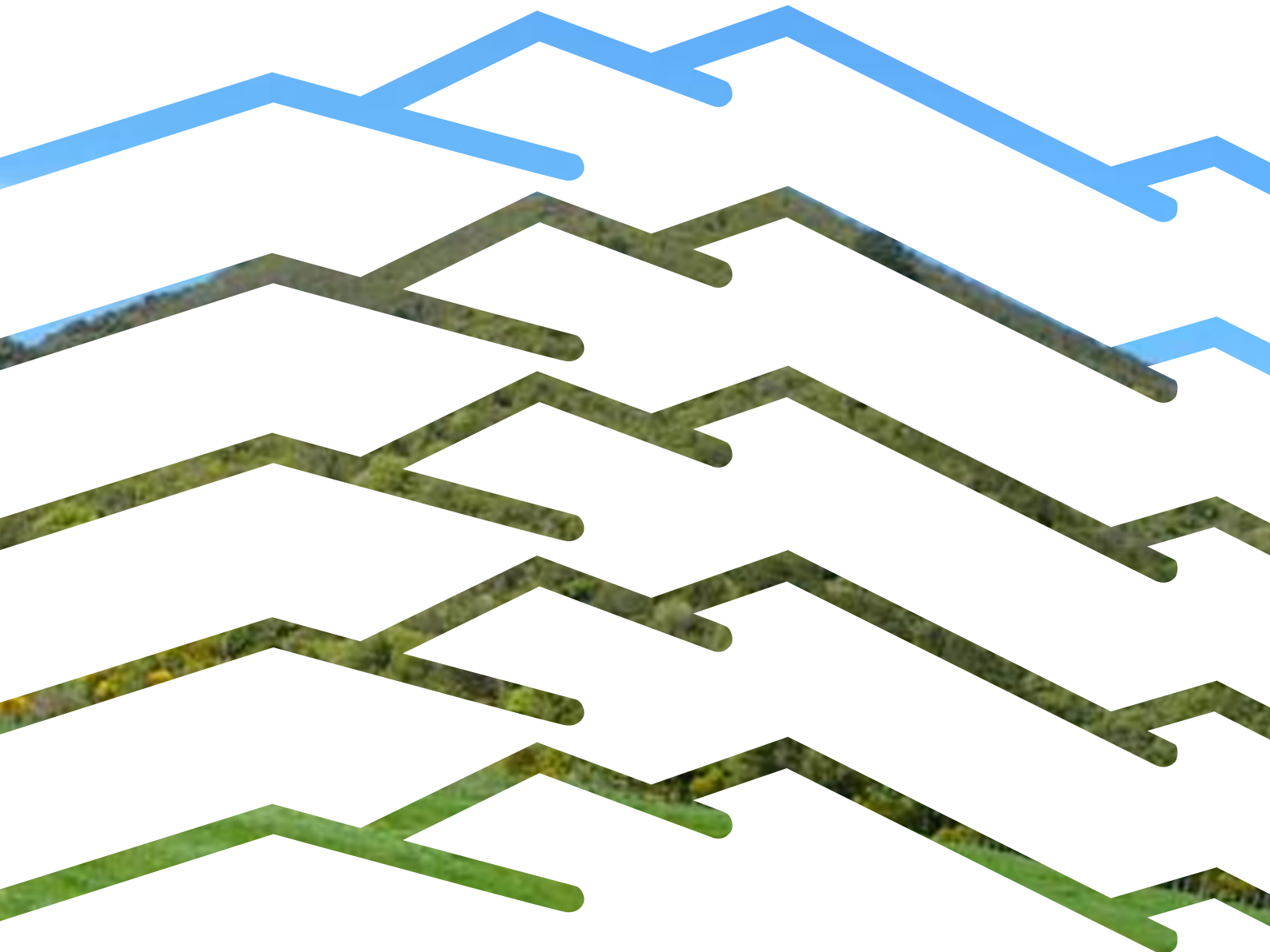




TAUHARA MIDDLE 15
TRUST



AGM
2016



Agenda

Tauhara Middle 15 Annual General Meeting
Saturday 20th August 2016
Waipahihi Marae
Hinerau Grove, Taupō

- | | |
|---------|----------------------|
| 12.30pm | Registrations |
| 1.00pm | Meeting Commencement |
| 1) | Apologies |
| 2) | Previous Minutes |
| 3) | Chairman's Report |
| 4) | Financial Report |
| 5) | Working Party Report |
| 6) | General Business |

Trust Directory

Nature of Business: Land Owning Māori Authority

Trustees:

Heemi Biddle (Chairman)
Topia Rameka
John Fenwick
Peter Eden
Charlotte Severne
Arapiu (Abe) Seymour

Accountants

He Akina Limited
Taupō

Bankers

Bank of New Zealand
Taupō

Solicitors

Jenson Waymouth
Taupō

Auditors

Crowe Horwath New Zealand Audit Partnership
Hastings

Minutes

46 Waiariki MB 43

Place: Rotorua Coronial Court
Present: L R Harvey, Judge
B A Te Riini, Clerk of the Court
P Tahana, Deputy Registrar
P Davis, Court Assistant
29 November 2011

Special Pānui No: SNov4/1

Application No: A20070002293

Subject: Tauhara Middle 15 Trust
Direction as to execution of instrument and removal of trustee

