

TE OHU
KAIMOANA



ANNUAL REPORT

For the Year Ended 30 September 2015

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Purpose of Te Ohu Kai Moana

The purpose of Te Ohu Kai Moana is to advance the interests of iwi individually and collectively, primarily in the development of fisheries, fishing, and fisheries-related activities to ultimately benefit the members of iwi and Maori generally; further the agreements made in the Deed of Settlement; assist the Crown to discharge its obligations under the Deed of Settlement and the Treaty of Waitangi; and contribute to the achievement of an enduring settlement of the claims and grievances referred to in the Deed of Settlement.

Activities of Te Ohu Kai Moana and associated trusts and entities

The activities of the Trust are governed by Te Ohu Kai Moana Trustee Limited (the Trustee), the corporate trustee for Te Ohu Kai Moana Trust.

Te Ohu Kai Moana Trustee Limited also acts as the corporate trustee for the Takutai Trust (the Māori Commercial Aquaculture Settlement Trust), established under the Māori Commercial Aquaculture Claims Settlement Act 2004. The purpose of the Takutai Trust is to receive aquaculture settlement assets from the Crown or regional councils, allocate and transfer aquaculture settlement assets to Iwi Aquaculture Organisations; hold assets pending their allocation to iwi; determining allocation entitlements; facilitating iwi to be recognised as Iwi Aquaculture Organisations and other matters relating to the Aquaculture Settlement.

The Trustee also appoints the directors of Aotearoa Fisheries Limited (AFL), Te Putea Whakatupu Trustee Limited (TPWT) and Te Wai Maori Trustee Limited (TWMT).

AFL is the commercial arm of the allocation model for the fisheries settlement assets retained and managed centrally. Its operations include the harvesting, processing and marketing of seafood throughout the world.

The activities of AFL for the last financial year, are fully described in that company's annual report, available at www.afl.maori.nz, and also in Te Tini a Tangaroa (see below). Relevant financial information as it affects Te Ohu Kai Moana Trust is included within the financial statements attached to this report.

Te Putea Whakatupu Trust and Te Wai Māori Trust activities and achievements for the last financial year are set out within Te Tini a Tangaroa. The annual reports associated with these trusts are available on Te Ohu Kaimoana's website.

Financial Reporting of Te Ohu Kai Moana and associated trusts and entities

This Annual Report provides the financial statements and other required financial information, including our report against the 2015 Annual Plan for Te Ohu Kai Moana Trust, Takutai Trust and Te Ohu Kai Moana Trustee Limited. This Annual Report is distributed to mandated iwi organisations, representative Maori organisations, recognised iwi organisations, as defined in the Maori Fisheries Act 2004, and the members of Te Kawai Taumata. It is also available in digital format and can be downloaded from our website at www.teohu.maori.nz.

The Report Against the 2015 Annual Plan provides a commentary on the activities undertaken during the financial year as a comparison to those that were set out at the beginning of the year in the annual plan distributed to iwi.

Reporting on the activities and achievements

In addition to the financial reports attached, the activities and achievements of the Te Ohu Kaimoana Group have been reported on in our complementary report "Te Tini a Tangaroa - Annual Commentary for the Year Ending 30 September 2015" which also includes information on activities to be undertaken in 2016. Copies of that document have been widely distributed to all mandated iwi organisations, representative Maori organisations, recognised iwi organisations, iwi asset holding companies, Te Kawai Taumata members and our subsidiaries.

Further copies are available on request or downloadable from our website www.teohu.maori.nz.

For and on behalf of Te Ohu Kai Moana Trustee Limited (the Trustee)



Director



Director

Date: 30 November 2015

TE OHU KAI MOANA TRUST AND GROUP

For the year ended 30 September 2015

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For the Year Ended 30 September 2015

STATEMENT OF COMPREHENSIVE INCOME

	NOTES	GROUP 2015 \$'000	GROUP 2014 \$'000	PARENT 2015 \$'000	PARENT 2014 \$'000
Operating revenue from:					
Te Ohu Kai Moana Trust activities	3	1,706	1,705	1,706	1,705
ACE round disputes held in trust	5c	1,237	1,296	1,237	1,296
Share of associates profit	10a	3,193	4,391	3,193	4,391
Gains on investment portfolio	12	3,937	4,352	3,937	4,352
(Decrease)/Increase in holding value of Aotearoa Fisheries Limited income shares held in trust for iwi	13	(55)	110	(55)	110
Dividend receivable on income shares held in trust for iwi	13	85	117	85	117
Maori Authority Tax Credits received and held in trust for iwi	13	27	-	27	-
TOTAL OPERATING REVENUE		10,130	11,971	10,130	11,971
Operating expenditure	4	(4,799)	(4,783)	(4,799)	(4,783)
NET OPERATING SURPLUS		5,331	7,188	5,331	7,188
Share of associates other Comprehensive income	10a	(2,746)	(989)	(2,746)	(989)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,585	6,199	2,585	6,199

The above statement of comprehensive income should be read in conjunction with the accompanying notes on pages 10 to 38.

For the Year Ended 30 September 2015

STATEMENT OF CHANGES IN EQUITY

Group	Trust Capital \$'000	MFA reserves - Note 5(a) \$'000	GFS Trust - Note 5(b) \$'000	ACE Round disputes - Note 5(c) \$'000	Total \$'000	Parent \$'000
Balance at 1 October 2014	172,886	56,277	1,032	2,368	232,563	224,176
Net surplus for the year	5,331	-	-	-	5,331	5,331
Transfers to Reserves	(1,355)	76	42	1,237	-	-
Other comprehensive income	(2,746)	-	-	-	(2,746)	(2,746)
Total comprehensive income for the year	1,230	76	42	1,237	2,585	2,585

Transactions with beneficiaries:

Allocated to beneficiaries

Settlement assets allocated to iwi	-	(16,034)	-	-	(16,034)	(16,034)
Distributions to or on behalf of associated trusts	-	(1,000)	(53)	-	(1,053)	(1,053)
Balance at 30 September 2015	174,116	39,319	1,021	3,605	218,061	209,674

Group	Trust Capital \$'000	MFA reserves - Note 5(a) \$'000	GFS Trust - Note 5(b) \$'000	ACE Round disputes - Note5(c) \$'000	Total \$'000	Parent \$'000
Balance at 1 October 2013	168,287	57,369	997	1,072	227,725	219,337
Net surplus for the year	7,188	-	-	-	7,188	7,188
Transfers to Reserves	(1,600)	244	60	1,296	-	-
Other comprehensive income	(989)	-	-	-	(989)	(989)
Total comprehensive income for the year	4,599	244	60	1,296	6,199	6,199

Transactions with beneficiaries:

Allocated to beneficiaries

Settlement assets allocated to iwi	-	(336)	-	-	(336)	(336)
Distributions to or on behalf of associated trusts	-	(1,000)	(25)	-	(1,025)	(1,025)
Balance at 30 September 2014	172,886	56,277	1,032	2,368	232,563	224,176

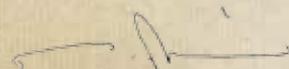
The above statement of changes in equity should be read in conjunction with the accompanying notes on pages 10 to 38.

For the Year Ended 30 September 2015

BALANCE SHEET

	NOTES	Group 2015 \$'000	Group 2014 \$'000	Parent 2015 \$'000	Parent 2014 \$'000
EQUITY					
Trust capital and retained earnings		174,116	172,886	165,729	164,499
Maori Fisheries Act and other classified reserves	5	43,945	59,677	43,945	59,677
TOTAL EQUITY		218,061	232,563	209,674	224,176
Represented by:					
CURRENT ASSETS					
Cash and cash equivalents	6	4,626	5,068	4,626	5,068
Receivables & prepayments	7	1,749	5,565	1,749	5,565
Redeemable preference shares	11	20,000	20,000	-	-
Total Current Assets		26,375	30,633	6,375	10,633
NON CURRENT ASSETS					
Property, plant & equipment	8	33	28	33	28
Investment in subsidiaries	9	-	-	11,797	11,797
Investment in associates	10	81,713	82,543	81,713	82,543
Investment portfolio	12	78,908	73,771	78,908	73,771
Aotearoa Fisheries Limited income shares held in trust for iwi	13	5,447	5,502	5,447	5,502
Quota shares	14	26,708	42,316	26,524	42,132
Total Non-Current Assets		192,809	204,160	204,422	215,773
TOTAL ASSETS		219,184	234,793	210,797	226,406
CURRENT LIABILITIES					
Payables and accruals	15	1,123	1,611	1,123	1,611
Provisions for other liabilities and charges	16	-	619	-	619
Total Current Liabilities		1,123	2,230	1,123	2,230
TOTAL LIABILITIES		1,123	2,230	1,123	2,230
NET ASSETS		218,061	232,563	209,674	224,176

For, and on behalf of, the Trustee, who approved and authorised these financial statements on 30 November 2015.


Matiu Rei
CHAIRMAN

Hinerangi Raumati-Tu'ua
DIRECTOR

The above balance sheet should be read in conjunction with the accompanying notes on pages 10 to 38.

For the Year Ended 30 September 2015

STATEMENT OF CASH FLOWS

	NOTES	Group 2015 \$'000	Group 2014 \$'000	Parent 2015 \$'000	Parent 2014 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash provided from:					
Receipts from sale of ACE		973	1,212	973	1,212
Refund of Maori Authority Tax Credits		400	-	400	-
Receipts from ACE Round disputes		1,237	1,296	1,237	1,296
Other		148	493	148	493
		2,758	3,001	2,758	3,001
Cash applied to:					
Payments to suppliers and employees		5,890	4,400	5,890	4,400
Taxation paid on behalf of other trusts		-	-	-	-
		5,890	4,400	5,890	4,400
Net cash inflow /(outflow) from Operating Activities		(3,132)	(1,399)	(3,132)	(1,399)
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash provided from:					
Cash drawdown from Joint Investment Portfolio		3,800	3,900	3,800	3,900
Proceeds from sale of Anton's quota to iwi		3,518	1,483	3,518	1,483
AFL dividend received for Te Ohu Kaimoana	10	1,756	-	1,756	-
AFL dividend received for Iwi shares held in trust	13	117	-	117	-
		9,191	5,383	9,191	5,383
Cash applied to:					
Purchase of fixed assets		22	11	22	11
Cash deposit to Joint Investment Portfolio		5,000	-	5,000	-
Purchase of Anton's quota		-	5,000	-	5,000
		5,022	5,011	5,022	5,011
Net cash inflow from Investing Activities		4,169	372	4,169	372
CASH FLOWS FROM FINANCING & TRUST CAPITAL ACTIVITIES					
Cash applied to:					
Distributions to associated trusts	5(a)(i)	1,053	1,000	1,053	1,000
Distributions to iwi	5(a)(ii)	426	126	426	126
		1,479	1,126	1,479	1,126
Net cash outflow from Financing Activities		(1,479)	(1,126)	(1,479)	(1,126)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(442)	(2,153)	(442)	(2,153)
Opening cash and cash equivalents brought forward		5,068	7,221	5,068	7,221
CASH AND CASH EQUIVALENTS HELD AT YEAR END	6	4,626	5,068	4,626	5,068

The above statement of cash flows should be read in conjunction with the accompanying notes on pages 10 to 38.

For the Year Ended 30 September 2015

RECONCILIATION OF NET SURPLUS TO CASH FLOW FROM OPERATING ACTIVITIES

	Group	Group	Parent	Parent
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Net Surplus	5,331	7,188	5,331	7,188
Add (Deduct) non-cash items:				
Depreciation	18	75	18	75
Share of associates profit	(3,193)	(4,391)	(3,193)	(4,391)
Decrease/(Increase) in holding value of Aotearoa Fisheries Limited income shares held in trust for iwi	55	(110)	55	(110)
Dividend receivable on income shares held in trust for iwi	(85)	(117)	(85)	(117)
Gains on financial investments	(3,937)	(4,352)	(3,937)	(4,352)
	(7,142)	(8,895)	(7,142)	(8,895)
Movements in working capital items:				
(Increase)/Decrease in receivables & prepayments	(213)	420	(213)	420
Decrease in payables & accruals	(1,108)	(112)	(1,108)	(112)
	(1,321)	308	(1,321)	308
Net cash outflow from Operating Activities	(3,132)	(1,399)	(3,132)	(1,399)

The above statement of cash flows should be read in conjunction with the accompanying notes on pages 10 to 38.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – REPORTING ENTITY

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

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

As a result of the review of the Maori Fisheries settlement entities, undertaken during 2014 and 2015, as required by the Act, iwi have resolved to make changes to the governance of the entities reviewed. The reviewer presented his report in March 2015. Recommendations from the review were considered by iwi at a special general meeting held on 4 June 2015. At that meeting iwi resolved to make significant changes to the governance arrangements established under the Act, requiring a new business model to be developed for Te Ohu, the transfer of Te Ohu's shares in Aotearoa Fisheries Limited to iwi, and a simpler process for Maori commercial entities to trade their settlement assets with each other. Changes are also required to the governance of all other entities reviewed.

These changes require further policy development, legislative and constitutional changes. Proposals for the future structure of the group are to be presented to iwi for agreement at the Hui-a-Tau in March 2016, which will require draft amendments to the Act to be delivered to the Minister by the end of September 2016 for inclusion in the Government's legislative programme.

The Te Ohu Kai Moana Trust Group (the Group) comprises the Trust and its subsidiary, Charisma Developments Limited.

The trust is domiciled in New Zealand.

Equity Transferred – 29 November 2004

On and from 29 November 2004, the Appointed Day, all existing undertakings, assets and liabilities of the Treaty of Waitangi Fisheries Commission were vested in Te Ohu Kai Moana Trustee Limited, acting as trustee of Te Ohu Kai Moana Trust.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of Preparation

The Trust elects to report as a reporting entity for the purposes of the Financial Reporting Act 1993. The financial statements and the Group financial statements are presented in accordance with the Maori Fisheries Act 2004 and with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). For the purposes of complying with NZ GAAP the entity is a for-profit entity.

b) Statement of Compliance

The financial statements have been prepared in accordance with NZ GAAP and other applicable Financial Reporting Standards. They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

c) New Accounting Standards and Interpretations

(i) Changes in accounting policy and disclosures

There have been no changes to accounting policies.

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**(ii) Accounting standards and interpretations issued but not yet effective**

Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ending 30 September 2015.

These are outlined in the table below.

Reference	Title	Impact on Group financial statements	Application date of standard	Application date for Group
NZ IFRS 9 (2014)	Financial Instruments	No financial impact but the amendments may affect the presentation of the Group's financial statements.	1 January 2018	1 October 2018

d) Basis of Measurement

The measurement and reporting of financial performance, movements in equity, financial position and cash flows is based on historical cost, modified by the revaluation of certain assets. The entity is a going concern.

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

e) Use of Estimates and Judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period.

However, uncertainty surrounding these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of a particular asset or liability in future periods.

In the process of applying the accounting policies, management has made the following significant judgments:

(i) Interest in Aotearoa Fisheries Limited

In accordance with the Act the Trust owns 100% of the voting shares in Aotearoa Fisheries Limited (AFL) and is entitled to appoint and remove Directors of that company. NZ IFRS 10 Consolidated Financial Statements defines control as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. As the voting shares have no beneficial interests or rights attached to them they are treated as having neither control nor any value for the purposes of financial reporting.

The Act requires the Trust to hold 20% of the income shares in AFL. These shares are recorded using the equity method.

The Act also requires the Trust to hold AFL income shares on behalf of iwi. These shares are valued on the basis of the net asset value recorded by AFL in its audited financial statements.

