

Nga Kaitiaki Rēti Ngahere Karauna

CROWN FORESTRY RENTAL TRUST



Crown Forestry Rental Trust

Report to Appointors 2009-2010



Crown Forestry Rental Trust Trustees

Sir Graham Latimer



Mr John Wilson



Mr Gregory Fortuin



Mr Paul Morgan



Ms Angela Foulkes

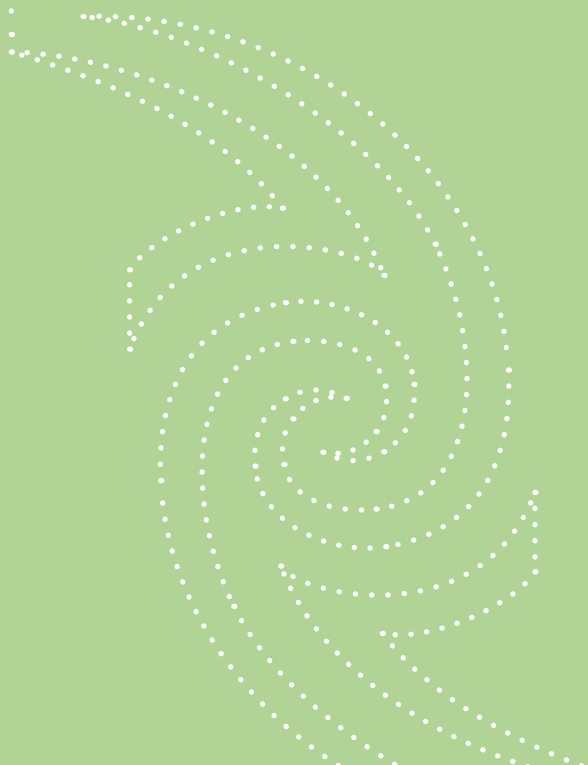


Mr Alan Haronga



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From the Chair

I am pleased to present the Annual Report of the Crown Forestry Rental Trust to our Appointors: the New Zealand Māori Council, the Federation of Māori Authorities and the Hon. Bill English, Minister of Finance, in accordance with clause 7.1 [c] of our Trust Deed. This report covers the accounts and activities of the Crown Forestry Rental Trust for the period of 1 April 2009 to 31 March 2010.

Strategic Focus

It has been an important and successful year for the Crown Forestry Rental Trust, a year which has seen the Trust refine its approach to assisting eligible claimants and reorganise the ways in which it does business. These changes have been carried out whilst the Trust provided quality support and assistance to groups with claims to Crown forest licensed land.

Over the past year the Trust also strengthened its systems and processes to ensure good stewardship of the Trust's rental proceeds. This work has been overseen by the Trust's Board's Finance and Risk Subcommittee which was itself established to provide added confidence that the Trust's financial processes are robust and secure.

The Trust has regularly undertaken funding forecasts to anticipate the future resources required to support claimant groups. This work has been extremely useful and gives confidence that with prudent management by the Trust, and efficient management within claimant groups they will have the income to support groups seeking to resolve their claims over Crown forest licensed land in the years ahead.

While this gives claimant groups assurance for the future, the Trust would like to see claims involving Crown forest licensed land settled much quicker so that the rental assets are released to the confirmed owners which will in turn enable them to realise their true economic potential sooner.

The Crown and the Treaty Sector

The Trust recognises that the funding it provides to claimants can only be effective if it is aligned to the priorities and work programmes of the claimants and agencies responsible for advancing claims towards settlement.

We are pleased that more resources have been allocated to the Office of Treaty Settlements to support the Government's goal of settling historical Treaty settlements by 2014.

However, the Crown must maintain momentum in settlement negotiations. Regard to time frames is essential as when time frames are constantly being 'realigned' negotiations can either stall or drag on unnecessarily. Groups can thus be left in an unnerving holding pattern with little capital funds available to fund their ongoing operational capacity.

The Trust is forecasting serious cash injections into the sector over the next couple of years. However, that commitment must be matched by results. The Trust appreciates that there are times when negotiations reach challenging and delicate stages and progress towards settlement may slow considerably. Notwithstanding this, the Trust cannot support claimants during long periods of inactivity.

The Trust notes that the Waitangi Tribunal has experienced significant changes in the last 12 months as Chairperson Chief Judge Wilson Isaac was appointed to take over from Chief Judge Joe Williams, while Caren Fox has moved into the Deputy Chief Judge role.

Continuing claimant issues

Our work in reviewing the role of the Trust in the settlement process over the last 12 months has given Trustees a strategic vantage point from which to view the entire Treaty settlement process. While we are confident that the Trust's systems are geared to funding eligible groups in a timely way, there are a number of issues that remain outside the Trust's control that can lead to delays in settlement.

A key issue confronting claimant groups who seek Trust funding is their varying level of organisation. The Trust's funding criteria and policy demands a high level of organisational accountability. We place high importance on a claimant group's organisational capacity and capability before we will fund a group.

We make no apology for our high accountability and capability requirements of claimants. We are adamant that strong claimant organisation and ability will result in more effective results and durable settlement outcomes.

Conclusion

Crown Forestry Rental Trust is successful when the claimant groups supported by the Trust are successful. It has been a long year for many of these groups and the Trust continues to monitor the overall settlement process closely.

The Trust has aligned its work programme to reflect the priorities of the Treaty settlement agencies and in particular those of the Office of Treaty Settlements and is working more effectively with these agencies than it has in the past.