Legislation: Sections 237 and 240, Te Ture Whenua Māori Act 1993

Previous Evidence: 85 Taupo MB 17-19 dated 23 February 2007
85 Taupo MB 174-225 dated 25 June 2007
85 Taupo MB 225-234 dated 29 June 2007
315 Rotorua MB 13-79 dated 1 August 2007
87 Taupo MB 107-161 dated 30 July 2008
87 Taupo MB 213 dated 11 September 2008
87 Taupo MB 297-303 dated 17 October 2008
88 Taupo MB 21-22 dated 6 November 2008
88 Taupo MB 90-167 dated 1 December 2008
88 Taupo MB 62-72 dated 18 December 2008
2010 Maori Appellate Court MB 510-511 dated 27 October 2010
18 Waiāriki MB 212-213 dated 1 November 2010
CA256/2010 NZCA 154 Court of Appeal judgement dated 14 April 2011
32 Waiāriki MB 270-273 dated 7 June 2011
CA256/2010 NZCA 281 Court of Appeal judgement dated 17 June 2011
38 Waiāriki MB 218-241 dated 31 August 2011

Applicants	Address
MR Charles Te Reowhakakotahi Wall	C/-Woodward Law Offices, PO Box 30 411, Lower Hutt
John Tahau	C/-Woodward Law Offices, PO Box 30 411, Lower Hutt
Peter Tukiterangi Clarke	C/-Woodward Law Offices, PO Box 30 411, Lower Hutt
Fred Nicoll	C/-Woodward Law Offices, PO Box 30 411, Lower Hutt
Adrian Paerata	C/-Woodward Law Offices, PO Box 30 411, Lower Hutt

Mr Pini Tahana, Deputy Registrar: I refer to previous evidence at CA/2010 dated 17 June 2011. The Court of Appeal appointed interim trustees pursuant to section 58A of Te Ture Whenua Māori Act 1993. Those interim trustees are: Topia Rameka, Heemi Biddle Jnr, Dr Charlotte Marewa Severne, Peter Eden and John Fenwick.

I refer to previous evidence at 38 Waiāriki MB 218-241 dated 31 August 2011. The Court directed that the Registrar arrange a meeting of owners. The chairperson was to be independent and the meeting would discuss the following matters:

Apologies, minutes of previous general meeting of owners, (held 28 September 2008) interim trustees' report, financial report, update on Tauhara North development and election of trustees.

The meeting was held on 29 October 2011 and Mr Shane Gibbons of Waiāriki Institute of Technology was chairman. There were 84 owners in attendance and minutes of the meeting are on file. There were in excess of 200 powers of attorney.

The interim trustees' report and financial report were received and carried unanimously.

The Tauhara North development report was received and carried unanimously. The Hikuwai hapu lands trust financial

statements, undated and unsigned, were tabled. The Chairman received statements on the basis they may be of some use to the Court.

Election: There were 15 nominations received for six available positions. The results of the election process read as follows:

Nominees	Votes
1. Topia Rameka	297
2. Dr Charlotte Marewa Severne	293
3. Heemi Biddle	291
4. Peter Albert Eden	262
5. Abe Arapiu Pohokura Seymour	251
6. John Amarama Fenwick	245
7. Peter Tukiterangi Clarke	95
8. Walter Pererika	90
9. Dr George Habib	83
10. Dr Selwyn Katene	77
11. Emerina Adams	74
12. Panapa Mansell	56
13. Rangitunoa Black	33
14. Kiri Potaka Dewes	29
15. Lennie Johns	17

The chairman reminded owners that these were preliminary results until the Court decides on the new trustees.

Counsel Mr Taylor filed memorandum dated 15 November 2011. He advised that Mr Clarke is now satisfied that the hui process was fair and allowed the wishes of the

owners to be expressed. Counsel will not attend the hearing.

Court also invited counsel to submit estimates for special aid. Estimates from Messrs Taylor and Webster are on file and directions are sought.

Court: Ms Tapsell?

Ms Tapsell, Counsel: May it please the Court, I appear for the trustees Sir.

Court: Thank you. Mr McKechnie?

Mr M McKechnie, counsel: Yes as Your Honour pleases I am counsel for Mr Karaitiana who is still a party to this proceeding, but of course the deal has changed since he originally initiated this proceeding and I cannot let this opportunity pass without saying that, but for Mr Karaitiana's courage in the first instance, it is most improbable that the present situation would have ever been arrived at.

There is now a situation where it is apparent that the owners have spoken very decisively and speaking entirely for myself, I think it may be that in the final analysis the fact that the Court of Appeal sent this back for determination by the owners, it has produced a very clear and distinct outcome. That while the legal process has been extended, perhaps in the final analysis what has been arrived at is so clear cut that there should be no further controversy about the governance of Tauhara Middle 15.

I know that in large part of Mr Karaitiana shares the views which I am expressing now, so far as the proceedings today are concerned there is nothing that I can legitimately contribute other than to wish the trustees who I anticipate are going to be confirmed in office today, every success.

Thank you Sir.

Court: Thank you Mr McKechnie. Alright, are there any other persons appearing today, Ms Tapsell?

Ms Tapsell: Yes Sir, as you are aware the process of appointment has taken place Sir. We simply seek to confirm those trustees Sir without conditions. Sir five of the trustees are here, Ms Severne is absent.

Court: Alright. Mr Rameka have you read the trust order?

David Topia Rameka: Yes Sir

Court: And you understand the duties of a trustee?

D Rameka: Yes Sir.

Court: And are you a fit and proper person to be appointed?

D Rameka: Yes Sir.

Court: Are there any objections? (No response) Thank you Mr Rameka. Mr Biddle have you read the trust order?

Heemi Biddle: Yes.

Court: And are you familiar with the duties of a trustee?

