(iii) Valuation of Assets

Accounts Receivable: Trade debtors are valued at estimated realisable value. All known bad debts are written off in the period in which they become evident. All other accounts receivable are stated at cost.

Inventory: Inventory on hand has been valued at the lower of cost or net realisable value after due allowance for damaged and obsolete items.

Advances: Advances are stated at cost.

Investments: Investments are stated at cost.

Property plant and equipment: The group has four classes of property, plant and equipment. Land; Buildings; Plant and equipment, motor vehicles, office furniture and equipment; and Leased plant and vehicles. All property, plant and equipment is initially recorded at cost. The land and buildings are revalued to their market values as assessed by an independent qualified valuer. Assets in these classes will be revalued on a systematic basis on a rolling 3 year cycle. Some packing plant has been revalued, plant and equipment have been valued at cost less depreciation.

notes to the financial statements

for the year ended 31 March 2005

(iv) Depreciation

Depreciation is provided on a straight line or diminishing value basis on all tangible assets other than freehold land, at rates calculated to allocate the assets cost or valuation less estimated residual value, over their estimated useful lives.

Major depreciation periods are:	Freehold buildings – 20 to 50 years
	Plant and equipment – 10 to 20 years
	Motor vehicles – 4 to 7 years
	Office furniture and equipment – 3 to 10 years

(v) Goodwill

Goodwill represents the excess of purchase consideration over the net book value of assets at the time of purchase of a business or share in a subsidiary.

Goodwill is amortised over a 5 year period.

(vi) Taxation

The income tax expense charged to the Statement of Financial Performance includes both the current year's provision and the income tax effects of timing differences calculated using the liability method.

Tax effect accounting has been applied on a comprehensive basis to all timing differences. A debit balance in the deferred tax account, arising from timing differences or income tax benefits from income tax losses, is only recognised if there is a virtual certainty of realisation.

(vii) Leases

Group entities lease land, improvements and buildings and certain plant and equipment. Financial leases which effectively transfer to the entity substantially all of the risks and benefits incidental to ownership of the leased items, are capitalised at the cost of the asset concerned and depreciated in accordance with the accounting policies of the company. The corresponding liabilities are disclosed.

Vehicle operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of leased items, are included in the determination of the net surplus in equal instalments over the lease term.

(viii) Leased Property Development Costs

The group has entered into long term leases of land which it is converting to kiwifruit production.

Pre-production costs are accumulated and capitalised during the pre-production period. The accumulated costs are to be amortised by equal instalments over the remaining term of the lease commencing with the first year of significant production.

Property, plant & equipment are depreciated on a straight-line basis commencing with the first year of significant production but with a maximum depreciation period of 10 years.

(ix) The Kiwifruit Crop

Revenues from the kiwifruit crop are recognised in the Statement of Financial Performance in the year in which the crop is harvested. The cost of growing the crop is expensed in that year. The costs incurred to balance date in growing the crop to be harvested following balance date are included as work in progress in the Statement of Financial Position.

(x) Financial Instruments

The company includes all financial instrument arrangements in the Statement of Financial Position using the concepts of accrual accounting. These instruments arise as a result of everyday operations and include, bank accounts, accounts receivable, accounts payable, term debt, investments. Revenues and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance. Financial instruments are shown at their fair values.

(xi) Cashflows

For the purpose of the Statement of Cashflows, cash includes cash on hand, deposits held at call with banks, and investments in money market instruments, net of bank overdrafts.

(xii) Employee Entitlements

A liability for annual leave is accrued and recognised. The liability is equal to the present value of the estimated future cash outflows as a result of employee services provided at balance date.

d. Changes in Accounting Policies

The accounting policy for leased property development costs has been changed to amortise costs over the term of the lease with no maximum period.

These changes have been made to fairly reflect the amortisation of the costs concerned. The changes in policy have resulted in no change to the financial statements for the year.

All other accounting policies have been applied on a basis consistent with those used in previous years.

NOTE 2 – OPERATING REVENUES

		GROUP		PARENT	
	Notes	2005 $000	2004 $000	2005 $000	2004 $000
OPERATING REVENUES					
per the Statement of Financial Performance comprise:					
Sales		56,925	50,881	56,925	50,881
Interest income		40	68	40	68
Dividend income		114	83	114	83
Profit on sale of property, plant and equipment		49	0	49	0
TOTAL OPERATING REVENUES		**57,128**	**51,032**	**57,128**	**51,032**
OPERATING EXPENSES					
per the Statement of Financial Performance comprise:					
Materials and service expenses		37,003	33,686	37,003	33,686
Employee remuneration including seasonal staff		11,573	9,040	11,573	9,040
Audit fees		28	25	28	25
Directors fees		168	143	168	143
Loss on sale of property, plant and equipment		2	6	2	6
Rent and lease expenses		874	768	874	768
TOTAL OPERATING EXPENSES		**49,648**	**43,668**	**49,648**	**43,668**
Depreciation	11	1,926	1,996	1,926	1,996
Interest		1,111	715	1,111	715

Included in expenses are interest costs of $294,875 and other costs of $130,088 related to the purchase of new acquisitions.