(ii) Classification of Maori Fisheries Act Reserves

Te Ohu Kai Moana Trust holds in trust settlement assets for iwi under the Act. In accordance with the Act iwi are entitled to a share of those settlement assets upon achieving the status of a mandated iwi organisation (MIO) and subsequently on reaching coastline and harbour agreements with neighbouring iwi. Until MIO status is achieved the Trust has no obligations to make settlements under the Act.

Management has concluded it is appropriate to classify the settlement assets as Trust equity until an iwi becomes entitled to receive them. Settlement assets allocated to an iwi are re-classified to liabilities until actual transfer of ownership occurs.

(iii) Quota Shares

The Trust tests quota shares held by it, either in its own right or in trust for iwi, for impairment on an annual basis. For the purpose of testing assets for impairment the Trust appoints external valuers to determine the fair value of all quota shares held at balance date. A valuation requires making various assumptions about the future including estimating present values of future cash flows by applying an appropriate discount rate to the cash flows receivable from the ownership or use of an asset. An impairment exists when the carrying value of an asset exceeds its fair value.

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

f) Basis of Consolidation

Subsidiaries are entities in which the Trust has the capacity to control the financing and operating policies to obtain ownership benefits. The consolidated financial statements comprise the Trust and its subsidiary— Charisma Developments Limited (CDL).

The financial statements of CDL are prepared for the same reporting period as the Trust, using consistent accounting policies.

Consolidation involves adding corresponding assets, liabilities, revenues and expenses on a line-by-line basis. All significant transactions between the group entities have been eliminated on consolidation. In the Trust financial statements, investments in subsidiaries are recognised at cost less any impairment charges.

g) Trust Equity and Reserves

Trust equity is split into two sections to separately identify the equity accumulated in the Trust and the reserves the Trust is required to maintain in accordance with the Act, or other agreements or deeds until the assets are allocated and transferred to mandated iwi organisation's (MIOs), their asset holding companies, or the beneficiaries identified in the other agreements or deeds.

The Act requires that the cash to iwi set aside under s137 (1) (d) accumulates earnings attributable to it. Interest is attributed on a monthly basis at the interest rate applicable to funds held at call.

h) Allocation and Transfer of Assets to Iwi per the Maori Fisheries Act 2004

Distributions of assets through allocation and transfer to mandated iwi organisations or their asset holding companies are recorded at the carrying value of the applicable asset in the financial statements.

Assets allocated, but not transferred, are classified as liabilities in the Balance Sheet.

i) Taxation

The Trust and its wholly owned subsidiary are registered as charitable organisations with the Department of Internal Affairs and are therefore treated as exempt from income tax.

j) Goods and Services Tax

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

k) Financial Assets and Liabilities

(i) Receivables

Trade receivables are classified as loans and receivables, which generally have standard commercial terms of trade, are recognised and are carried at original invoice amount less an allowance for amounts assessed to be uncollectable. Collectability of trade receivables is reviewed on an on-going basis. Individual debts that are known to be uncollectable are written off when identified.

(ii) Financial Investments

The Group classifies its financial investments at fair value through profit and loss as the Group invests in these financial assets with a view to profiting from their total return in the form of interest or increases in the fair value.

Gains and losses arising from changes in the fair value of financial investments are recognised in the statement of comprehensive income in the period in which they arise.

The Trust has classified its financial investments as level 2 in the fair value hierarchy.

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(iii) Payables

Trade payables are classified as financial liabilities measured at amortised cost with settlement of payments being on normal commercial terms.

l) Investments in Subsidiaries

Investments in subsidiaries are stated at cost less any impairment identified.

m) Investments in Associates

Associates are entities over which the Trust has the capacity to exercise significant influence and are not subsidiaries or joint ventures. Associates have been reflected in the parent and consolidated financial statements on an equity accounting basis, which shows the Trust's beneficial share of retained surpluses and total other comprehensive income in the consolidated statement of comprehensive income, and its share of post-acquisition increases or decreases in net assets in the consolidated balance sheet.

Aotearoa Fisheries Limited (AFL) income shares held in trust for iwi are recorded at the ownership share of the value that represents their proportion of the net assets of AFL. The movement in the AFL net assets is reflected in the consolidated statement of comprehensive income and the share of post-acquisition increases or decreases in net assets in the consolidated balance sheet.

The financial statements of AFL are prepared for the same reporting period as the Trust.

n) Redeemable Preference Shares (RPS)

The RPS are classified as loans and receivables in the Group financial statements, in accordance with NZ IAS 39 Financial Instruments: Recognition and Measurement. The RPS agreement allows the Trust to put the RPS in full or a portion of it to AFL at any date after 29 November 2011 (the first redemption date) until 29 November 2019. The RPS are carried at their face value.

o) Intangible Assets

Quota shares have an indefinite useful life and generate economic benefits beyond one year. Quota shares are held at deemed cost and tested annually for impairment. Any adjustments made to recognise impairment are reported in the statement of comprehensive income.

Quota shares held by the parent are held in trust for and on behalf of iwi. They are not able to be sold by the Trust.

New Zealand Units (NZUs) issued as part of the compensation to quota owners under the Fishing Allocation Plan allowed for in the Climate Change Response Act 2002 are held as intangible assets at a deemed cost of nil.

p) Property, Plant and Equipment

(i) Measurement

The Trust has the following classes of property, plant & equipment:

- Office Equipment
- Fixture and fittings
- IT hardware
- Other
- Leasehold Improvements

Property, plant and equipment are stated at cost, including costs directly attributable to bringing the asset to its operating condition, less accumulated depreciation and any impairment in value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(ii) Depreciation

Depreciation is calculated on a straight-line basis on all property, plant and equipment, other than capital work in progress, at depreciation rates calculated to allocate the asset's cost less estimated residual value, over their estimated useful lives.

Major depreciation periods are:

- Office Equipment 3 - 5 years
- Fixture and fitting 3 - 6 years
- IT Hardware 3 years
- Other 3 years

Leasehold improvements are depreciated over the earlier of either their economic life or the term of the lease. The current lease term expires 30 September 2017, and has a right of renewal for two additional periods of 3 years.

Asset residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

q) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the cash generating unit to which the asset belongs. Impairment losses directly reduce the carrying amount of assets and are recognised in the statement of comprehensive income.

r) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

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

s) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

(i) Revenue from Annual Catch Entitlement (ACE) sales

ACE is the annual right to catch a specific amount of a relevant fish stock within the quota management system. ACE is allocated on the first day of the fishing year to the owner of the quota shares from which it is generated.

ACE is sold by the Trust to iwi organisations in accordance with section 152 of the Maori Fisheries Act 2004.

Invoices are raised in April and October each year to the relevant iwi organisations upon the commencement of the relevant ACE round. The total amount invoiced is initially accrued as deferred income and subsequently amortised and recognised as income over the twelve months of the respective fishing years.

Proceeds from the sale of ACE to iwi are used to pay government and industry levies and costs incurred by the Trust as owner of quota yet to be allocated and transferred to iwi. The balance of ACE sale proceeds contributes towards the costs of administering the ACE rounds and participating in fisheries management organisations.

(ii) Interest Income

Revenue is recognised as the interest accrues using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(iii) Dividends

Revenue is recognised when the Trust's right to receive the payment is established.

Under s76(2) of the Maori Fisheries Act 2004 dividends are calculated at 40% of Aotearoa Fisheries Limited consolidated net profit after tax.

t) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The Act required an independent review not later than eleven years after its commencement. Provisions towards the costs of the review were made, each year until 2013, on the basis of management's best estimates of the future costs.

Actual costs incurred during the review process may differ from the provisions originally made.

Provisions made in respect of each obligation are based on Management's best estimate of the expenditure required to settle the obligation at the reporting date.

u) Employee Benefits

All short term and long term obligations relating to employee legal entitlements including annual leave are accrued and recognised in the balance sheet. The liability is equal to the present value of the estimated future cash outflows as a result of employee services provided at the reporting date.

Provisions made in respect of employee benefits expected to be settled within twelve months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

v) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet are classified as loans and receivables, comprising of cash on hand, call deposits and short term deposits with an original maturity of three months or less.

w) Statement of Cash Flows

For the purpose of the statement of cash flows, cash consists of cash and cash equivalents as defined above.

The cash flows included in the statement of cash flow are stated on a gross basis.

x) Comparative Figures

Some comparative figures have been reclassified to conform to changes in presentation in the current year.

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 3 – OPERATING REVENUE FROM TE OHU KAI MOANA TRUST ACTIVITIES**

	Group & Parent	
	2015	2014
	\$'000	\$'000
Revenue from sale of ACE	973	1,212
Refund of Maori Authority Tax Credits	373	-
Interest received	150	322
Other	210	171
TOTAL	1,706	1,705

Maori Authority Tax Credits (MATCs)

MATCs represent refunds from Inland Revenue Department (IRD) of Maori Authority Tax Credits attached to dividends and taxable bonus share issues received from Aotearoa Fisheries Limited.

NOTE 4 – OPERATING SURPLUS

Included in the operating surplus before taxation are the following operating expenses:

	NOTES	Group & Parent	
		2015	2014
		\$'000	\$'000
Fees paid to Auditor			
Audit of the financial statements		58	59
Facilities and rental		400	430
Travel and accommodation		357	343
Directors' remuneration	17 (g)	418	405
Remuneration of Te Kaiwai Taumata members		9	-
Employee entitlements and benefits		2,380	2,311
Professional services		968	605
External reporting and communication		194	245
Quota related fees and levies		476	660
Administration		174	165
Scholarships		50	44
Depreciation			
Fixtures and fittings		-	2
Leasehold improvements		11	58
Office equipment		2	1
IT hardware		4	13
Software		-	1
Costs recovered from associated entities		(702)	(559)
TOTAL OPERATING EXPENDITURE		4,799	4,783

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 5 – MAORI FISHERIES ACT AND OTHER CLASSIFIED RESERVES**

	NOTES	Group & Parent	
		2015	2014
		\$'000	\$'000
Maori Fisheries Act reserves	5(a)	39,319	56,277
Global Fisheries Scholarship Trust	5(b)	1,021	1,032
ACE Round disputes held in Trust	5(c)	3,605	2,368
Balance as at 30 September		43,945	59,677

5 (a) Maori Fisheries Act reserves

The Maori Fisheries Act details the amounts set aside for allocation and transfer to iwi and associated trusts. The relevant sections of the Act are included with the name of each reserve in the table below.

	Group & Parent	
	2015	2014
	\$'000	\$'000
Quota shares to be allocated s140 - s148	26,524	42,132
Aotearoa Fisheries Limited income shares held in trust for iwi - s139	5,447	5,502
Dividend receivable on Aotearoa Fisheries Limited income shares held in trust for iwi - s76(2)	515	430
Maori Authority Tax Credits received held in trust for iwi	505	478
Te Wai Maori Trust capital s137(1)(b) & s103(3)	5,000	6,000
Cash top up for quota shortfall s137(1)(c)	740	1,166
Cash to iwi s137(1)(f)	588	569
TOTAL	39,319	56,277

5 (a) (i) Te Wai Maori Trust

Under s103(3) of the Act, Te Ohu Kai Moana Trust must pay not less than \$1 million per year, until a total sum of \$20 million has been received by Te Wai Maori Trust, including the \$10 million transferred under s137(1)(b) in October 2009.

5 (a) (ii) Settlement Assets to be allocated

During 2015, no iwi was recognised as a MIO by Te Ohu Kai Moana and therefore no population settlement assets were allocated (2014: 0).

Eleven Coastline agreements were completed during the year (2014:1) and no harbour agreements were completed (2014: 0).

Details of assets allocated and transferred are shown in note 17(a) of this report.

5 (b) Global Fisheries Scholarship Trust

The Global Fisheries Scholarship Trust (GFS) was created in 2008. The funds are invested as part of Te Ohu Kaimoana's investment portfolio and share on a proportional basis the income generated and valuation movements based on the percentage of the total fund held.

Administration is undertaken by Te Ohu Kai Moana Trustee Limited.

	Group & Parent	
	2015	2014
	\$'000	\$'000
Balance as at 1 October	1,032	997
Income	42	60
Scholarship costs	(53)	(25)
Balance as at 30 September	1,021	1,032

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 5 – MAORI FISHERIES ACT AND OTHER CLASSIFIED RESERVES continued...****5 (c) ACE Round Disputes Held in Trust**

These funds have arisen from disputes over representation and mandate issues relating to quota lease and annual catch entitlement distribution rounds. The funds are held on deposit awaiting resolution of each dispute. In some cases the amounts cover disputes involving multiple leases and ACE round years.

	2015	2014
	\$'000	\$'000
Balance as at 1 October	2,368	1,072
Income from sale of ACE	1,224	1,151
Income from interest	98	48
Administration costs incurred	(85)	(57)
Income tax reversal	-	154
Balance as at 30 September	3,605	2,368

The tax status on income derived from ACE round disputes is currently being reviewed with Inland Revenue. Te Ohu Kaimoana considers that income derived through the sale of disputed ACE is derived by Te Ohu Kaimoana and is therefore exempt. No tax return has been filed for 2014 as final confirmation from Inland Revenue of this interpretation had not been received at balance date.

Details of Iwi / Disputes and funds held	2015	2014
	\$'000	\$'000
Ngai Takoto, Ngati Kuri, Te Aupouri and Te Rarawa	1,350	712
Iwi of Hauraki/Waikato	740	463
Southern FMA8 Iwi	505	239
Coromandel Scallops	307	297
Whakatohea	154	152
Ngai Takoto	142	140
Motiti Island	136	90
CRA9 Iwi	92	91
Ngai Tahu and Ngati Toa Rangatira	83	82
FMA7 (OYS7C)	38	37
Ngati Maru	16	16
Ngati Kahungunu (Freshwater)	16	16
Rongomaiwahine/Ngati Kahungunu	13	13
Ngai Tahu/Te tau Ihu	6	6
Te Atiawa (Taranaki) (Freshwater)	3	3
ORH7A(Ngai Tahu, Rangitane(Te Tau Ihu) and Ngati Toa Rangatira)	2	9
Ngati Pukenga, Ngai Tamanuhiri, Ngati Whare, Ngati Ranginui (Freshwater)	2	2
TOTAL	3,605	2,368

NOTE 6 – CASH AND CASH EQUIVALENTS

	Group & Parent	
	2015	2014
	\$'000	\$'000
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
Cash on hand and call deposits	4,626	5,068
TOTAL	4,626	5,068

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 7 – RECEIVABLES AND PREPAYMENTS**

	Group & Parent	
	2015	2014
	\$'000	\$'000
Trade receivables	24	26
Receivables from sale of Anton's quota	-	3,517
Dividend receivable	1,362	1,874
Other receivables	17	-
Prepayments	41	47
Related Parties:		
Te Putea Whakatupu Trust	272	-
Te Wai Maori Trust	33	101
TOTAL	1,749	5,565

Trade receivables are generated from the sale of ACE and recovery of costs from associated entities.

Other receivables include goods and services tax receivable at reporting date. Both amounts are recorded at their estimated realisable value.

Receivables from sale of Anton's quota relates to last year's Te Ohu Kaimoana, Aotearoa Fisheries Limited and Sealord Group's purchase of Auckland Company Anton's Seafood's Deepwater quota.

Te Ohu Kaimoana's contribution through Charisma Developments Limited was the purchase of a \$5 million parcel of quota shares in FMA 1, largely Orange Roughy (ORH1) but including squid, alfonsino, ruby, cardinal and some other stocks. The quota was purchased with the intent to on-sell to iwi, through their Asset Holding Companies. All amounts were fully paid by 15 October 2014 and transferred to Te Ohu Kaimoana's portion of the portfolio in April 2015.