The Trust urges all parties to work towards speedier settlements of historical Treaty claims involving Crown Forest Licensed Lands - more organisation and unity on the part of Māori, and more flexibility and generosity on the part of the Crown. These are the challenges we all face as we look to the coming year ahead.



Sir Graham Latimer

CHAIR



CE Message Report to Appointors

I am pleased to present the Annual Report to Appointors for Crown Forestry Rental Trust ('the Trust') which sets out how the Trust has performed over the period 1 April 2009 to 31 March 2010.

Financially 2009/10 was a watershed year for the Trust, with the Central North Island Iwi Collective and the Affiliate Te Arawa Iwi and Hapū settlements taking place. The Trust still has a large number of claimants to support to achieve their eventual settlements. We continue to hold \$257 million in accumulated rentals and \$131 million in retained earnings. However, if we keep funding at current levels, based on Office of Treaty Settlements and Waitangi Tribunal forward plans we will be running operating losses using our retained earnings from this year onwards to fund them.

The funds available for settlement of outstanding claims will reduce at an increasing rate over the next few years, as highlighted in our 2010/11 Business Plan. It is worth noting that the cost of a settlement generally remains the same regardless of the population of a claimant group, the nature of the Treaty breach against them or the assets and likely settlement levels involved.

We may be approaching a time where serious consideration needs to be given to ways of making the process more cost effective. One alternative is that at some point in the future it may become necessary for the Trust to place ceilings on the levels of funding available for particular activities.

Significant achievements

In July 2009 the Trust's investment portfolio halved with a \$289 million distribution from the accumulated rentals towards the Central North Island Iwi Collective and Affiliate Te Arawa Iwi and Hapū settlements.

This distribution followed a short period of intensive negotiations between the Collective and the Crown that led to the signing of the Central North Island Forests Iwi Collective settlement in June 2008. The legislation giving effect to the settlement was passed in September 2008 and provided for the settlement redress assets and associated accumulated rentals to be transferred on 1 July 2009.

The Trust is proud to have played a significant role in assisting all of the constituent CNI iwi to settle some 176,000 hectares of Crown forest licensed land in Central North Island. This event marks the most significant settlement the Trust has funded to date.

In the wake of the CNI settlement, Te Rūnanga o Ngāti Whare signed an Agreement in Principle in June 2009 and a Deed of Settlement in December 2009. This was followed several days later by Ngāti Manawa signing a Deed of Settlement on 12 December 2009.

The Crown recognised the mandates of Ngāti Hineuru and Maungaharuru Tangitū Incorporated in the Takitimu region in October 2009. This was followed with Crown recognition of the Mana Ahuriri Deed of Mandate in Takitimu in late January 2010.

In Te Tai Hau-ā-uru, legislation to give effect to the Ngāti Apa (North Island) settlement was introduced to the House in November 2009. This Bill is shortly due for its Third Reading. The Ngāti Apa settlement contains provisions for the transfer of CFLs to Ngāti Apa (North Island) worth approximately \$6.2 million.

In December 2009 Whanganui iwi completed their Waitangi Tribunal hearings. Ngāti Porou and the Crown also signed an Agreement on the content of the Crown offer. Work is in progress towards a Deed of Settlement, which is expected to be signed in late 2010.

Ngāti Manuhiri and Ngāti Whātua o Kaipara ki te Tonga achieved Agreements in Principle in December 2009 as part of the Tāmaki Regional Settlement. Te Kawerau-a-Maki achieved an Agreement in Principle in February 2010.

Also in February, the Crown and Ngā Mana Whenua o Tāmaki Makaurau signed a collective agreement to transfer the ownership of 11 maunga from the Crown to iwi. These maunga will be held by Ngā Mana Whenua o Tāmaki Makaurau in trust. They will be governed by a statutory body comprising an equal membership of Ngā Mana Whenua o Tāmaki Makaurau and the Auckland Council.

In Te Moana-a-Toi, Ngāti Pūkenga achieved a Crown-recognised Deed of Mandate and signed Terms of Negotiation in January 2010.

In February 2010 the Tauranga Moana iwi established the Tauranga Moana Iwi Collective to negotiate the settlement of collective redress in this rohe. Iwi and the Crown are working towards signing an Agreement in Principle by October 2010.

In January 2010 Te Hui Tōpū o Te Hiku o Te Ika (Te Hiku Forum) signed an Agreement in Principle with the Crown. Work is progressing to sign a collective (Te Hiku) and iwi Deed of Settlement in 2011.

In the Waikato Region the Ngā Kōrero Tuku Iho o Te Rohe Pōtae hui process commenced in March 2010. These hui are intended to give Te Rohe Pōtae kaumātua and kuia an opportunity to speak to the Tribunal about some of their key tūpuna and their oral traditions and are anticipated to have a less formal structure than 'ordinary' hearings with no prepared briefs of evidence and minimal involvement from counsel. By all accounts the format has been a success.

Research preparation continues in Te Rohe Pōtae, with the commencement of hearings not anticipated until at least mid-2011.

The Waitangi Tribunal convened two judicial conferences in 2009 in the Taihape ki Kapiti Inquiry District. In September 2009 the Tribunal split the district into two, creating the Taihape:Rangitīkei ki Rangipō and Porirua ki Manawatū inquiry districts. Trust staff have been active in these districts attending hui to discuss possible funding assistance and research planning.

There has been a notable increase in the number of Trust clients in negotiations over the last 12 months. To support these new clients through the Trusts funding processes, the Trust has produced a series of booklets: 'Specialist Advice Funding for Treaty Settlement Negotiations', 'Running a contestable selection process for Specialist Advice services' and 'Financial Reporting Requirements for CFRT Funding Contracts'. These are available on the Trust's website or in hard copy on request.

