



Mareterra

PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

MARETERRAM LIMITED | ABN 87 009 248 720
(Incorporating information pursuant to ASX listing rule 4.3A)

4E
APPENDIX

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DIRECTORS COMMENTARY

ABBREVIATED REVIEW OF OPERATIONS

Mareterram Limited (“**Mareterram**” or the “**Company**”) underwent a substantial change of direction during the year completing a number of significant milestones and successfully moving into the Agri-business sector.

The completion of the acquisitions of both Nor-West Seafoods and the Food Services Division of the Craig Mostyn Group on 18 December 2015, has created a vertically integrated Agri-business. Mareterram has successfully completed the initial integration of the businesses into its wholly owned subsidiaries, Mareterram Fisheries Pty Ltd and Mareterram Trading Pty Ltd respectively.

Mareterram Fisheries commenced fishing operations in April 2016 and all product caught by its fishing vessels is now being successfully marketed and sold by Mareterram Trading. Product has been sold into both domestic and international markets. As a result of the fishing season only running from April to November, the majority of the financial benefit of the first year’s revenues will appear in the 2017 financial reporting season. As at the date of the release of this report, both catch volumes and market selling prices for the Fisheries products are tracking broadly in line with historical long term averages.

The Mareterram Fisheries product lines are well supported by the ongoing import agencies held by the Mareterram Trading division.

Revenue increased significantly to \$16.3 million driven by the newly acquired businesses and primarily derived from the Trading division. The net loss for the year of \$1.7 million (2015: \$0.3 million loss) includes all transaction costs directly related to the Food Services and Nor-West acquisitions and the subsequent proportional takeover offer from Sea Harvest.

SIGNIFICANT EVENTS OCCURING DURING THE PERIOD

Focus Fisheries

In addition to those major acquisitions completed in December 2015, Mareterram purchased certain assets and assumed certain liabilities from Focus Fisheries effective 1 March 2016 for \$1.4m payable in cash.

Board Restructure

In conjunction with the major business acquisitions, Mareterram undertook a complete restructure of its Board of Directors. Mr Peter Hutchinson moved to Non-Executive Chairman, Messrs James Clement and Mark Pitts joined the Board as an Executive Director and Independent Non Executive respectively and the Company secured the services of Mr David Lock as Chief Executive Officer and Managing Director. Mr Lock is an outstanding executive, having served on a number of industry Boards and has a deep understanding of Australian Agri-business. Following re-quotations of the Company’s shares on ASX, Sea Harvest Group CEO Mr Felix Ratheb was invited to the board and joined on 3 March 2016. Sea Harvest is one of the largest vertically integrated fishing companies in South Africa and a leading food retail brand with a global presence in 22 countries. Mr Ratheb brings considerable expertise in the seafood and fishing industry.

Sea Harvest takeover offer

On 8 April 2016, the Company announced that Sea Harvest, the largest shareholder, had made a proportional takeover offer at \$0.35 per share to all existing shareholders for 50% of their shares in Mareterram representing a 75% return on the re-quotations price of \$0.20 per share. Mareterram’s Independent Directors unanimously recommended the offer in the absence of a superior offer and subject to an Independent Expert concluding the offer being fair and reasonable.

Capital Reduction

On 16 August 2016, the Company announced that it had resolved to reduce the share capital of the Company in accordance with s258F of the Corporations Act. The amount of the capital reduction will be \$42.5 million and represents the balance of the Company’s retained losses as at 31 December 2015.

After due consideration the Board has taken the view that accumulated losses as at 31 December 2015 are essentially permanent and relate to the Company’s former and now discontinued business operations. This is a technical accounting adjustment only, no shares have been cancelled or rights varied, there is no impact on the net assets, financial results, cash flow or funding of the parent entity of the Mareterram consolidated group.



Going Concern

This report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The result of the Group for the financial year amounted to a loss of \$1.7 million (2015: \$0.33 million loss). The net assets as at 30 June 2016 were \$23.7 million (2015: \$0.96 million).