H Biddle: Yes.

Court: And are you a fit and proper person to be appointed?

H Biddle: Yes.

Court: Thank you. Mr Eden have you read the trust order for this trust?

Peter Eden: Yes Sir.

Court: And you understand the obligations of the role of being a trustee?

P Eden: Yes Sir.

Court: And are you a fit and proper person to be appointed?

P Eden: Yes

Court: Thank you. Mr Seymour have you read the trust order for this trust?

Arapiu Seymour: Yes Sir.

Court: And you understand the obligations of the role?

A Seymour: I do.

Court: And you are a fit and proper person to be appointed?

A Seymour: I think so.

Court: Thank you. Mr Fenwick?

John Fenwick: Morena.

Court: Have you read the trust order?

J Fenwick: Yes Sir.

Court: And you understand the obligations?

J Fenwick: I do.

Court: And you are a fit and proper person to be appointed?

J Fenwick: I believe so.

Court: Thank you. Mr Rameka are you able to speak on behalf of Dr Severne?

D Rameka: Yes Sir.

Court: Are you aware whether or not she has read the trust order?

D Rameka: Yes she has Sir.

Court: And to your knowledge does she understand the role of being a trustee?

D Rameka: Yes.

Court: And she is a fit and proper person to be appointed?

D Rameka: Yes.

Court: Thank you. Are there any objections to the appointment of David Rameka, Charlotte Severne, Heemi Biddle, Peter Eden, Abe Seymour and John Fenwick as responsible trustees for this trust? (No response)

As there are no objections, there are orders appointing those persons as responsible trustees and to issue immediately, rule 66.

I understand from the Deputy Registrar that the meeting was well attended, it was properly advertised and notified to the owners. Sufficient opportunity was given to the owners to discuss the election process. Indeed I understand from the Deputy Registrar, that the registration process alone took five or four hours. Unfortunately it does appear to be the way things are moving.

We seem to be approaching a time where no longer is it common practice to simply turn up to a meeting, have your say, vote. Unfortunately it would seem we are now getting to the point where even photo identification are starting to be required, simply because of the conduct and the behaviour of some participants who are not owners, who masquerade as owners and then bedevil our processes to the point where we have had to embark upon this, quite unprecedented, and in some respects rather complicated process,. But again it just seems to be the way of things.

At the end of the day, the Court directs meetings of owners, not potential successors, not would be owners or spouses or other persons or similar distinction. This was a meeting of owners, the owners have exercised their powers to vote and to support the candidates. I cannot recall a similar situation where so many votes have

been cast, in recent memory for a trust of this size and scale. But it does underscore to me though is the importance of the issues to the ownership.

As Mr McKechnie has pointed out, this application came before me for consideration, well, simply because Judge Savage was away one day, but an application for directions as to whether or not the then trustees could enter into various obligations. We all know the story of what then happened. That was in June 2007. We have had several hearings since then, included in the Appellate Court and as Mr McKechnie mentioned, all the way to the Court of Appeal. In the end the ultimate outcome must always be, as has occurred here, that it is up to the owners. What is important though is that the owners are properly informed and are able to make fully informed decisions, as to who they may or may not support and the reasons behind that.

I acknowledge that, for the trustees who have now been appointed, this is not the end but another beginning. There are all sorts of challenges facing the trustees and we also have the prospect of yet another meeting of owners, for Tauhara 4A2 Block, the Mountain Trust, which I suspect is going to be even more complicated than this block simply because at least here with Tauhara Middle 15 we are dealing with owners, and with the Mountain block we have to deal with beneficiaries of hapū, which is a very different thing in terms of who says this person is from this hapū or not. It is certainly not the Court. Alright, as Mr McKechnie has pointed out I do not think I can say much more either, rather than to wish the trustees well. Mr McKechnie?

Mr McKechnie: There is just one thing I might mention, and I am entirely in your Honour's hands, but counsel for Mr Peter

Clarke who was the appellant in the Court of Appeal has filed a memorandum, and you might think appropriate to make known to those who are assembled here what was said there. And that will, as it were, put it distinctly on the record.

Court: Thank you Mr McKechnie. We were concerned, the Court staff and myself as to whether or not this venue would be big enough, given our previous attendances, but Mr Taylor on behalf of Peter Clarke, his memorandum goes some way to explaining why that is. It is very brief, it is three paragraphs. Mr Taylor says;

"Mr Clarke in support is now satisfied that an electoral hui has been undertaken, which is procedurally fair and has allowed the wishes of the owners to be expressed. Mr Clarke accepts that the top polling candidates are reasonable appointees as trustees of Tauhara Middle 15.

In light of this, counsel will not attend the forthcoming judicial conference. As an owner Mr Clarke will continue to seek to support the development of Tauhara Middle 15 and associates in the best interest of its owners."

Mr McKechnie: Thank you Sir.

Court: So Mr Clarke and his supporters and counsel have made it plain that the people have spoken, the process was fair, they had every opportunity, this is the outcome.

Peter Eden: Your Honour, just a question, just in relation to the process moving forward in relation to our Mountain Trust, because there is no governance Sir in that trust. Is there a date to try and sort out the Mountain Trust, because with Tauhara, the Mountain Trust is beside us and as we move forward, it would be good to have some structure where we, because a lot of owners are basically in the Mountain Trust.

Court: Yes.

P Eden: So I suppose as we go through our strategic planning, it would be good to align, or have some discussion in regards to that.