Internal Structure

In September 2009 Ben Dalton resigned as Chief Executive after six years at the helm. His contribution to the sector during his tenure has been significant and his involvement in the CNI deal in particular will undoubtedly rate as a personal and professional highlight.

The Trust's most valuable resource is its staff. While other government sector agencies have grown, the Trust's staffing levels have remained relatively steady.

Last year the Trust looked at ways it could refine its front-end services to clients. The need for greater operational alignment between Treaty sector agencies reinforced the need for the Trust to rethink the organisation's delivery of services. This resulted firstly in the establishment of Regional Teams in July - August 2009, and secondly, in the creation of the new position of Director Service Delivery. This Director position reports directly to the Chief Executive with operational responsibility for the two service delivery teams, Client Services and the Research Group.

This rethink allows for better internal collaboration and a more focussed approach to the ways we engage with the claimant community.

Financial Performance

The Trust has a rigorous programme in place to ensure the effectiveness of its internal controls and the accuracy of its reported financial information. Quarterly internal audits are undertaken by an accounting firm independent to the annual external audit. We are pleased to report that the Trust received an unqualified audit opinion on its financial statements for the year ended 31 March 2010.

The Trust's investment strategy is both conservative and prescriptive and is based on ensuring that the capital received from rentals is protected whilst the Trust's interest income is maximised. Total income from investments and other sources for the year was \$25 million, down from \$50 million in the previous year.

There are two significant factors affecting the Trust's reported income this year: the Trust's portfolio base, and the rate of return on that base. The Trust's investment portfolio comprises Funds Held in Trust and Retained Earnings. The Trust's Funds Held in Trust halved to \$257.6 million as a result of the Central North Island Iwi Collective and Affiliate Te Arawa and Iwi Hapū Settlements of \$288.6 million in June 2009. Retained Earnings has been reduced to fund this year's operating loss of \$13.4 million.

A downward movement in market interest rates contributed to the Trust's reduced investment income. The Trust's average yearly return was 5.72%, down from 6.63% the previous year.

The Trust's increased spending on assistance to claimants during the year, by 10% to \$34.5 million, reflects increased claimant and research related activity during the year.

I am particularly pleased to report that the Trust's administration costs for the year have remained at \$4.0 million, representing 13% of total expenditure, the same amount as in the previous financial year.

The Trust has reported its first ever net operating deficit for the year of \$13.4 million. This loss is lower than that originally forecast and, as noted above, has been funded from Retained Earnings.

The Trust has communicated regularly to stakeholders that it will now incur deficits until the last of the Funds Held in Trust have been returned to their beneficial owners. This future annual expenditure will be funded from the Retained Earnings which have been built up over the last twenty years.

The Trust's Retained Earnings balance at 31 March 2010 was \$131 million.



Darrin Sykes

CHIEF EXECUTIVE

CROWN FORESTRY RENTAL TRUST

FINANCIAL STATEMENTS for the year ended 31 March 2010

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Crown Forestry Rental Trust Statement of Comprehensive Income For the year ended 31 March 2010		Note	2010 \$	2009 \$
INCOME				
Interest Term Deposits			10,900,395	32,666,364
Interest Repurchase Contracts (Net)	4		1,870,086	1,944,089
Interest Government Bonds	3		12,094,108	14,157,756
Interest Forestry Licenses Issues			168,131	5,452
Other Income	3		45,416	950,658
Total Income			25,078,136	49,724,319
<i>Less</i>				
EXPENSES				
Operating Expenses				
Administration Expenses	5		3,944,060	4,029,162
Assistance to Claimants				
Disbursements to Claimants	6		22,211,906	21,041,197
Research Services for Claimants	6		7,672,053	5,565,910
Facilitation and Formation of Claimant Groups	6		4,615,578	4,627,726
Total Assistance to Claimants	18		34,499,537	31,234,833
Total Expenditure			38,443,597	35,263,995
TOTAL (LOSS)/INCOME FOR THE YEAR			(13,365,461)	14,460,324
Other Comprehensive Income			0	0
TOTAL COMPREHENSIVE (LOSSES)/GAINS FOR THE YEAR			(13,365,461)	14,460,324

Crown Forestry Rental Trust Retained Earnings For the year ended 31 March 2010		Note	2010 \$	2009 \$
RETAINED EARNINGS				
Retained Earnings at Beginning of Year			144,342,834	129,882,510
Total Opening Equity			144,342,834	129,882,510
Movements in the Year				
Total Comprehensive (Loss)/Income for the Year			(13,365,461)	14,460,324
Total Recognised (Losses) and Gains			(13,365,461)	14,460,324
Retained Earnings at End of Year			130,977,373	144,342,834
TOTAL EQUITY			130,977,373	144,342,834

Crown Forestry Rental Trust Statement of Financial Position As at 31 March 2010	Note	2010 \$	2009 \$
EQUITY			
Retained Earnings		130,977,373	144,342,834
TOTAL EQUITY		130,977,373	144,342,834
Total Equity Represented by:			
CURRENT ASSETS			
Cash at Bank	9	4,985,693	9,782,573
Short Term Deposits	9	195,000,000	459,600,000
Other Receivables		30,600	15,919
Accrued Interest		1,200,829	6,454,380
		201,217,122	475,852,872
NON CURRENT ASSETS			
Government Securities	9	187,859,298	187,065,190
Property, Plant and Equipment	10	861,716	903,768
Intangible Assets	11	71,475	261,823
		188,792,489	188,230,781
TOTAL ASSETS		390,009,611	664,083,653
CURRENT LIABILITIES			
Trade Payables		482,503	1,254,199
Other Payables		971,330	908,896
Current Rental Proceeds	19	6,210,347	277,585,246
		7,664,180	279,748,341
NON CURRENT LIABILITIES			
Non Current Rental Proceeds	19	251,368,058	239,992,478
TOTAL LIABILITIES		259,032,238	519,740,819
NET ASSETS		130,977,373	144,342,834

These financial statements were approved on the 25th of May 2010. Signed for and on behalf of the Board of Trustees.