The business has interest bearing loan facilities available for short term working capital requirements and longer term funding for the acquisitions completed during the reporting period. The primary longer term loan facility was fully drawn to \$12.0 million as at the end of the reporting period and the \$5.0 million of available working capital funding was drawn to \$2.3 million as at 30 June 2016. Due to the seasonal nature of the fisheries operations, whereby the fishing season commences in early April, cash inflow from the produce caught, processed and distributed to end customers is heavily weighted towards the second half of the calendar year.

The directors are confident the Group will be able to meet the operational costs and its financial obligations in a timely manner over the next 12 months. The Directors consider that the Company remains a going concern and this report has been prepared on this basis.

EVENTS OCCURRING AFTER THE PERIOD

Sea Harvest takeover completed

Sea Harvest declared their proportional takeover offer unconditional on 15 July 2016 stating the offer was free of all conditions. At the conclusion of the offer period on 22 July 2016, Sea Harvest held 77,983,386 Mareterram shares, giving it a voting power of 55.89%.

Further addition to the Board

Following completion of the proportional takeover the Board extended an invitation to Mr Fred Robertson to join the Board as a non-executive director. Mr Robertson has significant international business experience, particularly in his role as Chairman of Sea Harvest and its holding company Brimstone Investment Corporation Limited.



Details of the reporting period

Name of entity:	MARETERRAM LIMITED
ABN:	87 009 248 720
Current Reporting Period	30 June 2016
Previous Reporting period	30 June 2015

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Financial Results	2016 Result \$'000	2015 Result \$'000	Increase / (Decrease) %	Increase / (Decrease) \$'000
Revenues from continuing activities	16,300	106	15,277%	16,194
Profit (loss) from continuing activities after tax attributable to members	(1,708)	(333)	(413%)	(1,375)
Comprehensive profit (loss) for the period attributable to members	(1,598)	(333)	(380%)	(1,265)

Dividends	Amount per security	Franked amount per security
Final dividend proposed	Nil	n/a
Interim dividend	Nil	n/a
Record date for determining entitlement to the dividend (if any)	n/a	n/a

Comments in respect of results announced to the market

Please refer to the attached Directors commentary.

Net Tangible assets per security

NTA Backing	2016	2015
Net tangible asset backing per ordinary share on issue (cents)	5.36c	0.18c

The fishing licences of the Fisheries Division have significant asset value to the business though are recognised as intangible for reporting purposes. If the fishing licences asset value, net of adjustment scheme liabilities, of \$14.9 million were included in the calculation of net tangible assets per security, the asset backing per ordinary share on issue would increase to 16.4c per share.



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Economic Entity	
		2016	2015
For the year ended 30 June		\$'000	\$'000
Revenues	2	16,300	106
Cost of sales		(13,447)	-
Gross profit		2,853	106
Employee expenses		(3,590)	-
Office costs		(338)	(100)
Consultants and contractors		(535)	(192)
Administration costs		(1,125)	(116)
Depreciation and amortisation expense		(278)	(1)
Other costs/benefits	3	3,098	(30)
Finance costs		(299)	-
Transaction costs	4	(1,765)	-
Profit / (loss) before income tax expense		(1,979)	(333)
Income tax benefit		271	-
Loss from continuing operations	14	(1,708)	(333)
Other comprehensive income:			
Gain on foreign currency and commodity hedges		110	-
Income tax on other comprehensive income		-	-
Total comprehensive profit/(loss) for the year attributable to members of the company		(1,598)	(333)
Basic loss per share (cents per share) ¹		(0.57)	(0.06)
Diluted loss per share (cents per share) ¹		(0.57)	(0.06)

¹ The weighted average shares used in the calculation of earnings per share was 299,218,948 over the reporting period.