Court: Yes I think it is unlikely that the meeting of beneficiaries for that trust is going to be called before the end of February or March next year. Just the logistics of getting it organised, finding a venue, making sure the notices are correct, seeing what addresses we have got available to us, that sort of thing. It is going to take some time. We have no time this year to call that meeting, people often complain to me that January is no good, other people say no January is perfect, because everyone is home for the holidays, so I would imagine the end of February is likely to be the earliest we could hope to organise that meeting. Forgive my ignorance Mr Rameka, but does the trust have an interim chairperson?

D Rameka: Yes Sir, Heemi Biddle is the chairperson and I am the deputy chair.

Court: I see, I don't want to drag things out any further, but how are things going with the Tauhara North business, is that under control?

D Rameka: Sir we reported back to the owners, I am not sure if a copy of our presentation has been made available to you, but it has been made available to the Court, a copy of our presentation. Here is a booklet here Sir, but it provides some information around Tauhara North Block and what we have achieved in the interim.

We have in the last three months put in place a temporary lessee, so it has finally earned a small bit of income, but not in the range that we will consider the Tauhara North partnership would consider necessary to be called a prudent investment Sir.

I am not sure if we will ever reach that 10% return figure, which is probably around half a million dollars. But we are exploring options Sir, we are exploring options with Contact Energy. And we are in the midst right now of working through a contract with the Lake Taupo Protection Trust around selling down nitrogen credits, which will alleviate some of our financial burden from the Bank of New Zealand. In fact we hope to have the BNZ loan paid in full by Christmas, which is quite a dramatic step, but we have managed to arrange that and we should have that serviced by Christmas. Now that we are fully in place we can deal with, which will ease a lot of our pressure on our lease.

At present of the \$80,000 income the trust received in the lease, between 30 and 40 of that pays an interest only repayment to BNZ, and the balance in around the operations of the trust. So by Christmas we hope to have the BNZ paid in full, which will put the trust into a good footing next year.

In terms of the Tauhara North block we have entered into a partnership agreement of the Opepe Trust, which is a very positive and we are working towards, as I say opportunities within that.

Court: Alright so overall your assessment is, everything is in hand?

D Rameka: The matter outstanding is still the loan from the Tauhara Mountain Trust, the Tauhara Middle 15 Trust, but once again it is difficult to engage with the Tauhara Mountain Trust governance side which isn't in place. But the immediate issue is clearing the BNZ loan, that is the big risk for us in terms of our corpus land.

Court: Okay, alright thank you Mr Rameka. I say this with no disrespect I was just hoping that the trustees would tell me that,

so I won't need to see them again. Well finally thank you counsel, Ms Tapsell, Mr McKechnie, to the trustees and to all the owners who have followed this proceeding over the many years, thank you very much.

Mr P Tahana, Deputy Registrar: Kia ora Judge, Pini Tahana to assist the Court. There might still be a need to appoint these same trustees to the General land, for their one fifth share in the General land together with Opepe.

Court: Yes. Alright, so ordered. Thank you Mr Tahana. In the meantime we will be adjourned until 12 o'clock. Mr Seymour?

A Seymour: Tuatahi, kei te tua ki te mihi atu ki wera i tohuria hei kaitaiki mo enei whenua i raro i te wā e te tu kei koia. Kei te mihi atu ki a koe he kaiwhakawā e tuku atu nau e tuku atu te rakau i wenei waho hoa kei te noho nei i tenei taha. E hara tenei te mama, te mahi manga ki te whakatikatika haere nga raruraru e timata mai e te rā. Na etahi atu engari nga wenei e noho nei i whakatika haere penei tātou e tu nei, ki a piki atu ki a rātou. Katahi ano ka uru atu e to rātou nei taha, a taku pea e te tiroirohia te ahua ki a tātou i roto i o tātou nei tika. Hei konei e noho nei nga tangata pukenga nga tangata pukenga nga tangata rongonui, nga tangata mohio i tenei mea e tirohia hei anga whakamua ma mātou katoa. No reira, kia hoki ki a koe te kaiwhakawa ki te mihi ki a koe. Kei te mihi atu aku hoa e noho nei, tena koe.

Court: Kia ora.

Pursuant to Te Ture Whenua Māori Act 1993 the Court makes the following orders:

- (a) Section 37(3) on own motion, section 239 replacing the interim trustees with Topia Rameka, Dr Charlotte Marewa Severne, Heemi Biddle, Peter Albert Eden, Abe Arapiu Pohokura Seymour

and John Amarama Fenwick and appoint these same trustees to the 1/5th share in General land, together with Opepe;

- (b) The application in respect of execution of instrument and removal of trustee is dismissed; and
- (c) Application A20100011950, section 237 of Te Ture Whenua Māori Act 1993 was for Court to exercise jurisdiction and appoint trustees. That having been concluded today, that application is also dismissed.

These orders to issue immediately pursuant to rule 7.5(2)(b) of the Māori Land Court Rules 2011.

Copy of minutes to all interested parties.

**L R Harvey
JUDGE**

Chairman's Report

No runga o Tauhara! Ko toku maunga paepae, tenei au te tuohu nei!
Atop of Tauhara! He is my mountain backbone, to whom I bow in acknowledgement!

Tena koutou katoa, kua huihui mai nei i runga i te kaupapa o te ra.
Nga mate o tena o tena a o tatou marae, haere, haere, haere atu ra.
Ki a tatou te hunga ora, Tihei mauriora!

On behalf of the Trustees of the Tauhara Middle 15 Trust (TM15), it is my pleasure to present my first Chairman's Report on the activities of the Trust since the last meeting of owners held on 29th October 2011.