notes to the financial statements

for the year ended 31 March 2005

		GROUP		PARENT	
	Notes	2005 $000	2004 $000	2005 $000	2004 $000

NOTE 3 – TAX

	Notes	GROUP 2005 $000	GROUP 2004 $000	PARENT 2005 $000	PARENT 2004 $000
NET OPERATING SURPLUS BEFORE TAXATION		**4,443**	**4,653**	**4,443**	**4,653**
Prima facie taxation		1,466	1,535	1,466	1,535
Add tax effect non deductible items		(52)	31	(52)	31
Add (subtract) prior year adjustments		(15)	0	(15)	0
INCOME TAX EXPENSE		**1,399**	**1,566**	**1,399**	**1,566**
The income tax expense is represented by:					
Current tax		219	598	219	598
Deferred tax	16	1,180	968	1,180	968
INCOME TAX EXPENSE		**1,399**	**1,566**	**1,399**	**1,566**
IMPUTATION CREDIT ACCOUNT					
Balance at 1 April 2004		**1,020**	**1,117**	**1,020**	**1,117**
Net tax paid		204	554	204	554
Imputation credits attached to dividends received		56	41	56	41
Imputation on dividends paid		(759)	(692)	(759)	(692)
BALANCE 31 MARCH 2005		**521**	**1,020**	**521**	**1,020**

NOTE 4 – SHARE CAPITAL

	GROUP 2005 $000	GROUP 2004 $000	PARENT 2005 $000	PARENT 2004 $000
SHARE CAPITAL AT 1 APRIL 2004	**12,052**	**11,024**	**12,052**	**11,024**
Shares issued under staff share scheme	388	599	388	599
Shares issued under dividend reinvestment plan	886	378	886	378
Other share issues	1,852	51	1,852	51
SHARE CAPITAL AS AT 31 MARCH 2005	**15,178**	**12,052**	**15,178**	**12,052**

The share capital of the company comprises 8,669,936 (last year 8,013,914) ordinary shares fully paid up of which 8,661,737 (last year 8,005,715) are held by shareholders at balance date.

All shares have equal voting rights and share equally in dividends and surplus on winding up.

Share repurchase held as treasury stock

A total of 8,199 shares (last year 8,199) are being held as treasury stock at year end.

	Notes	GROUP 2005 $000	GROUP 2004 $000	PARENT 2005 $000	PARENT 2004 $000

NOTE 5 – RESERVES

ASSET REVALUATION RESERVE				
Balance at 1 April 2004	**3,721**	**3,602**	**3,721**	**3,602**
Revaluation of property	1,779	119	1,779	119
BALANCE AT 31 MARCH 2005	**5,500**	**3,721**	**5,500**	**3,721**
Reserve arising from the revaluation of property				
RETAINED EARNINGS				
Balance at 1 April 2004	**9,310**	**7,658**	**9,348**	**7,696**
Net operating surplus attributable to shareholders	3,044	3,087	3,044	3,087
Dividend paid	(828)	(714)	(828)	(714)
Provision for dividend	0	(721)	0	(721)
BALANCE AT 31 MARCH 2005	**11,526**	**9,310**	**11,564**	**9,348**

NOTE 6 – ACCOUNTS RECEIVABLE

Trade debtors	734	1,154	592	1,154
Accrued income	2,092	1,054	2,092	1,054
Prepayments	1,234	710	1,061	710
GST refund due	501	352	501	352
	4,561	**3,270**	**4,246**	**3,270**

NOTE 7 – WORK IN PROGRESS

Orchard Operating Costs	**11,401**	**8,832**	**11,401**	**8,832**
Total canopy hectares	540	465	540	465

Orchard operating costs include orchard production costs and rentals incurred to balance date in growing the kiwifruit crop on orchards owned and leased by the Company and which will be harvested following balance date.

NOTE 8 – INVENTORY

Kiwifruit packaging	1,383	1,231	995	1,231
Other finished goods	66	58	66	58
Total Inventory	**1,449**	**1,289**	**1,061**	**1,289**

The kiwifruit packaging includes carry over stocks from last season and stock purchased prior to balance date for the next season. Certain inventories are subject to retention of titles.

notes to the financial statements

for the year ended 31 March 2005

	Notes	GROUP 2005 $000	GROUP 2004 $000	PARENT 2005 $000	PARENT 2004 $000

NOTE 9 – ADVANCES

	Notes	GROUP 2005 $000	GROUP 2004 $000	PARENT 2005 $000	PARENT 2004 $000
Advances		**656**	**933**	**656**	**933**

Advances are in respect of orchard leases and management contracts for specific projects where a lease or management contract is held. Repayment is from crop proceeds with the advance repayable within the terms of the contract.

NOTE 10 – INVESTMENTS

	Notes	GROUP 2005 $000	GROUP 2004 $000	PARENT 2005 $000	PARENT 2004 $000
Investment in subsidiaries companies:					
Shares in Seeka Management Services Ltd		0	0	34	34
Advances to Seeka Management Services Ltd		0	0	4	4
Shares in Eleos Ltd		0	0	10,675	0
Deposit for Bridge Cool Group acquisition		1,331	0	1,331	0
Investment in associated companies:					
Shares in and advances to Prendo Prepack Ltd		115	100	100	100
Opotiki Packing and Coolstorage Ltd		3,726	0	3,726	0
Other investments:					
Shares in orchard companies		100	117	100	117
Shares in Kiwifruit International Ltd		162	162	162	162
Shares in Zespri Group Ltd		358	155	358	155
Other shares		115	43	83	43
Shares in Vital Foods Distribution Ltd		895	0	895	0
Advance to Staff Share Trust	23	787	525	787	525
TOTAL INVESTMENTS		**7,589**	**1,102**	**18,255**	**1,140**