The accompanying notes form part of these financial statements.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Economic Entity	
		2016	2015
For the year ended 30 June		\$'000	\$'000
CURRENT ASSETS			
Cash and cash equivalents	5	12	1,134
Trade and other receivables		7,291	30
Inventories		10,560	-
Prepayments and other assets		495	8
Current financial derivatives		143	-
TOTAL CURRENT ASSETS		18,501	1,172
NON-CURRENT ASSETS			
Property, plant and equipment		9,377	6
Fishing licences	6	25,240	-
Goodwill	7	1,510	-
Non-current financial derivatives		21	-
Deferred tax assets		1,629	-
TOTAL NON-CURRENT ASSETS		37,777	6
TOTAL ASSETS		56,278	1,178
CURRENT LIABILITIES			
Trade and other payables		3,100	220
Employee liabilities		452	-
Loans and borrowings	9	2,286	-
Current financial derivatives		55	-
Accruals and other payables		3,364	-
Other current liabilities	8	2,129	-
TOTAL CURRENT LIABILITIES		11,386	220
NON CURRENT LIABILITIES			
Loans and borrowings	9	12,000	-
Finance liabilities		40	-
Employee liabilities		278	-
Deferred tax liabilities		727	-
Other non-current liabilities	8	8,179	-
TOTAL NON CURRENT LIABILITIES		21,224	-
TOTAL LIABILITIES		32,610	220
NET ASSETS		23,668	958
EQUITY			
Issued capital	10	21,988	41,528
Reserves		1,413	1
Current year retained earnings	14	267	-
Accumulated losses	14	-	(40,571)
TOTAL EQUITY		23,668	958

The accompanying notes form part of these financial statements.



CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June	Note	Economic Entity	
		2016	2015
		\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		12,892	80
Payments to suppliers and employees		(21,997)	(256)
Interest received		9	26
Transaction costs		(1,580)	-
Net cash used in operating activities		(10,676)	(150)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant equipment		(495)	(5)
Business acquisitions net of cash received		(20,439)	-
Net cash provided by (used in) investing activities		(20,934)	(5)
CASH FLOWS FROM FINANCING ACTIVITIES			
Shares issued		18,250	-
Cost of share issue		(1,796)	-
Borrowing costs		(252)	-
Funds from borrowings		14,286	-
Net cash provided by (used in) financing activities		30,488	-
Net increase/(decrease) in cash held		(1,122)	(155)
Cash at start of period		1,134	1,289
Cash at end of period	5	12	1,134

The accompanying notes form part of these financial statements.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Economic Entity	Issued Capital	Retained Earnings and Accumulated Losses	Other Reserves	Option Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1.7.2015	41,528	(40,571)	-	1	958
Total comprehensive income					
Loss for the period	-	(1,708)	-	-	(1,708)
Other comprehensive income	-	-	110	-	110
Total comprehensive income	-	(1,708)	110	-	(1,598)
Transactions with equity holders in their capacity as equity holders:					
Shares issued	24,250	-	-	-	24,250
Cost of share issues	(1,796)	-	-	-	(1,796)
Tax effect	551	-	-	-	551
Options and performance rights issued	-	-	-	1,303	1,303
S258F Capital Reduction Offsetting of carried forward losses as at 31 Dec 2015	14 (42,545)	42,545	-	-	-
Options expired	-	1	-	(1)	-
Total Transactions with equity holders	(19,540)	42,546	-	1,302	24,308
Balance at 30.6.2016	21,988	267	110	1,303	23,668
Balance at 1.7.2014	41,528	(40,334)	-	97	1,291
Loss attributable to members of parent entity	-	(333)	-	-	(333)
Options expired	-	96	-	(96)	-
Balance at 30.6.2015	41,528	(40,571)	-	1	958

The accompanying notes form part of these financial statements.



OTHER REPORTS

DIVIDENDS PAID OR PROVIDED FOR

No dividends were declared for the year ended 30 June 2016. Refer to results summary.

DIVIDENDS REINVESTMENT PLAN

No dividends or distribution reinvestment plan were in operation during the period ended 30 June 2016.

NET TANGIBLE ASSETS PER SHARE

Details of net tangible asset backing are set out in the results summary.

CONTROL GAINED OR LOST OVER ENTITIES HAVING MATERIAL EFFECT

Refer to Directors Commentary with respect to acquiring the businesses of Nor-West Seafoods and the Food Services Division of the Craig Mostyn Group and in addition the Focus Fisheries assets acquisition and the business combination note for the details of the acquisition (refer note. 13). Contributions to the Group result for the year from each of the newly acquired businesses is set out in note 11.

DETAILS OF ASSOCIATES AND JOINT VENTURES

Not applicable.