Prepayments are the unexpired portion of insurances paid in advance at reporting date.

The Trust makes payments on behalf of Te Putea Whakatupu Trust and Te Wai Maori Trust and issues invoices for recovery of those payments at the end of the following month.

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 8 – PROPERTY, PLANT AND EQUIPMENT****Group & Parent**

	Office equipment \$'000	Fixture & fittings \$'000	IT hardware \$'000	IT software \$'000	Leasehold improvements \$'000	TOTAL \$'000
At 1 October 2013						
Cost or Revaluation	108	155	112	63	457	895
Accumulated Depreciation	(106)	(148)	(96)	(62)	(389)	(801)
Opening Net Book Value	2	7	16	1	68	94
Year Ended 30 September 2014						
Opening Net Book Value	2	7	16	1	68	94
Additions	2	-	7	-	-	9
Disposals	-	-	-	-	-	-
Depreciation Charge	(1)	(2)	(13)	(1)	(58)	(75)
Closing Net Book Value	3	5	10	-	10	28
At 30 September 2014						
Cost or Revaluation	110	155	119	63	457	904
Accumulated Depreciation	(107)	(150)	(109)	(63)	(447)	(876)
Closing Net Book Value	3	5	10	-	10	28
Year ended 30 September 2015						
Opening Net Book Value	3	5	10	-	10	28
Additions	2	11	10	-	-	23
Disposals	-	-	-	-	-	-
Depreciation Charge	(2)	(2)	(5)	-	(9)	(18)
Closing Net Book Value	3	14	15	-	1	33
At 30 September 2015						
Cost or Revaluation	112	166	129	63	457	927
Accumulated Depreciation	(109)	(152)	(114)	(63)	(456)	(894)
Closing Net Book Value	3	14	15	-	1	33

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 9 – INVESTMENT IN SUBSIDIARIES**

	Parent 2015 \$'000	Parent 2014 \$'000
Charisma Development Limited	11,797	11,797

This company holds the redeemable preference shares (RPS) and some developmental fisheries quota – refer note 11.

Significant subsidiaries	Principal Activity	Balance date	Percentage held	
			2015	2014
Charisma Developments Limited	Investment Holding	30-Sep	100%	100%
Other subsidiaries:				
Te Ohu Kaimoana Portfolio Management Services Limited	Portfolio Management	30-Sep	100%	100%
Te Ohu Kaimoana Custodian Limited	Custodial Services	30-Sep	100%	100%
Te Ohu Kaimoana Development Fisheries Limited	Non-trading	30-Sep	100%	100%
Te Putea Whakatupu Trustee Limited	Trustee	30-Sep	100%	100%
Te Wai Maori Trustee Limited	Trustee	30-Sep	100%	100%

The single share in Te Putea Whakatupu Trustee Limited and Te Wai Maori Trustee Limited is held jointly by the directors of Te Ohu Kai Moana Trustee Limited.

NOTE 10 – INVESTMENT IN ASSOCIATES

The Trust's investment in Aotearoa Fisheries Limited (AFL) is shown as an investment in associates in the balance sheet.

The Act states that the Trust must retain control of 100% of the 125,000 voting shares and 20% of the 250,000 income shares in AFL. The balance of the income shares are to be held in trust for iwi until they are allocated. Shares held in trust for iwi are reported as a separate item in the balance sheet – refer note 13.

On 4 June iwi resolved to make significant changes to the governance arrangements established under the Maori Fisheries Act 2004, including the transfer to iwi of all shares held by Te Ohu in AFL (see note 1). These changes will require legislative and constitutional amendments following final agreement by iwi at the Hui a Tau in March 2016. Draft amendments to the ACT are expected to be delivered to the Minister by the end of September 2016.

(a) Movements in the Carrying Amount of the Group's Investment in Associates

	Group & Parent	
	2015 \$'000	2014 \$'000
Share of associates (loss) / profit	3,193	4,391
Share of associates other Comprehensive income / (loss)	(2,746)	(989)
Dividends receivable from Associates s76 (2)	(1,277)	(1,756)
Equity Accounted Movement in Investment	(830)	1,646
Carrying amount as at 1 October:		
Share of increase/(decrease) in associates equity since acquisition	25,147	23,501
Cost of investment in Associates	57,396	57,396
	82,543	80,897
Carrying amount as at 30 September	81,713	82,543

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 10 – INVESTMENTS IN ASSOCIATES continued ...****(b) Summarised financial information relating to the Group's associate**

	Group	Group
	2015	2014
	\$'000	\$'000
Extract from Aotearoa Fisheries Limited Balance Sheet:		
Current Assets	39,957	38,360
Non-current Assets	484,542	493,863
	524,499	532,223
Current Liabilities	42,081	45,101
Non-current Liabilities	73,854	74,408
	115,935	119,509
Net Assets	408,564	412,714
Share of Associate's Net Assets	81,713	82,543
Extract from Aotearoa Fisheries Limited Income Statement:		
Revenue	174,915	162,304
Share of / profit for the year	3,193	4,391
Share of other comprehensive income / (loss) for the year net of tax	(2,746)	(989)
Share of total comprehensive income for the year net of tax, attributable to the shareholders	447	3,402

NOTE 11 – REDEEMABLE PREFERENCE SHARES (RPS)

On 22 December 2004, the Trust received \$20 million face value of RPS issued by AFL Investments Limited (a wholly owned subsidiary of Aotearoa Fisheries Limited) in satisfaction of loans owed by AFL to the Trust. The RPS are supported by a guarantee from and a put option to AFL. The RPS were subsequently transferred to Charisma Developments Limited, a wholly owned subsidiary of the Trust.

The non-interest bearing redeemable preference share comprises 20 million shares with an issue price of \$1 per share. In case of liquidation of AFL Investments Limited the RPS will be repaid in priority to other classes of equity in AFL Investments Limited.

The RPS agreement allows the Trust to put the RPS to AFL at any date from 29 November 2011 to 29 November 2019. The redemption price is to be determined through negotiation between the parties, but cannot exceed \$1 per share.

The future role, if any, of the RPS is to be considered as part of the new governance and funding arrangements to be agreed by iwi at the Hui a Tau I March 2016 (refer note 1). As at the date of this report no changes have been agreed.

	Group	Group
	2015	2014
	\$'000	\$'000
Carrying value at reporting date	20,000	20,000

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 12 – INVESTMENT PORTFOLIO**

Under the Trust's investment structure, Te Ohu Kaimoana Portfolio Management Services Limited (Portfolio Management Services) was established to assume the overall administration and management of the Joint Investment Portfolio for the Trust and its two associated trust entities, Te Putea Whakatupu and Te Wai Maori.

The Directors of Portfolio Management Services are currently members of Te Ohu Kai Moana Trust's Audit & Risk Committee.

The legal title of all investments in the joint portfolio are held in the name of Te Ohu Kaimoana Custodian Limited as custodian. The custodian has no beneficial interest in any of the assets registered in its name.

The Trust shares on a proportional basis the income generated and valuation movements based on the percentage held of the total portfolio.

	Group & Parent	
	2015	2014
	\$'000	\$'000
Balance as at 1 October	73,771	73,319
Gains on investment portfolio	3,937	4,352
Additions during the year	5,000	-
Withdrawals during the year	(3,800)	(3,900)
Balance as at 30 September	78,908	73,771

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 13 – AOTEAROA FISHERIES LIMITED INCOME SHARES HELD IN TRUST FOR IWI**

	Group	Group
	2015	2014
	\$'000	\$'000
Increase /(decrease) in holding value of Aotearoa Fisheries Limited income shares held in trust for iwi	(55)	110
Shares transferred to iwi during the year	-	-
Movement in value of shares held in trust	(55)	110
Carrying value of shares held in trust at 1 October	5,502	5,392
Carrying value of shares held in trust at 30 September	5,447	5,502
Represented by		
Share of Increase/(Decrease) in Net Assets since Appointed Day	1,622	1,677
Cost of Shares held in trust at original cost	3,825	3,825
Net Asset value of Income Shares held in trust	5,447	5,502

The Act required the Trust to hold 80% of the income shares in AFL, received on the Appointed Day, 29 November 2004, for allocation and transfer to iwi. The Trust recorded the investment based on the net asset value of AFL at the Appointed Day.

The movement in net assets reported by AFL each year is added to the value of the remaining income shares held in trust in the proportion that the number of shares held relates to the total income shares on issue. Shares transferred to iwi are recorded at the value that includes the movement in net assets for the year ending on the previous reporting date.

The total number of shares held in trust as at 30 September 2015 is as follows:

	Number of shares held in trust	
Iwi	2015	2014
Te Whanau a Apanui	2,978	2,978
Ngati Tama	354	354
TOTAL	3,332	3,332

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 13 – AOTEAROA FISHERIES LIMITED INCOME SHARES HELD IN TRUST FOR IWI continued ...**

The value of assets held in trust for iwi in relation to AFL income shares is:

Iwi	2015			2014		
	AFL income share value	Dividends	MATCs	AFL income share value	Dividends	MATCs
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Te Whanau a Apanui	4,868	461	448	4,916	385	425
Ngati Tama	579	54	53	586	45	51
Muaūpoko	-	-	2	-	-	-
Ngati Maru	-	-	2	-	-	2
TOTAL	5,447	515	505	5,502	430	478

The dividend expected from AFL on income shares held in trust for iwi as at 30 September 2015 is \$85,099 (2014: \$117,060).

Refunds of Maori Authority Tax Credits (MATCs) relating to AFL income shares held in trust are accounted for when received from IRD. Refunds are paid to iwi at the same time the income shares are transferred to iwi or when received from IRD.

NOTE 14 – QUOTA SHARES

Year ended 30 September	Group	Group	Parent	Parent
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Opening net book value	42,316	42,526	42,132	42,342
Allocated to iwi	(15,608)	(210)	(15,608)	(210)
Closing net book value	26,708	42,316	26,524	42,132
Deemed cost	26,708	42,316	26,524	42,132
Net book value	26,708	42,316	26,524	42,132

In accordance with the Group's accounting policies, quota shares, being intangibles with indefinite useful lives are initially recorded in these financial statements at deemed cost and tested for impairment annually.

Cost is represented by the fair value of the quota parcel vested in the Trust on the 29 November 2004. The original fair value of the quota parcel was determined through an independent valuation process. The parcel remaining as at 30 September 2015 was tested for impairment by having the quota shares valued on 1 October 2015 by two independent valuers.

The market value of the portfolio of the quota shares held ranged from \$58.5 million to \$191.0 million after allowing for costs to sell. As the carrying value of the quota shares held was less than the market value, no impairment has occurred.

Charisma Developments Limited held \$184,000 (2014: \$184,000) of quota shares relating to the Trust's participation in development fisheries at reporting date. These quota shares do not form part of the quota shares held in trust for allocation to iwi under the Act.

In September 2010 the Group received an allocation of 25,628 New Zealand Units (NZUs) as part of the compensation to quota owners under the Fishing Allocation Plan allowed for in the Climate Change Response Act 2002. The NZUs will be allocated to iwi based on their proportionate share of the quota shares held by the Trust as at 24 September 2009. The total balance of NZUs for the Group as at 30 September 2015 is 11,938 units (2014: 11,938 units). No value was ascribed to the NZUs at balance date.

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 15 – PAYABLES AND ACCRUALS**

	Group & Parent	
	2015	2014
	\$'000	\$'000
Trade payables	764	582
Employee entitlements	213	178
Income received in advance	69	134
Other payables	77	717
TOTAL	1,123	1,611

Income received in advance relates to the April 2015 ACE round. All income from the sale of ACE is accrued and amortised over the twelve months of the fishing year. The revenue is then matched to the levies, charges and overhead expenses incurred on a monthly basis. When shares are transferred to iwi during the year, the levies and charges for the remainder of the fishing year are refunded. The balance of income received in advance is the un-amortised income for the six months from 1 October 2015 to 31 March 2016.

NOTE 16 – PROVISIONS FOR OTHER LIABILITIES AND CHARGES

2015	Group & Parent	
	11-year Review	Total
	\$'000	\$'000
Balance as at 1 October 2014	619	619
Provisions during the year	-	-
Amounts used during the year	(619)	(619)
Balance as at 30 September 2014	-	-
Current 2015	-	-
Non-current 2015	-	-
Balance as at 30 September 2015	-	-

2014	Group & Parent	
	11-year Review	Total
	\$'000	\$'000
Balance as at 1 October 2013	992	992
Provisions during the year	-	-
Amounts used during the year	(373)	(373)
Balance as at 30 September 2013	619	619
Current 2014	619	619
Non-current 2014	-	-
Balance as at 30 September 2014	619	619

The Act requires an independent review to be completed no later than eleven years after its commencement, (s114). Provisions made for a proportion of the estimated future cost have been recognised in the statement of comprehensive income.

The 11-year review was completed with the resolutions arising from the recommendations being agreed to at the special general meeting held 4 June 2015.

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 17 – RELATED PARTY DISCLOSURE****(a) Distributions of settlement assets to iwi**

2015	Group & Parent			
	Quota Shares	Total cash	AFL Income Shares	Total
	\$'000	\$'000	\$'000	\$'000
Assets allocated & transferred - current year				
Ngai Tahu Fisheries Settlement Ltd	11,111	355	-	11,466
Te Runanga a Rangitāne o Wairau Trust	1,606	9	-	1,615
Ika Toa Limited	2,498	47	-	2,545
Ati Awa Ki Whakarongotai Holdings Limited	318	13	-	331
Ngapuhi Asset Holding Company Limited	26	-	-	26
Ngati Kahu Fisheries Limited	14	1	-	15
Te Runanga O Whaingaroa	24	1	-	25
Ngatiwai Holdings Limited	11	-	-	11
Total assets allocated & transferred	15,608	426	-	16,034

2014	Group & Parent			
	Quota Shares	Total cash	AFL Income Shares	Total
	\$'000	\$'000	\$'000	\$'000
Assets allocated & transferred - current year				
Te Runanga o Ngati Mutunga Coastline	210	22	-	232
Muaūpoko Maori Authority Tax Credit	-	71	-	71
Muaūpoko Interest on Settlement Cash	-	33	-	33
Total assets allocated & transferred	210	126	-	336

(b) Distributions of settlement assets to associated trusts**Te Wai Maori Trust**

Te Ohu Kai Moana Trust transferred \$1 million to Te Wai Maori Trust in accordance with the Maori Fisheries Act 2004 Section 103(3) during the year (2014: \$1 million).

(c) Revenue from sale of ACE

Each year, ACE generated from the quota shares held by the Trust is sold to iwi and their representative organisations. In the year ended 30 September 2015, \$0.975 million (2014: \$1.12 million) of invoices were issued to related parties for the October 2014/2015 and April 2015/2016 fishing years.

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 17 – RELATED PARTY DISCLOSURE continued ...****(d) ACE round disputes held in trust**

Sale of ACE from disputes arising during the October 2014 and April 2015 ACE rounds required ACE to be sold to third parties at market value. Proceeds from these sales are held in trust for iwi until disputes are resolved.