Sir Graham Latimer
CHAIRMAN
Crown Forestry Rental Trust



Alan Haronga
CHAIRMAN
Finance & Risk Committee

Crown Forestry Rental Trust Statement of Cash Flows For the year ended 31 March 2010		Note	2010 \$	2009 \$
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Cash was provided from:				
Interest			29,502,005	46,191,210
Cash was applied to:				
Payment of Administration Expenses and Services and Disbursements to Claimants			(38,741,757)	(34,785,347)
NET CASH (OUTFLOWS)/INFLOWS FROM OPERATING ACTIVITIES	7		(9,239,752)	11,405,863
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES				
Cash was provided from:				
Proceeds From Investment Sales			0	62,612,170
Sale of Property, Plant and Equipment			5,250	0
Cash was applied to:				
Purchase of Property, Plant and Equipment and Intangible Assets			(198,635)	(199,711)
NET CASH (OUTFLOWS)/INFLOWS FROM INVESTING ACTIVITIES			(193,385)	62,412,459
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES				
Cash was provided from:				
Rental Proceeds Received	19		28,664,932	23,217,077
Cash was applied to:				
Rental Proceeds Disbursed	19		(288,628,675)	0
NET CASH (OUTFLOWS)/INFLOWS FROM FINANCING ACTIVITIES			(259,963,743)	23,217,077
NET (DECREASE)/INCREASE IN CASH HELD			(269,396,880)	97,035,399
Cash at Beginning of the Year			469,382,573	372,347,174
CASH AT END OF THE YEAR			199,985,693	469,382,573
Represented by:				
Cash at Bank			4,985,693	9,782,573
Short Term Deposits			195,000,000	459,600,000
			199,985,693	469,382,573

CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

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 New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS"), as appropriate for public benefit entities.

Standards and Interpretations Issued But Not Yet Effective

At the date of authorisation of these financial statements the following Standards and Interpretations, including those Standards or Interpretations issued by the International Accounting Standards Board ("IASB") or International Financial Reporting Interpretations Committee ("IFRIC") where an equivalent New Zealand Standard or Interpretation has not been approved, that could have a significant impact on the financial statements, were in issue but not yet effective:

NZ IFRS 9 Financial Instruments	1 January 2013
NZ IAS 24 Related Party Disclosures (2009)	1 January 2011

The Trust expects to adopt the above Standards and Interpretations in the period in which they become mandatory. The Trust anticipates that the above Standards and Interpretations will have no material impact on the financial statements of the Trust in the period of initial application.

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.

CROWN FORESTRY RENTAL TRUST – NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

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 the Goods and Services Tax Act 1985, these being:

- The Crown Forestry 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 or reimburses Claimants 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 Statement of Comprehensive Income.

Realised gains and losses arising from disposal of property, plant and equipment are recognised in the Statement of Comprehensive Income 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 Statement of Comprehensive Income.

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 10 - Property, Plant and Equipment.

CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

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:

Asset Category	Expected Life	Rate	Method
Software and licenses	3 years	33%	Straight Line

Realised gains and losses arising from disposal of intangible assets are recognised in the Statement of Comprehensive Income 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 Statement of Comprehensive Income.

(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 Statement of Financial Position and accompanying note (Note 19).

Rentals in dispute are held by Land Information New Zealand (LINZ) and are accounted for as Contingent Assets (Refer to Note 15).

(viii) Employee Benefits

The Employee entitlements to salaries and wages, annual leave, sick leave and other similar benefits are recognised in the Statement of Comprehensive Income 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 one 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 2010

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. Cash is recorded at amortised cost using the effective interest rate method.

Receivables

Receivables are stated at their expected realisable value, after providing for doubtful debts. Receivables issued with duration of 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 Statement of Comprehensive Income.

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.

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.

(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, property, plant and equipment, and intangible assets. Financing activities comprise the changes in Funds Held in Trust (Rental proceeds).

CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

1. STATEMENT OF ACCOUNTING POLICIES (cont).

(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 Statement of Financial Position. 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 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, Crown licensed forest land.

3. INCOME

Interest – Government Bonds Includes:	2010 \$	2009 \$
■ Interest Income on Available-for-Sale Investments	0	2,121,000
■ Income on Held to Maturity Investments	12,094,108	12,036,756
	12,094,108	14,157,756
Other Income Includes:		
Gain on Sale of Available-for-Sale Investments	0	950,658
IRD Use of Money Interest	9,840	0
Forest Receipts Recognised as Income	35,576	0
	45,416	950,658

4. INTEREST - REPURCHASE CONTRACTS

Interest – Repurchase Contracts	2010 \$	2009 \$
Gross Interest Received on Repurchase Contracts	7,028,748	16,778,172
Less Interest Paid on Repurchase Contracts	(5,158,662)	(14,834,083)
Net Interest Earned on Repurchase Contracts	1,870,086	1,944,089

CROWN FORESTRY RENTAL TRUST – NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

5. ADMINISTRATIVE EXPENDITURE

Incorporated within the Trust's Statement of Comprehensive Income are the following operating expenditures:

Administrative Expenditure	2010 \$	2009 \$
Rent	392,955	319,570
Depreciation	218,239	189,710
Amortisation	207,546	207,730
Trustee Fees	112,605	106,555
Audit Fees	52,313	56,700
Fees Paid to Auditors for Other Services	9,563	57,208
Legal Costs	61,175	292,583

The Trust's Administration expenses for the year total \$3,944,060 (2009: \$4,029,162).