Investments in subsidiaries and associated companies comprise:

	Percentage Held by Seeka Kiwifruit Industries Limited 2005	Percentage Held by Seeka Kiwifruit Industries Limited 2004	Balance Date	
Seeka Management Services Ltd	100%	100%	31-Mar	Non Trading
Envirogro Ltd	100%	100%	31-Mar	Non Trading
Eleos Ltd	100%	0%	31-Mar	Postharvest Services
Kiwifruit Supply Research Ltd	20%	20%	31-Mar	Research
Tauranga Kiwifruit Logistics Ltd	20%	20%	31-Mar	Supply Logistics
Prendo Prepack Ltd	40%	25%	31-Mar	Packing
Vital Foods Distribution Ltd	20%	0%	31-Mar	Distribution
Opotiki Packing and Coolstorage Ltd	20%	0%	31-Dec	Horticulture Services

All investments are directly owned by Seeka Kiwifruit Industries Limited.

NOTE 10a – ACQUISITION OF SUBSIDIARIES AND ASSOCIATES

Eleos Limited

On 31st December 2004 the Company acquired all of the shares of Eleos Limited. Eleos Limited is a company operating in post harvest services and has made no contribution to the operating results for the year ended 31 March 2005. The acquisition was accounted for using the purchase method and the resulting goodwill will be amortised over 5 years.

Details of the acquisition are:

	2005 $000
Consideration paid	
Cash paid	8,823
Seeka shares (378,263 shares at $4.70)	1,852
Total Consideration Paid	**10,675**

The acquisition had the following effect on the consolidated financial position:

CURRENT ASSETS	
Accounts receivable	315
Inventory	388
Income tax refund due	79
TOTAL CURRENT ASSETS	**782**
NON CURRENT ASSETS	
Investments	46
Property plant and equipment	15,036
TOTAL NON CURRENT ASSETS	**15,082**
TOTAL ASSETS	**15,864**
CURRENT LIABILITIES	
Bank overdraft	115
Accounts payable	333
Term liabilities – current	1,100
TOTAL CURRENT LIABILITIES	**1,548**
NON CURRENT LIABILITIES	
Term liabilities	3,899
TOTAL NON CURRENT LIABILITIES	**3,899**
TOTAL LIABILITIES	**5,447**
NET ASSETS ACQUIRED AT FAIR VALUE	**10,417**
Total consideration paid	**10,675**
GOODWILL ARISING ON ACQUISITION	**258**

Opotiki Packing and Coolstorage Limited

On 24th December 2004 the Company acquired 20% of the shares of Opotiki Packing and Coolstorage Limited which has a balance date of 31 December. The investment is recognised at cost. Fair values have been determined as at acquisition date.

Balance at 1 April 2004	**0**
Purchase of 20% share of Opotiki Packing and Coolstorage Ltd	3,726
BALANCE AT 31 MARCH 2005	**3,726**

notes to the financial statements

for the year ended 31 March 2005

	GROUP 2005 $000	GROUP 2004 $000	PARENT 2005 $000	PARENT 2004 $000

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

	GROUP 2005 $000	GROUP 2004 $000	PARENT 2005 $000	PARENT 2004 $000
Land at valuation	3,600	2,530	2,970	2,530
Buildings at valuation	27,121	15,124	16,277	15,124
Plant and equipment, motor vehicles, office furniture and equipment at cost	22,980	13,444	16,214	13,444
Plant and vehicles under hire purchase	521	394	521	394
Accumulated depreciation	(13,308)	(8,885)	(10,104)	(8,885)
NET BOOK VALUE	**40,914**	**22,607**	**25,878**	**22,607**

Land and buildings are revalued to their estimated market value on a rolling three year cycle. The current year's valuations were completed by J L Middleton, ANZIV, independent registered valuer in March 2005. Subsequent additions are at cost.

	GROUP 2005 $000	GROUP 2004 $000	PARENT 2005 $000	PARENT 2004 $000
Accumulated depreciation on buildings at valuation	1,802	479	523	479
Accumulated depreciation on plant & equipment, motor vehicles, office furniture and equipment	11,326	8,235	9,401	8,235
Accumulated depreciation on plant and vehicles under HP	180	171	180	171
TOTAL ACCUMULATED DEPRECIATION	**13,308**	**8,885**	**10,104**	**8,885**
Current year depreciation on buildings at valuation	548	544	548	544
Current year depreciation on plant and equipment, motor vehicles, office furniture and equipment	1,336	1,391	1,336	1,391
Current year depreciation on plant and vehicles under HP	42	61	42	61
TOTAL CURRENT YEAR DEPRECIATION	**1,926**	**1,996**	**1,926**	**1,996**

NOTE 12 – LEASED PROPERTY DEVELOPMENT COSTS

	GROUP 2005 $000	GROUP 2004 $000	PARENT 2005 $000	PARENT 2004 $000
Kiwifruit vines, structures & plants	4,633	4,390	4,633	4,390
Pre-production costs	4,105	4,130	4,105	4,130
	8,738	**8,520**	**8,738**	**8,520**

These kiwifruit vines, structures and plants relate to orchards where the company has a long term lease on a total of 106.16 hectares (last year 106.16). 72% will produce a significant crop for the 2005 season and the whole planting will produce significant crops in the 2006 season. The plantings are 28% in Hayward and 72% in Zespri TM Gold.