OTHER SIGNIFICANT INFORMATION

The matters disclosed in the Director's Commentary under the headings "Events Occurring After the Period and Events Occurring During the Period" and which have previously been disclosed to the market are matters of some significance. Other than this, at the date of this Appendix 4E there was no other matter of a significant nature.

ACCOUNTING STANDARDS FOR FOREIGN ENTITIES

Not applicable to Mareterram Limited.

COMMENTARY ON THE RESULTS FOR THE FINANCIAL YEAR

Refer to Directors Commentary and Results for Announcement to the market.

COMPLIANCE STATEMENT

This report has been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). This report, and the accounts upon which the report is based, use the same accounting policies as used in previous reporting periods.

This report is based on accounts for the year ended 30 June 2016, which are in the process of being audited. Whilst the audit has not been completed at this time, it is anticipated that the independent audit report will not contain a modified opinion.



Richard Duncan
Company Secretary

23 August 2016

NOTES TO THE PRELIMINARY FINAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1. BASIS OF PREPARATION

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. The report covers the economic entity of Mareterram Limited and controlled entities.

The accounting policies adopted in the preparation of the preliminary final report have been applied consistently to all periods presented in this report and are consistent with those disclosed in the 2015 annual financial report and the December 2015 Interim Financial Report.

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

For the year ended 30 June	Economic Entity	
	2016	2015
	\$'000	\$'000

NOTE 2. REVENUE

Sale of goods	16,274	-
Other income	26	106
	16,300	106

NOTE 3. OTHER (COSTS)/BENEFITS

Bargain purchase gain on acquisition	3,120	-
Advertising	(22)	(30)
	3,098	(30)

The outcome of an independent valuation of the fishing licences and property leases acquired through the purchase of the Nor-West Seafoods business (refer note. 13) has resulted in a gain on acquisition (bargain purchase) which has been recognised in profit and loss immediately.

NOTE 4. TRANSACTION COSTS

Business acquisition costs	(1,296)	-
Proportional takeover - Targets costs	(469)	-
	(1,765)	-

Transaction costs recognised in the period were incurred in the acquisition of the Nor-West and Food Services businesses (refer note 13) and the Sea Harvest proportional takeover offer costs incurred by the Target.

NOTE 5. CASH AND CASH EQUIVALENTS

Cash at bank	12	1,134
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Cash at the end of the financial year as shown is the summation of operating bank accounts.



	Economic Entity	
	For the year ended 30 June	
	2016	2015
	\$'000	\$'000

NOTE 6. FISHING LICENCES

Fishing Licences	25,240	-
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The Fishing Licences shown are indefinite life intangible assets that were acquired as part of the Nor-west Seafood business assets (refer Note 13). The licences represent 10 of 18 licences issued by the Western Australian Department of Fisheries for the Shark Bay Prawn Managed Fishery (SBPMF) and are held in perpetuity by the Consolidated Group subject to compliance with regulatory and financial obligations. There have been no breaches of financial or regulatory obligations.

NOTE 7. GOODWILL

Goodwill	1,510	-
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The goodwill is attributable to the workforce and the high profitability of the acquired business.

NOTE 8. OTHER LIABILITIES

Current

Fishing Licence Liability	2,129	-
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Non-current

Fishing Licence Liability	8,179	-
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The fishing licence liabilities relate to the Shark Bay Prawn Managed Fishery Voluntary Fisheries Adjustment Scheme (VFAS), which was established on 12 November 2010 pursuant to the Fisheries Adjustment Schemes Act 1987 (WA). The VFAS operates from 12 November 2010 until 1 July 2021, and for the period 2015 to 2021 an annual fee of \$0.2 million is payable by the holder of a licence that authorises fishing in the Shark Bay region. The liabilities shown represent present values discounted at the 5-year Commonwealth Bond rate.

NOTE 9. LOANS AND BORROWINGS

Current

Debtor financing facility	2,286	-
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Non-current

Secured bank loan	12,000	-
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Interest bearing loan facilities of \$17.0 million (2015: nil) are available for acquisition finance and working capital funding. The primary loan facility of \$12.0 million was fully drawn at the end of the reporting period and the debtor financing facility had been drawn to \$2.3 million of the \$5.0 million of available funding. Interest is charged at prevailing market rates.