6. CLAIMANT SERVICES DISCLOSURES

Assistance to Claimants	2010 \$	2009 \$
Disbursements to Claimants:		
Waitangi Tribunal Hearings	2,145,916	1,582,720
Direct Negotiations with the Crown	20,065,990	19,458,477
Total Disbursements to Claimants	22,211,906	21,041,197
Research Services for Claimants:		
Research & Mapping Contracts	6,215,517	4,345,625
Personnel Costs	832,640	658,729
Other Research Costs	623,896	561,556
	1,456,536	1,220,285
Total Research Services	7,672,053	5,565,910
Facilitation and Formation of Claimant Groups:		
District Level Facilitation Costs	1,132,024	1,622,506
Personnel Costs	1,271,159	1,412,575
Other Facilitation Costs	2,212,395	1,592,645
	3,483,554	3,005,220
Total Facilitation	4,615,578	4,627,726
	34,499,537	31,234,833

CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

Overall disbursements to claimants for the current year exceeded that of the prior year by \$3,264,704. The increase, which was forecast, is primarily driven by increased claimant activity. A similar pattern for the next year is forecast in the Trust's business plan and the Trust currently has commitments totalling \$19,992,549 (contracted but not spent) for claimant and research contracts as at 31 March 2010 (see Note 16).

7. RECONCILIATION OF STATEMENT OF CASH FLOWS WITH OPERATING SURPLUS

	2010 \$	2009 \$
NET (LOSS)/INCOME FOR THE YEAR	(13,365,461)	14,460,324
Items Not Involving Cash		
Depreciation Expense	218,239	189,710
Amortisation Expense	207,546	207,730
Gain on Sale of Government Stock	0	(950,658)
Amortisation of Premium on Government Securities	(794,106)	(736,752)
Forestry Rental Overpayments Recognised as Income	(35,576)	0
Impact of Changes in Working Capital		
Decrease/(Increase) in Accrued Interest	5,253,551	(1,845,698)
(Decrease)/Increase in Trade and Other Payables	(709,264)	69,022
(Increase)/Decrease in Other Receivables	(14,681)	12,185
Net Cash Flow from Operating Activities	(9,239,752)	11,405,863



CROWN FORESTRY RENTAL TRUST – NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

8. FINANCIAL INSTRUMENTS

(a) *Foreign Exchange Risk*

The Trust has no exposure to foreign exchange risk.

(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 \$389,076,418 as at 31 March 2010 (31 March 2009: \$656,447,763) 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. No financial assets are either past due or impaired at 31 March 2010 (31 March 2009: Nil).

(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 2010 the estimated gain is \$8,857,342 (as at 31 March 2009 the estimated gain was \$12,885,406).

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 2010 the Trust has entered into Repurchase Agreements with nominated Banks. There were no repurchase transactions active as at 31 March 2010 (31 March 2009: Nil).

(e) *Liquidity Risk Management*

Ultimate responsibility for liquidity risk management rests with the Board of Trustees, which has built an appropriate liquidity risk management framework for the management of the Trust's short, medium, and long term funding and liquidity management requirements. The Trust manages liquidity by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

(f) *Capital Risk Management*

The Trust manages its retained earnings to ensure that the Trust is able to continue as a going concern while maximising the return to the stakeholders. There are no externally imposed capital requirements and the overall strategy remains unchanged from 2009.

There have been no changes in the Trust's exposure to risk and the policies and processes in managing and measuring risk.

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

9. 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 2010 are as follows:

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

	Carrying Amount 2010 \$	Estimated Fair Value 2010 \$	Carrying Amount 2009 \$	Estimated Fair Value 2009 \$
Cash and Bank	4,985,693	4,985,693	9,782,573	9,782,573
Short Term Deposits	195,000,000	195,000,000	459,600,000	459,600,000
Government Securities:				
Held to Maturity	187,859,298	196,716,640	187,065,190	199,950,595
	187,859,298	196,716,640	187,065,190	199,950,595
Total Portfolio	387,844,991	396,702,333	656,447,763	669,333,168
(A) CURRENT Maturity	Yield %	Face Value 2010 \$	Carrying Amount 2010 \$	Carrying Amount 2009 \$
Short Term Deposits	4.20%	195,000,000	195,000,000	459,600,000
TOTAL CURRENT		195,000,000	195,000,000	459,600,000
(B) NON-CURRENT Maturity	Coupon %	Face Value 2010 \$	Carrying Amount 2010 \$	Carrying Amount 2009 \$
GOVERNMENT SECURITIES				
Held to Maturity				
15.11.11	6.00%	145,000,000	147,067,143	146,387,558
15.04.13	6.50%	40,000,000	40,792,155	40,677,632
TOTAL NON-CURRENT		185,000,000	187,859,298	187,065,190
Maturity Analysis of Short Term Deposits 2010		Carrying Amount \$	Maturity Date	Rate %
Kiwibank		35,000,000	22/4/2010	3.85%
Westpac		25,000,000	19/5/2010	3.95%
Westpac		37,000,000	10/6/2010	4.13%
Kiwibank		30,000,000	29/7/2010	3.95%
Kiwibank		38,000,000	24/8/2010	4.18%
Kiwibank		30,000,000	16/9/2010	4.10%
TOTAL NON-CURRENT		195,000,000		

