

Crown Forestry Rental Trust

Report to Appointors 2008 - 2009



Crown Forestry Rental Trust Trustees

Sir Graham Latimer



Ms Janet Mason



Mr Gregory Fortuin



Mr Paul Morgan



Ms Angela Foulkes

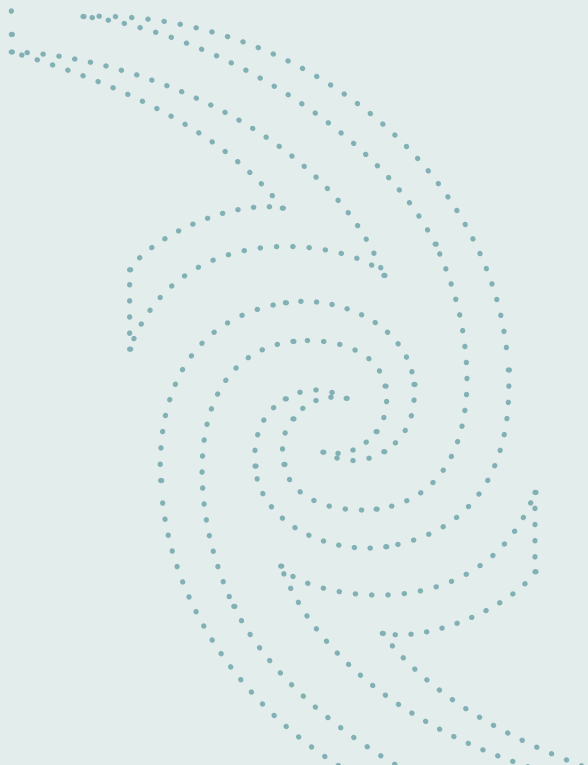


Mr Alan Haronga



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Message from the chair

We are pleased to present the Annual Report of Crown Forest Rental Trust to our Appointors: the New Zealand Maori Council, the Federation of Maori Authorities and the Minister of Finance.

This Report covers the financial statements and activities of Crown Forestry Rental Trust (the Trust) for the period 1 April 2008 to 31 March 2009.

Over the last 12 months the Trust has worked very hard to meet the expectations of the claimant community. It has taken a considered approach in balancing the needs of the claimant community with the powers granted to it under the Trust Deed.

It is fair to describe last year as a vintage period for the Trust. The Trust is pleased to report that funding disbursements involving assistance to claimants increased over that year. It disbursed more than \$31 million to claimants which is a significant contrast against the initial forecast budget of \$19 million and represents a 63 percent increase in funding outputs.

The Trust responded positively to sector demand and will continue to refine its delivery systems to reflect sector trends.

Claimant expectations

Despite the significant increase in our funding output to claimants this year, there has still been criticism that the Trust is unduly focussed on compliance. It was not that long ago that we appeared before a Maori Affairs Select Committee Inquiry accused of exactly the opposite. We are proud of the work that has been done to enhance our accountability and transparency.

Once approvals are made at the Trustee table the Trust expects claimants and Trust staff to negotiate contract terms and enter into an agreement which is then signed off by both parties. When this is completed the process forward is as per standard practice for any organisation managing service-based contracts and requiring robust checks and balances in the process.

Every so often Trustees are lobbied about Trust process by individuals and representatives. However, presenting a good business plan and robust rationale is the only way to obtain the Trust's support for funding proposals. Demonstrating that the claimant group has the capability to carry out the required tasks is also essential for success in working with the Trust.

Settlement negotiations

With the transfer of more than \$280 million dollars from the Trust's accumulated rentals to iwi in the Central North Island forestry settlement coupled with the reduction in the interest from our investments, the Trust will be operating in deficit from next year. However, the Trust has in reserve Retained Earnings which at 31 March 2009 were \$144.3m.

As Trustees we are mindful of the need to have enough funds to resource all future groups who have a claim related to the Crown Forest Licensed Lands from which we collect rentals. This can only be achieved with continued prudent management of the funds in Trust.

Funding to claimants

Last year the Trust undertook an ambitious specialist funding programme in response to claimant demand. Specialist advisers are experts who are engaged by claimant groups and their negotiators to provide them with specific advice to assist their direct negotiations with the Crown.

In the last year demand for specialist advice funding increased significantly as a result of the pace and number of direct negotiations undertaken around the country. Trustees will continue to provide support for these activities but this investment must materially add value to the settlement negotiations. To this end the Trust will be reviewing the effectiveness of this work-stream. This is especially important in the light of the imminent decrease in available funds for claimant support.

Funding Priorities/claimants

The Trust has budgeted \$42.1 million over the coming financial year to fund direct negotiations and research work which is aligned to the anticipated work programme of claimants engaged with the Waitangi Tribunal or the Office of Treaty Settlements.


The breakdown of the 2009/10 funding is presented in the Trust's business plan 1 April 2009 – 31 March 2010, Appendix II Consolidated budget. The key features are;

- \$28.8 million allocated to districts and claimants negotiating or completing the hearing phase of their claims;
- \$9.9 million allocated to claimants preparing for the Waitangi Tribunal or settlement negotiations; and
- \$3.4 million for claimants who are between the Waitangi Tribunal and the Office of Treaty Settlements.

Given the political nature of Treaty settlements, priorities can change quickly and we will endeavour to amend the Trust's work priorities accordingly.

Retirement

Last year Kingi Smiler stepped down as a Maori appointed Trustee after two terms. His professional guidance during these years was very much valued by both the Board and the Trust's staff. He ensured the Trust was positioned to adopt the new International Finance Reporting Standards ahead of target. His attention to detail was acute, and his knowledge of the financial sector was invaluable. We acknowledge Kingi's contribution and wish him well in his future endeavours.



Sir Graham Latimer
CHAIR



Message from the Chief Executive

The 2008-2009 year has been a watershed period for the Trust.

I want to recognise and pay tribute to the effort and sacrifice of those who represent the interests of their iwi in settlement negotiations.

When iwi reach important milestones on their settlement pathway, there are sometimes small details which get lost in the cacophony of self congratulatory handshaking and back patting.

There are many who work tirelessly behind the scenes to ensure their iwi gets across the line. Quite often these people do not make it on stage when the time comes for the cheque to be handed over and the accolades handed out.

However, what drives these people is a sense that in some way they have contributed to the greater good.

For those many volunteers, the “greater good” is simple: it is about ensuring their children and grandchildren are availed of opportunities to prosper and grow. This is a noble cause and one which is central to moving from focussing on grievances to providing for individual and collective sustainability.

For want of a nail, the shoe was lost;

For want of the shoe, the horse was lost;

For want of the horse, the rider was lost;

For want of the rider, the battle was lost;

For want of the battle, the kingdom was lost;

And all for the want of a horseshoe nail.

This short verse warns against complacency and highlights the importance of detail in maintaining functional capability in order to achieve a successful conclusion.

He Maimai aroha

Over the last year two of the finest iwi administrators and advocates passed away: Chris Atutahi (Te Tau Ihu O te Waka) and Denise Howden (Ngati Manawa).

Chris and Denise both played pivotal roles in organising and advocating for their respective organisations. For Ngati Manawa the final chapter in their settlement journey is imminent. It is an immense sadness for Ngati Manawa that Denise will not be there to celebrate with the tribe. Tainui Taranaki ki te Tonga is in a strong position to have a Deed of Settlement signed this year. Chris played a critical role in assisting them to reach this significant milestone and sadly he will not be there to see it reached.

Aligning the Sector

In 2008 intense pressure was applied to the Trust by Government agencies and a section of the Claimant community to generously fund the CNI negotiations. The Trust was lobbied from all quarters to relax its funding policies to an extent which had the potential to expose it to unacceptable levels of risk. In terms of the Trust Deed

Government agencies have an integral role to play in settlement negotiations (in fact without them there would be no negotiations) and there does need to be much better alignment between Treaty sector agencies in policy and funding around settlement negotiations.

However, the Trust is an independent agency which exists to assist those iwi whose claims involve or could involve Crown Forest Licensed land.

The Trust is also a very special agency. We are not the public service, although we serve the public interest; and we are not a Maori organisation, even though our primary objective is to “assist Maori to prepare, present and negotiate their claims before the Waitangi Tribunal.” We are best described as a Treaty organisation, and are probably the most apparent manifestation of that covenant.

We exist at the interface between Maori and the Crown, and as such, our organisational culture is a reflection of that status: not exclusively either Crown or Maori, and constantly evolving, as our external environment and our staff also change and evolve.

The Trust will continue to fund those groups who are genuinely engaged with the Crown to reach an agreed outcome. Prudent stewardship for the Trust does not allow for the funding of hiatus periods which are caused by the unwillingness of either the Crown or claimants to continue negotiations. We fund progress. Similarly the Trust cannot fund litigation or internal disputes over mandate issues. This is when leadership is most required, because it is the time when the strength of the “nail” will be tested.

Central North Island

The Central North Island settlement is the largest Treaty settlement negotiated by any government. It will have a combined total value of close to half a billion dollars. Potentially this represents a serious capital injection into the local communities.

The Trust's contribution to this settlement can be quantified not only in the final cheque, which we estimate to be between \$280-\$290 million, but also in the many hours which staff have worked towards assisting the claimants to reach their goal.

The leadership of the former Treaty Negotiations Minister, Dr Cullen and the Ngati Tuwharetoa Arikiniui Dr Tumu Te Heuheu was the foundation stone of this settlement. They took a personal interest in the negotiations and instructed their respective officials to find solutions, not problems. The Trust's response to their leadership is summed up in our catch phrase throughout this period- “support the process, display flexibility, operate within the terms of the Trust Deed at all times.”

While the CNI negotiations were taking place, staff also dedicated a lot of time and effort to each of the individual iwi involved. Although the CNI forest settlement has been completed, each iwi have yet to achieve a comprehensive settlement of all their other claims. This process will take some time to complete.