All loan facilities are secured by a first charge over all the Group's assets, including acquired plant and equipment, property and fishing licences.



For the year ended 30 June	Economic Entity	
	2016	2016
	No. 000's	\$'000

NOTE 10. ISSUED EQUITY

Ordinary shares

At the beginning of the reporting period	543,916	41,528
Consolidation (40:1)	(530,318)	-
Shares issued during the year	121,250	24,250
S258F Capital Reduction - offsetting carried forward losses as at 31 Dec 2015	(i) -	(42,545)
Cost of share issues	-	(1,796)
Tax effect	-	551
At reporting date	134,848	21,988

- (i) The Company applied its Accumulated Losses as at 31 December 2015 against contributed equity by an equal amount pursuant to a S258F of The Corporations Act (refer note 14)

NOTE 11. SEGMENT REPORTING

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board in order to allocate resources to the segment and to assess its performance.

The preliminary financial report differs from the Annual Report of the Company for the year ended 30 June 2015 due to the acquisition of the seafood businesses. Mareterram Limited now has two reportable operating segments, the Mareterram Fisheries division and the Mareterram Trading Food Services division.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The following tables are an analysis of the Group's revenue and results by reportable segment provided to the Board for the period ended 30 June 2016.

	Continuing Operations				
	Fisheries Division	Food Services Division	Intercompany Eliminations	Unallocated items	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2015					
Segment revenue	5,829	16,293	-	7	22,129
Intersegment revenue	(5,829)	-	-	-	(5,829)
Revenue from external customers	-	16,293	-	7	16,300
Segment profit/(loss)	4,536	382	(1,238)	(5,388)*	(1,708)
Segment Assets	45,608	15,735	(7,067)	2,002	56,278

The revenue reported above represents revenue generated from external customers. Intersegment revenues have been eliminated.

- * The segment result in unallocated items includes business acquisition costs of \$1.3 million and proportional takeover offer costs of \$0.5 million.



	Country of Incorporation	Percentage Owned	
		30.06.2016	30.06.2015

NOTE 12. CONTROLLED ENTITIES

Parent Entity

Mareterram Limited Australia

Subsidiaries of Mareterram Limited

Mareterram Fisheries Pty Ltd (formerly Mareterram Pty Ltd)	Australia	100%	100%
Mareterram Trading Pty Ltd	Australia	100%	-
Nor-West Seafoods Pty Ltd	Australia	100%	-

NOTE 13. BUSINESS COMBINATION

Acquisition of Nor-West Seafoods and the Food Services Division of the Craig Mostyn Group.

On 18 December 2015, Mareterram Limited (formerly Style Limited) acquired the commercial fishing business of Nor-west Seafoods and the Food Services division of the Craig Mostyn Group.

The net purchase consideration of the combination was \$24.1 million and comprised an issue of equity instruments, cash and contingent consideration. The Company issued 90 million ordinary shares at \$0.20 each pursuant to a public offer raising \$18 million and issued 30 million ordinary shares with a fair value of \$0.20 each to the vendors for a total consideration of \$6 million. Existing cash reserves and available borrowings were utilised to fund the balance of the cash component of the purchase consideration.

Consideration transferred

Acquisition date fair value of the consideration transferred:

	Nor-West Seafoods	Craig Mostyn Group	Total 30 June 2016
	\$'000	\$'000	\$'000
Shares issued at fair value	2,000	4,000	6,000
Cash	17,624	2,815	20,439
Contingent consideration liability	-	750	750
Gross consideration	19,624	7,565	27,189
Less working capital adjustment	-	(3,124)	(3,124)
Net Consideration	19,624	4,441	24,065

Earn-out

Under the terms of the acquisition agreement with Craig Mostyn Group, the Group must pay the Craig Mostyn Group an additional cash payment based upon the achievement of a specified level of EBITDA, as defined in the purchase agreement. The maximum potential undiscounted amount that could be required is \$0.75 million.

In addition, upon reaching the EBITDA target, Sea Harvest is entitled to receive an incentive payment of up to \$0.75 million, as previously disclosed.

