

Auditors Report



AUDIT REPORT

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

We have audited the attached financial report on pages 12 to 35. The financial report provides information about the past financial performance of Crown Forestry Rental Trust and its financial position as at 31 March 2004. 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 2004, and of the results of their operations and cash flows for the year ended 31 March 2004.

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 taxation advice. Neither our firm nor our employees have any other interests in the Trust.

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 12 to 35:
 - 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 2004, and the results of their operations and cash flows for the year ended on that date.

Our audit was completed on 18/5/04 and our unqualified opinion is expressed as at that date.

A handwritten signature in orange ink that reads "Horwath Wellington Audit".

HORWATH WELLINGTON AUDIT
Chartered Accountants
Wellington