	2015	2014
	\$'000	\$'000
Balance as at 1 October	2,368	1,072
Income from sale of ACE	1,224	1,151
Income from interest	98	48
Administration costs incurred	(85)	(57)
Income tax reversal/(provision)	-	154
Balance as at 30 September	3,605	2,368

(e) Committee of Representatives 2015 Review

The members appointed to the Committee of Representatives 2015 Review and remuneration paid were:

Name	Rohe	2015	2014
		\$'000	\$'000
Kevin Robinson	Taitokerau	1	6
Alison Thom	Ngapuhi	-	5
Tony Magner	Tainui	0.8	5
Shane Heremaia	Te Arawa Waka	0.8	4
Materoa Dodd	Mataatua	0.8	5
Mark Ngata	Porourangi	1.2	6
Mike Paku	Takitimu	0.8	4
Ben Potaka	Hauauru	0.8	5
Paia Riwaka-Herbert	Te Moana o Raukawa	0.8	5
Joseph Thomas	Waipounamu/Rekohu	0.8	5
Donna Awatere-Huata	Maori Organisations	-	4
Payments			
Travel reimbursements		5	4
Other expenses		23	45
TOTAL		36	103

f) Iwi Working Group

The members' appointed to the Iwi Working Group and remuneration paid were:

Name	Appointed	2015	2014
		\$'000	\$'000
Jamie Tuuta (Chairman)	Mar-15	18	-
Mark Ngata	Mar-15	14	-
Hinerangi Raumati	Mar-15	14	-
Rob McLeod	Mar-15	11	-
Craig Ellison	Mar-15	16	-
Tom McClurg	Mar-15	17	-
Ngahiwi Tomoana	Mar-15	11	-
Rangimarie Hunia	Mar-15	14	-
TOTAL		115	-

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 17 – RELATED PARTY DISCLOSURE continued ...****(g) Payments to Te Ohu Kaimoana Directors**

					2015 \$'000	2014 \$'000
Te Ohu Kaimoana Board Members	Board	Audit & Risk	Remuneration	Portfolio Management Services		
Rikirangi Gage ¹	40	4		6	50	50
Ken Mair ²	40				40	40
Hinerangi Raumati - Tu'ua ³	40	8		6	54	54
Matiu Rei (Chairman)	90		3		93	93
Sir Mark Solomon	40	4	3	6	53	43
Raniera (Sonny) Tau (Deputy Chairman)	50		5		55	55
Jamie Tuuta ⁴	40	4		6	50	50
Rangimarie Hunia (Alternate) ⁵	6				6	-
TOTAL	346	20	11	24	401	385

**Independent Audit & Risk Committee members
and Directors of Portfolio Management Services:**

George Crosby		4		6	10	10
Colleen Neville		3		4	7	-
Bella Takiari-Brame						7
	346	27	11	34	418	402

1. Rikirangi Gage receives Directors Fees from Te Putea Whakatupu Trustee Limited in 2015 \$10k (2014: \$10k).
2. Ken Mair is paid consultancy fees in relation to facilitation of coastline agreements paid through Consultancy Services Aotearoa Limited in 2015 \$18k (2014: \$61K). Ken Mair also receives Director Fees from Te Wai Maori Trustee Limited in 2015 \$17k (2014 : \$17k)
3. Hinerangi Raumati was appointed a member on the Iwi working group and was paid \$14k in 2015 (2014 : nil).
4. Jamie Tuuta was appointed chairperson on the Iwi working group and was paid \$18k in 2015 (2014 : nil).
5. Rangimarie Hunia was appointed a member on the Iwi working group and was paid \$14k in 2015 (2014: nil).

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 17 – RELATED PARTY DISCLOSURE continued ...****h) Te Ohu Kaimoana Director attendance at meetings**

The directors attended the following meetings during the year:

	Appointed	Board	Audit & Risk	Remuneration	Portfolio Management Services	Total Meetings
Number of meetings held during the year		14	4	1	7	26
Te Ohu Kaimoana Board Members						
Rikirangi Gage	5 Feb 07	7	2	-	5	14
Ken Mair	23 Nov 11	11	-	-	-	11
Hinerangi Raumati - Tu'ua	1 July 11 (Previously as alternate director from 27 Nov 2007)	13	4	-	5	22
Matiu Rei (Chairman)	1 July 11	13	-	1	-	14
Sir Mark Solomon	14 Feb 13	11	2	1	4	18
Raniera (Sonny) Tau (Deputy Chairman)	1 Oct 07	13	-	1	-	14
Jamie Tuuta	1 July 11	13	4	-	7	24
Rangimarie Hunia	10 Feb 15	7	-	-	-	7
Independent Audit & Risk Committee members and Directors of Portfolio Management Services:						
George Crosby	4 June 13	-	3	-	6	9
Colleen Neville	10 February 15	-	2	-	3	5

(i) Payments to Te Wai Maori Trustee Limited Directors from Te Wai Maori Trust

Fees	Appointed	2015 \$'000	2014 \$'000
Directors			
Abby Gordon (alternate)	5 Aug 13	3	3
Ken Mair	17 Feb 12	17	17
Miria Pomare	2 Apr 13	10	10
Hera Smith	2 Apr 13	10	10
TOTAL		40	40

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 17 – RELATED PARTY DISCLOSURE continued ...****(j) Payments to Te Putea Whakatupu Trustee Limited Directors from Te Putea Whakatupu Trust**

Fees	Appointed	2015	2014
		\$'000	\$'000
Directors			
Rikirangi Gage	23 Sept 09	10	10
Richard Jefferies	23 Sept 09	17	17
John Tamihere	9 Aug 07	10	10
Rawiri Waititi (alternate)	26 Nov 09	3	3
TOTAL		40	40

(k) Payments to Te Kawai Taumata

	Appointed	2015	2014
		\$'000	\$'000
Te Kawai Taumata			
Chris McKenzie	6 November 11	0.8	-
Iwi Nicholson	24 March 11	0.8	-
Sam Tamarapa	24 March 11	0.8	-
Mark Ngata (Chair)	23 September 2015	1.2	-
Kevin Robinson (Deputy Chair)	23 September 2015	1.0	-
Heemi Biddle	23 September 2015	0.8	-
Puhirake Ihaka	23 September 2015	0.8	-
Bill Ruru	23 September 2015	0.8	-
Joseph Thomas	23 September 2015	0.8	-
Donna Awatere-Huata	23 September 2015	0.8	-
Carol Dodd	23 September 2015	0.8	-
TOTAL		9	-

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 17 – RELATED PARTY DISCLOSURE continued ...****(k) Subsidiaries, associates and other related parties**

The Trust is the ultimate parent entity of the Group. It's a wholly owned subsidiary, Charisma Developments Limited and all other entities that are established under the Maori Fisheries Act 2004 are considered to be related parties of the Trust.

	2015		2014	
	Receipts	Payments	Receipts	Payments
	\$'000	\$'000	\$'000	\$'000
Associates				
Aotearoa Fisheries Limited	642	51	297	5,044
Other related parties:				
Sealord Group	12	6	14	-
Te Putea Whakatapu Trust	44	-	12	2
Te Wai Maori Trust	115	-	123	-
Takutai Trust	535	-	512	-
TOTAL	1,348	57	958	5,046

(l) Key management remuneration

			2015	2014
	From	To	Total	Total
	\$'000	\$'000	No.	No.
Salaries and employee benefits	100,001	150,000	3	4
	150,001	200,000	2	1
	200,001	250,000	2	1
	250,001	300,000	-	1
	300,001	350,000	1	1
			8	8

(m) Directors' interests

The Trust holds a register of interests for all directors of Te Ohu Kai Moana Trustee Limited and Te Ohu Kai Moana Portfolio Management Services Limited.

As at 30 September 2015, the Directors have the following interests:

Matiu Rei (Chairman)

Te Runanga o Toa Rangatira (Executive Director)
 Ora Toa Pho Limited (Director)
 Te Wananga o Raukawa Foundation (Director)
 Toa Rangatira Trust (Chief Executive)
 Kura Limited (Director)
 Matresa Limited (Director)
 Te Wananga o Raukawa (Board Member)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 17 – RELATED PARTY DISCLOSURE continued ...****Raniera (Sonny) Tau (Deputy Chairman)**

Te Runanga a Iwi o Ngapuhi (Chairman)
Tuhoronuku Independent Mandated Authority (Trustee)
National Whanau Ora Partnership Group (Deputy Chair)
National Iwi Chairs (Member)
Hokianga Fisheries Afford (Co Chairman)
Te Kahu o Taonui (Member)
Ngapuhi Asset Holding Company Limited (Director)
Ngapuhi Services Station Limited (Director)
Ngapuhi Books and Stationery Limited (Director)
Ngapuhi Iwi Social Services Limited (Director)
Omapere Taraire E Rangihamama X3A Ahu Whenua Trust (Chairman)
Kotuku Holdings Limited (Director)
Kotuku D1B Ahu Whenua Trust (Director)

Rikirangi Gage

Cyberwaka Limited (Director)
Maori Television (Director)
National Geographic Board (Director)
Te Putea Whakatupu Trustee Limited (Director)
TWA Fishing Company Limited (Director)
TWA Health and Social Services Limited (Director)
TWA Holiday Park Limited (Director)
TWA Holding Company Limited (Director)
Te Ohu Kaimoana Portfolio Management Services Limited (Director)

Ken Mair

Consultancy Services Aotearoa Limited (Chair)
Heeni Investment Company Limited (Chair)
Maori Party (Vice President)
Nga Tangata Tiaki PSGE (Deputy Chair)
Pakaitore Trust (Chair)
Te Wai Maori Trustee Limited (Chairman)
Te Whiringa Muka M.I.O (Trustee)
Tupoho Investments Limited (Chairman)
Tupoho Whanau Trust (Chairman)
Whanganui Inspire Health Fitness (Director)
Whanganui Resource Recovery Centre (Chair)
Whanganui Port Company (Director)

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 17 – RELATED PARTY DISCLOSURE continued ...****Jamie Tuuta**

Tamaki Makaurau Community Housing Limited (Director)
 Wools of New Zealand Limited (Director)
 Putake Limited (Director)
 Te Maori Lodges Limited (Director)
 Te Matai Kiwi Number 8 Wire (Director)
 Te Ohu Kaimoana Trustee Limited (Director)
 Aotearoa Fisheries Limited (Director)
 Taranaki Iwi Claims Management Limited (Director)
 RDF1 (Director)
 Tuhono Whenua: Red Meat Coalition (Director)
 Taranaki Investment Management Limited (Director)
 Tourism New Zealand Board (Member)
 Venture Taranaki Trust (Trustee)
 Te Tumu Kāinga (Advisory Board Member)
 LINZ business with Māori Advisory Group (Advisory Board Member)
 FarmSafe Ltd (Director)
 Taranaki Whanui Limited (Director)

Hinerangi Raumati

Aotearoa Fisheries Limited (Director)
 Nga Miro Trust (Chairperson)
 Port Nicholson Fisheries General Partner Limited (Director)
 Parininihi ki Waitotara Incorporation (Chair)
 Parininihi ki Waitotara Farms General Partner (Chair)
 Parininihi ki Waitotara Trust (Trustee)
 P.K.W. Farms Limited (Director)
 Te Ohu Kaimoana Portfolio Management Services Limited (Director)
 Forest Emissions Rental Trust (Trustee)
 Crown Forestry Rental Trust (Director)

Sir Mark Solomon

Te Rūnanga o Ngai Tahu (Kaiwhakahaere)
 Te Rūnanga o Kaikoura (Chair)
 Oaro M Incorporation (Member)
 Te Pātaka o Rauru Ltd (Director)
 Ngāi Tahu Fisheries Settlement Ltd (Director)
 Ngāi Tahu Fisheries Investments Ltd (Director)
 Ngāi Tahu Lobster Quota Ltd (Director)
 Te Tapuae o rehua (Director)
 Ngāi Tahu Scampi Quota Ltd (Director)
 Ngāi Tahu Pāua Quota Ltd (Director)
 Ngāi Tahu Shellfish Quota Ltd (Director)
 Ngāi Tahu Wetfish Quota Ltd (Director)
 Ngāi Tahu Migratory Quota Ltd (Director)
 Ngāti Ruanui Holdings (Director)
 Pure Advantage (Trustee)
 He Toki ki te Rika/ki te Mahi (Patron)
 Te Runanga o Kaikoura (Chair)
 NZ China Council (Member)
 Whanau Ora Partnership Group (Member)
 Deep South NSC Governance Board (Member)
 Sustainable Seas Governance Board (Member)
 Advisory Board on CERA Transition (Member)
 Liquid Media Operations Limited (Shareholder)

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 17 – RELATED PARTY DISCLOSURE continued ...****Rangimarie Hunia**

Ngati Whatua Orakei Trustee Limited (Director)
 Institute of Directors Limited (Director)
 Ngati Whatua Orakei Whai Rawa Limited (Director)
 Rangitiria Associates (Director)
 Whenua Haumi Roroa o Tamaki Makarau General Partner Limited (Director)
 Manaiakalani Education Trust (Trustee)
 Kiwi for Kiwis Trust (Advisory Trustee)

George Crosby

Te Ohu Kaimoana Portfolio Management Services Limited (Director)
 Guardians of New Zealand Superannuation Fund (Employee)

Colleen Neville

Te Arawa Group Holdings Limited (Chief Executive Officer)
 Te Arawa Agribusiness Limited (Director)
 Te Arawa Forestry Limited (Director)
 Te Arawa Geothermal Limited (Director)
 Te Arawa Property Holdings Limited (Director)
 Te Arawa Tourism Limited (Director)
 Te Kakano Whakatipu Limited (Director)
 New Zealand Forest Research Institute Limited (Director)
 Te Ohu Kaimoana Portfolio Management Services Limited (Director)

(n) Employees' interests

The Trust holds a register of relevant interests for all employees.
 As at 30 September 2015 senior employees have the following relevant interests:

Peter Douglas

Charisma Developments Limited (Director)
 Capital & Coast District Health Board (Member)
 Hato Paora College Combined Board (Chairman)
 Hutt Valley District Health Board (Member)
 Ruapuha Uekaha Hapu Trust (Chairman)
 Te Ohu Kaimoana Custodian Limited (Director)
 Te Wai Maori Trustee Limited (Alternate Director)
 Seafood Strategy New Zealand Limited (Director)
 Hato Paora Trust Board (Deputy Chairman)
 CYF Expert Advisory Panel (Member)

Simon Karipa

Paraekaretu Solutions Limited (Shareholder/Director)
 Crown Forestry Rental Trust (Alternate Trustee)
 Karipa Marumarū Whanau Trust (Trustee/Beneficiary)
 Charities Registration Board (Member)

Craig Lawson

Aquaculture New Zealand Limited (Director)
 Deepwater Group Limited (Director)
 Fisheries Inshore New Zealand Limited (Chairman)
 Seafood New Zealand Limited (Alternate Director)
 Te Ohu Kaimoana Development Fisheries Limited (Director)
 Trident Systems General Partner Limited (Director)
 Eel Enhancement Company Limited (Alternate Director)

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 17 – RELATED PARTY DISCLOSURE continued ...****Alan Riwaka**

Challenger Oyster Management Company Limited (Director)
 Te Ohu Kaimoana Development Fisheries Limited (Director)
 Te Atiawa (Taranaki) Asset Holding Company Limited (Director)

Kirsty Woods

Potaka Whanau Trust (Trustee)
 Deepwater Group Limited (Alternate Director)
 Aquaculture New Zealand Ltd (Alternate Director)

Peter Whittington

Charisma Developments Limited (Director)
 Te Ohu Kaimoana Development Fisheries Limited (Director)
 Te Ohu Kaimoana Custodian Limited (Director)

(o) Aotearoa Fisheries Limited Directors appointed by Te Ohu Kaimoana Trustee Limited.**Directors of AFL**

Directors	Appointed
Fred Cookson	26 Nov 07
Whaimutu Kent Dewes	1 Oct 11
Alan Gourdie	1 Nov 13
Anthony Hannon	1 Nov 13
Wayne Peters	26 Nov 07
Hinerangi Raumati	29 Nov 12
Jamie Tuuta	15 Jul 11
Elizabeth Ward	1 Nov 13

NOTE 18 - COMMITMENTS**Group & Parent**

	2015	2014
	\$000	\$000

(i) Operating Lease Commitments

Future minimum rentals payable under non-cancellable operating lease as at 30 September are as follows:

Payable within one year	237	250
One to two years	237	231
Two to five years	2	231
Beyond five years		2
	476	714

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 18 – COMMITMENT continued ...