Other regions

In the 2008-2009 financial year the Trust was instrumental in the establishment of Te Hui Topu O Te Ika, a collective of five Northern Iwi to settle the Aupouri forest. The membership includes Te Aupouri, Te Rarawa, Ngati Kahu, Ngai Takoto and Ngati Kuri. Like the CNI, these iwi are at varying stages of their respective settlements processes.

In September 2008 Ngati Kahu signed an Agreement in Principle to settle all their outstanding claims against the Crown. Not long after Te Runanga O Ngati Whatua, Ngati Whatua o Kaipara ki te Tonga and Te Kawerau Iwi Tribal Authority each signed Terms of Negotiation with the Crown..

As an active CNI participant Te Kotahi a Tuhoē signed Terms of Negotiation with the Crown for the comprehensive settlement of their claims in July 2008.

Meanwhile Ngati Ranginui achieved Deed of Mandate and Terms of Negotiation and their neighbours Ngati Makino and Waitaha each signed an Agreement in Principle. Ngati Rangiwewehi, Rangiteaore and Tapuika combined into a collective with the two former members reaching Terms of Negotiation.

Ngati Porou have been a major Trust client in 2008. Te Runanga O Ngati Porou achieved Deed of Mandate and signed the first part of a two tier high level agreement with the Crown. Claimant Clusters have also been funded for research activities associated with the Waitangi Tribunal process and have nearly completed their comprehensive research programme.

In August 2008 Turanga Manuwhiriwhiri signed an Agreement in Principle and were followed to that stage soon after by Ngati Pahauwera.

It was an important year for Ngati Apa too, signing their Deed of Settlement and currently awaiting legislation to complete their settlement.

Further south Te Runanga o Ngati Toa Rangatira, Tainui Taranaki ki te Tonga and Kurahaupo ki te Waipounamu all signed Letters of Agreement to settle all their claims.

The Trust is also heavily involved in the Waitangi Tribunal process and is actively supporting claimants in a number of district inquiries. Trust staff provided significant assistance to iwi involved in the Paparahi o Te Raki Inquiry. This Inquiry consists of five districts – Whangaroa, Hokianga, Bay of Islands, Whangarei and Mahurangi & Gulf Islands. The Trust's support will assist completion of a comprehensive research programme and the associated oral and traditional history projects.

Te Rohe Potae Inquiry District claimants are preparing for Waitangi Tribunal hearings and the Trust provides support to the clusters involved. The Trust is providing funding to assist with the completion of the research casebook.

The Waitangi Tribunal has almost completed hearings in the Whanganui Inquiry District. This is a long awaited milestone for all the Whanganui claimants who have participated in these hearings.

Staff

The Trust has been engaged in a heavy work programme over the last year, and it is not likely to get any easier over the coming one. Our staff are professionals who work hard to meet the demands associated with organising multiple claimant groups and the funding they require. Relationships can be strained at times. For our staff it is often not just a job but a genuine commitment to our mission.

Financial performance

Total income from investments and other sources for the year was **\$49.7m**. The Trust's investment strategy is based on ensuring that the capital received from the rentals is protected whilst the Trust's interest income is maximised.

Trust spending on assistance to claimants has increased 80% from \$17.4m to **\$31.2m**. This increase has arisen from increases in claimant and research related activities during the year under review.

Trust administration spending for the year was **\$4.0m**.

The net surplus for the year was **\$14.5m**.

The Trust holds accumulated Forest Rental Proceeds of **\$517.6m**, an increase of **\$23.2m** on the previous year. The Trust's retained earnings are **\$144.3m** which is available for future claimant assistance.

Specialist advice for claimants

From time to time, the Trust commissions advice which may be useful to all claimant groups. We did this in November 2007 when we published *Te Aratohu mo nga Ropu Kaitono – Guide for Claimants Negotiating Treaty Settlements*. This was soon followed by two projects which looked at aspects of the economics of Treaty settlements.

The Trust has recently commissioned two economic reports on the viability of selecting Crown forest licensed land as part of a claimant groups redress package. These reports will assist settlement groups to assess the current commercial potential and future opportunities of alternative land uses on Crown forest licensed land. The first report provides a comparative analysis between pastoral and forestry enterprises. There is a companion report on the Emissions Trading Scheme and how it applies to Crown forest licensed land. These reports are available on the Trust's website.

No reira e aku iti e aku rahi,

Kia tu Rangatira ai, tu tonu, tu tonu

He mihi maioha ake tenei ki a koutou



Ben Dalton
CHIEF EXECUTIVE

CROWN FORESTRY RENTAL TRUST

FINANCIAL STATEMENTS for the year ended 31 March 2009

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Crown Forestry Rental Trust – Income Statement For the year ended 31 March 2009	Note	2009 \$	2008 \$
INCOME			
Interest Term Deposits		32,666,364	25,216,424
Interest Repurchase Contracts (Net)	4	1,944,089	1,608,770
Interest Government Bonds	3	14,157,756	19,526,462
Interest Forestry Licenses Issues		5,452	10,630
Other Income	3	950,658	(293,159)
Total Income		49,724,319	46,069,127
Less			
Operating Expenses			
Administration Expenses	5	4,029,162	3,527,871
Assistance to Claimants			
Disbursements to Claimants	6	21,041,197	8,349,538
Research Services for Claimants	6	5,565,910	6,202,137
Facilitation and Formation of Claimant Groups	6	4,627,726	2,845,098
Total Assistance to Claimants	21	31,234,833	17,396,773
Total Expenditure		35,263,995	20,924,644
NET OPERATING SURPLUS		14,460,324	25,144,483

Statement of Changes in Equity – Retained Earnings For the year ended 31 March 2009	Note	2009 \$	2008 \$
RETAINED EARNINGS			
Retained Earnings at Beginning of Year		129,882,510	104,738,027
Revaluation Reserve at Beginning of Year	7	-	(832,049)
Total Opening Equity		129,882,510	103,905,978
Movements in the Year			
Net Operating Surplus		14,460,324	25,144,483
Revaluation Reserve	7	-	832,049
Total Recognised Gains and Losses		14,460,324	25,976,532
Closing Equity			
Retained Earnings at End of Year		144,342,834	129,882,510
Revaluation Reserve at End of Year	7	-	-
Total Closing Equity		144,342,834	129,882,510
TOTAL EQUITY		144,342,834	129,882,510

Crown Forestry Rental Trust – Balance Sheet As at 31 March 2009		Note	2009 \$	2008 \$
EQUITY				
Retained Earnings			144,342,834	129,882,510
TOTAL EQUITY			144,342,834	129,882,510
Total Equity Represented by:				
CURRENT ASSETS				
Cash at Bank	10		9,782,573	288,503
Short Term Deposits	10		459,600,000	372,058,671
Other Receivables			15,919	28,104
Accrued Interest			6,454,380	4,608,682
			475,852,872	376,983,960
NON CURRENT ASSETS				
Government Securities	10		187,065,190	247,989,947
Property, Plant and Equipment	11		903,768	945,496
Intangible Assets	12		261,823	417,827
			188,230,781	249,353,270
TOTAL ASSETS			664,083,653	626,337,230
CURRENT LIABILITIES				
Trade Payables			1,254,199	1,164,536
Other Payables			908,896	929,537
Current Rental Proceeds	19		277,585,246	-
			279,748,341	2,094,073
NON CURRENT LIABILITIES				
Non Current Rental Proceeds	19		239,992,478	494,360,647
TOTAL LIABILITIES			519,740,819	496,454,720
NET ASSETS			144,342,834	129,882,510

These financial statements were approved on the 26th of May 2009. Signed for and on behalf of the Board of Trustees:



Sir Graham Latimer
CHAIRMAN
Crown Forestry Rental Trust



Gregory Fortuin
MEMBER
Finance & Risk Committee

Crown Forestry Rental Trust – Statement of Cash Flows For the year ended 31 March 2009	Note	2009 \$	2008 \$
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Cash was provided from:			
Interest on Investments		46,191,210	43,944,420
Other Income		-	960,314
Cash was applied to:			
Payment of Administration Expenses and Services and Disbursements to Claimants		(34,785,347)	(19,954,394)
NET CASH IN FLOWS FROM OPERATING ACTIVITIES	8	11,405,863	24,950,340
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Cash was provided from:			
Proceeds from Investment Sales		62,612,170	131,280,046
Cash was applied to:			
Purchase of Property, Plant and Equipment		(199,711)	(364,697)
Purchase of Investments		-	(69,248,485)
NET CASH IN FLOWS FROM OPERATING ACTIVITIES		62,412,459	61,666,864
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from:			
Rental Proceeds Received	22	23,217,077	28,620,964
NET CASH IN FLOWS FROM FINANCING ACTIVITIES		23,217,077	28,620,964
NET INCREASE IN CASH HELD		97,035,399	115,238,168
Cash at beginning of the Year		372,347,174	257,109,006
CASH AT END OF THE YEAR		469,382,573	372,347,174
Represented by:			
Cash at Bank		9,782,573	288,503
Short-Term Deposits		459,600,000	372,058,671
		469,382,573	372,347,174

CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

These financial statements are presented for the reporting entity Crown Forestry Rental Trust.

The financial statements have been prepared in accordance with the Trust Deed 1990 and the Financial Reporting Act 1993. The financial statements have been prepared on the basis of historical cost with the exception of certain items for which specific accounting policies are identified.

Statement of Compliance

These financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with International Financial Reporting Standards (IFRS) and New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS), as appropriate for public benefit entities.

The new standards, and amendments to published standards and interpretations that are mandatory to the Trust's financial periods beginning on or after 1 January 2009 or later periods, but which the Trust has not adopted are as follows:

1. NZ IFRS 8 Operating Segments - whereby the Trust will need to consider disclosure requirements on segmental reporting.

Basis of Preparation

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The measurement base is historical cost modified by the revaluation of certain assets and liabilities as identified in this statement of accounting policies.