NOTE 13 – GOODWILL

	GROUP 2005 $000	GROUP 2004 $000	PARENT 2005 $000	PARENT 2004 $000
Balance 1 April 2004	**0**	**0**	**0**	**0**
Goodwill purchased	258	0	0	0
Amortisation of goodwill	0	0	0	0
BALANCE 31 MARCH 2005	**258**	**0**	**0**	**0**

Goodwill will be amortised over 5 years.

	GROUP 2005 $000	GROUP 2004 $000	PARENT 2005 $000	PARENT 2004 $000

NOTE 14 – ACCOUNTS PAYABLE

	GROUP 2005 $000	GROUP 2004 $000	PARENT 2005 $000	PARENT 2004 $000
Trade creditors	2,199	1,920	1,916	1,920
Accrued expenses	1,593	1,104	1,577	1,104
Employee entitlements	280	179	246	179
Owed to directors	42	0	42	0
	4,114	**3,203**	**3,781**	**3,203**

NOTE 15 – TERM LIABILITIES

		GROUP 2005 $000	GROUP 2004 $000	PARENT 2005 $000	PARENT 2004 $000
Various hire purchase and lease agreements		111	179	111	179
Debentures and mortgages secured over land, buildings and chattels		27,788	12,548	22,937	12,548
		27,899	**12,727**	**23,048**	**12,727**
Less current portion repayable within one year		17,924	890	16,824	890
Portion due for repayment later than one year		**9,975**	**11,837**	**6,224**	**11,837**
Term Liabilities are repayable within:					
Year	Average Interest Rate				
1 Year (lease liabilities)	10.30%	64	80	64	80
1 Year (other)	8.10%	21,611	810	16,760	810
2 Years	10.30%	724	5,640	724	5,640
3 Years & later	8.26%	5,500	6,197	5,500	6,197
		27,899	**12,727**	**23,048**	**12,727**

The bank overdraft is secured under the same debentures and mortgages as the term debt. The Group has total facilities of $39,237,500. This is made up of an overdraft facility of $1,000,000, a multi option credit facility of $7,500,000, term loans of $27,937,500 and a business finance line of $2,800,000. In addition a Westpac loan facility of $13,500,000 was in place at 31 March 2005 to complete the Bridge Cool acquisition in April 2005.

NOTE 15a – MANDATORY CONVERTIBLE NOTES

	GROUP 2005 $000	GROUP 2004 $000	PARENT 2005 $000	PARENT 2004 $000
Mandatory convertible notes – Rotorua Energy Consumer Trust	**5,000**	**0**	**5,000**	**0**

The company has issued 5,000,000 unlisted mandatory convertible notes for $1.00 to the Rotorua Energy Consumer Trust. In any distribution of assets by the company the MCN's will rank ahead of ordinary equity, but behind all other obligations of the company. The notes convert at 1 February 2010, or earlier with 14 days written notice. The notes have a right to convert at face value into ordinary shares in Seeka at 5% discount to the volume weighted average of Seeka shares for the previous 30 working days in minimum parcels of 500,000 MCN's. Interest is payable at 10% per annum.

	GROUP		PARENT	
	2005 $000	2004 $000	2005 $000	2004 $000

NOTE 16 – PROVISION FOR DEFERRED TAX

	GROUP 2005 $000	GROUP 2004 $000	PARENT 2005 $000	PARENT 2004 $000
Balance at 1 April 2004	**4,973**	**4,005**	**4,973**	**4,005**
Provision for deferred tax	1,180	968	1,180	968
Provision for deferred tax – Eleos Limited	149	0	0	0
BALANCE AT 31 MARCH 2005	**6,302**	**4,973**	**6,153**	**4,973**

The provision for deferred tax is taxation provided on current profits but not due to be paid until after 31 March 2005 due to expenditure relating to later periods claimed for taxation purposes in the current period.

Deferred tax applicable to the operating costs on long term leases make up 34% (last year 28%) of the provision and tax relative to these costs will become payable as they are amortised in future years.

Deferred tax applicable to work in progress makes up 50% (last year 59%) of the provision and arises because of the accounting policy of accruing current season expenditure on orchards as work in progress while claiming the appropriate tax deductibility.

NOTE 17 – COMMITMENTS

	GROUP 2005 $000	GROUP 2004 $000	PARENT 2005 $000	PARENT 2004 $000
Estimated capital expenditure contracted for at balance date but not provided for	**1,336**	**822**	**1,336**	**822**
Share of Opac capital commitments	**120**	**0**	**0**	**0**
Lease commitments under non-cancellable operating leases:				
Not later than one year	2,447	2,489	2,447	2,489
Later than one year not later than two	1,720	1,508	1,720	1,508
Later than two not later than five	1,912	1,557	1,912	1,557
Later than five years	3,727	4,216	3,727	4,216
	9,806	**9,770**	**9,806**	**9,770**

In addition to the above lease commitments there are commitments for orchard leases which are contingent on the number of trays harvested in each year of the lease. An asset of a greater value than the lease commitment accrues at the time of harvest.

The company has a commitment for the unpaid calls on 148,045 Zespri Shares of $404,163. This is due in instalments with $202,822 due in November 2005 and $201,341 due November 2006.

NOTE 18 – CONTINGENT LIABILITIES

The Westpac bank holds a guarantee for a bond of $15,000 in favour of the New Zealand Stock Exchange.