The Group has entered into commercial operating leases on an office building, certain office equipment and a motor vehicle.

These leases have an average life of between one and five years with no renewal option included in the contracts, except for the office building. There are no restrictions placed upon the lessee by entering into these leases.

(ii) Capital Commitments

There are no capital commitments as at 30 September 2015 (2014: nil).

NOTE 19 – FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise cash, call and term deposits and a share in the joint investment portfolio, receivables, redeemable preference shares and payables.

The Group contracts Te Ohu Kaimoana Portfolio Management Services Limited to manage its share in the joint investment portfolio including its exposure to key financial risks, particularly the credit and interest rate risk in accordance with the statement of investment policies are objectives. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

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

Liquidity risk

The Group maintains prudent liquidity risk management that includes maintaining sufficient cash in accordance with its cash flow forecast and an investment portfolio that includes readily convertible to cash instruments.

All payables recorded within the Group financial statements are current liabilities. Maori Fisheries Act assets allocated but "not transferred" are dependent upon the respective iwi completing certain formalities required under the Act to receive those assets and this process may take longer than 12 months. The Group has no long term debt.

The amounts identified as Maori Fisheries Act Classified Reserves are held in trust until the respective iwi are either mandated in accordance with the Act or reach agreement on the distribution of assets in relation to their respective coastlines or harbours. Any cash amounts included amongst these reserves are included in cash flow forecasts as soon as the likelihood of any payment being required is identified.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Group, causing the Group to incur a loss. It arises from the financial assets of the Group, which comprise cash, call and term deposits, trade and other receivables, financial assets at fair value through profit and loss and the redeemable preference shares.

The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The carrying amounts of these instruments that are presented in the balance sheet are the maximum exposure at reporting date.

The Group does not hold any credit derivatives to offset its credit exposure.

The Group does not require any collateral or security to support transactions with financial institutions. The counterparties used for banking and finance activities are financial institutions with high credit ratings and sovereign bodies.

The Group limits the amount of credit exposure to any one financial institution.

Fair values

The carrying value of the financial instruments as detailed in notes 6 and 12 and as disclosed in the balance sheet is the fair value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 20 – FINANCIAL RISK MANAGEMENT continued ...

Credit facilities

The Trust has a Business MasterCard Facility limit of \$100,000 (2014: \$35,000) and a Payroll Letter of Credit Facility limit of \$80,000 (2014: \$80,000).

NOTE 21 - EVENTS SUBSEQUENT TO BALANCE DATE

Under s103(3) of the Act, Te Ohu Kai Moana Trust must pay not less than \$1 million per year, until a total sum of \$20 million has been received by Te Wai Maori Trust, including the \$10 million previously transferred under s137(1)(b). \$1 million was transferred to Te Wai Maori Trust on 31 October 2015 (2014: \$1 million). Total transferred to date is \$16 million (2014: \$15 million).

Litigation proceedings were brought in November 2015 by National Urban Maori Authority and Te Whanau o Waipareira Trust against Te Ohu Kaimoana Trustee Limited, Rikirangi Gage and Richard Jefferies. Te Ohu Kaimoana may be liable to pay the applicants costs in respect of the application as well as the costs that will arise from our own defence.

For the Year Ended 30 September 2015



Chartered Accountants

Independent Auditor's Report

To the Beneficiaries of Te Ohu Kai Moana Trust (the "Trust")

Report on the Financial Statements

We have audited the financial statements of the Trust and group on pages 5 to 38, which comprise the balance sheet of the Trust and group as at 30 September 2015, and a statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Trust's beneficiaries, as a body, in accordance with our engagement agreement. Our audit has been undertaken so that we might state to the Trust's beneficiaries those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's beneficiaries as a body, for our audit work, for this report, or for the opinions we have formed.

Trustee's Responsibility for the Financial Statements

The trustee is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). These auditing standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the entity's preparation of financial statements that fairly present the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

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

Opinion

In our opinion, the financial statements on pages 5 to 38:

- ▶ comply with generally accepted accounting practice in New Zealand;
- ▶ comply with International Financial Reporting Standards; and
- ▶ fairly present the financial position of the Trust and group as at 30 September 2015 and their financial performance and cash flows for the year then ended.

30 November 2015
Wellington

TE OHU KAI MOANA TRUSTEE LIMITED

For the Year Ended 30 September 2015

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For the Year Ended 30 September 2015

DIRECTORS REPORT

The Directors for Te Ohu Kai Moana Trustee Limited for the year covered by this report were:

Matiu Rei (Chairman)	Appointed 1 July 11
Raniera (Sonny) Tau (Deputy Chairman)	Appointed 1 October 07
Hinerangi Raumati	Appointed 1 July 11 (Previously as alternate director from 27 November 2007)
Jamie Tuuta	Appointed 1 July 11
Ken Mair	Appointed 23 November 11
Rikirangi Gage	Appointed 5 February 07
Sir Mark Solomon	Appointed 14 February 13
Rangimarie Hunia (Alternate)	Appointed 10 February 2015

Share Capital:

One Ordinary Share

Joint shareholders:

All Directors, except the Alternate Directors, are joint shareholders of the Company.

Registered Office:

Level 4, Revera House
48 Mulgrave Street
Thorndon, Wellington 6140
NEW ZEALAND

Principal Activities:

The Company's activities are limited to acting as trustee for Te Ohu Kai Moana Trust and The Maori Commercial Aquaculture Settlement Trust (Takutai Trust).

The Board of Directors present their annual report including financial statements of the Company for the year ended 30 September 2015.

The shareholder of the Company has exercised its right under section 211 (3) of the Companies Act 1993 and agreed that this annual report need not comply with any of the paragraphs (a) and (e) to (j) of subsection (1) of section 211 of the Act.

For and on behalf of the Board



Director



Director

Date 30 November 2015

For the Year Ended 30 September 2015

STATEMENT OF COMPREHENSIVE INCOME

	2015	2014
	\$	\$
Expenses Recovered from Te Ohu Kai Moana Trust and Takutai Trust	-	-
Gross Income	-	-
Trustee Expenses	-	-
Total Expenses	-	-
Net Surplus / (Loss)	-	-
Tax expense	-	-
Net Surplus / (Loss) After Tax	\$ -	\$ -

The above income statement should be read in conjunction with the accompanying notes.

For the Year Ended 30 September 2015

STATEMENT OF CHANGES IN EQUITY

	Capital	Retained Earnings	Total
	\$	\$	\$
Balance at 1 October 2014	-	-	-
Net surplus for the year	-	-	-
Total comprehensive income for the year	-	-	-
Balance at 30 September 2015	\$ -	\$ -	\$ -

	Capital	Retained Earnings	Total
	\$	\$	\$
Balance at 1 October 2013	-	-	-
Net surplus for the year	-	-	-
Total comprehensive income for the year	-	-	-
Balance at 30 September 2014	\$ -	\$ -	\$ -

The above statement of changes in equity should be read in conjunction with the accompanying notes.

For the Year Ended 30 September 2015

BALANCE SHEET

	2015	2014
	\$	\$
Total Capital	\$ -	\$ -

Represented by -

Net Assets	\$ -	\$ -
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The above balance sheet should be read in conjunction with the accompanying notes.

Signed on behalf of the Board of Directors who authorised these financial statements for issue on 30 November 2015.



Director



Director

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – REPORTING ENTITY

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

The activities of the Company are restricted by the Maori Fisheries Act 2004 and the Maori Commercial Aquaculture Claims Settlement Act 2004 to acting as the trustees of Te Ohu Kai Moana Trust and the Maori Commercial Aquaculture Settlement Trust (Takutai Trust) respectively.

The Board of Te Ohu Kai Moana Trustee Limited also holds a single share in Te Putea Whakatupu Trustee Limited and Te Wai Maori Trustee Limited.

In 2009, the Trustee became the single shareholder in Te Ohu Kaimoana Portfolio Management Services Limited and Te Ohu Kai Moana Custodian Limited respectively.

Apart from that, the Company undertakes no other activities.

The Trustee is reimbursed from each trust's fund for all costs it incurs in its capacity as trustee.

The Company is domiciled in New Zealand.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of Preparation

The Company is a reporting entity for the purposes of the Financial Reporting Act 1993. The financial statements of the Company have been prepared in accordance with generally accepted accounting practice in New Zealand ("NZ GAAP") and the requirements of the Companies Act 1993, the Financial Reporting Act 1993 and the Maori Fisheries Act 2004.

Te Ohu Kai Moana Trustee Limited has received legal advice that all its transactions with Te Ohu Kai Moana Trust and Takutai Trust do not relate to the Company's revenue and expenditure and as such, they are not reflected in the Company's financial statements.

b) Statement of Compliance

The financial statements have been prepared in accordance with NZ GAAP. They comply with New Zealand equivalents to International Financial Reporting Standards Differential Reporting and other applicable Reporting Standards, as appropriate for profit-oriented entities that qualify for and apply differential reporting concessions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

c) New Accounting Standards and Interpretations

Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year.

d) Basis of Measurement

The measurement and reporting of financial performance, movements in equity, financial position and cash flows is based on historical cost. The entity is considered a going concern.

The financial statements are presented in New Zealand dollars.

e) Taxation

The Company has no assessable income for the year. As a result there is no income tax payable for the year.

f) Goods and Services Tax

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

g) Receivables

Trade receivables are classified as loans and receivables, which generally have standard commercial terms of trade, are recognised and are carried at original invoice amount less an allowance for amounts assessed to be uncollectible.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified.

h) Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. If it is not possible to estimate the recoverable amount of the individual asset, the Company determines the recoverable amount of the cash generating unit to which the asset belongs. Impairment losses directly reduce the carrying amount of assets and are recognised in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

i) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

j) Differential Reporting

The Company applies Tier 3 For-Profit Accounting Standards. The Company qualifies for differential reporting under the New Zealand Institute of Chartered Accountants reporting framework as it is not publicly accountable and is not large. This entity has taken advantage of all available differential reporting exemptions.

NOTE 3 – RELATED PARTY DISCLOSURE

The Trustee administers both Te Ohu Kai Moana Trust and Takutai Trust, and is reimbursed by these trusts for all trustee expenses.

NOTE 4 - EVENTS SUBSEQUENT TO BALANCE DATE

There were no events subsequent to balance date requiring reassessment of estimates made at reporting date, or disclosure in these financial statements.

For the Year Ended 30 September 2015



Chartered Accountants

Independent Auditor's Report

To the Shareholders of Te Ohu Kai Moana Trustee Limited (the "Company")

Report on the Financial Statements

We have audited the financial statements of the Company on pages 43 to 48, which comprise the balance sheet of the Company as at 30 September 2015, and the statement of comprehensive income, and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the company's shareholders, as a body. Our audit has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Directors' Responsibility for the Financial Statements

The directors are responsible on behalf of the company for the preparation and fair presentation of the financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards with Differential Reporting concessions, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). These auditing standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we have considered the internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

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

Opinion

In our opinion, the financial statements on pages 43 to 48 present fairly, in all material respects, the financial position of the Company as at 30 September 2015 and its financial performance for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards with Differential Reporting concessions.

30 November 2015
Wellington

TAKUTAI TRUST

For the Year Ended 30 September 2015

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For the Year Ended 30 September 2015

The legal name of the Trust is "The Maori Commercial Aquaculture Settlement Trust" operating as the Takutai Trust.

The Trustee for Takutai Trust is:

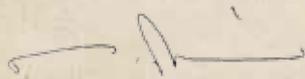
Te Ohu Kai Moana Trustee Limited

Registered Office of Trustee:

Level 4,
Revera House,
48 Mulgrave Street
Thorndon,
WELLINGTON

Principal Objectives:

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

For and on behalf of the Trustee

Director

Date 30 November 2015

For the Year Ended 30 September 2015

STATEMENT OF COMPREHENSIVE INCOME

	NOTE	2015 \$'000	2014 \$'000
Interest received on settlement assets held by Trustee	3 & 4	507	1,099
Funding received from Ministry for Primary Industries	5	891	899
Interest received on funding		11	8
GROSS INCOME		1,409	2,006
Trust Expenses			
Administration		9	11
Fees paid to auditor			
Audit of the financial statements		10	13
Other services		-	91
Apportioned trustee overheads		535	424
Professional services		279	261
External reporting & communication		5	21
Travel & accommodation		64	86
Allocations to settlement assets held on behalf of iwi	3 & 4	507	1,099
TOTAL EXPENSES		1,409	2,006
NET SURPLUS		-	-
Other Comprehensive Income		-	-
TOTAL OTHER COMPREHENSIVE INCOME		-	-

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

For the Year Ended 30 September 2015

STATEMENT OF CHANGES IN EQUITY

	TRUST CAPITAL	RETURNED EARNINGS	TOTAL
	\$'000	\$'000	\$'000
BALANCE AT 1 OCTOBER 2014	-	-	-
Net Surplus for the Year	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-
BALANCE AT 30 SEPTEMBER 2015	\$ -	\$ -	\$ -

	TRUST CAPITAL	RETURNED EARNINGS	TOTAL
	\$'000	\$'000	\$'000
BALANCE AT 1 OCTOBER 2013	-	-	-
Net Surplus for the Year	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-
BALANCE AT 30 SEPTEMBER 2014	\$ -	\$ -	\$ -

The above statement of changes in equity should be read in conjunction with the accompanying notes.

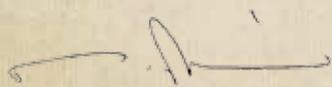
For the Year Ended 30 September 2015

BALANCE SHEET

	NOTE	2015 \$'000	2014 \$'000
EQUITY			
Retained Earnings	-	-	-
TOTAL EQUITY		\$ -	\$ -
Represented by -			
CURRENT ASSETS			
Westpac call account		40,874	-
Westpac term deposit		2,177	27,085
Ministry for Primary Industries	5	-	56
Other receivables		20	32
TOTAL ASSETS		43,071	27,173
CURRENT LIABILITIES			
Settlement assets held on behalf of Iwi			
Pre-commencement settlements	3	3,892	27,085
New space settlements	4	39,126	-
Ministry for Primary Industries	5	53	-
Other payables	6	-	88
TOTAL LIABILITIES		43,071	27,173
NET ASSETS		-	-

The above balance sheet should be read in conjunction with the accompanying notes.

Signed on behalf of the Trustee who authorised these financial statements for issue on 30 November 2015.



Director



Director

Date 30 November 2015

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – REPORTING ENTITY

The Maori Commercial Aquaculture Settlement Trust (Takutai Trust) was established pursuant to the Maori Commercial Aquaculture Claims Settlement Act 2004 (the Act). In accordance with the Act, the objectives of Takutai Trust involve representing Maori interests in relation to the aquaculture settlement and holding, maintaining and transferring to iwi settlement assets received from the Crown and regional councils. Takutai Trust is domiciled in New Zealand.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of Preparation

Takutai Trust is a reporting entity for the purposes of the Maori Commercial Aquaculture Claims Settlement Act 2004. The financial statements of Takutai Trust are prepared in accordance with the Act and New Zealand Generally Accepted Accounting Practice (“NZ GAAP”).

b) Statement of Compliance

The financial statements have been prepared in accordance with NZ GAAP. They comply with New Zealand equivalents to International Financial Reporting Standards Differential Reporting and other applicable Reporting Standards, as appropriate for profit oriented entities that qualify for and apply differential reporting concessions.

c) New Accounting Standards and Interpretations

Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year. In some instances prior year balances have been reclassified.

d) Basis of Measurement

The measurement and reporting of financial performance, movements in equity, financial position and cash flows is based on historical cost. Takutai Trust is considered a going concern.