The accrual basis of accounting has been used unless otherwise stated. These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

Judgements and Estimations

The preparation of financial statements in conformity with NZ IFRS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant Accounting Policies

(i) Revenue

Interest income on held to maturity investments is recognised on a time proportionate basis that takes into account the effective yield of the financial asset. Interest income associated with the available for sale investments will be recognised when received.

CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

1. STATEMENT OF ACCOUNTING POLICIES (cont).

(ii) Income Tax

In 2004 the Trust was successful in its case before the Privy Council to have it deemed a Charitable Trust for tax purposes. As a result the Trust is not liable for income tax on its earnings.

(iii) Goods and Services Tax

These financial statements have been prepared inclusive of GST.

The Trust has two main activities which lie outside the provisions of GST Tax Act 1985, these being:

- The Crown Forest Rental Trust Deed creates a supply of money to the Trust (Interest earned from the rental proceeds invested which are Capital in nature), and this does not meet the definition of Goods and Services in Section 2 of the GST Tax Act 1985,
- The Trust then funds claimants for their expenditure relating to the presentation and negotiation of claims before the Waitangi Tribunal (this activity is not deemed to be a taxable activity).

Funding received by claimants is by definition not subject to GST.

(iv) Property, Plant and Equipment

Items of property, plant and equipment are initially recorded at cost. When an asset is acquired for no or nominal consideration the asset will be recognised initially at fair value, where fair value can be reliably determined, with the fair value of the asset received, less costs incurred to acquire the asset, also recognised as revenue in the Income Statement.

Realised gains and losses arising from disposal of property, plant and equipment are recognised in the Income Statement in the period in which the transaction occurs.

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported in the Income statement.

Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

Asset Category	Expected Life	Rate	Method
Computer equipment	3 years	33%	Straight Line
Leasehold improvements	10 years	10%	Straight line
Furniture and fittings	4 years	25%	Straight line
Office equipment	4 years	25%	Straight line
Other equipment	4 years	25%	Straight line

These last three categories have been aggregated and these appear as Combined Classes in Note 11 - Property, Plant and Equipment.

CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

1. STATEMENT OF ACCOUNTING POLICIES (cont).

(v) Intangibles

Intangible assets are initially recorded at cost. The cost of an internally generated intangible asset represents expenditure incurred in the development phase of the asset only. The development phase occurs after the following can be demonstrated: technical feasibility; ability to complete the asset; intention and ability to sell or use; and development expenditure can be reliably measured. Expenditure incurred on research of an internally generated intangible asset is expensed when it is incurred. Where the research phase cannot be distinguished from the development phase, the expenditure is expensed when it is incurred.

Intangible assets with finite lives are subsequently recorded at cost less any amortisation and impairment losses, and are amortised on a straight-line basis over their useful lives as follows

Software and Licenses	3 years	33%	Straight line
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Realised gains and losses arising from disposal of intangible assets are recognised in the Income Statement in the period in which the transaction occurs.

Intangible assets with finite lives are reviewed at least annually to determine if there is any indication of impairment. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported in the Income Statement.

(vi) Leases

All leases held by the Trust are classified as operating leases. Operating lease payments, where the lessor substantially retains all the risks and rewards of ownership, are recognised in a systematic manner over the term of the lease. Leasehold improvements are capitalised and the cost is amortised over the unexpired period of the lease or the estimated useful life of the improvements, whichever is shorter.

(vii) Rental Proceeds - Funds Held in Trust

The cash method of accounting is used to record the rental proceeds from licensed Crown Forest land. The rental proceeds received are recorded directly to the liability for Funds Held in Trust as these funds are only held in trust on behalf of future claimants. These proceeds are disclosed as Funds Held in Trust within the Balance Sheet and accompanying notes (Notes 19 and 22).

Rentals in dispute are held by Land Information New Zealand (LINZ) and are accounted for as Contingent Assets (Refer to Note 16).

(viii) Employee Benefits

The Employee entitlements to salaries and wages, annual leave, sick leave and other similar benefits are recognised in the Income Statement when they accrue to employees. Employee entitlements to be settled within 12 months are reported at the amount expected to be paid. The liability for any long term employee entitlements is reported as the present value of the estimated future cash outflows.

(ix) Other Liabilities and Provisions

Other liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 1 month are recorded at their present value of those estimates.

CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

1. STATEMENT OF ACCOUNTING POLICIES (cont).

(x) Financial Instruments

Cash and Cash Equivalents

Cash and cash equivalents comprise cash held in bank accounts and short term deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Receivables

Receivables are stated at their expected realisable value, after providing for doubtful debts. Receivables issued with duration less than 12 months are recognised at their nominal value, unless the effect of discounting is material. Allowances for estimated irrecoverable amounts are recognised when there is objective evidence that the asset is impaired. Impairment losses are recognised in the Income Statement.

Held-to-Maturity Investments

The Trust had nominated part of its portfolio of Government securities (15 November 2011 and 15 April 2013 bonds) as being investments to be held-to-maturity. These government securities are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Available-for-Sale investments

The Trust has nominated the 15 July 2009 Government securities as being investments available-for-sale. The Trust has sold these investments on 4 November 2008 and no longer holds any Available For Sale bonds. This class of government securities was recorded at its estimated fair value based on quoted market values supplied by ANZ Custodians Limited.

Fair value adjustments to Available-for-Sale investments pass through the revaluation reserve until the instrument is sold or matures, at which point the cumulative revaluation gain or loss on that instrument is transferred to the Income Statement.

Repurchase Agreements

The Trust enters into Repurchase Agreements whereby no more than 70% of the total investment portfolio (term deposits and government securities) are repurchased by a bank for short periods.

A repurchase transaction is where the Trust sells its government securities to the Bank for cash under an agreement that obliges the Trust to repurchase these same securities at a later date. The Trust then places this cash on short term deposit for which the Trust receives a higher interest rate and so more interest is earned (the interest income earned on these deposits is disclosed in Note 4). At the termination of the agreement the Trust repurchases the same securities at a higher price than the securities were originally sold for. The inflated purchase price reflects a premium, or interest paid to the Bank (the interest premium paid is disclosed in Note 4).

The Trust holds the contractual right to repurchase equivalent securities at all times.

Payables

Payables are recognised when the Trust becomes obliged to make future payments resulting from the purchase of goods and services.

(xi) Comparatives

When presentation or classification of items in the financial statements is amended or accounting policies are changed voluntarily, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

1. STATEMENT OF ACCOUNTING POLICIES (cont).

(xii) Statement of Cash Flows

Operating activities include cash received from investment income and other income sources and cash payments to fund claimants and to manage the day-to-day running of the Trust.

Investing activities are activities relating to the purchase and disposal of investments and property, plant and equipment assets.

Financing activities comprise the changes in Funds Held in Trust (Rental proceeds).

(xiii) Changes in Accounting Policies

There have been no changes in accounting policies during the year.

2. NATURE OF ACTIVITIES

The Crown Forestry Rental Trust was established on 30 April 1990 to receive rental proceeds from the Crown forestry licenses.

The rental proceeds received by the Trust are disclosed as liabilities within the Balance Sheet. These receipts must be invested in either New Zealand Government-issued securities or in short-term interest-bearing deposit accounts with registered banks. The rental proceeds received by the Trust are disclosed as liabilities within the balance sheet.

The rental proceeds of the Trust are distributed when the beneficiaries are confirmed and the settlement is enacted under an Act of Parliament.

The interest earned from investments is accumulated by the Trust and applied against the administration expenses of the Trust and to assist any claimant in the preparation, presentation and negotiation of claims which involve, or could involve, licensed Crown forest land.

3. INCOME

Interest – Government Bonds Includes:	2009 \$	2008 \$
■ Interest Income on Available-for-Sale Investments	2,121,000	8,172,000
■ Interest Income on Held-to-Maturity Investments	12,036,756	11,354,462
	14,157,756	19,526,462
Other Income Includes:		
Gain on Sale of Available-for-Sale Investments	950,658	848,194
Transfer from Reserve to Profit & Loss	-	(1,164,423)
Other Income	-	23,070
	950,658	(293,159)

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

4. INTEREST - REPURCHASE CONTRACTS

Interest – Repurchase Contracts	2009 \$	2008 \$
Gross Interest received on repurchase contracts	16,778,172	24,119,082
Less Interest paid on repurchase contracts	(14,834,083)	(22,510,312)
Net Interest Earned on Repurchase Contracts	1,944,089	1,608,770

5. ADMINISTRATIVE EXPENDITURE

Incorporated within the Trust's Income statement are the following operating expenditures:

Administrative Expenditure	2009 \$	2008 \$
Rent	319,570	310,648
Depreciation	189,710	214,619
Amortisation	207,730	207,281
Loss on Sale of Fixed Assets	-	37,133
Trustee Fees	106,555	104,215
Audit Fees	56,700	52,676
Fees Paid to auditors for other services	57,208	22,500
Legal costs	292,583	162,658

The Trust's Administration expenses for the year total \$4,029,162 (2008: \$3,527,871).

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

6. CLAIMANT SERVICES DISCLOSURES

Assistance to Claimants	2009 \$	2008 \$
Disbursements to Claimants:		
Waitangi Tribunal Hearings	1,582,720	2,311,692
Direct Negotiations with the Crown	19,458,477	6,037,846
Total Disbursements to Claimants	21,041,197	8,349,538
Research Services for Claimants:		
Personnel Costs	658,729	601,235
Research & Mapping Contracts	3,686,896	4,285,630
Other Research Costs	1,220,285	1,315,272
Total Research Services	5,565,910	6,202,137
Facilitation, Formation Claimant Groups:		
Personnel Costs	1,412,575	837,079
Central North Island Regional Office Costs	56,239	31,246
Northland Regional Office Costs	153,692	143,366
Other Facilitation Costs	3,005,220	1,833,407
Total Facilitation	4,627,726	2,845,098
	31,234,833	17,396,773

Overall disbursements to claimants for the current year exceed that of the prior year by \$12,691,659. The increase, which was forecasted, is primarily driven by increased claimant activity. A similar pattern for the next year is forecasted in the Trust's business plans and the Trust currently has commitments totalling \$16,021,860 (contracted but not spent) for claimants and research contracts as at 31 March 2009 (See Note 17).