I want to acknowledge my five fellow Trustees, Topia Rameka (Deputy Chair); Dr. Charlotte Severne; Arapiu Abe Seymour; Peter Eden and John Fenwick for the fine work they have contributed toward this Trust.

The Trust was in significant debt and struggling to maintain solvency when the current trustees were appointed but I am pleased to report that the debt levels have been significantly reduced and that the

Trust is now in a solid financial position with exciting opportunities on the horizon.

Achievements of the Trust since the last meeting of owners include:

1. Completion of a protracted Maori Land Court process regarding the appointment of the current six responsible Trustees.
2. The full repayment of the BNZ loan of \$440,000.00 and the release of the mortgage over the corpus TM15 property.
3. Formal loan agreement established with the Tauhara Middle 4A2A Mountain Trust for an amount of \$310,000.000 and repayments have been made toward that loan.
4. The establishment of the Tauhara North Partnership (TNP) with the Opepe Farm Trust (OFT) formalising the 20% TM15 and 80% OFT

ownership in the Tauhara North block located between the TM15 block and the Eastern Arterial route.

5. Tauhara North Partnership have negotiated a lease agreement for the Tauhara North block with Gardon Limited for \$65,000.00 plus GST per annum, a significant increase on the previous arrangement and negotiated a favourable settlement with the Taupo District Council and Landcorp for the portion of TNP land used for the Broadlands Road arterial on ramp.
6. The Trust has sold a portion of the Trust's nitrogen discharge allowance (NDA) from 22 NDA's to 16 NDA's providing the Trust with funding to reduce debt, maintain solvency and explore development opportunities.
7. TM15 dairy grazing lease was renegotiated in 2014 to \$85,000.00 plus GST per annum for five years, an increase on the previous arrangement and a good result considering the downward pressure on the dairy industry and grazing prices over the past few years.
8. The TM15 Trust is a foundation shareholder in He Akina Services Limited, alongside the Opepe Farm Trust and Tauhara Moana Trust and contracts He Akina to provide administration, financial and ownership services to the Trust. This has resulted in a reduced cost and higher level of service provision to the Trust.
9. The TM15 Trust and TM4A2A Mountain Trust have been working together closely to explore a number of

opportunities and this work has been going well.

10. The Trustees continue to work on the return of the Stage 1 land of the Taupo landfill to the TM15 Trust.
11. The Trustees are working on a strategic plan for the 2017 – 2022 period.

A lot of other work has been completed along the way however the ones noted above are some of the key achievements.

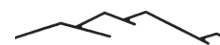
Financial Position

The financial report is for the past five years and I am pleased to report that we have received a clean bill of health from the auditors. The financials are consistent throughout the period however you will note a loss in the 2013 financial year that is attributed to a downward revaluation in the Tauhara North block. This will be discussed in more detail in the financial report.

Future Opportunities

Destination Tauhara

The TM15 Trust and the TM4A2A Mountain Trust have formed the Tauhara Working Group to progress work around three key work streams: firstly, Project Hikoi centred around the opportunities related to the Tauhara Maunga walkway; secondly, Project Kaitiaki centred around the restoration of Tauhara Maunga to the time of our tupuna Ngatoroirangi and thirdly, Project Destination centred around the tourism and employment opportunities that can be developed on TM15 Trust land as a result of Project Hikoi and Project Kaitiaki. This is an exciting opportunity and will be



“ The Trust has sold a portion of the Trust’s nitrogen discharge allowance (NDA) from 22 NDA’s to 16 NDA’s providing the Trust with funding to reduce debt, maintain solvency and explore development opportunities. ”

discussed in more detail in the Tauhara Working Group report.

Geothermal Development

The TM15 Trust land is in a prime position for geothermal development and unlike a lot of the surrounding land blocks is not subject to the Contact Energy geothermal encumbrances. The current over supply of the electricity market and uncertainty with the Tiwai smelter has seen a downturn in the development of geothermal power stations so the Trust is maintaining a watching brief and readiness for when the time is right to explore the geothermal options again.

Conclusion

The past few years have been very challenging, however the light on the horizon is starting to broaden. The Trustees will continue to work diligently to continue developing the TM15 Trust to a point where it can start delivering meaningful benefits to you the owners.

I would like to thank the owners for your patience and the Trustees seek your continued support moving forward.

Whatungarongaro te tangata, toitu te

whenua, tihei Mauriora!
A man disappears from sight, however
the land remains forever.

Naku iti noa,



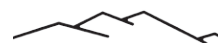
Heemi James Biddle
Chairman
Tauhara Middle 15 Trust.

Financial Statements

Tauhara Middle 15 as at 30 June 2015.
Prepared by He Akina Limited.

The following pages contain:

- Statement of Financial Performance
- Statement of Movements in Equity
- Statement of Financial Position
- Notes to the Financial Statements
- Audit Report