Annual funding appropriated by Parliament to the Ministry of Primary Industries is used to meet the reasonable costs and expenses of the Trustee in performing its duties.

The financial statements are presented in New Zealand dollars.

e) Taxation

Takutai Trust is registered as a charitable organisation with the Department of Internal Affairs and is therefore treated as exempt from income tax.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

f) Goods and Services Tax

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

g) Receivables

Trade receivables are classified as loans and receivables, which generally have standard commercial terms of trade, are recognised and are carried at original invoice amount less an allowance for amounts assessed to be uncollectible.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified.

h) Impairment

The carrying amounts of Takutai Trust's assets are reviewed at each reporting date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. If it is not possible to estimate the recoverable amount of the individual asset, Takutai Trust determines the recoverable amount of the cash generating unit to which the asset belongs.

Impairment losses directly reduce the carrying amount of assets and are recognised in the income statement.

i) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to Takutai Trust and the revenue can be reliably measured.

Interest income is recognised as the interest accrues using the effective interest method.

j) Cash and Cash Equivalents

Under IFRS cash and cash equivalents are classified as loans and receivables, which comprise cash in hand, cash at bank on call and term deposits.

k) Differential Reporting

Takutai Trust applies Tier 3 For-Profit Accounting Standards. Takutai Trust qualifies for differential reporting as it is not publicly accountable and is not large. Takutai Trust has taken advantage of all available differential reporting exemptions, except for the exception available in NZ IAS 18 Revenue that permits qualifying entities to recognise revenue and expenses on a GST inclusive basis.

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 3 – PRE-COMMENCEMENT SETTLEMENT ASSETS RECEIVED AND HELD ON BEHALF OF IWI**

	2015	2014
	\$'000	\$'000
Pre-commencement settlement assets		
Bay of Plenty Regional coastline & Ohiwa Harbour	2,177	-
Clifford Bay settlement	302	291
Marlborough post agreement in principle settlement	1,413	1,358
Te Waipounamau and Hauraki agreement 2009 (Funds held on behalf Hauraki and Waikato)	-	25,436
Pre-commencement settlement assets held on behalf of iwi	3,892	27,085
Pre-commencement space settlement assets received & distributed		
Opening Balance at 1 October 2014	27,085	25,986
Settlements received:		
Aotea harbour	84	-
Bay of Plenty regional coastline & Ohiwa harbour	2,107	-
Great Barrier Island	500	-
Kawhia Harbour	17	-
Whaingaroa Harbour	-	96
Interest received while funds held by Trustee	324	1,099
Total settlements received	30,117	27,181
Distributions of settlement assets:		
Aotea harbour		
Waikato-Tainui Te Kauhanganui Incorporated	(84)	-
Great Barrier Island		
Ngatiwai Trust Board	(285)	-
Hauraki Maori Trust Board	(215)	-
Kawhia Harbour		
Waikato-Tainui Te Kauhanganui Incorporated	(9)	-
Maniapoto Maori Trust Board	(9)	-
Te Waipounamau and Hauraki agreement 2009		
Hauraki Maori Trust Board	(25,322)	-
Waikato-Tainui Te Kauhanganui Incorporated	(301)	-
Whaingaroa Harbour		
Te Runanga o Whaingaroa	-	(96)
Total settlements distributed	(26,225)	(96)
Pre-commencement space funds held on behalf of iwi as at 30 September 2015	3,892	27,085

For the Year Ended 30 September 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 4 – NEW SPACE SETTLEMENTS ASSETS RECEIVED AND HELD ON BEHALF OF IWI**

	2015	2014
	\$'000	\$'000
New space settlement assets		
Auckland region	1,113	-
Marlborough region	26,028	-
Tasman region	11,985	-
New space settlement assets held on behalf of iwi	39,126	-
New space settlements assets received & distributed		
Opening Balance at 1 October 2014	-	-
Settlements received:		
Auckland region	8,044	-
Marlborough region	25,919	-
Tasman region	11,935	-
Interest received while funds held by Trustee	183	-
Total settlements received	46,081	-
Distributions of settlement assets:		
Auckland region		
Ngatiwai Trust Board	(2,073)	-
Hauraki Maori Trust Board	(2,194)	-
Te Runanga o Ngati Whatua	(2,146)	-
Waikato-Tainui Te Kauhanganui Incorporated	(542)	-
Total settlements distributed	(6,955)	-
New space settlements assets held on behalf of iwi as at 30 September 2015	39,126	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 – FUNDING FROM MINISTRY FOR PRIMARY INDUSTRIES

On 5 August 2005 a funding agreement was signed with the Ministry for Primary Industries to cover services provided and costs recovered by Te Ohu Kai Moana Trustee Limited on behalf of Takutai Trust.

In each year funding from the Ministry for Primary Industries will, from money appropriated by Parliament for that purpose, meet the reasonable costs and expenses of the Trustee in performing its duties under section 38(1) as required by the Act. The Trustee will neither profit nor itself bear any of those costs or expenses as a result of carrying out those duties. The Ministry provides funding in accordance with an agreed budget each year.

At year end, actual variances against the budget are either refunded to the Ministry or topped up if required.

The amount to be refunded back for the current year is \$40,421 (2014 - \$55,523 additional amount to be recovered). This will be paid to Ministry for Primary Industries, as agreed, on completion of the annual audit.

NOTE 6 – RELATED PARTY DISCLOSURE

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

Directors' costs are recovered by Te Ohu Kai Moana Trustee Limited through the reimbursement process.

NOTE 7 – EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to balance date agreement was reached between iwi to distribute the Tasman region new space settlement. Funds were distributed in October 2015 (\$12m).

For the Year Ended 30 September 2015



Chartered Accountants

Independent Auditor's Report

To the Beneficiaries of the Maori Commercial Aquaculture Settlement Trust (the "Trust")
Report on the Financial Statements

We have audited the financial statements of the Trust on pages 52 to 59, which comprise the balance sheet of the Trust as at 30 September 2015, and the statement of comprehensive income, and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the trustees, as a body, in accordance with our engagement letter. Our audit has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Trustee's Responsibility for the Financial Statements

The trustee is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). These auditing standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we have considered the internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Ernst & Young provides corporate finance services to the Trust.

Opinion

In our opinion, the financial statements on pages 52 to 59:

- ▶ comply with generally accepted accounting practice in New Zealand; and
- ▶ present fairly, in all material respects, the financial position of the Trust as at 30 September 2015 and its financial performance for the year then ended.

30 November 2015
Wellington

REPORT AGAINST THE 2015 ANNUAL PLAN

Pūrongo ā Tau o Te Ohu Kaimoana 2015

For The Year Ended 30 September 2015

Protecting and Enhancing the Settlements

TE OHU
KAIMOANA

ANNUAL PLAN FOR THE YEAR ENDING 30 SEPTEMBER 2015

Our annual plan provides opportunity to outline our goals and objectives for each financial year. The purpose of Te Ohu Kai Moana is to advance the interests of iwi individually and collectively primarily in the development of fisheries, fishing and fisheries related activities ultimately for the benefit of iwi and Māori generally.

OUTPUTS

Allocation & Transfer Settlement Assets

Activities that allocate and transfer settlement assets to iwi (MIOs & IAOs)

A: Fisheries

B: Aquaculture

Protect Access to Fisheries and Marine Space

Assisting Māori at both individual and collective levels to develop capacity to use settlement assets to generate required benefits

Enhance the Value Iwi Obtain from their Fisheries Assets

Assist iwi to realise greater benefits from their fisheries, including settlement quota and income shares;

Enable hapu, iwi and kaitiaki to exercise their customary non-commercial rights;

Develop good working relationships between iwi, hapu and kaitiaki so that kaitiaki have the support they need to manage non-commercial customary fishing.

Corporate – Providing the Governance, Oversight and Resources to Enable the Organisation to Operate Effectively

To enable the strategic and annual plan objectives to be realised.

ALLOCATION & TRANSFER OF SETTLEMENT ASSETS – FISHERIES	
OBJECTIVES	COMMENT
<p>1. To have transferred, by 30 September 2015:</p> <ul style="list-style-type: none"> a) Population-based fisheries assets to 56 iwi; b) 100% of freshwater settlement quota (eels) to North Island iwi; c) 90% of coastline based settlement quota to iwi. 	<p>It was anticipated that Ngāti Tama (North Island) would achieve MIO status with asset transfers to follow during 2015. It did not achieve MIO status during the financial year and therefore has not had assets transferred to it. We expect Ngāti Tama to achieve MIO status during first quarter of 2016 with asset transfers to follow that.</p> <p>With freshwater settlement quota, iwi have not agreed (to date) on which QMAs they have interests in. This is needed before any allocation and transfer can proceed.</p> <p>90 percent of quota transfers have been achieved, following allocation to Ngai Tahu, Rangitane and Ngati Toa in December 2015.</p>
<p>2. To ensure the fisheries assets we continue to hold on behalf of iwi are well-managed and that they will ultimately benefit iwi.</p>	<p>Where ACE, subject to disputes between iwi, has not been able to be transferred directly to iwi, it is traded on the open market and the proceeds held in trust until the disputes are resolved. An additional \$1.2 million was added to dispute funds held during the year. Funds are held at call pending distribution. Income earned on investments are added to funds held after deduction of administration fees.</p>
<p>3. Iwi can continue to meet the governance requirements of the Act.</p>	<p>Board approved the PSGEs for Ngati Kuia, Te Atiawa (Taranaki) and Taranaki as new MIOs. We also worked with OTS in respect of Ngaruahine and Whanganui PSGEs seeking to become the new MIOs in place of the existing entities (the transfer of MIO status to the PSGEs for these iwi will be completed by their relevant settlement legislation).</p>
<p>4. To manage the April and October ACE rounds for iwi who have yet to be allocated settlement quota.</p>	<p>ACE made available to iwi (not in dispute) within 25 working days of the start of the fishing season. Disputed ACE dealt with under section 135 in a timely manner and market rates achieved for the disputed ACE.</p>

ALLOCATION & TRANSFER OF SETTLEMENT ASSETS – AQUACULTURE	
OBJECTIVES	COMMENT
<p>1. To assist iwi to reach new space regional aquaculture agreements (“new space agreements”) with the Crown and regional allocation agreements (“allocation agreements”) with one another:</p> <p>a) Before 30 June 2015 for Northland, Auckland, Waikato East, Tasman, and Marlborough;</p> <p>b) Before 30 September 2015 for Canterbury and Southland.</p>	<p>In July 2015, new space regional aquaculture agreements were signed between the Crown and iwi from the Marlborough, Tasman and Auckland regions, which saw the transfer of some \$45 million to Te Ohu Kaimoana. The full Settlement of nearly \$12 million has now been allocated to the iwi in the Tasman region, \$7 million has been transferred to the iwi in the Auckland region under an agreed partial allocation of the Auckland settlement. Iwi of the Marlborough region are still discussing how to allocate aquaculture settlement assets for that region.</p> <p>An extension to 30 September 2015 was made to the legislative deadline for gaining agreement between the nine iwi of the Northland region and the Crown. Agreement was required from all and this was not possible. Subsequent to the deadline the Crown, as required by the legislation, transferred the agreed settlement of \$5.43 million to Te Ohu.</p> <p>Te Ohu is still working to complete settlements with the Crown and iwi in the Waikato East, Canterbury and Southland regions. The iwi in these regions have indicated that they want at least some of their regional settlement to be provided through authorisations for space. Investigations into suitable areas are still underway. Extensions for agreement were sought prior to the expiry of the legislative deadline for each of these regions to allow for this work. We are still working with the parties to complete these agreements by November 2016.</p>
<p>2. To assist iwi to reach agreement on outstanding pre-commencement space aquaculture agreements (“pre-commencement agreements”) with the Crown and allocation agreements with one another by 30 September 2015.</p>	<p>We have made progress on a number of the outstanding pre-commencement regional settlements. In 2015 we completed individual settlement agreements for:</p> <ul style="list-style-type: none"> • Aotea Harbour (Waikato West) • Kawhia Harbour (Waikato West) • Auckland region (Great Barrier Island) <p>We have also submitted final harbour agreements for Parengarenga Harbour and Te Puna/Waikare Inlets (Northland) to MPI for Ministerial sign-off.</p> <p>There remain outstanding Crown obligations for the Wellington region, the balance of the Northland region, and some additional pre-commencement space in Marlborough.</p> <p>We are working with MPI to review the Minister’s pre-commencement space plan with a view to confirming a ‘default’ mechanism that would see the balance of the Crown’s settlement obligations transferred to Te Ohu for us to allocate to iwi.</p>

PROTECT ACCESS TO FISHERIES AND MARINE SPACE	
FISHERIES OBJECTIVES	COMMENT
<p>1. To represent the overall Settlement interests of iwi in the EPA decision-making process to ensure:</p> <ul style="list-style-type: none"> a) the EPA understands the impact of the Chatham Rock Phosphate application on existing fisheries settlement interests; b) the EPA makes decisions that will not negatively affect those interests. 	<p>We presented submissions to the Decision-Making Committee of the EPA on the potential effects of the proposal on Fisheries Settlement interests and also supported submissions and evidence put forward by iwi. Te Ohu and iwi opposed the application. The EPA declined the application late in 2014.</p>
<p>2. To monitor and if necessary provide information to the High Court on the implications for fisheries settlement interests of Trans-Tasman Resources' (TTR) appeal of the EPAs refusal to grant TTR consent, with the aim that any High Court decision continues to protect those fisheries settlement interests.</p>	<p>We participated in the application processes and worked with iwi and industry to oppose the application. The application was refused but TTR appealed, although later withdrew after deciding to carry out additional research and re-apply at a later stage.</p>
<p>3. To contribute to the Hauraki Gulf SeaChange process to protect fisheries and aquaculture settlement interests from adverse effects of spatial planning options by informing participants about the fisheries and aquaculture settlements and minimising any adverse impacts on the ability of iwi to use fisheries and aquaculture assets.</p>	<p>Te Ohu contributed to the process by supporting iwi and providing advice to three specialist working groups - on fisheries, aquaculture, and biodiversity as well as being a member of the Matauranga Maori group that had a substantial influence on the process for the SeaChange development. (See Annual Commentary).</p>
<p>4. In relation to the Government's marine protected areas (MPA) policy:</p> <ul style="list-style-type: none"> a) advocate for an MPA policy that is based on sound science and suitably protects iwi interests in the fisheries and aquaculture settlements; b) ensure that adequate redress is provided for any restrictions on the use of fisheries and aquaculture assets caused by the policy c) provide support to iwi as the policy is implemented. 	<p>On 29 September, the government announced at the United Nations that it was establishing an Ocean Sanctuary to ban all fishing and mining across the entire EEZ surrounding the Kermadec Islands. There was no consultation with Te Ohu or iwi - a phone call to the Chair of Te Ohu and Ngati Kuri after business hours to inform them that the Prime Minister would announce the sanctuary does not constitute consultation. Te Ohu immediately opposed this as it is a confiscation and extinguishment of the Fisheries Settlement rights of all iwi. Te Ohu is working with iwi leaders and industry to gain an acceptable outcome.</p> <p>The Government delayed release of its MPA policy until early 2016. Te Ohu has since provided advice to iwi on the proposed policy alongside technical advisers to the Iwi Leaders Group, and will continue to support iwi to advocate for an acceptable outcome.</p>
<p>5. To contribute to the SNA1 management plan to fully inform participants about the fisheries and aquaculture settlements and to minimise adverse impacts on the ability of iwi to exercise their fishing rights while encouraging all sectors to undertake collaborative efforts for better information and nimble management.</p>	<p>Te Ohu was able to contribute throughout the process working in partnership with iwi customary, recreational and commercial working group representatives. Together, we were able to ensure the plan provides a pathway to protecting and enhancing Maori fishing rights. The Plan will be released by the Minister in 2016.</p>
<p>6. To support iwi quota holders in Paua 2 (PAU2) in their discussions with other PAU2 quota holders to ensure that their interests are protected and they benefit from the subdivision proposal.</p>	<p>Te Ohu has continued to provide support to the Iwi PAU2 Working Group which was put in place in 2012 in response to a PAUAMAC2 proposal to subdivide PAU2. During the last two years, there has been little dialogue between the iwi working group and PAUAMAC2. It is unclear as to whether PAUAMAC2 will formally apply to the Minister of Fisheries for the subdivision.</p>