**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

7. INVESTMENT REVALUATION RESERVE

	2009 \$	2008 \$
Opening Balance	-	(832,049)
Release Reserve on July 2008 Stock Sold	-	(422,583)
Transfer to Income Statement	-	1,164,423
Revaluation	-	90,209
Closing Balance	-	-

The Investment Revaluation Reserve is in relation to the annual revaluation of the July 2008 and July 2009 Government Stock held as Available-for-Sale. The July 2008 Government Stock were sold on 15 July 2007, and the July 2009 Government Stock were sold on 4 November 2008.

8. RECONCILIATION OF STATEMENT OF CASH FLOWS WITH OPERATING SURPLUS

	2009 \$	2008 \$
NET OPERATING SURPLUS FOR THE YEAR	14,460,324	25,144,483
Items not involving cash		
Depreciation Expense	189,710	214,619
Amortisation Expense	207,730	207,281
Gain on Sale of Government Stock	(950,658)	(848,194)
Transfer of Reserve to Income Statement	-	1,164,423
Amortisation of premium on Government Securities	(736,752)	(1,654,462)
Impact of changes in working capital		
Decrease/(Increase) in Accrued Interest	(1,845,698)	(763,404)
Decrease/(Increase) in Trade and Other Payables	69,022	511,217
Decrease/(Increase) in Other Receivables	12,185	937,244
Items classified as investing activities		
Property, Plant and Equipment Write Offs and Loss on Sale	-	37,133
Net cash flow from operating activities	11,405,863	24,950,340

CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

9. FINANCIAL INSTRUMENTS

(a) Foreign Exchange Risk

The Trust has no exposure to foreign exchange risk. All payments on behalf of claimants are made in New Zealand currency.

(b) Credit Risk

Financial instruments, which are potentially subject to credit risk, consist primarily of short-term deposits and government securities. The Trust may be subject to losses up to the value of \$656,447,763 as at 31 March 2009 in the event of non-performance by all counter-parties. The Trust does not expect losses to occur as most of these instruments are comprised of sovereign debt, the balance being held with registered banks. Consequently, no collateral is held by the Trust to support these financial instruments. (31 March 2008: \$620,337,120).

(c) Interest Rate Risk

The Trust's primary interest rate risk is on government securities and short term deposits and can be measured as the differential between yield to maturity and the current market interest rate. As at 31 March 2009 the estimated gain is \$12,885,406 (as at 31 March 2008 the estimated gain was \$1,288,242).

The Trust regularly monitors interest rates and manages financial assets when required to limit interest rate risk. Quotes for short term deposit interest rates are sought from at least two banking institutions and highest quotes receive deposits accordingly.

(d) Repurchase Transactions

During the year to 31 March 2009 the Trust has entered into Repurchase Agreements with nominated Banks. There were no Repurchase transactions active as at 31 March 2009 (31 March 2008: Nil).



**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

10. FINANCIAL INSTRUMENTS SCHEDULE

The following table details the Trust's financial instruments, (which excludes other receivables and current payables whose carrying value is already equal to fair value), their estimated fair values including accrued interest and the exposure to interest rate risk as at 31 March 2009 are as follows:

The fair values of these financial instruments have been determined using quoted market prices.

	Carrying Amount 2009 \$	Estimated Fair Value 2009 \$	Carrying Amount 2008 \$	Estimated Fair Value 2008 \$
Cash and Bank	9,782,573	9,782,573	288,503	288,503
Short-Term Deposits	459,600,000	459,600,000	372,058,671	372,058,671
Government Securities:				
Available-for-Sale	-	-	61,661,512	61,661,512
Held to Maturity	187,065,190	199,950,595	186,328,435	187,616,677
	187,065,190	199,950,595	247,989,947	249,278,189
Total Portfolio	656,447,763	669,333,168	620,337,121	621,625,363
(A) CURRENT Maturity	Yield %	Face Value 2009 \$	Carrying Amount 2009 \$	Carrying Amount 2008 \$
Short-Term Deposits	7.86	459,600,000	459,600,000	372,058,671
TOTAL CURRENT		459,600,000	459,600,000	372,058,671
(B) NON-CURRENT Maturity	Yield %	Face Value 2009 \$	Carrying Amount 2009 \$	Carrying Amount 2008 \$
GOVERNMENT SECURITIES Available for Sale				
15.07.09	6.49	-	-	61,661,512
Held to Maturity				
15.11.11	6.00	145,000,000	146,387,558	145,757,123
15.04.13	6.50	40,000,000	40,677,632	40,571,312
TOTAL NON-CURRENT		185,000,000	187,065,190	247,989,947
		2009 Actual	2008 Actual	
Average Yearly Return	6.63%		7.62%	

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

Sensitivity Analysis

The Trust's financial instruments include accounts payable, cash, term deposits, and government securities. The Government Securities portfolio in 2009 includes held-to-maturity instruments only.

The analysis below has been determined using the average monthly yield of all income generating assets held by the Trust. The table shows the effect of a 2% up or down movement in market interest rates on that average monthly yield. There have been no changes to the calculation methodology from the prior year.

	Net Surplus 2009 \$	Retained Earnings 2009 \$	Net Surplus 2008 \$	Retained Earnings 2008 \$
Market Interest Rates Decrease by 2%	(12,673,813)	(12,673,813)	(11,803,431)	(11,803,431)
Market Interest Rates Increase by 2%	12,673,813	12,673,813	11,803,041	11,803,041

11. PROPERTY, PLANT AND EQUIPMENT

2009	Computer Equipment	Leasehold Improvements	Combined Classes*	Total
Opening Cost 1 April 2008	291,397	889,693	116,664	1,297,754
Additions	48,783	47,625	51,574	147,982
Disposals	-	-	-	-
Closing Cost 31 March 2009	340,180	937,318	168,238	1,445,736
Opening Accumulated Depreciation 1 April 2008	154,898	112,111	85,249	352,258
Disposals	-	-	-	-
Depreciation	78,809	91,677	19,224	189,701
Closing Accumulated Depreciation 31 March 2009	233,707	203,788	104,473	541,968
Net Book Value of Assets	106,473	733,530	63,765	903,768
2008	Computer Equipment	Leasehold Improvements	Combined Classes*	Total
Opening Cost 1 April 2007	1,305,840	838,175	448,187	2,592,202
Additions	103,321	59,338	8,768	171,427
Disposals	(1,117,764)	(7,820)	(340,291)	(1,465,875)
Closing Cost 31 March 2008	291,397	889,693	116,664	1,297,754
Opening Accumulated Depreciation 1 April 2007	1,219,058	-	274,911	1,493,969
Disposals	(1,138,730)	22,187	(239,787)	(1,356,330)
Depreciation	74,570	89,924	50,125	214,619
Closing Accumulated Depreciation 31 March 2008	154,898	112,111	85,249	352,258
Net Book Value of Assets	136,499	777,582	31,415	945,496

* The assets aggregated within the Combined Class relate to Furniture and Fittings, Office equipment and Other equipment held by the Trust.

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

12. INTANGIBLE ASSETS

Intangible Assets – Software	2009 \$	2008 \$
Opening Cost 1 April	819,432	1,316,122
Additions	51,726	193,276
Disposals	-	(689,966)
Closing Cost 31 March	871,158	819,432
Opening Amortisation 1 April	401,605	956,702
Disposals	-	(762,378)
Amortisation	207,730	207,281
Closing Amortisation	609,335	401,605
Net Intangibles	261,823	417,827

13. TRUSTEE FEES AND KEY MANAGEMENT PERSONNEL

	2009 \$	2008 \$
Trusteeship/Governance	106,555	104,125
	106,555	104,125

The rates for Trustee fees are in accordance with the Government’s standard “Fees Framework for Members of Statutory and Other Bodies Appointed by the Crown”. From 1 July 2005 the fees are a daily rate of \$595 for the Chairperson capped to an annual maximum of \$29,750. Other Trustees have been set a daily rate of \$540, capped to an annual maximum of \$14,875.

The Trustees attend regular meetings during the year to deal with governance issues of the Trust, such as strategic and business planning issues, as well as considering proposals relating to the assistance programmes for claimant groups. In 2009, the Trustees spent time working alongside claimant groups to assist them with their affairs as well as working on projects and initiatives at district and national levels.

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

13. TRUSTEE FEES AND KEY MANAGEMENT PERSONNEL (cont).

Fees received by Trustees	2009 \$	2008 \$
Sir Graham Latimer	29,750	29,750
Mr Gregory Fortuin	14,875	14,875
Ms Angela Foulkes	14,875	14,875
Ms Janet Mason	14,875	14,875
Mr Paul Morgan	14,875	14,875
Mr Kingi Smiler (term completed as a Trustee on 30.06.08)	4,339	14,875
Mr Alan Haronga (appointed a Trustee from 01.07.08)	10,536	-
Mr Richard Orzecki*	2,430	-
	106,555	104,125

* Alternate to Maori appointed Trustees where conflict of interest arises.