The group has 20% of Opotiki Pack and Coolstorage Limited's contingent liabilities. The group's share is $298,289.

NOTE 19 – FINANCIAL INSTRUMENTS

CREDIT RISK

Financial instruments which potentially subject the Company to credit risk principally consist of bank balances and accounts receivable.

The company performs credit evaluations on all customers requiring credit generally does not require collateral.

Maximum exposures to credit risk as at balance date are:

	GROUP		PARENT	
	2005 $000	2004 $000	2005 $000	2004 $000
Accounts receivable	3,327	2,560	3,185	2,560
Advances	656	933	656	933
	3,983	**3,493**	**3,841**	**3,493**

No collateral is held on the above amounts.

The Company is exposed to a concentration of credit risk with Zespri International Limited which is the marketer of kiwifruit for New Zealand.

LIQUIDITY RISK

Work in progress relates to crop expenditure for crops that will be harvested and revenue received in the next financial year. Crop failures will impact on trading revenue and the Company's liquidity.

INTEREST RATE RISK

The interest rates on term debt are reviewed from time to time and currently range from 7.6% to 10% per annum. The interest rates on the hire purchase are reviewed from time to time and are currently 10.3%.

CURRENCY RISK

The company has no direct currency risk.

MARKET RISK

The company has no significant market risk. The value of investments is anticipated to remain constant.

FAIR VALUES

The carrying amount is considered to be the fair value for each of the financial instruments – bank accounts, accounts receivable, investments, creditors and term debt.

NOTE 20 – RELATED PARTY TRANSACTIONS

(a) The company undertakes transactions with the directors in the normal course of business, none of which were of a material nature. All transactions between the company and directors are on normal commercial terms.

(b) The company has identified associates and subsidiaries in which it has an interest (Note 10).

(c) The company undertook transactions with its grower entity to a value of $48,931,451 (last year $43,788,430). These have been approved at a special meeting of shareholders held on 23 February 2005. The transactions are for the provision of post harvest services.

(d) No related party debts have been forgiven or written off during the year.

NOTE 21 – SEGMENT INFORMATION

All trading activities of the Company relate to the kiwifruit industry.
All activities are based in the Bay of Plenty, New Zealand.

NOTE 22 – SIGNIFICANT EVENTS AFTER BALANCE DATE

On 1st April 2005 the company purchased 100% shareholding in Reawood Cool Pack Limited (Bridgecool) and its subsidiaries.

The purchase price is $13,000,000 subject to a $500,000 escrow amount. At 31st March 2005 a deposit of $1,300,000 and purchase costs of $31,139 had been paid.

	2005 $000
Consideration paid	13,000
The acquisition will have the following effect on the group financial position:	
CURRENT ASSETS	
Accounts receivable	2,843
WIP	2,629
Income tax refund due	486
TOTAL CURRENT ASSETS	**5,958**
NON CURRENT ASSETS	
Investments	55
Property, plant and equipment	13,226
TOTAL NON CURRENT ASSETS	**13,281**
TOTAL ASSETS	**19,239**
CURRENT LIABILITIES	
Bank overdraft	629
Accounts payable	2,315
TOTAL CURRENT LIABILITIES	**2,944**
NON CURRENT LIABILITIES	
Term liabilities	5,719
TOTAL NON CURRENT LIABILITIES	**5,719**
TOTAL LIABILITIES	**8,663**
NET ASSETS ACQUIRED AT FAIR VALUE	**10,576**
Total consideration paid	**13,000**
GOODWILL ARISING ON ACQUISITION	**2,424**

NOTE 23 – EMPLOYEE STAFF SHARE SCHEME

	GROUP		PARENT	
	2005 $000	2004 $000	2005 $000	2004 $000
Balance at 1 April 2004	**525**	**0**	**525**	**0**
Advances to staff share scheme	409	599	409	599
Dividends received	(38)	(17)	(38)	(17)
Advance repayments due to resignation	(109)	(57)	(109)	(57)
Balance at 31 March 2005	**787**	**525**	**787**	**525**

On 15 October 2002 the Company established an Employee Share Scheme (ESSS) and issued 206,000 ordinary shares at $2.91 per share, being the market price at issue (ex dividend). A further 28,000 shares were issued during the year at $4.89, and at balance date the number of shares held by the ESSS was 234,000, which are all allocated to employees representing 2.6% of share capital.

The scheme is managed by an independent Trust and the ESSS has borrowed $1,008,360 (last year $599,460) from the Company to finance the scheme. The amount owing at balance date was $786,810 (last year $524,520). This loan is interest bearing and the rate of interest and terms of repayment are at the Company's option. The Trust has no other external financing.

Further shares may be issued at the directors discretion at a price set by the directors, except that the ESSS cannot be issued with further shares if that issue of shares would result in the ESSS having an interest of more than 5% of the issued capital of the Company.

The ESSS has a non-beneficial interest in all the shares allocated to employees. Annually the Company will review the scheme and decide upon the allocation of further shares and the price at which those shares will be issued to the ESSS. All shares allocated are fully paid up and there are no options.

Dividends paid on the shares are used to repay the debt between the ESSS and the Company.

The Trustees of ESSS are not appointed for any term and may be removed by the Company at any time.

