



## AUDIT REPORT

To the Readers of the financial report of Crown Forestry Rental Trust.

We have audited the attached financial report on pages 14 to 27. The financial report provides information about the past financial performance of Crown Forestry Rental Trust and its financial position as at 31 March 2002. This information is stated in accordance with the accounting policies as attached.

### TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for the preparation of a financial report which gives a true and fair view of the financial position of Crown Forestry Rental Trust as at 31 March 2002, and of the results of their operations and cash flows for the year ended 31 March 2002.

### AUDITORS' RESPONSIBILITIES

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

### BASIS OF OPINION

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

- the significant estimates and judgements made by the Trustees in the preparation of the financial report, and
- whether the accounting policies are appropriate to the Crown Forestry Rental Trust circumstances, consistently applied and adequately disclosed.

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

Our firm carries out other assignments for the Trust in the area of special consultancy projects. Neither our firm nor our employees have any other interests in the Trust.

### Fundamental Uncertainty

In forming our unqualified opinion, we have considered the adequacy of the disclosures made in the financial report in regard to the appeal to the Privy Council concerning Crown Forestry Rental Trust's tax status.

The future settlement of this case could result in an additional income tax liability and interest payable of \$38.99 million should the Trust lose or a taxation refund due to the Trust of approximately \$10.45 million plus interest if they were to win the case.

The effect of the Trust losing this appeal would leave the Trust with negative retained earnings, which is a breach of clause 9.5 of the Trust deed. Details of the circumstances relating to this fundamental uncertainty are described in note 9 to the financial statements.

### UNQUALIFIED OPINION

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

In our opinion:

- proper accounting records have been kept by Crown Forestry Rental Trust as far as appears from our examination of those records; and
- the financial report on pages 14 to 27:
  - > complies with generally accepted accounting practice;
  - > gives a true and fair view of the financial position of Crown Forestry Rental Trust as at 31 March 2002, and the results of their operations and cash flows for the year ended on that date.

Our audit was completed on 27 June 2002 and our unqualified opinion is expressed as at that date.

A handwritten signature in cursive script that reads 'Horwath Wellington'.

HORWATH WELLINGTON AUDIT

Chartered Accountants

Wellington

AS AT 30 JUNE 2002

<b>CHAIRMAN</b>	<b>APPOINTED BY</b>
Sir Graham Latimer	Maori Appointor
<b>TRUSTEES</b>	
Mr Paul Carpinter	Crown Appointor
Ms Maryan Street	Crown Appointer
Mr Lou Tangaere	Maori Appointor
Professor Whatarangi Winiata	Maori Appointor

**SENIOR MANAGEMENT TEAM**

Karen Waterreus	Chief Executive
Janet Dobbie	Manager Corporate Support Services
Ben Dalton	Manager Service Delivery
Wayne Mulligan	Manager Service Development

**SERVICE DELIVERY**

Denise Cadigan	Assistant Editor
Tony Tumoana	Editor
Deborah Young	Executive Administrator
Moka Apiti	Geographic Analyst
Anita-Jo Foley	GIS Mapping Coordinator
Natalie Davis	GIS Operators
Rebecca Martel	
Campbell McKenzie	
Emma Stevens	Historian
Lil Anderson	Programme Facilitators
Jonathan Dick	
Jacqui Howard	
Stephen Ihaka	
Tracey Kingi	Research Facilitators
Marinus La Rooij	
Vincent O'Malley	Research Manager
Leah Campbell	Research Projects Manager
Michael Batson	Researchers
Jennifer Halder	
Harriet Kennedy	
Rina Precanica-Armstrong	
Milja Radisic	

**SERVICE DEVELOPMENT**

David Armstrong	Advisor/Special Projects
Derek Toia	Business Analyst
Tania Anderson	Northland Regional Facilitators
Arthur Harawira	
Lorraine Toki	Northland Regional Manager
Nick Fahey	Project Managers
Nephi Prime	
Louis Chase	Researchers LHAD
Hera Johns	
Eva Moke	
Sheridan Smith	
Dulcie Te Amohanga	
Dion Tuuta	Sector Analyst
Tania Gerard	Service Analyst
Rayna Tuhimata	Trustee Assistant

**EXECUTIVE & CORPORATE SUPPORT SERVICES**

Nathan Hinde	Accounts Administrator
Megan Nilsson	Administration Team Leader
Denise Reynolds	Human Resources Administrator
Gail Dallimore	Information Coordinator
Coby van Rijswijk	Management Accountant
Shane Dunstan	Office Services Coordinator
Robert Tamarua	Programme Administrator
Mary Martin	Receptionist/Accounts

The Trust farewelled Steven Hill, Maani Kirby, Ann McCarthy, Suliana Van Ooyen, Awhimai Reynolds and Andrew Robb. We thank them for their work for the Trust.

<b>SOLICITORS</b>	During the year under review the Trust has used the services of various legal advisors.
<b>BANKERS</b>	ANZ Banking Group (New Zealand) Limited
<b>AUDITORS</b>	Horwath Wellington Audit

"I AM SURE THAT A STRONGER NATION WILL EMERGE FROM YOUR EFFORTS TO ADDRESS THE PAST AND MOVE FORWARD TO A SHARED FUTURE"

HRH Queen Elizabeth II, Rehua Marae, Christchurch, February 2002

# SOUTHERN NIGHT SKY



## — OBSERVING OUR NIGHT SKY

THE MAP SHOWN REPRESENTS OUR SOUTHERN HEMISPHERE NIGHT SKY FOR THE MONTH OF JULY. WHEN OBSERVING THE NIGHT SKY, IT'S IDEAL TO OBSERVE FROM THE DARKEST LOCATION POSSIBLE, AWAY FROM STREET LIGHTS AND ANY OTHER STRONG LIGHT SOURCES THAT WILL DIMINISH YOUR CHANCES OF LOCATING STARS AND STAR CLUSTERS. YOUR EYES WILL NEED TO ADJUST TO THE DARKNESS, AND WILL BE BEST ADAPTED AROUND 10 TO 20 MINUTES AFTER YOU GO OUTSIDE. IF YOU NEED A TORCH TO SEE THIS MAP, COVER THE END WITH RED CELLOPHANE. THIS WILL MAKE SURE YOU DON'T LOSE YOUR NIGHT VISION. TRY TO OBSERVE THE EVENING SKY ON MOONLESS NIGHTS AROUND EITHER THE NEW MOON OR LAST QUARTER, AS THE STRONG MOONLIGHT MAKES FAINTER STARS HARDER TO SEE.

ENJOY...