Key Management Personnel Compensation

The Trust maintains an active register which records potential conflicts of interest whereby both staff and Trustees are required to disclose any interests associated with their Iwi group or affiliations concerning claimant funding activities and for other contracts and services being provided

Management	2009	2008
CFRT Executive Team Members	5	5
	2009 \$	2008 \$
Short Term Employee Benefits	763,887	832,476
	763,887	832,476
Other Affiliations held by Executive Team Claimant funding activities undertaken	2009 \$	2008 \$
Hauraki Maori Trust Board	-	187,004
Te Runanga o Te Rawara	410,462	69,493
Ngati Ranginui/Pirirakau	45,000	96,880
Hokianga Claims Alliance	28,125	94,512
Mahurangi & Gulf Islands	34,327	101,032
Puhipuhi Maruata Forestry Claim	(13,660)	27,320
Te Waimate-Taiamai Alliance	40,080	55,000
Maniapoto Maori Trust Board & Treaty Claims Committee	35,000	36,160
Whangaroa Papa Hapu	96,150	65,800

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

14. RELATED PARTY TRANSACTIONS

Trustee Affiliations	Role	2009 \$	2008 \$	Provision for
Sir Graham Latimer				
Tai Tokerau District Maori Council	Chairman	35,000	31,000	Claimant Funding
Mr Gregory Fortuin				
New Zealand Post & Subsidiaries	Former Director	24,181	11,814	Postal Courier
ACC	Former Director	13,527	10,500	ACC Levies
Ms Janet Mason				
Te Runanga o Te Rarawa	Legal Counsel	447,680	69,493	Claimant Funding
Mr Paul Morgan				
Federation of Maori Authorities	Chief Executive	6,148	-	Forestry Easements Policy
		-	7,163	Conference Attendance

A number of Trustees have affiliations to certain Iwi represented by claimant groups recognised by the Trust. Where Trustees are considering providing assistance to particular claimant groups to which they are affiliated, the Trustees have declared and minuted these affiliations and have taken action they consider appropriate to deal with any potential conflict of interest that may arise during the year ended 31 March 2009.

Sir Graham Latimer is the Chairman of Tai Tokerau District Maori Council, which received \$35,000 during the year to 31 March 2009. The contract followed the same milestone reporting process as all other projects funded by the Trust (\$31,000 during the year to 31 March 2008).

Mr Gregory Fortuin, a Trustee, was a former Director of New Zealand Post Limited and Kiwibank Limited, and is a former Director of ACC. During the year to 31 March 2009, the Trust spent \$13,527 on ACC Levies with ACC (\$10,500 during the year to 31 March 2008) and \$24,181 on postage and courier services with New Zealand Post (\$11,814 during the year to 31 March 2008).

Ms Janet Mason, a Trustee, is legal counsel for Te Runanga o Te Rarawa, which received \$447,680 in claimant funding during the year to 31 March 2009 (\$69,493 during the year to 31 March 2008).

Mr Paul Morgan, a Trustee, is Chief Executive of FOMA Federation of Maori Authorities, which received \$6,148 during the year to 31 March 2009 for Kaingaroa forestry easements (\$7,163 is for conference attendance during the year to 31 March 2008).

As noted in Note 13 the Trust maintains an active register which records potential conflicts of interest and Trustees are required to disclose such potential interests at Board meetings in order to reduce risks surrounding their association with their Iwi group or affiliations concerning claimant funding activities and for other contracts and services being provided.

Investment Advisor	Role	2009 \$	2008 \$	Provision for
James Ogden				
Ogden Consulting	Principal	29,953	33,539	Investment Advice
New Zealand Post	Director	24,181	11,814	Postal Courier Services
Kiwibank	Director	145,000,000	88,000,000	Term Deposits

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

15. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2009 (31 March 2008: nil).

16. CONTINGENT ASSETS

As at 31 March 2009 there is \$4,154,565 of disputed licence fees held by LINZ. (31 March 2008: nil).

LINZ manages the collection of licence fees on behalf of the Trust. Every three years the licence fees are reviewed and the licensees are able to dispute the Crown's assessments. As a consequence LINZ holds the disputed portion of the licence fees until the dispute is resolved.

When disputes are resolved LINZ forwards to the Trust the balance of the licence fees and any interest earned on the balances.

17. COMMITMENTS

(i) Assistance to Claimants

The Trust has commitments totalling \$16,021,860 as at 31 March 2009 (31 March 2008: \$6,670,439) relating to assistance to claimants which has been approved by Trustees at balance date. The release of these amounts are subject to the claimant groups meeting the various terms and conditions established for their respective funding and the completion of research contracts in progress.

(ii) Capital Commitments

The Trust has no capital commitments at 31 March 2009 (31 March 2008: \$nil).

(iii) Lease Commitments

Future operating lease rentals for premises and motor vehicles are not recognised in the financial statements. The minimum lease rental commitments at balance date are as follows:

	2009 \$	2008 \$
Less than One Year	343,719	404,906
Two to Five Years	906,748	1,245,029
Greater than Five Years	-	-
Total	1,250,467	1,649,935

CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

18. SUBSEQUENT EVENTS FOR THE YEAR ENDED 31 MARCH 2009

CNI Collective Settlement

In June 2008 the Crown signed a Deed of Settlement with the Central North Island Iwi Collective, confirming the CNI Collective as the beneficiary of 90% the Accumulated Forestry Rentals held by CFRT for the following forests: Kaingaroa, Whakarewarewa, Waimihia, Horohoro, Crater, Pureora South, Waituhi, Taurewa and Marotiri.

Legislation to implement the settlement was passed by Parliament on 23 September 2008 and 100% of the Accumulated Rentals and Crown forest assets will transfer to CNI Iwi Holdings Limited on 1 July 2009. The Crown will be represented on CNI Iwi Holdings Limited by a Crown appointed observer, as the Crown will retain 10% of the assets and rentals for use in settlement of the claims of Iwi who are not members of the Collective.

The impact of the settlement will be to distribute 100% of the Funds Held in Trust of the accumulated rentals for the forests specified. As at 31 March 2009 this would be approximately \$268.5 million plus subsequent rentals.

Affiliate Te Arawa Iwi and Hapu Settlement

The Affiliate Te Arawa Iwi/Hapu Deed of Settlement was initialled at Parliament on 8 August 2006. It was ratified by the iwi and hapu covered by the settlement, and signed on 30 September 2006. A revised Deed of Settlement was re-ratified in June 2008, and signed on 11 June 2008. Legislation implementing the settlement was passed on 25 September 2008.

In addition to the Affiliate Te Arawa Iwi and Hapu's share of the accumulated rentals that will transfer to the CNI Iwi Holdings Limited on 1 July 2009, this settlement provides for the purchase of 24% of the Rotoehu West Forest. This will result in the distribution of approximately \$3.2 million in accumulated rentals as at 31 March 2009 plus subsequent rentals accumulated up to 2 July 2009 - the date that this Deed of Settlement becomes operative.

Ngati Apa Settlement

On 8 October 2008, the Crown signed a Deed of Settlement with Te Runanga o Ngati Apa. The Government plans to introduce a Bill to enact Ngati Apa's Deed of Settlement and aims for this Settlement to be enacted by late 2009.

This settlement has provided Ngati Apa with the ability to purchase parts of the following three forests: Lismore Hill, Lismore Sand and Santoft. The impact of the settlement will be to distribute approximately \$5.9 million in accumulated rentals as at 31 March 2009 plus subsequent rentals accumulated up to the date that the Bill is enacted.

19. FUNDS HELD IN TRUST

A summary of the forestry rental proceeds is as follows:

FUNDS HELD IN THE TRUST – FOREST RENTAL PROCEEDS	Note	2009 \$	2008 \$
Balance at Beginning of Year		494,360,647	465,739,683
Receipts for the Year	22	23,217,077	28,620,964
Balance at End of Year*		517,577,724	494,360,647

* This balance is made up of Current Rental Proceeds and Non-Current Rental Proceeds.

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

20. DISTRIBUTIONS TO CONFIRMED BENEFICIARIES

There were no distributions to confirmed beneficiaries during the year to 31 March 2009. (31 March 2008: nil)

21. TOTAL DISBURSEMENTS TO CLAIMANTS TO 31 MARCH 2009

Total Disbursements Since 1990 to 31/03/2009	District & IWI	2009	2008	2007
	Muriwhenua			
399,580	Muriwhenua Negotiations Management Committee	-	-	-
75,000	Ngati Kuri Trust Board	-	-	-
778,262	Te Aupouri Negotiations Co	218,363	102,575	95,943
277,879	Te Runanga o Muriwhenua - direct disbursement	-	-	-
1,413,957	Te Runanga o Muriwhenua - disbursed for administration	-	-	-
918,855	Te Runanga o Te Rawara	410,462	69,493	98,100
50,000	Ngai Takoto	50,000	-	-
519,541	Te Hui Topu o Te Hiku o Te Ika (Te Hiku Forum)	519,541	-	-
4,433,074	Total Direct Assistance	1,198,366	172,068	194,043
	Bay of Islands/Hokianga/Whangarei			
250,630	Hokianga Claims Alliance	28,125	94,512	44,944
194,359	Mahurangi & Gulf Islands	34,327	101,032	47,800
245,350	Ngati Hine Health Trust Board	53,550	30,600	-
163,901	Northland Design Group	-	-	163,901
52,711	Ngati Wai Maori Trust Board	-	-	-
50,000	Pu Hao Rangī (on behalf of a national claim)	-	-	-
139,651	Puhipuhi Maruata Forestry Claim	(13,660)	27,320	48,391
106,500	Tai Tokerau District Maori Council	35,000	31,000	33,300
736,790	Te Runanga a Iwi o Ngati Kahu	484,290	-	-
574,834	Te Taumata o Tangitu	-	-	-
265,280	Te Waimate-Taiamai Alliance	40,080	55,000	75,000
98,830	Whangarei Core Collective Claimant Group	-	-	39,830
262,627	Whangaroa Papa Hapu	96,150	65,800	63,677
187,004	Hauraki Maori Trust Board	-	187,004	-
3,328,467	Total Direct Assistance	757,862	592,268	516,843
	Kaipara (Stage 1)			
950,260	Otamatea Maori Trust Board	-	-	-
1,074,330	Te Uri o Hau o Te Wahapu o Kaipara	-	-	-
857,210	TUOH Limited	-	-	-
2,881,800	Total Direct Assistance	-	-	-