The shares held by the ESSS carry the same voting rights as other issued ordinary shares, however the Trust Deed prohibits the Trustees from exercising any votes on the shares. Also employees participating in the ESSS are unable to exercise voting rights while monies are owed on the shares.

notes to the financial statements

for the year ended 31 March 2005

NOTE 24 – STATEMENT OF CASHFLOWS

Reconciliation of net operating surplus after taxation with cashflows from operating activities.

	GROUP		PARENT	
	2005 $000	2004 $000	2005 $000	2004 $000
Net operating surplus after taxation	**3,044**	**3,087**	**3,044**	**3,087**
Add non cash items:				
Depreciation	1,926	1,996	1,926	1,996
Movement in deferred tax	1,180	968	1,180	968
	3,106	**2,964**	**3,106**	**2,964**
Add items not classified as an operating activity:				
Operating costs on leased properties	(2,788)	(1,183)	(2,788)	(1,183)
Profit on sale of property, plant and equipment	2	6	2	6
Purchase of property, plant and equipment included in accounts payable	(402)	(369)	(402)	(369)
Advances included in accounts receivable	374	(109)	374	(109)
	(2,814)	**(1,655)**	**(2,814)**	**(1,655)**
Increase (decrease) in working capital:				
Increase (decrease) in accounts payable	911	75	911	75
Decrease (increase) in accounts receivable	(1,291)	564	(1,291)	564
Decrease (increase) in inventory	227	250	227	250
Decrease (increase) in work in progress / prepayments	219	(955)	219	(955)
Decrease (increase) in taxes due	27	45	27	45
	93	**(21)**	**93**	**(21)**
NET CASH FLOW FROM OPERATING ACTIVITIES	**3,429**	**4,375**	**3,429**	**4,375**

auditor's report

INGHAM MORA
CHARTERED ACCOUNTANTS

Auditor's Report
To the Shareholders of SEEKA KIWIFRUIT INDUSTRIES LIMITED

We have audited the financial statements on pages 16 to 32. The financial statements provide information about the past financial performance of the company and group and their financial position as at 31 March 2005.

This information is stated in accordance with the accounting policies set out on pages 19 to 21.

Directors' Responsibilities

The directors are responsible for the preparation of financial statements which give a true and fair view of the financial position of the company and group as at 31 March 2005 and of their financial performance and cash flows 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 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 and group's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. 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 company or any of its subsidiaries.

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 16 to 32:
  - comply with generally accepted accounting practice; and
  - give a true and fair view of the financial position of the company and group as at 31 March 2005 and their financial performance and cash flows for the year ended on that date.

Our audit was completed on 17th May 2005 and our unqualified opinion is expressed as at that date.

Ingham Mora

Ingham Mora
Tauranga

corporate profile

directors

Brian Allison
Chairman

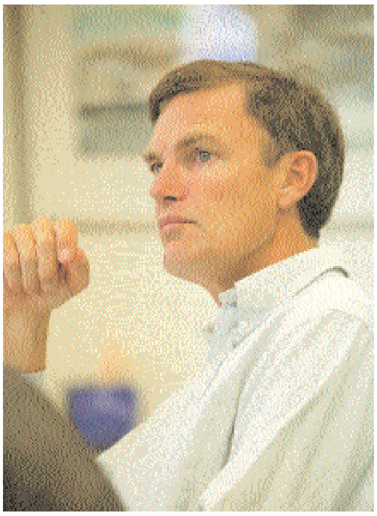
Peter Dawe
Deputy Chairman

	Remuneration Committee	Audit Committee
Brian Allison	Chairman	Member
Peter Dawe		Chairman
Malcolm Cartwright	Member	
David Emslie	Member	
Chris Morton	Member	
Jim Scotland		Member
Peter Wood	Secretary	Secretary

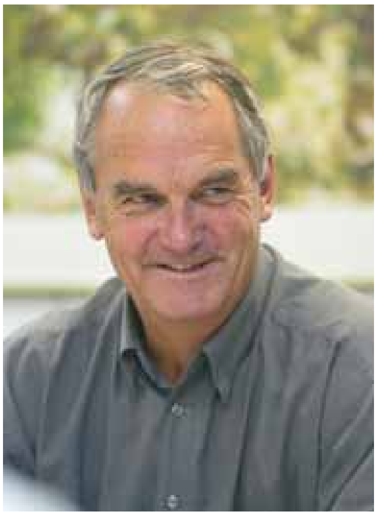
Tony de Farias
Managing Director

Malcolm Cartwright
Director

David Emslie
Director



Chris Morton
Director



Jim Scotland
Director

Peter Wood
Company Secretary

Seeka continues to lead the industry, and pioneer new levels of financial and commercial achievement for shareholders.

management team

Tony de Farias
Managing Director

Ongoing investment in management development programmes and tertiary training for key staff remains a significant strategy, and an important factor in sustaining our position as a highly-successful, rural-based corporate.