**CROWN FORESTRY RENTAL TRUST – NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

9. FINANCIAL INSTRUMENTS SCHEDULE (cont).

2009	Carrying Amount \$	Maturity Date	Rate %
ANZ	52,000,000	1/4/2009	7.03%
ANZ	62,600,000	30/4/2009	7.24%
Kiwibank	25,000,000	27/5/2009	5.65%
Westpac	45,000,000	27/5/2009	5.50%
ASB	75,000,000	2/6/2009	5.08%
Kiwibank	15,000,000	15/6/2009	5.25%
Westpac	80,000,000	30/6/2009	3.75%
Kiwibank	25,000,000	28/7/2009	3.93%
Kiwibank	80,000,000	27/8/2009	3.65%
TOTAL NON-CURRENT	459,600,000		

	2010 Actual	2009 Actual
Average Yearly Return	5.72%	6.63%

Categories of Financial Instruments	2010 \$	2009 \$
Financial Assets		
Held to Maturity Investments	187,859,298	187,065,190
Loans and Receivables	1,231,429	6,470,299
Cash and Cash Equivalents	199,985,693	469,382,573
Financial Liabilities		
Financial Liabilities at Amortised Cost	258,822,469	519,573,295

Sensitivity Analysis

The Trust's financial instruments include accounts payable, forestry rentals held in trust, cash, term deposits, and government securities. The Government Securities portfolio in 2010 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 2010 \$	Retained Earnings 2010 \$	Net Surplus 2009 \$	Retained Earnings 2009 \$
Market Interest Rates Decrease by 2%	(5,045,833)	(5,045,833)	(12,673,813)	(12,673,813)
Market Interest Rates Increase by 2%	5,045,833	5,045,833	12,673,813	12,673,813

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

10. PROPERTY, PLANT AND EQUIPMENT

2010	Computer Equipment \$	Leasehold Improvements \$	Combined Classes* \$	Total \$
Opening Cost 1 April 2009	340,180	937,318	168,238	1,445,736
Additions	158,736	0	22,702	181,438
Disposals	(12,368)	0	(8,691)	(21,059)
Closing Cost 31 March 2010	486,548	937,318	182,249	1,606,115
Opening Accumulated Depreciation 1 April 2009	233,707	203,788	104,473	541,968
Depreciation	98,571	93,732	25,936	218,239
Disposals	(12,368)	0	(3,440)	(15,808)
Closing Accumulated Depreciation 31 March 2010	319,910	297,520	126,969	744,399
Net Book Value	166,638	639,798	55,280	861,716
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	0	0	0	0
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	0	0	0	0
Depreciation	78,809	91,677	19,224	189,710
Closing Accumulated Depreciation 31 March 2009	233,707	203,788	104,473	541,968
Net Book Value	106,473	733,530	63,765	903,768

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

11. INTANGIBLE ASSETS

Intangible Assets – Software	2010 \$	2009 \$
Opening Cost 1 April	871,158	819,432
Additions	17,198	51,726
Closing Cost 31 March	888,356	871,158
Opening Amortisation 1 April	609,335	401,605
Amortisation	207,546	207,730
Closing Amortisation 31 March	816,881	609,335
Net Intangibles	71,475	261,823

CROWN FORESTRY RENTAL TRUST – NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

12. TRUSTEE FEES AND KEY MANAGEMENT PERSONNEL

	2010 \$	2009 \$
Trusteeship/Governance	112,605	106,555

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 funding of claimant groups.

Fees received by Trustees	2010 \$	2009 \$
Sir Graham Latimer	29,750	29,750
Mr Gregory Fortuin	14,875	14,875
Ms Angela Foulkes	14,875	14,875
Ms Janet Mason (term completed May 2009)	3,719	14,875
Mr Paul Morgan	14,875	14,875
Mr Kingi Smiler (term completed June 2008)	0	4,339
Mr Alan Haronga (appointed June 2008)	14,875	10,536
Mr Richard Orzecki (Māori Alternate)	6,480	2,430
Mr Alexander (John) Wilson (appointed June 2009)	9,916	0
Mr Roger Beckett (Crown Alternate)	810	0
Mr Peter Charleton (Māori Alternate)	810	0
Mr Jim Nichols (Māori Alternate)	1,620	0
	112,605	106,555

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	2010	2009
CFRT Executive Team Members at year end (The Executive Team membership had been 5 up until the end of January 2010)	4	5

CFRT Executive Remuneration	2010 \$	2009 \$
Short Term Employee Benefits	815,029	763,887
Post Employment Benefits	0	0
Other Long Term Employee Benefits	0	0
Termination Benefits	0	0
	815,029	763,887

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

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

Other Affiliations held by Executive Team Claimant Funding Activities Undertaken	2010 \$	2009 \$
Hokianga Claims Alliance	128,601	28,125
Puhipuhi Maruata Forestry Claim	3,546	(13,660)
Te Waimate-Taiamai Alliance	103,630	40,080
Ngāti Rangitīhi	140,614	155,044

13. RELATED PARTY TRANSACTIONS

Trustee Affiliations	Role	2010 \$	2009 \$	Provision for
Sir Graham Latimer				
Tai Tokerau District Māori Council	Chairman	137,500	35,000	Claimant Funding
Ms Janet Mason				
Te Rūnanga o Te Rarawa	Legal Counsel	301,221	447,680	Claimant Funding
Mr Paul Morgan				
Federation of Māori Authorities	Executive Member Te Tau Ihu	6,000	6,148	Forestry Easements Policy
Mr Richard Orzecki				
Federation of Māori Authorities	Executive and Deputy Chairman	6,000	6,148	Forestry Easements Policy

A number of Trustees have affiliations to certain iwi that are represented by claimant groups recognised by the Trust. Where Trustees are considering providing assistance to particular claimant groups to whom 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 2010.