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

21. TOTAL DISBURSEMENTS TO CLAIMANTS TO 31 MARCH 2009 (cont).

Total Disbursements Since 1990 to 31/03/2009	District & IWI	2009	2008	2007
	Kaipara (Stage 2)			
80,300	Awaroa Claims Management Committee	-	-	-
36	Awaroa ki Manuka	-	-	-
177,085	Kaipara Cooperative Claimant Forum	-	-	-
289,030	Kawerau a Maki Trust	164,520	-	-
135,995	Manukau Whanau	-	-	-
225,680	Ngati Tahinga/Ngati Mauku	-	-	-
983,571	Ngati Whatua o Kaipara ki Te Tonga	270,022	-	-
432,451	Te Runanga o Ngati Whatua	249,951	15,000	-
252,012	Te Tao U	-	-	-
2,576,160	Total Direct Assistance	684,493	15,000	-
	Kaipara (Stage 3)			
409,023	Nga Hapu o Whangarei Claims Committee	-	-	-
26,048	Nga Hapu o Nga Puhi o Whangarei	-	-	-
204,108	Ngati Kahu o Torongare Te Parawhau Hapu	-	-	-
5,000	Te Uri o Tautohe	-	-	-
247,071	Te Waiariki Ngati Korora Hapu	-	-	-
891,250	Total Direct Assistance	-	-	-
14,110,751	Total Northland Direct Assistance	2,640,721	779,336	710,886
	Northland District Research costs	706,653	1,194,845	1,924,535
	Northland District Facilitation costs	602,068	310,800	221,485
	Total Northland Claimant costs	3,949,442	2,284,981	2,856,906
	South Auckland			
316,736	Ngaati Te Ata Incorporated	-	-	-
316,736	Total Direct Assistance	-	-	-
	South Auckland and District Research costs	-	-	-
	South Auckland and District Facilitation costs	580	-	13,800
	Total South Auckland Claimant costs	580	-	13,800
	Tainui			
202,281	Tainui Maori Trust Board	-	-	-
113,402	Wi Taka Whanau o Ngati Koheriki	-	-	-
315,683	Total Direct Assistance	-	-	-

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

21. TOTAL DISBURSEMENTS TO CLAIMANTS TO 31 MARCH 2009 (cont).

Total Disbursements Since 1990 to 31/03/2009	District & IWI	2009	2008	2007
	Hauraki			
280,635	Gregory-Mare Whanau	-	-	-
72,130	Hakipene Hura Whanau	-	-	-
2,141,353	Hauraki Maori Trust Board	-	-	300,818
528,000	Maratuhau Confederation	-	-	-
144,197	Ngati Hei	-	-	-
4,899	Ngati Koheriki	-	-	-
101,058	Ngati Koi Claimant Committee	-	-	-
20,900	Ngati Maru Iwi Authority	-	-	-
12,048	Ngati Paoa	-	-	-
37,210	Ngati Pukenga	-	-	-
3,963	Ngati Tai ki Tamaki	-	-	-
2,863	Nga Uri o Horowhenua	-	-	-
179,999	Ngati Whanaunga	-	-	-
130,000	Taipari Whanau	-	-	-
75,717	Te Kupenga o Ngati Hako	-	-	-
152,500	Te Rakahurumai Claims Committee	-	-	-
53,240	Te Rangatira o Tamatera	-	-	-
327,317	Ngati Pukenga/Nagi Hikairo	-	-	-
272,877	Te Whanau o Hamiora Mangakahia	-	-	-
4,540,906	Total Direct Assistance	-	-	300,818
	District Research Costs	-	5,013	54,436
	District Facilitation Costs	-	-	9,196
	Total Hauraki Claimant Costs	-	5,013	364,450



**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

21. TOTAL DISBURSEMENTS TO CLAIMANTS TO 31 MARCH 2009 (cont).

Total Disbursements Since 1990 to 31/03/2009	District & IWI	2009	2008	2007
	Tauranga			
545,659	Athenree Lands ki Tauranga Moana	-	-	-
1,023,549	Piriakau/Ngati Ranginui	45,000	96,880	160,320
1,537,668	Te Kahui Raupatu o Tauranga Tangata	-	-	-
328,000	Ngai Te Rangi Incorporated	203,000	-	125,000
18,000	Ngati Hinerangi Trust	-	-	18,000
28,300	Ngati Motai and Mahana	-	-	28,300
36,500	Ngati Hangarau Trust	-	18,250	18,250
3,517,676	Total Direct Assistance	248,000	115,130	349,870
	District Research Costs	25,323	1,135	452,026
	District Facilitation Costs	8,373	2,334	86,918
	Total Tauranga Claimant Costs	281,696	118,599	888,814
	Ngati Awa/Eastern Bay of Plenty			
200,000	Ngati Awa Maori Trust Board	-	-	-
2,249,607	Ngati Makino Claims Committee	1,075,984	82,533	-
179,184	Ngati Pikiao Forest Claims Committee	-	-	-
2,075,568	Te Runanga o Ngati Awa	-	-	-
1,164,220	Te Runanga o Tuwharetoa ki Kawarau	-	-	-
5,868,579	Total Direct Assistance	1,075,984	82,533	-
	District Research Costs	127,898	-	-
	District Facilitation Costs	36,959	25,879	-
	Total Ngati Awa/Eastern Bay of Plenty	1,240,841	108,412	-
	King Country			
595,217	Maniapoto Maori Trust Board & Treaty Claims Committee	35,000	36,160	192,700
25,000	Maniapoto ki Waenganui Regional Claims Forum	25,000	-	-
184,000	Maniapoto ki te Raki Regional Claims Forum	184,000	-	-
25,000	Maniapoto ki te Tonga (Te Rohe Potae)	25,000	-	-
186,604	Raukawa Kaumatua Kaunihera	-	-	-
50,625	Te Maru o Rereahu Trust	-	-	-
23,625	Te Nehenehenui Claims	-	-	-
25,350	Te Whanui Kohinga	600	-	-
66,200	Tuhua Hikurangi Claimants	-	-	-
348,696	Raukawa Maori Trust Board	272,976	75,720	-
1,530,317	Total Direct Assistance	542,576	111,880	192,700

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

21. TOTAL DISBURSEMENTS TO CLAIMANTS TO 31 MARCH 2009 (cont).

Total Disbursements Since 1990 to 31/03/2009	District & IWI	2009	2008	2007
	King Country (cont).			
	District Research Costs	1,017,652	181,616	4,549
	District Facilitation Costs	67,348	16,198	50,760
	Total King Country Claimant Costs	1,627,576	309,694	248,009
	Central North Island			
102,305	Haparangi A4	-	-	-
438,185	Horohoro Crown Forest Claims Committee	-	-	-
921,041	Lake Taupo Forest Trust	275,024	86,898	387,237
3,209,092	Nga Kaihautu o Te Arawa Structure	-	-	1,219,685
190,044	Ngati Rangitihī	155,044	-	-
124,959	Ngati Tuara/Kearoa	-	-	-
723,621	Ngati Tuwharetoa	-	-	5,000
1,793,482	Ngati Whare Iwi Claims	146,155	243,059	74,916
34,552	Rangiuru Sports Club Inc	-	-	-
110,938	Rotomahana Parekarangi 6N2B & 6O2B Trusts	-	-	-
105,000	Te Pumautanga o Te Arawa	59,476	45,524	-
24,000	Te Papa-i-ouru Trustee Board	-	-	-
6,023	Te Runanga o Ngati Tahu	-	-	-
2,563,501	Te Runanganui o Te Ikawhenua	-	-	-
200,000	Te Whakarewarewatanga o Te Ope Tawa a Wahiao	-	-	-
718,959	Whakarewarewa Forest Trust	-	-	-
520,537	Waitaha Raupatu Trust	440,537	80,000	-
50,000	Te Arawa Iwi of CNI	5,000	45,000	-
4,150,658	CNI Forest Iwi Group	3,467,648	683,011	-
302,114	Te Runanga o Ngati Manawa	302,114	-	-
11,752,913	Volcanic Interior Plateau Project	-	-	-
952,600	Raukawa Maori Trust Board	952,600	-	-
373,060	Te Maru O Ngati Rangiwewehi	373,060	-	-
174,958	Te Kotahitanga O Whakaue	174,958	-	-
29,542,542	Total Direct Assistance	6,351,616	1,183,492	1,686,838
	District Research Costs	226,265	56,776	70,204
	District Facilitation Costs	653,515	184,930	311,246
	Total Central North Island Claimant Costs	7,231,396	1,425,198	2,068,288

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

21. TOTAL DISBURSEMENTS TO CLAIMANTS TO 31 MARCH 2009 (cont).

Total Disbursements Since 1990 to 31/03/2009	District & IWI	2009	2008	2007
	Urewera			
24,438	Manutaki Trust	-	-	-
88,450	Mataatua Marae Hearing Committee	-	-	-
30,000	Maungapohatu Marae Committee	-	-	-
48,000	Murumurunga Marae	-	-	-
1,125,090	Nga Rauru o Nga Potiki	-	-	-
8,940	Ngati Kahungunu ki Waikeremoana	-	-	-
10,000	Ngati Rangitahi Manawhenua Project	-	-	-
2,554,034	Te Runanga o Ngati Manawa	702,457	524,803	326,071
44,000	Rangiahua Marae	-	-	-
40,000	Rangitahi Marae	-	-	-
247,000	Panekiri Tribal Trust Board	-	-	-
56,824	Taurarau Marae Committee	-	-	-
50,000	Te Kahungunu Collective	-	-	-
1,137,727	Te Kotahi a Tuhoe	600,379	225,848	311,500
74,475	Te Rangatiratanga o Ngati Rangitahi	-	-	-
33,000	Te Rewarewa Marae	-	-	-
85,500	Te Whanau a Kai Trust	-	-	-
749,399	Tuhoe Waikaremoana Maori Trust Board	-	-	-
351,173	Ngati Whare Iwi Claims	351,173	-	-
44,000	Waimako Trust	-	-	-
6,802,050	Total Direct Assistance	1,654,009	750,651	637,571
	District Research Costs	186,834	210	250,293
	District Facilitation Costs	1,829	34,093	69,168
	Total Urewera Claimant costs	1,842,672	784,954	957,032
	East Coast			
319,626	Ngati Porou Mt Hikurangi Lands Claim Committee	-	-	-
359,796	Te Kura Takai Puni	-	-	-
2,013,343	Te Runanga o Ngati Porou	1,286,866	-	-
323,889	United Tribal Council	84,889	129,000	110,000
234,142	Te Roopu Kaiwhakahaere o Ruawaiipu Cluster	66,742	57,400	110,000
210,993	Nga Ahi Kaa Cluster	65,288	35,705	110,000
99,000	Te Uru Karaka Cluster	-	33,000	66,000
308,702	Te Aitangi a Hauiti Iwi Cluster	113,702	101,500	93,500