Coll MacRury
General Manager, Operations

Sam Cockle
General Manager, Group Services

Bryan Grafas
General Manager, Orchard Operations

Geoff Carey
Financial Controller, Grower Services

Val Faulkner
Group Business Development Manager

Jenny Lee
Accountant

Jennie Stinson
Group Financial Controller

post harvest management team

SEEKA

Coll MacRury
General Manager, Operations

Waimapu
Oropi Road, Tauranga
Packhouse / Coolstore

Transpack / Transcool
Young Road, Te Puke
Packhouse / Coolstore

Kiwi Kool Pak (KKP)
Maketu Road, Te Puke
Packhouse / Coolstore

Pioneer
Te Maire Street, Mount Maunganui
Coolstore

Kiwicoast
Te Matai Road, Te Puke
Packhouse / Coolstore

MacLoughlin
No 3 Road, Te Puke
Packhouse

Bayliss
No 3 Road, Te Puke
Packhouse

Berrypack & Cool Class II
Maketu Road, Te Puke
Packhouse / Coolstore

ELEOS

Terry Richards
General Manager, Eleos

242 Rangiuru Road, Te Puke
Packhouse / Coolstore

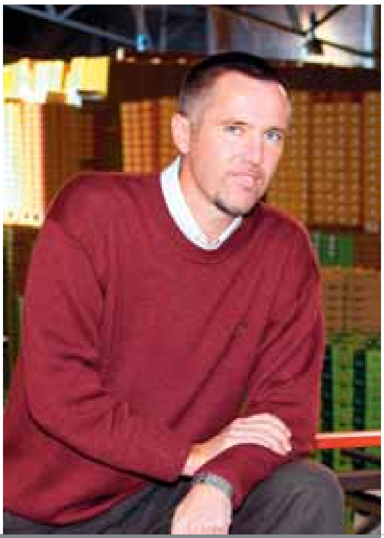
BRIDGE COOL

Andrew Darling
General Manager, Bridge Cool

Main Road, Katikati
Packhouse / Coolstore

Rea Road, Katikati
Packhouse

Harvard Way, Mt Maunganui
Coolstore



OPAC

Craig Thompson
Chief Executive Officer, Opac

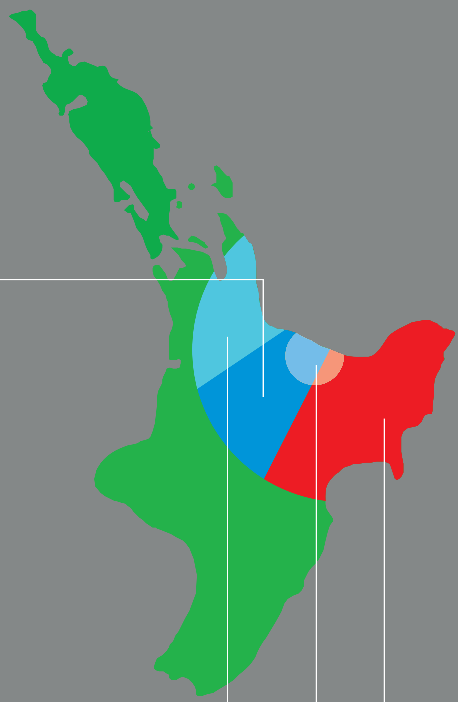
93 Waioeka Road, Opotiki
Packhouse / Coolstore

267 Lytton Road, Gisborne
Packhouse

Tort Road, Gisborne
Coolstore

The dedication and commitment of our team in achieving quality and efficiency amid the intensive period of kiwifruit harvest, is greatly appreciated by the Board and growers.

IFSL
INTEGRATED FRUIT SUPPLY & LOGISTICS



SEEKA

Grower base
Te Puke, Tauranga & Katikati

Key strengths
10-lane optical blemish pre-grader
Near Infra Red grader
Robotic packer
Specialist Gold, Organic and Class II facilities

100% Seeka owned

BRIDGE COOL

Grower base
Katikati to South Auckland

Key strengths
Latest technology soft-handling sizers in modern packing facilities
Diversified in Avocados, packing 17% of New Zealand crop
Extends supply base to South Auckland

100% Seeka owned

eleos
the kiwifruit innovators

Grower base
Te Puke

Key strengths
5-seasons experience using NIR technology in large, modern facility
Established history of technical innovation
Brings new focus to grower services in Te Puke region

20% Seeka owned

OPAC

Grower base
Opotiki to Gisborne

Key strengths
Significant Northern hemisphere Gold plantings in Italy
Strategic relationships with Salvi in Italy
Extends supply base to East Cape and Gisborne

corporate governance statement in summary

Responsibilities and Functions of The Board

The Board of Directors is responsible for the direction and oversight of 'Seeka Kiwifruit Industries Limited and its controlled entities' (the company) on behalf of the shareholders. Responsibility for day to day operations and administration is delegated by the Board to the managing director and the senior management team.

All directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the company.

Each director has the right to seek independent professional advice at the company's expense.

The directors act collectively as the Board, but in carrying out functions as a member of the Board, each director has a duty to act honestly and with reasonable care and diligence.

Composition of the Board

The company's constitution provides that there shall not be fewer than 3 directors, and, unless otherwise determined by the company in a general meeting, the number, of ordinary directors shall not exceed 7.

At each annual meeting, one-third of the ordinary directors shall retire from office. A retiring ordinary director shall be eligible for re-election.

The chairman and deputy chairman are elected annually by the Board at the first directors meeting following the AGM.

Directors Dealings in Company Shares

Directors or senior executives can buy or sell shares after filing a request with and obtaining the company's approval.

Committees

The following permanent committees assist in the execution of the Board's duties. Committee members are appointed from members of the Board and membership is reviewed on an annual basis.

All matters determined by committees are submitted to the full Board as recommendations for Board decisions.