Statement of Financial Performance

Tauhara Middle 15 - For the year ended 30 June 2015

Account	Notes	2015	2014
INCOME			
Lease - Farmland		85,000	87,500
Interest Received		7,747	7,185
Reimbursements for Rates & Insurance		10,492	10,232
Opepe - TM 15 P'Ship - Share of Profit (Loss) - 20%	10	11,711	4,133
Total INCOME		114,950	109,050
Total Income		114,950	109,050
EXPENSES			
Administration Expenses			
ACC Levy		(147)	357
Accountancy		14,400	19,471
Audit Fees		3,900	4,100
Legal - General		-	8,504
Printing, Stationery & Postage		58	147
Trust - Database		-	450
Trust - Other		-	34
Trustees Meeting Fees		2,940	3,620
Trust - Trustee Insurance		3,825	-
Trustees Meeting Expenses		805	592
Trustees Travel and Accommodation Expenses		1,948	3,124
Total Administration Expenses		27,729	40,400
Standing Charges			
Resource Consents		1,091	1,051
Insurance		2,035	2,371
Rates		10,186	9,503
Total Standing Charges		13,312	12,925
Financial Expenses			
Bank Charges		231	220
Interest - Other		442	218
Total Financial Expenses		673	438
Total EXPENSES		41,714	53,762
TOTAL OVERHEAD EXPENSES		41,714	53,762
NET INCOME BEFORE DEPRECIATION AND NON-CASH DEDUCTIONS		73,236	55,288
Ordinary Depreciation			
Depreciation Adjustments		1,445	1,283
Total Ordinary Depreciation		1,445	1,283
NET TAXABLE INCOME		71,791	54,005
Less Taxation			
Tax Provision	5	12,627	9,543
Total Less Taxation		12,627	9,543
NET INCOME		59,164	44,462

This statement must be read in conjunction with the accompanying Notes to the Accounts and the Audit Report



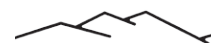
Statement of Movements in Equity

Tauhara Middle 15 - For the year ended 30 June 2015

Account	2015	2014
Owners Equity		
Opening Balance	3,336,490	3,292,028
Recognised Revenues and Expenses		
Current Year Earnings	59,164	44,462
Total Recognised Revenues and Expenses	59,164	44,462
Total Owners Equity	3,395,654	3,336,490



This statement must be read in conjunction with the accompanying Notes to the Accounts and the Audit Report



Statement of Financial Position

Tauhara Middle 15 - As at 30 June 2015

Account	Notes	30 Jun 2015	30 Jun 2014
Current Assets			
BNZ - Cheque Account		39,390	28,835
BNZ - Autocall Account		139,018	3,646
Accounts Receivable		232	1,797
Interest Accrued		2,845	4,780
Prepayments		1,762	1,859
Total Current Assets		183,247	40,917
Current Liabilities			
GST Payable		1,205	272
Income Tax Payable	5	6,842	5,981
Accounts Payable		7,587	1,211
Accrued Expenses		4,500	4,100
PAYE Payable		265	124
Total Current Liabilities		20,399	11,688
Net Current Assets		162,848	29,229
Non-Current Assets			
Fixed Assets (as per schedule)			
Property, Plant & Equipment		5,625	318
Investment Property		2,852,655	2,853,752
Total Fixed Assets (as per schedule)		2,858,281	2,854,070
Investments			
BNZ Term Deposits		80,000	170,000
Opepe - Tauhara Middle 15 P'ship (20%)	10	603,494	592,159
Taupo Saleyards Limited (500 Shares)		1,000	1,000
Wool Equities Ltd (269 Shares)		32	32
Total Investments		684,527	763,191
Total Non-Current Assets		3,542,806	3,617,261
Non-Current Liabilities			
Term Loans (Unsecured)	4	310,000	310,000
Total Non-Current Liabilities		310,000	310,000
Net Assets		3,395,654	3,336,490
Owners Funds			
Original Capital		99,000	99,000
Land Revaluation Reserve		2,113,577	2,113,577
General Reserves	11	602	602
Retained Earnings		854,759	795,595
Building Revaluation Reserve		327,716	327,716
Total Owners Funds		3,395,654	3,336,490

J. Boden

A. Seymour 9th August 2016

Trustee	Trustee	Date
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This statement must be read in conjunction with the accompanying Notes to the Accounts and the Audit Report



Notes to the Financial Statements

Tauhara Middle 15 - For the year ended 30 June 2015

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

These are the financial statements of Tauhara Middle 15. Tauhara Middle 15 is an Ahu Whenua Trust (S.215 Te Ture Whenua Maori Act 1993). The Trust is classified as a Maori Farming Authority.

The Trust qualifies for differential reporting exemptions based on the following criteria:

- It is not publicly accountable, and
- The trust is 'not large' as defined by the Financial Reporting Act.
- The Trust has adopted all available differential reporting exemptions (except for SSAP17).

Measurement Base

These financial statements of Tauhara Middle 15 have been prepared in accordance with generally accepted accounting practice in New Zealand, except for obtaining annual variations for investment property, which is a departure from SSAP 17 and generally accepted accounting practice.

The financial statements of Tauhara Middle 15 have been prepared on an historical cost basis, except as noted otherwise below. The information is presented in New Zealand dollars.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Specific Accounting Policies

In the preparation of these financial statements, the specific accounting policies are as follows:

(a) Property, Plant and Equipment

The Trust has the following classes of Property, Plant & Equipment;

1. Plant & Equipment

All property, plant & equipment are stated at cost less depreciation and impairment losses.

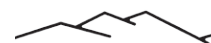
Depreciation has been calculated in accordance with rates permitted under the Income Tax Act 2007.

(b) Investment Property

The Trust has the following classes of Investment Property;

1. Land & Improvements
2. Buildings

Land has been revalued to market value at 30 June 2013 as determined by independent valuer Reid & Reynolds Limited Trading As Telfer Young. The land and improvements were valued at \$2,855,000.



Notes to the Financial Statements

Tauhara Middle 15 - For the year ended 30 June 2015

(c) Impairment

At each reporting date, the Trust reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

If the recoverable amount of a cash generating unit is estimated to be less than its carrying amount, the carrying amount of the cash generating unit is reduced to its recoverable amount.