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

21. TOTAL DISBURSEMENTS TO CLAIMANTS TO 31 MARCH 2009 (cont).

Total Disbursements Since 1990 to 31/03/2009	District & IWI	2009	2008	2007
	East Coast (cont).			
3,869,491	Total Direct Assistance	1,617,487	356,605	489,500
	District Research Costs	933,728	1,453,130	912,280
	District Facilitation Costs	51,467	24,807	24,722
	Total East Coast Claimant costs	2,602,682	1,834,542	1,426,502
	Gisborne			
87,018	Nga Uri o Te Kooti Rikirangi	-	-	-
540,792	Ngai Tamanuhiri Whanui Charitable Trust	-	9,500	87,250
67,144	Ngariki Kaiputahi Whanui Trust	-	-	-
34,215	Te Runanga o Turanganui a Kiwa	6,118	28,097	-
1,427,629	Turanga Claimants (Turanga Manuwhiriwhiri)	1,377,362	50,267	-
128,605	Rongawhakaata Charitable Trust	15,261	-	-
537,847	Te Aitanga-a-Mahaki	-	-	-
359,880	Te Pou-a-Haokai & Ngai Tamanuhiri	(4,430)	103,410	-
170,000	Te Pou a Haokai Central Progression Team	-	-	119,000
73,500	Te Whanau a Kai	-	-	-
32,500	Wi Pere Whanau Trust	-	-	-
3,459,130	Total Direct Assistance	1,394,311	191,274	206,250
	District Research Costs	354,375	9,114	4,048
	District Facilitation Costs	11,579	70,715	55,547
	Total Gisborne Claimant Costs	1,760,265	271,103	265,845
	Wairoa			
372,101	Nga Uri o Te Wharerata Forestry Claims Committee	-	-	-
44,843	Ngai Tama Te Rangi Claim Committee	-	-	-
382,225	Panekiri Tribal Trust Board	-	-	-
42,500	Te Iwi o Rakaipaaka	-	-	-
42,500	Te Whanau o Rongomaiwahine	-	-	-
13,460	Wairoa Waikaremoana Maori Trust Board	-	-	-
570,290	Wairoa Working Group	60,000	206,990	-
42,500	Whakaki Marae Committee	-	-	-
1,510,419	Total Direct Assistance	60,000	206,990	-
	District Research Costs	-	575	7,438
	District Facilitation Costs	2,862	15,071	41,059
	Total Wairoa Claimant costs	62,862	222,636	48,497

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

21. TOTAL DISBURSEMENTS TO CLAIMANTS TO 31 MARCH 2009 (cont).

Total Disbursements Since 1990 to 31/03/2009	District & IWI	2009	2008	2007
	Mohaka ki Ahuriri			
1,244,013	Maungaharuru Tangitu Society Inc.	231,090	-	-
269,100	Nga Hapu o Te Ahuriri	-	-	-
1,781,237	Ngati Pahuwera	706,066	-	-
43,148	Te Whanganui a Orotu	-	-	-
188,286	Ngati Hineuru/Ngati Hinerau	188,286	-	-
3,525,784	Total Direct Assistance	1,125,442	-	-
	District Research Costs	3,495	-	-
	District Facilitation Costs	12,855	4,818	1,643
	Total Mohaka ki Ahurur Claimant costs	1,141,792	4,818	1,643
	Southern Hawkes Bay			
129,743	Nga Tukemata o Ruahine	-	-	-
335,041	He Toa Takitini	16,805	109,267	105,000
464,784	Total Direct Assistance	16,805	109,267	105,000
	District Research Costs	214,547	960,970	250,901
	District Facilitation Costs	4,323	8,194	5,010
	Total Southern Hawkes Bay Claimant costs	235,675	1,078,431	360,911
	Taranaki			
313,292	Nga Iwi o Taranaki/Ngati Maru	-	-	-
313,292	Total Direct Assistance	-	-	-
	National Park			
62,600	Ngati Rangi Trust	-	-	-
4,000	Southern Whanganui Cluster	-	-	-
297,633	Whanganui Central Claims Charitable Trust	-	-	273,633
2,000	Whanganui Northern Cluster	-	-	-
366,233	Total Direct Assistance	-	-	273,633
	District Research Costs	139	34,127	759,746
	District Facilitation Costs	-	15,739	89,099
	Total National Park Claimant costs	139	49,866	1,122,478
	Whanganui			
198,977	Ngati Haaui Iwi	135,477	3,500	60,000
-	Lake Taupo Forest Trust	-	-	-
79,871	Ngati Rakeipoho/Hikairo	-	-	28,395
704,351	Ngati Rangi Trust	132,205	115,471	143,800

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

21. TOTAL DISBURSEMENTS TO CLAIMANTS TO 31 MARCH 2009 (cont).

Total Disbursements Since 1990 to 31/03/2009	District & IWI	2009	2008	2007
	Whanganui (cont).			
1,014,240	Southern Whanganui Cluster	113,500	429,264	172,726
2,120,530	Te Runanga o Ngati Apa	438,148	455,662	126,900
888,934	Whanganui Central Claims Charitable Trust	246,357	327,826	-
834,045	Whanganui Northern Cluster	223,833	160,463	173,000
807,067	Whanganui River Maori Trust Board	2,000	-	-
6,648,015	Total Direct Assistance	1,291,520	1,537,186	704,821
	District Research Costs	506,341	1,024,972	500,999
	District Facilitation Costs	156,786	173,495	82,238
	Total Whanganui Claimant costs	1,954,647	2,735,653	1,288,058
	Rangitikei/Manawatu			
52,452	Ngati Tamarangi	-	-	-
1,399,902	Tanenuiarangi Manawatu Incorporated	312,765	369,595	-
40,000	Te Runanga o Muaupoko	-	-	-
425,698	Te Runanga o Raukawa	-	-	-
1,918,052	Total Direct Assistance	312,765	369,595	-
	District Research Costs	-	-	-
	District Facilitation Costs	605	797	178
	Total Rangitikei/Manawatu Claimant costs	313,370	370,392	178
	Wairarapa			
459,400	Nga Hapu Karanga o Wairarapa	-	-	-
787,706	Ngai Tumapuhia a Rangi Claims Committee	7,500	7,500	-
624,855	Te Runanga o Rangitane o Wairarapa	-	18,375	-
173,500	Ngati Hinewaka	-	-	-
4,250	Ngati Te Hore	-	-	-
8,500	Owahanga Roopu	-	-	-
441,529	Rangitane o Tamaki Nui a Rua	-	-	-
88,355	Te Ropu Whenua Ngai Tumapuhiri	-	-	-
10,000	Wairarapa Moana ki Pouakani Inc	-	-	-
2,598,095	Total Direct Assistance	7,500	25,875	-
	District Research Costs	-	-	-
	District Facilitation Costs	7,287	668	15,280
	Total Wairarapa Claimant costs	14,787	26,543	15,280

**CROWN FORESTRY RENTAL TRUST – NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

21. TOTAL DISBURSEMENTS TO CLAIMANTS TO 31 MARCH 2009 (cont).

Total Disbursements Since 1990 to 31/03/2009	District & IWI	2009	2008	2007
	Te Tau Ihu			
3,415,608	Kurahaupo ki te Waipounamu Trust	1,250,965	1,191,978	400,000
697,716	Ngati Apa ki Te Waipounamu Trust	-	-	-
594,399	Ngati Koata no Rangitoto ki Te Tonga Trust	-	-	-
631,313	Ngati Kuia Trust Claim Committee	-	-	-
854,097	Ngati Rarua Trust	-	-	-
587,974	Ngati Tama Manawhenua ki Te Tau Ihu Trust	-	-	-
2,503,580	Tainui Taranaki kit e Tonga Ltd	884,479	950,739	346,611
902,608	Te Atiawa Manawhenua ki Te Tau Ihu Trust	-	-	-
693,360	Te Runanga a Ngati Toa Rangitira	216,534	81,075	213,051
1,773,892	Te Runanga o Toa Rangitira Incorporated	350,483	305,932	400,000
601,536	Te Runanga o Rangitane o Wairau	-	-	-
52,500	Wakatu Incorporated	-	-	-
13,308,583	Total Direct Assistance	2,702,461	2,529,724	1,359,662
	District Research Costs	42,375	228,064	145,703
	District Facilitation Costs	4,075	74,982	4,697
	Total Te Tau Ihu Claimant costs	2,748,911	2,832,770	1,510,062
	Southern South Island			
1,149,337	Ngai Tahu Maori Trust Board	-	-	-
1,149,337	Total Direct Assistance	-	-	-
105,676,455	TOTAL DIRECT ASSISTANCE CLAIMANTS	21,041,197	8,349,538	7,017,550
	Total District Research Costs	4,345,625	5,150,547	5,337,158
	Total District Facilitation Costs	1,622,506	963,520	1,082,046
	TOTAL DIRECT SERVICES TO CLAIMANTS	27,009,328	14,463,605	13,436,754
	Other Research Costs	1,220,285	1,051,590	1,016,797
	Other Facilitation Costs	3,005,220	1,881,578	1,279,598
	TOTAL ASSISTANCE TO CLAIMANTS	31,234,833	17,396,773	15,733,149