Audit Committee

The audit committee is comprised of 3 non-executive directors. The role of the committee is to advise on the establishment and maintenance of the framework of internal control and appropriate ethical standards. The company secretary and external auditors are invited to audit committee meetings as deemed necessary.

The responsibilities of the audit committee include:
- reviewing the annual reports
- liaising with the external auditors
- reviewing internal controls
- improving the quality of the accounting function.

The audit committee reviews the external audit process on an annual basis and oversees the implementation of any recommendations and changes to accounting practices adopted by the company.

Remuneration Committee

The remuneration committee is comprised of 4 non-executive directors. The role of the committee is to recommend appropriate remuneration packages for the senior executives and directors.

Remuneration committee members:
- review the company's compensation policy and procedures for all employees
- review and recommend to the Board any changes regarding the managing director's and non-executive directors' remuneration.

Internal Control

The Board is responsible for the overall internal control framework of the company. No cost effective control system will preclude all errors and irregularities, however to safeguard the assets of the company and ensure that all transactions are recorded and appropriately reported the Board has instigated and monitors the internal control system.

Business Risks

The managing director and management are required to identify and report on the major risks affecting each business segment and to develop strategies to mitigate these risks.

The Role of the Shareholders

The shareholders appoint ordinary directors and the approve major business decisions affecting the company as prescribed in the company's constitution.

The Board of Directors ensures shareholders are informed of all major developments affecting the company's state of affairs.

Proposed major changes in the company which may impact on share ownership rights are submitted to a vote of the shareholders.

directory

Offices of Seeka Kiwifruit Industries Limited
Head Office
6 Queen Street
PO Box 47, Te Puke
www.seeka.co.nz

Auditors
Ingham Mora
Cnr Wharf and Durham Streets
PO Box 222, Tauranga

Accountants
Wood Walton Chartered Accountants Limited
55 Eighth Avenue
PO Box 2525, Tauranga

Bankers
Westpac Banking Corporation
Tauranga Branch
Devonport Road
PO Box 13-215, Tauranga

Share Registrar
BK Registries Limited
138 Tancred Street
PO Box 384, Ashburton

NZAX
www.nzx.com

shareholder analysis

Top 50 Shareholders at 31 March 2005

CR Morton	1,478,886	AJ Hill & JM Hill & VW Brownrigg	64,457
DMS Orchard Management Ltd	332,518	J Bosch & C Bosch & BJ Utting	62,086
CW Flood & M Schlagel	306,122	WR Baldwin & AM Baldwin	59,190
J & PC Law	245,082	BJ Stapleton & LE Stapleton	56,220
Allison, Emslie & Morton – Staff Share Scheme	236,000	Bowyer Orchards Limited	54,586
WJ McGillivray & BE McGillivray & RE Lee	202,232	RA Bibby & DG Bibby	53,333
Rod Bayliss Orchards Limited	182,863	RM Coutts & Others	53,333
Burts Orchards (1997) Ltd	133,330	JA Price & DL Price	53,333
SR Tebbutt	129,846	T Hawthorne & G Hawthorne & PJG Benson	53,076
ID Greaves & CM Thompson & MS Thompson	123,112	SW Nelmes & PR Hills & RA Nelmes	52,993
WI Bowyer, HM Bowyer & PM Wood	120,528	HD Spencer	49,588
DJ Emslie & Others	120,498	Te Puke Orchards (1997) Ltd	48,476
CW Flood	107,377	MS Thompson & MA Thompson	46,724
S Moss	105,251	Custodial Services Limited	45,523
KM Oakley & MAS Oakley	95,554	JP Jensen & PJ Jensen	44,717
WV & WJ Flowerday	92,728	Fairview Orchards (1997) Ltd	44,550
TG & JD Newman	91,668	CM Thompson & MR Thompson	43,420
MC & HF Salt	83,016	ID Greaves & NA Greaves & CM Thompson	41,702
RB Tait & JG Tait & IJ Craig	82,907	MJ Cartwright & HC Cartwright & Another	41,521
NP Gray, WR Gray, W Kameta & B Kingi	80,852	Ohiwa Invesetments Limited	40,692
PC Barton	80,556	B & P Investments Limited	40,364
A Craig	78,911	RD Clark & CB Clark	39,623
LJ Christie	75,946	Estate Of J Barton	37,800
AR & HO Wright	71,362	MY Wilkins	37,104
MI Tremain & BM Tremain	69,570	David W Hay	36,868

Analysis of Shareholder by Size at 31 March 2005

Category	No. of Shareholders	Shares Held	Percentage of Shareholders	Shares	Average Holding
Up to 3,000 Shares	248	338,685	47.1%	3.9%	1,366
3001 to 10,000 Shares	151	878,254	28.7%	10.1%	5,816
10,001 to 25,000 Shares	57	937,566	10.8%	10.8%	16,449
25,001 to 100,000 Shares	56	2,691,786	10.6%	58.1%	72,993
100,001 Shares or more	14	3,823,645	2.7%	17.1%	1,478,886
Total	**526**	**8,669,936**	**100.0%**	**100.0%**	**16,483**

our mission

To be the world's leading producer and handler of export kiwifruit

To continually maximise the income we earn for our shareholders and suppliers

To be the natural preferred choice of both our suppliers and customers

SEEKA
KIWIFRUIT INDUSTRIES LIMITED

6 Queen Street, Te Puke
PO Box 47, Te Puke, New Zealand
Phone 07 573 6127
Fax 07 573 9831
www.seeka.co.nz