(d) Goods and Services Tax

These financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are shown inclusive of GST.

(e) Income Tax

Income tax is accounted for using the taxes payable method. The income tax expense in profit or loss represents the estimated current obligation payable to Inland Revenue in respect of each reporting period after adjusting for any variances between estimated and actual income tax payable in the prior reporting period.

(D) Finance Costs

Finance costs that are directly attributable to the acquisition, construction or production of an asset are capitalised as part of the cost of the asset. All other finance costs are recognised as an expense in the period in which they are incurred.

(f) Investments

Investments are stated at cost.

(g) Investments in Associates

Associates are entities in which the trust has significant influence over the commercial and financial policy decisions of the entity. Associates have been measured using the equity method of accounting, which recognises the trust's share of post-acquisition net profit after tax in the statement of financial performance.

(h) Cash and Cash Equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand.

(i) Financial Instruments

Financial instruments include receivables, payables, cash balances, and deposits. Financial instruments are stated in the balance sheet when the entity becomes party to a financial contract.

Financial instruments are recorded at cost less any impairment losses.

(j) Receivables

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

2. AUDIT

These financial statements have been subject to audit; please refer to Auditor's Report.



3. CONTINGENT LIABILITIES

There is a liability of \$91,681 should Tauhara Middle 4A2A Trust demand the interest on its advance of \$310,000 (2014: \$310,000). At balance date there are no other known contingent liabilities. Tauhara Middle 15 has not granted any securities in respect of liabilities payable by any other party whatsoever.

Notes to the Financial Statements

Tauhara Middle 15 - For the year ended 30 June 2015

4. RELATED PARTIES

By an Order of the Maori Land Court on 7 December 2011, all the Trustees of Tauhara Middle 15 Trust were appointed additional and interim responsible Trustees of the Tauhara Middle 4A2A Trust. The beneficiaries (owners) are similar, but not identical, in both Trusts.

In July 2007 Tauhara Middle 15 borrowed \$310,000 from the Tauhara Middle 4A2A Trust. The advance is unsecured. In April 2013 a loan agreement was entered into by the two Trusts.

The terms of the agreement are:

- Loan Term: Repayment on demand from 1 July 2022
- Interest Rate: Official Cash Rate (currently 2.50%) if demanded within two months of the loan anniversary date (9 July) in any one year.
- The loan may be repaid in part or full at any time.



	2015	2014
5. TAXATION		
Net Trustees Income Before Tax	71,791	54,005
Additions to Taxable Profit		
Less Opening Accrued Audit & Accounting Fees	(4,100)	(4,100)
Add back Closing Accrued Audit & Accounting Fees	3,900	4,100
Minus Share of Opepe TM15 P'ship Profit (Loss) Per Financial Statement	(11,711)	(4,133)
Plus Taxable Share of Opepe TM15 P'ship Profit (Loss)	12,273	4,661
Less Losses Brought Forward	-	-
Total Additions to Taxable Profit	362	528
Taxable Profit (Loss)	72,153	54,533
Tax Payable at 17.5%	12,627	9,543
Deductions from Tax Payable		
Resident Withholding Tax Paid	2,070	771
Provisional Tax Paid	3,714	2,791
Total Deductions from Tax Payable	5,784	3,562
Income Tax Payable (Refund Due)	6,843	5,981

6. MAORI AUTHORITY TAX CREDIT ACCOUNT

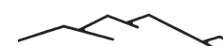
The Trust elected as from 1 April 2004 to adopt the MACA regime as provided for under the Income Tax Act 2007.

At 30 June 2015 MACA credits available to be attached to distributions to the beneficial owners of the trust were:

	2015	2014
MATCA		
Opening Balance	32,111	26,557
Payments To (Refunds From) IRD	3,714	4,783
Resident Withholding Tax	2,070	711
Closing Balance at Balance Date	37,895	32,111
	2015	2014

7. PROPERTY, PLANT & EQUIPMENT

At Cost	6,007	352
Accumulated depreciation	(382)	(35)
Total PROPERTY, PLANT & EQUIPMENT	5,625	318



Notes to the Financial Statements

Tauhara Middle 15 - For the year ended 30 June 2015

8. INVESTMENT PROPERTY

At Valuation	2,855,000	2,855,000
Accumulated Depreciation	(2,344)	(1,248)
Total INVESTMENT PROPERTY	2,852,655	2,853,752

9. LEASE TO GARDON LIMITED

From 1 April 2014 a rental agreement was entered into with Gardon Limited for an annual rental of \$85,000 plus GST (payable in monthly installments). In addition to paying the annual lease fee, Gardon Limited will pay the insurance expenses and must apply (at Gardon Ltd's cost) an annual dressing of fertilizer. The lease term is for an initial period of 5 years with a rental review on completion of the first three years (1 April 2017).

10. OPEPE FARM TRUST AND TAUHARA MIDDLE 15 TRUST PARTNERSHIP - INVESTMENT IN ASSOCIATES

Tauhara Middle 15 Trust entered into a partnership arrangement dated 30 June 2011 with Opepe Farm Trust. The Tauhara Middle 15 share in the partnership is 20% and Opepe Farm Trust's share is 80%.

The partnership owns 342.0847 hectares of land of which it leases to Gardon Limited for grazing. 50 hectares have also been planted in forestry.

The partnership's financial year is 30 June 2015. The financial statements for the year record a profit attributable to Tauhara Middle 15 Trust of \$11,711. The partnership net assets were \$3,017,471 as at 30 June 2015.