Sir Graham Latimer is the Chairman of Tai Tokerau District Māori Council, which received \$137,500 during the year to 31 March 2010. The contract followed the same milestone reporting process as all other projects funded by the Trust (\$35,000 during the year to 31 March 2009).

Ms Janet Mason, a former Trustee, is legal counsel for Te Rūnanga o Te Rarawa, which received \$301,221 in claimant funding during the year to 31 March 2010 (447,680 during the year to 31 March 2009).

Mr Paul Morgan, a Trustee, is the Executive Member Te Tau Ihu, for the Federation of Māori Authorities which received \$6,000 during the year 31 March 2010 for Kaingaroa forestry easements (\$6,148 is for conference attendance during the year to 31 March 2009).

Mr Richard Orzecki, an Alternate Trustee, is the Deputy Chairman of the Federation of Māori Authorities, which received \$6,000 during the year to 31 March 2010 for Kaingaroa forestry easements (\$6,148 is for conference attending during the year to 31 March 2009).

As noted in Note 12 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.

CROWN FORESTRY RENTAL TRUST – NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

13. RELATED PARTY TRANSACTIONS (cont).

Other significant Related Party interests of key advisors to the Board including the following:

Investment Advisor	Role	2010 \$	2009 \$	Provision for
James Ogden				
Ogden Consulting	Principal	12,234	29,953	Investment Advice
New Zealand Post	Director	17,399	24,181	Postal Courier Services
Kiwibank	Director	133,000,000	145,000,000	Term Deposits

14. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2010 (31 March 2009: nil).

15. CONTINGENT ASSETS

As at 31 March 2010 there is \$Nil of disputed licence fees held by LINZ (31 March 2009: \$4,154,565).

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.

16. COMMITMENTS

(i) Assistance to Claimants

The Trust has commitments totalling \$19,992,549 as at 31 March 2010 (31 March 2009: \$16,021,860) relating to assistance to claimants which has been approved by Trustees at balance date.

The release of these amounts is 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 2010 (31 March 2009: \$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:

	2010 \$	2009 \$
Less than One Year	432,859	343,719
Two to Five Years	885,828	906,748
Greater than Five Years	5,880	0
Total	1,324,567	1,250,467

CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

17. SUBSEQUENT EVENTS FOR THE YEAR ENDED 31 MARCH 2010

Ngāti Apa Settlement

On 8 October 2008 the Crown signed a Deed of Settlement with Te Rūnanga o Ngāti Apa. The Government has introduced a Bill to enact the Ngāti Apa Deed of Settlement and aims for this Settlement to be enacted by mid 2010.

This settlement has provided Ngāti 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 \$6.2m in accumulated rentals as at 31 March 2010 plus subsequent rentals accumulated up to the date the Bill is enacted.



**CROWN FORESTRY RENTAL TRUST – NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

18. TOTAL DISBURSEMENTS TO CLAIMANTS TO 31 MARCH 2010

Total Disbursements Since 1990 to 31/03/2010	District & IWI	2010	2009	2008
Muriwhenua				
399,580	Muriwhenua Negotiations Management Committee	0	0	0
75,000	Ngāti Kuri Trust Board	0	0	0
1,263,933	Te Aupouri Negotiations Co	485,671	218,363	102,575
277,879	Te Rūnanga o Muriwhenua - direct disbursement	0	0	0
1,413,957	Te Rūnanga o Muriwhenua - disbursed for administration	0	0	0
1,220,076	Te Rūnanga o Te Rarawa	301,221	410,462	69,493
357,609	Ngāi Takoto	307,609	50,000	0
1,144,610	Te Rūnanga-ā-Iwi o Ngāti Kahu	407,820	484,290	0
2,400,013	Te Hui Tōpū o Te Hiku o Te Ika (Te Hiku Forum)	1,880,472	519,541	0
8,552,657	Total Direct Assistance	3,382,793	1,682,656	172,068
Bay of Islands/Hokianga/Whangarei				
379,231	Hokianga Claims Alliance	128,601	28,125	94,512
223,359	Mahurangi & Gulf Islands	29,000	34,327	101,032
320,628	Ngāti Hine Health Trust Board	75,278	53,550	30,600
163,901	Northland Design Group	0	0	0
52,711	Ngāti Wai Māori Trust Board	0	0	0
50,000	Pū Hao Rangī (on behalf of a national claim)	0	0	0
143,197	Puhipuhi Maruata Forestry Claim	3,546	(13,660)	27,320
244,000	Tai Tokerau District Māori Council	137,500	35,000	31,000
574,834	Te Taumata o Tangitū	0	0	0
368,910	Te Waimate-Taiamai Alliance	103,630	40,080	55,000
98,830	Whangarei Core Collective Claimant Group	0	0	0
344,352	Whangaroa Papa Hapū	81,725	96,150	65,800
187,004	Hauraki Māori Trust Board	0	0	187,004
3,150,957	Total Direct Assistance	559,280	273,572	592,268
Kaipara (Stage 1)				
950,260	Ōtamatea Māori Trust Board	0	0	0
1,074,330	Te Uri o Hau o Te Wahapū o Kaipara	0	0	0
857,210	TUOH Limited	0	0	0
2,881,800	Total Direct Assistance	0	0	0