<p style="text-align: center;">PROTECT ACCESS TO FISHERIES AND MARINE SPACE</p>	<p style="text-align: center;">COMMENT</p>
<p style="text-align: center;">FISHERIES OBJECTIVES</p> <p>7. To represent the collective interests of iwi (both commercial and non-commercial) and where appropriate AFL in fisheries related bodies including: Deepwater Group; Fisheries Inshore New Zealand; Area 2 Fisheries Management Company; Southern Inshore Fisheries Management Company; National Rock Lobster Management Group (NRLMG) ; Seafood New Zealand; Southern Seabird Solutions; Paua 7 Management Company.</p>	<p>Deepwater Group (DWG): Te Ohu has a director on DWG (and its finance subcommittee). A key issue for iwi during the year was the review of the TAC and TACC for Hoki and Oreo4 fisheries. Te Ohu summarised the information for iwi and they overwhelmingly endorsed the science based management option that Te Ohu proposed. This was taken forward but DWG quota owners did not achieve the 90% agreement on the hoki option and it reverted to individual firm submissions. Industry did reach agreement on the Oreo fishery. However, for both fisheries, the Minister subsequently decided to cut the TAC and TACC below our recommendations. On a brighter note the work by DWG and MPI is likely to result in our main Orange Roughy Stocks receiving MSC approval (the gold star certification scheme in the world) - this will remove trade restrictions in USA and firm pricing.</p> <p>Fisheries Inshore New Zealand (FINZ): Te Ohu has a director on FINZ (and who from 1 October 2015 chairs the board). FINZ provides science services for all inshore and pelagic fish stocks to ensure quota owners are well-informed of science concerns and that scientists are better informed of "on-the-water" experience of the fisheries. This assisted with the review of five fish stocks during the year and the maintenance of the Bluenose TACCs. FINZ also contributed to the SeaChange being a member of the Fisheries working group. It also worked with SNA1 commercial trialling electronic monitoring to assist in pushing for sound policy and legal frameworks that encourages collaboration while protecting ownership of information. FINZ (with DWG) also provided an in-depth submission on the proposed MPI cost recovery levies that resulted in a reduction of \$4.8 million for the next year.</p> <p>Area2: Area2 is an affiliated CSO with FINZ. Te Ohu worked with FINZ and Area2 quota owners including Ngati Kahungunu and Ngati Porou to respond to proposals from LegaSea Hawke's Bay that significant areas In Hawke's Bay (all out to 100m depth) be closed to commercial harvesting.</p> <p>The Minister encouraged industry to work with LegaSeaHB signalling that otherwise Hawke's Bay could be another area to establish a recreation fishing park. Te Ohu along with AFL and Kahungunu are part of the negotiating team. Agreement-in-principle was reached in temporarily closing some areas over the next two summers (start December to end February) with better recording of catch by all sectors in these areas. Industry is to use the electronic tablets (noted below) and MPI and recreation sector to improve recreational reporting. In addition commercial fishing effort is to be restricted in an inshore zone to a range of fishers unless they are undertaking selectivity trials as per the Te Ohu net trials (see below) or using trawl gear approved through trials. Industry has commenced its part of the agreement.</p> <p>Southern Inshore Fisheries management Company (SIFMC): SIFMC is an affiliated CSO with FINZ. Te Ohu provides input to the annual business plan for SIFMC. Further work with SIFMC is via our involvement with FINZ.</p> <p>The NRLMG reviewed the TACC and other allowances for CRA4, CRA5, CRA8 and CRA9 in 2015. Following consultation with iwi, we provided a submission to the NRLMG on its proposed management measures ahead of the April 2016 sustainability round. At year end, Stan Pardoe stood down as a customary representative on the NRLMG after 20 years of service. Future representation on the NRLMG will be determined in early 2016. Seafood New Zealand (SNZ): Te Ohu has a director on SNZ. It has concentrated on big ticket items of improvements to Fisheries Act and fisheries management and reduction of cost recovery levies.</p> <p>Southern Seabird Solutions (SSS): Te Ohu has continued its support of SSS in its work with industry. Paua 7 Te Ohu has a board member on Paua 7. We are working to address the key sustainability issue for this fishery.</p>

PROTECT ACCESS TO FISHERIES AND MARINE SPACE	
FISHERIES OBJECTIVES	COMMENT
<p>8. To recommend sensible science based management measures that achieve the long-term sustainability of fisheries and supporting ecosystems while allowing iwi to continue to benefit from the use of fisheries.</p> <p>9. To provide science based advice to iwi and AFL (where appropriate) on fisheries management proposals put forward by the Ministry for Primary Industries (MPI) during the 2014-15 fishing year.</p>	<p>We have worked with developers to trial robust electronic tablet technology with fishers to provide faster and more comprehensive information on location and amount of catch of finfish stocks in FMAz. It is intended that these devices be deployed across the Hawke's Bay fleet.</p> <p>We prepared submissions on species under review during the year: Hoki and Oreogadus (critique of MPIs proposals to reduce the TACC based on our view that the science did not support a reduction). Submissions also prepared for Southern Blue Whiting, Deepwater Spider Crab, CRA1, 3, 5 and 9.</p>
AQUACULTURE OBJECTIVES	
<p>1. To Influence regional councils to ensure that coastal occupation charges are applied at levels that can be accepted by iwi and industry.</p> <p>2. Influence any policy proposals arising from the King Salmon decision to ensure iwi have the ability to use and develop their fisheries and aquaculture assets.</p> <p>3. Collaborate with iwi, the aquaculture industry and government to address any major biosecurity problems that affect aquaculture.</p>	<p style="text-align: center;">COMMENT</p> <p>We are participating in a National Directions working group that involves all Government departments dealing with aquaculture, all regional councils and industry, including AQNZ, and some environmental NGOs. That group is looking at policy issues including regional council policies such as monitoring of consents, ability to undertake experimental aquaculture, biosecurity measures, coastal occupation charges and bonds. The working group will determine whether these issues would be better advanced through individual regional council policy settings or in a more consistent manner across the country. If the collective decision is that national consistency is important, the working groups involved will make recommendations on which of the possible national measures would prove most cost-effective for each issue.</p> <p>The Working Group is also considering how best to provide certainty to industry over the issues arising from the King Salmon decision. In this decision, the Environment Court confirmed certain environmental "bottom lines" that could not be breached by aquaculture. However the particular wording creates a high level of uncertainty for approval of aquaculture space for both renewal of existing resource consents and approval of new space. The working group is considering how to assure high environmental performance but still provide positive options for investment in aquaculture. If the collective decision is that change is needed, the working groups involved will make recommendations on which of the possible national measures – individually or in combination – are preferred:</p> <ul style="list-style-type: none"> • Legislative change • Use of the regulation making provisions of the RMA (sections 360A-C) • National Policy Statements under the RMA • National Environmental Standards under the RMA • National guidance for regional implementation and advocacy for best practice would prove most cost effective. <p>Te Ohu achieved this through our continued participation on the Aquaculture New Zealand board and participation in national processes such as the working group above.</p>

ENHANCE THE VALUE IWI OBTAIN FROM THEIR FISHERIES ASSETS – ENHANCE FISHERIES	
OBJECTIVES	COMMENT
<p>1. To assist iwi to develop their commercial interests in the surf clam fishery by:</p> <ul style="list-style-type: none"> a) assisting iwi, AFL and Cloudy Bay Clams to identify a suitable business structure for a JV on these fisheries; b) facilitating the development of a business plan for that JV to operate on the surf clam fisheries in FMAs 2 and 8; c) providing information to iwi. 	<p>Te Ohu has continued to support the FMA2 and 8 Iwi Working Group in assessing the prospects of a JV between Iwi and Cloudy Bay Clams (CBC). Besides meeting the plan's key objectives Te Ohu also assisted the Iwi Working Group to develop a Memorandum of Understanding with CBC that sets out a process for determining whether or not a JV is in the best interest of both parties. The main challenge for the working group is to reach an agreed valuation for the Cloudy Bay Clams IP associated with dredge technology, markets and the Cloudy Bay Clams brand. If an agreement can be reached it will increase the prospect of a JV between Cloudy Bay Clams and Iwi. Te Ohu Kaimoana will continue to assist the Iwi Working Group throughout the agreed process set out in the Memorandum of Understanding.</p>
<p>2. Investigate options to increase the value of low-value or small parcels of quota shares through collective sales and/or reduce costs through reductions in levies.</p>	<p>Te Ohu assisted a collective of 14 Iwi to put in place a strategy for selling their April and October stocks. Te Ohu also sold two small parcels of ACE on behalf of the iwi, and provided benchmarking across multiple stocks to enable comparisons in ACE prices to be made. This is a multi-year project. The first year involved collecting data and building a database to assist with investigating options to increase the value or reduce costs through reductions in levies.</p>
<p>3. Facilitate greater collaboration between iwi and kaitiaki and improve the information available to them so they can play more effective roles in fisheries management by:</p> <ul style="list-style-type: none"> a) implementing IkaNet in a minimum of six iwi/iwi collectives; b) facilitating the development of pataka systems where need is identified by iwi; c) finalising a business model for the IkaNet programme; d) securing funding to implement IkaNet across all iwi. 	<p>Interest from iwi in establishing pataka has been very strong over the last year and has been the focus of our work. We have been assisting 3 different iwi collectives comprising 26 iwi to develop pataka proposals. We anticipate that these proposals will be submitted for approval in 2015-16. In response to the increasing interest and proposals under development we committed resources over the year to upgrading the IkaNet web application to lower setup and ongoing operational costs, introduce new functionality including moving to a mobile ready platform, administrator tools and improving usability processes. Initial work on the business model and funding was undertaken and will continue in 2015-16.</p>
<p>4. To support trials of innovative techniques to allow cost effective harvesting but with reduced detrimental impacts.</p>	<p>Te Ohu has continued with trials on trawl nets that have better selectivity. Earlier trials demonstrated reductions on small round shaped fish (like gurnard) of between 50 to 80% but no appreciable change for elliptical shaped fish (like snapper). We carried out some initial work on different panels in the lengthener with cameras in the net. The information from this will be used in the next trials in 2016. We have been able to secure joint funding for this work from a number of other participants including AFL, Ngati Kahungunu, Ngati Porou and FINZ along with support in approvals from MPI. Some initial work was undertaken with the same vessel to gain information on the trawl footprint to design work aimed at gear and technique changes to minimise the impact of trawling on the seabed.</p>
<p>5. Collaborate with members of the NRLMG, iwi, AFL, and wider fishing interests to develop a multi-stakeholder fisheries plan for one rock lobster fishery.</p>	<p>It was intended to do this project in CRA5 in response to increasing recreational catch pressures and diminishing CPUE. A stock assessment for CRA5 was brought forward to 2015 with the results indicating an improvement in the fishery. The increase in the TAC attributed to the stock improvement will be fully absorbed by the latest proposed increases to the recreational take in MPIs April 2016 review.</p>

CAPABILITY – FACILITATE INCREASED PARTICIPATION WITHIN INDUSTRY AND RELATED FIELDS	
OBJECTIVES	COMMENT
<p>1. To assist iwi to understand government and industry processes and policy, regulatory and legislative proposals through information sharing via “Help Desk”, individual meetings, regional iwi forums, national forum, draft submissions, workshops, discussions, etc;</p>	<p>The role of Te Ohu is to enhance the Fisheries Settlement, including increasing the skills and knowledge of iwi fisheries managers. Throughout the year, we interacted with individual iwi and collectively as required, and arranged workshops and hui in relation to discrete policy issues (such as the Fisheries Act Review). See “Workplace Snapshot” in the Annual Commentary.</p>
<p>2. Building skills of iwi: Assist iwi to realise greater benefits from the Maori Commercial Aquaculture Claims Settlement by:</p> <ul style="list-style-type: none"> a) ensuring iwi have a good understanding of the skills needed to be successfully involved in the business of aquaculture; b) holding an iwi aquaculture workshop that brings together iwi and industry to share their ideas and stories. 	<p>Workshop held in March 2015 for iwi and industry to share their experiences in the aquaculture industry.</p>
<p>3. Global Fisheries Scholarship (GFS) Programme – this elite scholarship presents an opportunity for a committed, hard-working individual to spend time in Japan based at the headquarters of our Sealord Group Limited partner, Nippon Suisan Kaisha, Limited (Nissui). The objectives in respect of this scholarship are to:</p> <ul style="list-style-type: none"> a) provide general support to the 2015 Scholar to ensure his and Te Ohu Kaimoana’s objectives are met and the integrity of the scholarship is upheld; b) advertise for and appoint a scholar for 2016; c) provide post-scholarship opportunities and experience for GFS graduates. 	<p>During the year, Te Ohu supported the 2015 Global Fisheries Scholar, Charles Rowe (Ngati Mutunga), who completed his scholarship in December 2015. Te Ohu assisted with post-scholarship opportunities for Charles and he is currently discussing options with Aotearoa Fisheries. Advertisements for the 2016 scholar were published and distributed in January 2015, with a shortlist drawn up and interviews conducted in February that year. Ms Alyx Pivac was chosen as the recipient of the scholarship and she begins her year at Nippon Suisan Kaisha, Limited in March 2016.</p>
<p>4. Westport Deepsea Fishing School – Place up to 10 Maori at the school, subject to receiving income for this purpose from Te Putea Whakatupu.</p>	<p>Seven students were supported through their training at the school. Five graduates found employment on vessels, one went on to undertake further training and one did not complete the 20-week course.</p>
<p>5. Bay of Plenty Polytechnic – Provide funding for up to 20 scholarships for Maori to complete the array of Maritime and Seafood educational programmes offered by the Polytechnic.</p>	<p>This programme was not undertaken in FY2015</p>
<p>6. Technical Industry Scholarships – Provide funding for up to 5 statutory marine scholarships in a variety of technical areas</p>	<p>This programme was not undertaken in FY2015</p>
<p>7. Build cohesion among iwi fisheries managers and the wider Māori community through an annual Māori Fisheries Conference to be held by end of March 2015.</p>	<p>The Maori Fisheries Conference was held on 29 March 2015 at the Novotel Hotel Auckland Airport. The theme for the conference was “In For The Long Haul – Totoia Tonutia Te Kupenga, Te Tini a Tangaroa”.</p>

