

## AUDITOR'S REPORT

### TO THE TRUSTEES OF THE CROWN FORESTRY RENTAL TRUST

We have audited the financial statements on pages 18 to 38. The financial statements provide information about the past financial performance of the Crown Forestry Rental Trust and its financial position as at 31 March 2006. This information is stated in accordance with the accounting policies set out on pages 21 to 22.

#### Trustees Responsibilities

The Trustees are responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which fairly reflect the financial position of the Crown Forestry Rental Trust as at 31 March 2006 and the results of operations and cash flows for the year ended on that date.

#### Auditors' Responsibilities

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

#### Basis of Opinion

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

- the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and
- whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are 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 statements.

Other than in our capacity as auditor and the provision of benchmarking advisory services, we have no relationship with or interests in the Crown Forestry Rental Trust.

#### Unqualified Opinion

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

In our opinion the financial statements on pages 18 to 38, fairly reflect the financial position of the Crown Forestry Rental Trust as at 31 March 2006 and the results of its operations and cash flows for the year ended on that date.

Our audit was completed on 16 May 2006 and our unqualified opinion is expressed as at that date.



CHARTERED ACCOUNTANTS

WELLINGTON, NEW ZEALAND

This audit report relates to the financial statements of Crown Forestry Rental Trust for the year ended 31 March 2006 included on Crown Forestry Rental Trust's website. The Trustees are responsible for the maintenance and integrity of the Trust's website. We have not been engaged to report on the integrity of Trust's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 16 May 2006 to confirm the information included in the audited financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.