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

22. FOREST RENTAL PROCEEDS HELD IN TRUST TO 31 MARCH 2009

	Forest No.	Current Year Received \$	Distributions Current Year \$	Total held in Trust \$
Northland				
Aupouri	1	445,000		9,908,108
Otangaroa	2	120,000		2,523,165
Waitangi	3	93,000		1,637,955
Glenbervie	4	457,109		7,609,615
Auckland				
Mangawhai	6	57,660		1,133,700
Woodhill	7	530,000		19,959,702
Riverhead	8	322,700		9,311,398
Maramarua	11	506,900		10,727,257
Whangapoua	12	187,000		5,503,234
Kauaeranga	13	12,900		262,792
Waihou	14	79,500		1,636,155
Tairua	15	570,600		12,938,209
Athenree	16	107,400		2,261,824
Whangamata	60	26,600		26,600
Central North Island				
Rotoehu**	17	560,000		13,408,151
Horohoro*	18	75,000		1,715,295
Whakarewarewa*	19	474,819		10,870,410
Crater*	20	101,000		1,906,209
Kaingaroa*	21	10,165,000		224,786,518
Waimihia*	22	920,000		26,620,536
Marotiri*	23	12,000		322,261
Pirongia	24	17,000		331,744
Tawarau	25	98,000		1,545,889
Mangaokewa	26	45,000		873,072
Pureora South*	27	35,000		824,680
Pureora North	27	16,000		757,934
Waituhi*	28	35,000		650,713
Taurewa*	29	45,000		777,498
East Coast				
Ruatoria	32	331,500		5,714,301
Tokomaru	33	341,700		5,366,157
Mangatu	34	542,961		7,975,176
Wharerata	35	380,000		7,491,751
Patunamu	36	230,000		4,099,779

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

22. FOREST RENTAL PROCEEDS HELD IN TRUST TO 31 MARCH 2009 (cont).

	Forest No.	Current Year Received \$	Distributions Current Year \$	Total held in Trust \$
Hawkes Bay				
Mohaka	37	725,900		13,627,786
Esk	38	360,400		6,769,163
Kaweka	39	220,800		4,486,801
Gwavas	40	292,900		5,999,109
Southern North Island				
Erua	41	2,000		52,297
Karioi	42	164,400		7,283,607
Te Wera	43	84,000		1,750,056
Lismore Hill***	44	240,335		3,826,747
Lismore Sand***	45	76,000		1,411,855
Santof***	46	125,000		3,810,339
Tangimoana	47	16,000		582,731
Waitarere	48	109,859		2,172,547
Manakau	49	22,683		326,094
Ngaumu	51	600,000		10,274,505
Nelson				
Golden Bay	52	-		169,491
Motueka	53	168,156		2,501,361
Golden Downs East	54	616,000		14,719,530
Golden Downs West	54	639,000		15,583,630
Waimea	55	137,919		2,962,027
Rai	56	260,000		6,647,387
Hira	57	182,931		3,820,690
Queen Charlotte	58	56,445		885,297
Wairau	59	175,000		6,436,886
Total Forest Rental Proceeds		23,217,077		517,577,724
Current/Non Current Split of Rental Proceeds Held				
Current				277,585,246
Non Current				239,992,478
				517,577,724

* Forest Rental proceeds held in Trust in respect of the CNI forests to be settled on 1 July 2009.

** Forest Rental proceeds held in Trust in respect of the Affiliate Te Arawa Iwi and Hapu Settlement to be settled on 2 July 2009. The Settlement comprises a share of this forest.

*** Forest Rental proceeds held in Trust in respect of the Ngati Apa Settlement expected to be settled during 2009. The Settlement comprises a share of the forests.

**AUDIT REPORT
TO THE TRUSTEES OF
CROWN FORESTRY RENTAL TRUST**

We have audited the financial statements on pages 10 to 40. The financial statements provide information about the past financial performance of Crown Forestry Rental Trust (the “Trust”) and its financial position as at 31 March 2009. This information is stated in accordance with the accounting policies set out on pages 13 to 17.

This report is made solely to the Trustees, as a body. 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 Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Board of Trustee’s Responsibilities

The Board of Trustees is responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which give a true and fair view of the financial position of the Trust as at 31 March 2009 and the results of operations and cash flows for the year ended on that date.

Auditor’s Responsibilities

It is our responsibility to express to you an independent opinion on the financial statements presented by the Board of 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 Board of 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 for advisory services, we have no relationship with or interests in the Trust.

Unqualified Opinion

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

In our opinion:

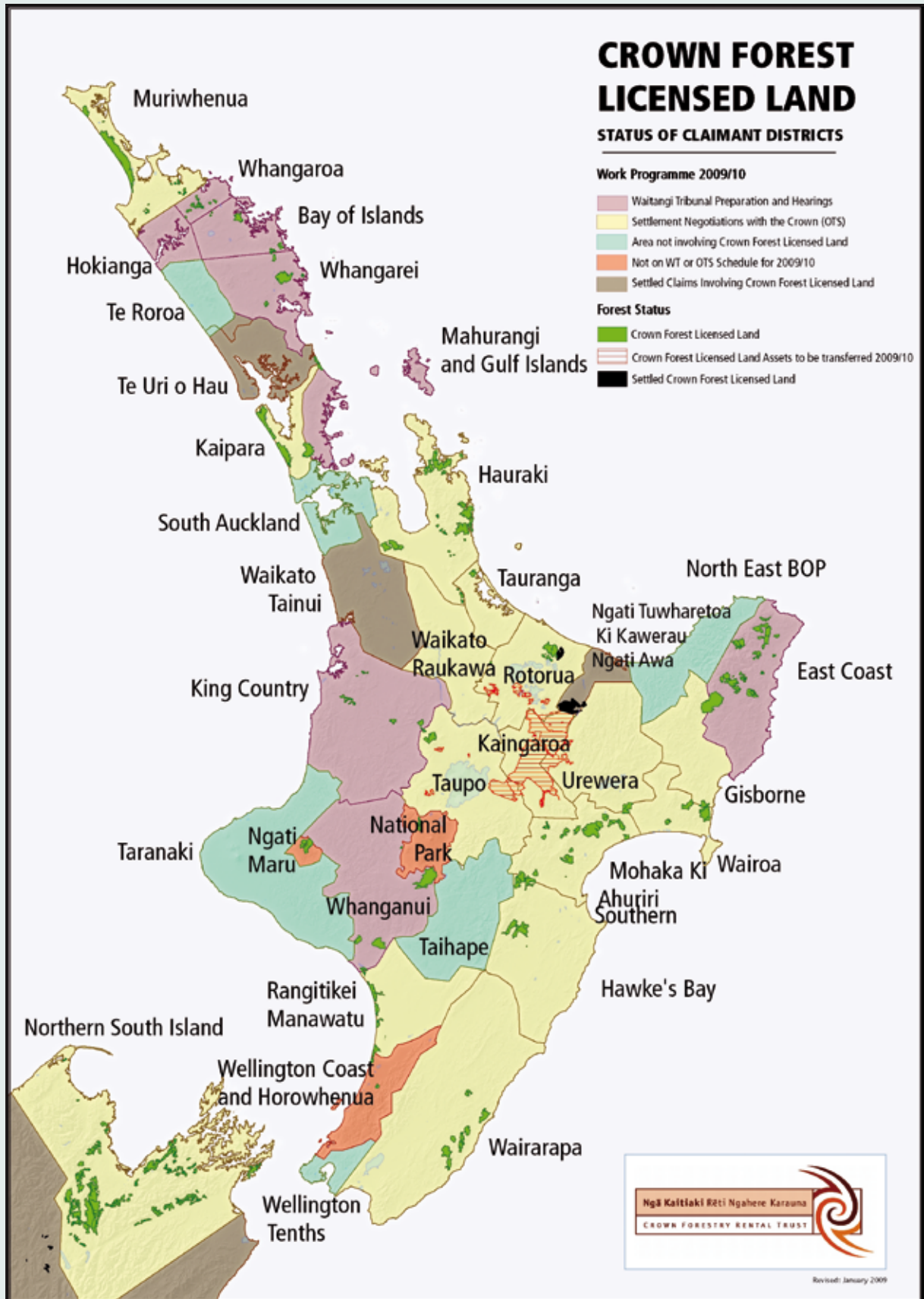
- proper accounting records have been kept by Crown Forestry Rental Trust as far as appears from our examination of those records; and
- the financial statements on pages 10 to 40:
 - comply with generally accepted accounting practice in New Zealand,
 - comply with International Financial Reporting Standards, and
 - give a true and fair view of the financial position of the Trust as at 31 March 2009 and the results of its operations and cash flows for the year ended on that date.

Our audit was completed on 26 May 2009 and our unqualified opinion is expressed as at that date.



Chartered Accountants
WELLINGTON, NEW ZEALAND

Crown Forest Licensed Land



Crown Forestry Rental Trust

Directory

TRUSTEES:APPOINTED BY:

Sir Graham Latimer (Chairman)Maori Appointor
Gregory FortuinCrown Appointor
Angela Foulkes.....Crown Appointor
Janet MasonCrown Appointor
Paul MorganMaori Appointor
Kingi Smiler (term completed 30/06/08).....Maori Appointor
Alan Haronga (appointed 1/07/08).....Maori Appointor

SENIOR MANAGEMENT

Ben Dalton Chief Executive
Jason AkeStrategic Relationships Manager
Leah CampbellChief Historian
Rick WitanaClient Services Manager
Andrew FrenchChief Operating Officer

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RECYCLED CONTENT

PCF
PROCESSED
Chlorine FREE

ECF
ELEMENTAL
Chlorine FREE

Ngā Kaitiaki Rēti Ngahere
CROWN FORESTRY RENTAL TRUST