Contingent consideration arrangements require where the EBITDA of the Food Services Division (FSD) of the Craig Mostyn Group, for the first twelve months after the completion of the acquisition, is \$1.0 million or more, the Earn-out and Incentive payment will be \$0.5 million, plus \$0.50 for each dollar in excess of \$1.0 million, up to a maximum of \$0.75 million each.

Based on management's forecast of future EBITDA, the EBITDA achieved over the 12 months after the acquisition completion date, is likely to be in excess of \$1.0 million for the Food Services Division.



NOTE 13. BUSINESS COMBINATION (CONTINUED)

Acquisition related costs of \$1.3 million are included in transaction costs in the statement of profit or loss and other comprehensive income.

Assets acquired and liabilities assumed at the date of acquisition

The Group has recognised the fair values of the identifiable assets and liabilities of Nor-West Seafoods and the Food Services division of the Craig Mostyn Group (FSD) based on independent valuations completed as of the reporting date.

Business combination accounting is as follows:

	Fair Value Nor-West Seafoods	Fair Value Craig Mostyn Group	Total Fair value at acquisition date
	\$'000	\$'000	\$'000
Cash and cash equivalents	-	-	-
Trade receivables	-	3,398	3,398
Inventories	1,163	2,664	3,827
Other current assets	-	18	18
Property, plant and equipment	8,903	-	8,903
Fishing licenses	25,240	-	25,240
Goodwill	-	1,510	1,510
Deferred tax assets	80	82	162
Trade and other payables	(407)	(2,481)	(2,888)
Other payables	-	(750)	(750)
Fishing Licence Liability (refer note 8)	(12,235)	-	(12,235)
Fair value of identifiable net assets	22,744	4,441	27,185
Total consideration	19,624	4,441	24,065

At the date of finalisation of this financial report, the necessary market valuations and other calculations have been concluded and the fair value of the plant and equipment, associated deferred tax liabilities and goodwill above have therefore been determined based on independent valuations of the fair value of the plant and equipment acquired.

Goodwill arising on acquisition

The goodwill is attributable to the workforce and the profitability of the acquired business. The goodwill will not be deductible for tax purposes.

Net cash outflow arising on acquisition

The cash outflow on acquisition is as follows:

	30 June 2016
	\$'000
Cash paid	20,439
Less: net cash acquired with the subsidiary	-
Net cash outflow	20,439



NOTE 14. ACCUMULATED LOSSES

The balance of accumulated losses at 31 December 2015 is essentially permanent and relate to the Company's former and now discontinued business operations. In accordance with S258F of the Corporations Act 2001, the Company has reduced its paid up capital by \$42.5 million and offset accumulated losses by an equal amount.

This is a technical accounting adjustment only, shareholders are not impacted and no shares have been cancelled or rights varied, there is no impact on the net assets, financial results, cash flow or funding of the parent entity of the Mareterram consolidated group.

The \$42.5 million of carried forward accumulated losses includes \$2.0 million of losses for the six months to 31 December 2015. The loss from continuing operations reported in the Consolidated Statement of Profit or Loss and Comprehensive Income represents the full year actual loss of \$1.7 million, whereas the current year retained earnings of \$0.3 million reported in Equity in the Consolidated Statement of Financial Position, represents the net earnings after the offsetting of accumulated losses that occurred during the first half of the 2016 financial year.

NOTE 15. EVENTS SUBSEQUENT TO REPORTING DATE

On 8 April 2016, Sea Harvest announced to the market a proposal to make a proportional cash takeover offer at \$0.35 per share to all existing Mareterram shareholders for 50% of their shares in Mareterram, which Mareterram's Independent Board unanimously recommended that shareholders should accept in the absence of a superior proposal. On 23 May 2016, Sea Harvest and Mareterram jointly released their Bidders and Targets Statements to the market, along with an Independent Experts report.

On 13 July 2016, Sea Harvest declared its offer unconditional and free of defeating conditions and on 15 July 2016 announced that the target of achieving a minimum shareholding of 50.1% had been reached. At the date of the offering closing on 22 July 2016, Sea Harvest had achieved a total shareholding in Mareterram Limited of 55.89%.

On Wednesday 17th August, 2016 the Company announced the appointment of Mr Fred Robertson (Chairman of Sea Harvest) as a non-executive director on the Mareterram Board.