	2015	2014
11. GENERAL RESERVE		
Opening Balance	602	597
Less Revaluation of Wool Equities Limited Shares	-	(5)
Closing Balance	602	602



INDEPENDENT AUDITOR'S REPORT

To the Beneficial Owners of Tauhara Middle 15 Trust

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Tauhara Middle 15 Trust on pages 4 to 10, which comprise the statement of financial position as at 30 June 2015, the statement of financial performance, and statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

TRUSTEES' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand; and for such internal control as the trustees 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 these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with 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 the auditor's 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, the auditor considers internal control relevant to the entity'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 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 presentation of the financial statements.

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

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

BASIS FOR QUALIFIED OPINION

The statement of financial position records a balance of \$2,852,655 for investment property. SSAP-17 requires that investment property be valued annually. The trust last valued its investment property in June 2013. This is a departure from generally accepted accounting practice in New Zealand. The effects on investment property and reserves have not been determined.

QUALIFIED OPINION

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements on pages 4 to 10 present fairly, in all material respects, the financial position of Tauhara Middle 15 Trust as at 30 June 2015, its financial performance and changes in equity for the year then ended in accordance with generally accepted accounting practice in New Zealand.

OTHER MATTER

The financial statements of Tauhara Middle 15 Trust for the year ended 30 June 2014 were audited by another auditor who expressed a modified opinion on those statements on 4 November 2015. The opinion was modified due to the financial statements of Tauhara Middle 15 Trust's associate, Opepe TM15 Partnership, for the year ended 30 June 2014 being unaudited, and therefore no reliance could be placed on the \$3,133 share of profits reported in the statement of financial performance, and the \$592,158 value of the associate reported in the statement of financial position.

**CROWE HORWATH NEW ZEALAND AUDIT PARTNERSHIP
CHARTERED ACCOUNTANTS**

9 August 2016

Tauhara Middle 15 Trust

PROFIT & LOSS For the Years Ending 30 June 2015

	Jun-15	Jun-14	Jun-13	Jun-12	Jun-11
INCOME					
Lease Revenue	85,000	87,500	80,000	80,000	80,000
Occupancy Licence	-	-	200	200	200
Opepe - TM15 P'Ship - Share of Profit (Loss) - 20%	11,711	4,133	(368,857)	1,483	(4,440)
Reimbursements for Rates & Insurance	10,492	10,232	11,985	13,240	12,196
Sundry Income	-	-	-	-	148
Interest Received	7,747	7,184	6,025	1,565	3,033
Total Income	114,950	109,049	(270,646)	96,488	91,137

EXPENSES					
Administration Costs					
ACC Levy	(147)	357	-	21	53
Administration & Secretarial	-	-	-	-	3,588
Accountancy	14,400	19,471	14,708	13,151	19,839
Auditing	3,900	4,100	4,100	4,100	7,320
Advertising SGM	-	-	-	132	-
Annual Report Cost - AGM	-	-	-	3,416	-
Consultants	-	-	10,532	-	15,550
Printing, Stationery & Postage	58	147	-	-	-
Travel & Accommodation	1,948	3,124	2,319	5,467	3,290
Valuation Fees	-	-	1,176	-	-
Maori Land Court Filing	-	-	-	-	804
Trustees Meeting Expenses	805	592	70	2,444	1,213
Trust - Database	-	450	-	-	-
Legal	-	8,504	-	9,831	15,726
Trustee Fees	2,940	3,620	2,800	20,939	4,700
Trustee Insurance	3,825	-	-	-	-
Trust - Other	-	34	-	-	-
Total Administration	27,729	40,399	35,704	59,501	72,083
Standing Charges					
Repairs & Maintenance	-	-	385	2,931	-
Insurance	2,035	2,371	2,306	486	1,816
Rates & Resource Consents	10,186	9,503	9,780	11,106	10,380
Farm - Resource Consents	1,091	1,050	-	-	-
Total Standing Charges	13,313	12,924	12,471	14,523	12,196

2013 Net taxable income -\$323,701 attributed to a downward revaluation in the Tauhara North block.

Tauhara Middle 15 Trust

PROFIT & LOSS For the Years Ending 30 June 2015

Financial Expenses					
Bank Charges	231	220	115	83	7
Interest - Other	442	217	-	-	-
Interest - Term Loans	-	-	3,337	29,645	27,900
Total Financial Expenses	673	437	3,452	29,728	27,907
TOTAL OVERHEAD EXPENSES	41,715	53,762	51,628	103,752	112,186

NET INCOME BEFORE DEPRECIATION AND NON-CASH DEDUCTIONS	73,236	55,287	(322,274)	(7,264)	(21,049)
Ordinary Depreciation					
Depreciation Adjustments	1,445	1,283	1,427	882	2,991
NET TAXABLE INCOME	71,791	54,004	(323,701)	(8,146)	(24,040)
Non Deductible Expenses					
Koha	-	-	-	500	-
Total Deductible Expenses	-	-	-	500	-
Non Taxable Income					
Nitrogen Discharge Allowance Proceeds	-	-	-	522,900	-
Capital Distribution - Wool Board	-	-	-	156	-
Total Non Taxable Income	-	-	-	523,056	-
TOTAL NON TAXABLE INCOME	-	-	-	523,556	-

NET INCOME BEFORE TAXATION	71,791	54,004	(323,701)	515,410	(24,040)
Less Taxation					
Tax Provision	12,627	9,543	4,904	-	
Total Less Taxation	12,627	9,543	4,904	-	-
NET INCOME	59,164	44,461	(328,605)	515,410	(24,040)