CORPORATE – PROVIDING THE GOVERNANCE, OVERSIGHT AND RESOURCES TO ENABLE THE ORGANISATION TO OPERATE EFFECTIVELY	
DIRECTORS' OBJECTIVES	COMMENT
1. Strategic objectives for the next 5 year cycle will be set by 30 September 2015.	The reporting back of the Review in March 2015 and the subsequent resolutions agreed by iwi at the June 2015 SGM resulted in a significant amount of work with iwi, looking at the future business and funding models of Te Ohu. These will be agreed at the Hui-a-Tau on 31 March 2016.
2. Monitor performance of the organisation against this annual plan.	Regular reporting to the Board and iwi on performance and achievement of objectives occurred throughout the year.
3. Appoint members, as required, to the Audit & Risk and Remuneration and Appointments Committees	Colleen Neville was appointed as an independent member of the Audit and Risk Committee and as a director on Te Ohu Kaimoana Portfolio Management Services Limited on 10 February 2015. Sir Mark Solomon replaced Ken Mair on the Remuneration and Appointments Committee from October 2014.
4. Ensure sufficient Board time is given to strategic debate, listening to external views and the opportunity for new options to generate long-term value for the beneficiaries of the settlement	The board has been focused on the outcome of the review and the implementation of the resolutions from the SGM in June 2015. Significant time at board meetings has been devoted to how the new business model for Te Ohu would evolve.
5. Ensure processes are in place to mitigate risks that Te Ohu Kaimoana may be exposed to.	Developed risk management guidelines and an appropriate methodology for the identification, analysis, evaluation and mitigation of identified risks that could otherwise impact on the achievement of the objectives set out in Te Ohu's 2015 annual plan. Risk assessment reports and updates are provided to each board meeting.
6. Champion Te Ohu Kaimoana amongst its stakeholders.	Board members and key staff represent Te Ohu at a wide variety of fora
GOVERNANCE OBJECTIVES	
1. Meet our statutory obligations under the Act in relation to the Governance of AFL, Te Wai Maori, Te Putea Whakatupu and other associated entities.	Statutory obligations in relation to governance of the relevant entities have been complied with.
2. Align strategic goals within the Te Ohu Kaimoana Group as far as practical.	Letters of Expectation agreed by AFL and Te Wai Māori.
3. Assist members of Te Kawai Taumata perform their functions.	Te Kawai Taumata met in 2015 to appoint new directors to the Te Ohu board of directors from 1 December 2015.
4. Review the performance of and appoint directors to serve on subsidiary entities.	New directors appointed to AFL.
5. Facilitate the completion of the 2015 review.	The reviewer's report was released in March 2015. Te Ohu established an Iwi Working Group to evaluate the reviewer's recommendations and provide their analysis to iwi. Te Ohu carried out extensive engagement with iwi on the recommendations and worked with iwi to formulate final resolutions for iwi to vote on 4 June 2015. Te Ohu developed a plan identifying how it would implement the resolutions as required by the Maori Fisheries Act, which was adopted by iwi. Between June and the end of September, Te Ohu carried out extensive engagement with iwi on Te Ohu's business model. This work has continued into 2015-16. Iwi will vote on the recommendations at the hui-a-tau on 31 March 2016 and Te Ohu expects to have draft amendments to the Maori Fisheries Act ready to deliver to government by the end of September 2016 for passage through Parliament.

CORPORATE – PROVIDING THE GOVERNANCE, OVERSIGHT AND RESOURCES TO ENABLE THE ORGANISATION TO OPERATE EFFECTIVELY	
STRATEGY PLANNING AND OVERSIGHT	COMMENT
1. Build and maintain effective relationships with all stakeholders.	We have continued our engagement with iwi on fisheries and aquaculture matters. We have also worked through our involvement in fisheries management and aquaculture to build and maintain effective relationships with industry, government agencies, eNGOs, research providers, and councils.
2. Set clear priorities so the organisation can achieve its objectives	The executive develops, and the Board approves, the business plan for the year that explicitly addresses the key threats and opportunities to the fisheries and aquaculture settlements wherever they appear. Where external events mean that it would be desirable to refocus activities on a different mix of issues and timing, the Board agrees to changes in the plan.
3. Promote good relationships throughout industry, government.	Te Ohu seeks to collaborate with other parties in industry and government to align effort on joint goals to resolve issues. In all areas of work, in seeking to protect the settlement Te Ohu attempts to act constructively by not just to criticising poor policy or processes but also promoting positive alternatives.
4. Promote Te Ohu Kaimoana as a source of expert advice and information	We seek through all our work to provide positive professional advice on issues. As noted above we are involved in a number of fora and organisations to provide that expertise.
HUMAN RESOURCES	
5. Comply with the Health & Safety Act, including the new act currently before Parliament.	Complied with all relevant regulations and requirements under legislation.
6. Complete a review of human resource policies and procedures and implement any recommendations.	Appropriate policies and procedures in place but review is planned to occur in 2015/2016.
7. Develop processes to mitigate possible disruption caused by the resignation of any particular individual.	This forms part of the strategic plan to be developed following agreement by iwi to the new business model in March 2016.
8. Update individual performance and development programs where appropriate.	All staff received performance and development reviews as part of annual processes.

CORPORATE – PROVIDING THE GOVERNANCE, OVERSIGHT AND RESOURCES TO ENABLE THE ORGANISATION TO OPERATE EFFECTIVELY	
COMMUNICATION AND REPORTING	COMMENT
1. Comply with responsibilities outlined within the Act.	Annual Report published and distributed to MIOs, RIOs, Te Kawai Taumata members and stakeholders in December 2014. Annual plan distributed.
2. Publish an Annual Plan and Annual Report within statutory timeframes.	Report and Plan also made available online via Te Ohu Kaimoana website.
3. Host a successful annual Māori Fisheries Conference and Hui-a-tau.	Held on 29 and 30 March 2015 respectively, within statutory timeframe.
4. Provide regular updates to iwi and other stakeholders on the work of Te Ohu Kaimoana and subsidiaries.	Regular e-newsletters distributed to MIOs, RIOs, AHCs and stakeholders throughout the financial year. Further separate notifications related to the 2015 Review kept iwi informed about and involved in Review processes.
INFRASTRUCTURE	
1. Provide a safe working environment for staff.	Work place constantly monitored to assure it provides a safe working environment.
2. Provide the means and tools for staff to work effectively at the office and off site.	Review of IT and communication systems undertaken. Replacement and/or agreed upgrades budgeted for 2015-2016.
3. Undertake reviews of contracts with suppliers to ensure supplies are economic and appropriate.	Review of contracts for key suppliers undertaken as a continuing process.
INVESTMENT INCOME AND PORTFOLIO MANAGEMENT	
1. Annual drawdowns for operational expenditure are targeted to be no more than an average of 4% of the trailing 12 quarters of the total portfolio investment fund attributable to Te Ohu Kaimoana.	Annual drawdown in line with statement of investment policies and objectives.
2. Target of the portfolio is a return of 4.5% plus CPI.	The Portfolio returned 5.41% annualised for the year. The Portfolio is in a state of transitioning to a more diversified portfolio in line with recommendations of investment advisors.
3. Short term funds are managed to maximise returns, within acceptable risk parameters, for the period they are held.	These guidelines were complied with.
4. Manage available cash flows to achieve agreed transition to new asset allocations.	As above.

Minutes of Te Ohu Kai Moana Trustee Limited

**Hui-a-Tau/Annual General Meeting 2015,
held at the Novotel Hotel Auckland International Airport, 25 March 2015 9:15am**

Present: Matiu Rei (Chairman), Te Raniera (Sonny) Tau, Sir Mark Solomon, Hinerangi Raumati, Rangimarie Hunia (alternate director), Peter Douglas (Chief Executive)

Apologies: Ken Mair, Jamie Tuuta, Rikirangi Gage

The Chairman welcomed the assembled iwi representatives and the Deputy Chair began the hui with a karakia.

The Chairman provided an overview of key issues from the past year including AFL's profit, Sealord's return, the Anton's purchase and the Ihu To Mai arrangements entered into between iwi and Sealord.

The Chairman welcomed Tim Castle, the reviewer for the 2015 review, who will speak to the Hui a Tau. Matiu briefly outlined the process to come for the review, including the plans to be distributed prior to, and the SGM. Briefly mentioned the IWG and the consultation to come prior to the SGM.

Selwyn Parata responded to the welcome on behalf of the manuhiri iwi and acknowledged those who have passed.

The Chairman replied and noted the apologies from Ken Mair, Rikirangi Gage and Jamie Tuuta.
The reviewer then addressed the hui:

- Outlined his appointment process and the key dates dealt with in contract, including the confidentiality clause in the contract
- Mentioned that there was misinformation in the media and welcomed the to be announced investigation into the leaks from TOKMTL
- Spoke to the background to the review report and the review report itself
- Focused people's attention on the summary of recommendations in the front part of the report, and emphasized that his focus was on the benefit delivery arms of the settlement functions, notably AFL, TWM and TPW
- Noted his recommendation that the 20% of income shares and 100% of voting shares in AFL to iwi and he notes that he thinks that this what was originally intended in the settlement
- Noted flaws in TWM and TPW governance structures which has proven an impediment to them providing benefits to Maori - these being quorum requirements in the case of these two trusts
- If iwi agree with any of the recommendations, legislative change will be required
- Discussed the consultation undertaken by him in carrying out the review
- Noted that some submissions noted that there ought to be a scaled down, Te Ohu like entity to replace the new entity. Noted that he did mention this but did not recommend it. Noted that there are alternative funding models to achieve this, if that is what is desired
- Noted that the first of his recommendations regarding an IWG has been implemented
- Does not believe that big iwi would take advantage of small iwi and says that the retention of TOKMTL is not justified by them undertaking this role
- There is already cooperation and collaboration within the sector through the ICP, Port Nicholson Fisheries, AFL and iwi and the Ihu To Mai agreements (Sealord and iwi)
- Noted that it was a privilege to complete the mahi and acknowledged the awahi and manaaki that he received in undertaking it, and thanked iwi for that privilege

Minutes of Te Ohu Kai Moana Trustee Limited

The Chairman thanked Tim for his presentation on the review report. He also thanked the Committee of Representatives and Mark Ngata as Chair of the Committee. Noted that the role of both the Reviewer and the Committee was now at an end.

The Chief Executive presented to the meeting on the Te Ohu Kaimoana Annual Report. In brief:

- Allocation and transfer to MIOs – 55 of 57 with MIOs, \$543m transferred, working through coastline agreements between iwi
- Fisheries management work – working with iwi; deep sea mining; Hauraki Gulf spatial plan; SNA1; discards/trials; Pataka Whata/Ikanet;
- Aquaculture – pre-com space \$110m; interim regime; new space agreements \$68m
- Relationship with Nissui

RESOLUTIONS

1. **Agreed** the minutes of 2014 Hui-a-Tau, receive the annual report of Te Ohu Kai Moana Trustee Limited (which includes Te Ohu Kai Moana Trust and the Takutai Trust) for the year ended 30 September 2014

Matiu Rei/Sonny Tau

Carried

Endorsed from the floor Chris Stokes/Harry Mikaere
Carried

Regarding the appointment of Auditors resolution to be voted on, a question was asked from the floor as to whether role was tendered; the response was that it had not been tendered.

2. That Ernst & Young be reappointed as auditors for the company for the following year

Matiu/Sonny

Carried

Endorsed from the floor by Selwyn Parata/Mike Paku
Carried

Peter introduced Rangimarie Hunia to the hui as a new alternate director on the Te Ohu Kai Moana Board.

Presentations of the reports of the two sub-trusts then followed:

- Te Wai Maori Trustee Limited report
- Te Putea Whakatupu Trustee Limited report

Hui closed by karakia from Sonny at 10.55am

Minutes of Te Ohu Kai Moana Trustee Limited Special General Meeting

Te Ohu Kai Moana Trustee Limited | Special General Meeting
Te Wharewaka o Poneke | 4 June 2015 9:00am

PRESENT:

Matiu Rei (Chairman), Te Raniera (Sonny) Tau,
Sir Mark Solomon, Hinerangi Raumati, Jamie Tuuta,
Ken Mair, Rikirangi Gage (Directors),
Rangimarie Hunia (alternate Director)

APOLOGIES:

None

WHAKATAU/KARAKIA:

Morrie Love for tangata whenua
Ngahiwi Tomoana for manuhiri
Karakia from Sonny Tau

CHAIRMAN'S INTRODUCTION:

The Chairman provided an overview of the day noting that provision had been made on the agenda for members of the Representative Māori Organisations to speak as well as to vote on one of the recommendations. Following discussions on the presence of media it was decided that media representatives would not be present during deliberations.

ROLL CALL:

The Chairman asked if there were representatives for the following iwi present:

- Ngāpuhi/Ngāti Kahu ki Whangaroa (subsequently confirmed during voting)
- Te Arawa, confirmed
- Ngāti Pūkenga, confirmed
- Rangitāne (Te Tau Ihi), confirmed
- Tūhoe, (subsequently confirmed during voting)

John Tamihere noted that Willie Jackson, Chairman of NUMA would be at the hui by 10:30am

CHAIRMAN'S PRESENTATION – MATIU REI

The Chairman spoke to his presentation noting the history of the settlement, background to the review and the review recommendations.

IWG PRESENTATION – JAMIE TUUTA

The IWG Chairman noted the previous presentations, consultation and the IWG response to the review recommendations.

COMMENTS FROM TE KAWAI TAUMATA

No comments were provided.

Minutes of Te Ohu Kai Moana Trustee Limited Special General Meeting

COMMENTS FROM RECOGNISED MĀORI ORGANISATIONS

John Tamihere noted that the RMOs felt excluded from the process undertaken by IWG and that they agreed with the reviewer's recommendation to disestablish Te Ohu Kaimoana.

ENTITIES UNDER REVIEW – PRESENTATION OF PLANS

Te Ohu Kai Moana

The Chief Executive (Peter Douglas) presented the Te Ohu Kaimoana plan and provided a summary of it. No questions were asked of him.

Aotearoa Fisheries Limited

The Chief Financial Officer (Simon Jones) presented the AFL plan following an introduction by the AFL Chairman (Whaimutu Dewes). AFL noted that the recommendation regarding AFL not competing with iwi on commercial matters was in its view, and following legal advice taken, *ultra vires*.

A question was asked regarding p.20 of the plan noting a correction that needed to be made: Rongowhakaata was from Turanga fisheries, subsequently confirmed by AFL.

COMMENTS ON THE PLANS:

Selwyn Parata (Ngāti Porou) tautoko-ed the plans provided.

John Tamihere noted again that in his view the RMOs had been marginalised as they had had no input into IWG. He was joined by Willie Jackson and they together noted that they were going to request during the vote that

amendments be put regarding the proposed resolutions in respect of Te Pūtea Whakatupu. Noted that the RMOs supported a move to 5 directors but that NUMA ought to be able to directly appoint 3 of them.

Tā Edward Durie spoke for the New Zealand Māori Council noting that under the Te Pūtea Whakatupu deed, the beneficiaries were all Māori and that preference needed to go towards those Māori that did not have access to their iwi.

Stan Pardoe (Rongowhakaata) did not speak on the review report but noted that the history behind the review is significant, listing a number of key individuals involved in securing the settlement. He thanked Te Ohu Kaimoana for the work completed to date.

Tā Tipene O'Regan emphasized the importance of the taonga that is the settlement and the genesis of those rights, and that they must continue to be fiercely protected.

Following discussion the Chairman adjourned the meeting for morning tea.

MORNING TEA BREAK

Upon resumption the Chairman outlined the voting process to be undertaken.

[Refer Schedule]

Following the voting the Chairman asked if there were any further resolutions to be put; there were none.

Tā Tipene O'Regan noted that we should be telling the Minister of Primary Industries what we wanted, not asking for his approval.

The Deputy Chairman (Sonny Tau) then closed the hui with a karakia and the hui sang a waiata.

TE OHU KAIMOANA

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