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

18. TOTAL DISBURSEMENTS TO CLAIMANTS TO 31 MARCH 2010 (cont).

Total Disbursements Since 1990 to 31/03/2010	District & IWI	2010	2009	2008
Kaipara (Stage 2)				
80,300	Awaroa Claims Management Committee	0	0	0
36	Awaroa ki Mānuka	0	0	0
177,085	Kaipara Cooperative Claimant Forum	0	0	0
622,022	Kawerau a Maki Trust	332,992	164,520	0
135,995	Manukau Whānau	0	0	0
225,680	Ngāti Tahinga/Ngāti Mauku	0	0	0
1,343,415	Ngāti Whātua o Kaipara ki Te Tonga	774,785	270,022	0
962,467	Te Rūnanga o Ngāti Whatua	115,075	249,951	15,000
252,012	Te Tao Ū	0	0	0
3,799,012	Total Direct Assistance	1,222,852	684,493	15,000
Kaipara (Stage 3)				
409,023	Ngā Hapū o Whangarei Claims Committee	0	0	0
26,048	Ngā Hapū o Ngāpuhi o Whangarei	0	0	0
204,108	Ngāti Kahu o Torongare Te Parawhau Hapū	0	0	0
5,000	Te Uri o Tautohe	0	0	0
247,071	Te Waiariki Ngāti Kororā Hapū	0	0	0
891,250	Total Direct Assistance	0	0	0
19,275,676	Total Northland Direct Assistance	5,164,925	2,640,721	779,336
	Northland District Research costs	1,151,727	706,653	1,194,845
	Northland District Facilitation costs	524,914	602,068	310,800
	Total Northland Claimant costs	6,841,566	3,949,442	2,284,981
South Auckland				
316,736	Ngaati Te Ata Incorporated	0	0	0
316,736	Total Direct Assistance	0	0	0
	South Auckland and District Research costs	1,784	0	0
	South Auckland and District Facilitation costs	0	580	0
	Total South Auckland Claimant costs	1,784	580	0
Tāmaki				
	Tāmaki District Research Costs	22,379	0	0
	Tāmaki District Facilitation Costs	0	0	0
	Total Tāmaki Claimant Costs	22,379	0	0

**CROWN FORESTRY RENTAL TRUST – NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

18. TOTAL DISBURSEMENTS TO CLAIMANTS TO 31 MARCH 2010 (cont).

Total Disbursements Since 1990 to 31/03/2010	District & IWI	2010	2009	2008
	Tainui			
202,281	Tainui Māori Trust Board	0	0	0
113,402	Wi Taka Whānau o Ngāti Koheriki	0	0	0
315,683	Total Direct Assistance	0	0	0
	Hauraki			
280,635	Gregory-Mare Whānau	0	0	0
72,130	Hakipene Hura Whānau	0	0	0
2,141,353	Hauraki Māori Trust Board	0	0	0
528,000	Maratuahu Confederation	0	0	0
144,197	Ngāti Hei	0	0	0
4,899	Ngāti Koheriki	0	0	0
101,058	Ngāti Koi Claimant Committee	0	0	0
20,900	Ngāti Maru Iwi Authority	0	0	0
12,048	Ngāti Paoa	0	0	0
37,210	Ngāti Pūkenga	0	0	0
3,963	Ngāi Tai ki Tāmaki	0	0	0
2,863	Ngā Uri o Horowhenua	0	0	0
179,999	Ngāti Whanaunga	0	0	0
130,000	Taipari Whānau	0	0	0
75,717	Te Kupenga o Ngāti Hako	0	0	0
152,500	Te Rakahurumai Claims Committee	0	0	0
53,240	Te Rangatira o Tamaterā	0	0	0
552,465	Ngāti Pūkenga/Ngāti Hikairo	225,148	0	0
272,877	Te Whānau o Hamiora Mangakahia	0	0	0
4,766,054	Total Direct Assistance	225,148	0	0
	District Research Costs	38,154	0	5,013
	District Facilitation Costs	16,970	0	0
	Total Hauraki Claimant Costs	280,272	0	5,013

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

18. TOTAL DISBURSEMENTS TO CLAIMANTS TO 31 MARCH 2010 (cont).

Total Disbursements Since 1990 to 31/03/2010	District & IWI	2010	2009	2008
Tauranga				
545,659	Athenree Lands ki Tauranga Moana	0	0	0
1,192,201	Pirirākau/Ngāti Ranginui	168,652	45,000	96,880
1,537,668	Te Kāhui Raupatu o Tauranga Tangata	0	0	0
656,139	Ngāi Te Rangi Incorporated	328,139	203,000	0
18,000	Ngāti Hinerangi Trust	0	0	0
28,300	Ngāti Mōtai and Mahana	0	0	0
36,500	Ngāti Hangarau Trust	0	0	18,250
4,014,467	Total Direct Assistance	496,791	248,000	115,130
	District Research Costs	87,693	25,323	1,135
	District Facilitation Costs	8,093	8,373	2,334
	Total Tauranga Claimant Costs	592,577	281,696	118,599
Ngāti Awa/Eastern Bay of Plenty				
200,000	Ngāti Awa Māori Trust Board	0	0	0
2,831,500	Ngāti Mākino Claims Committee	581,893	1,075,984	82,533
179,184	Ngāti Pīkiao Forest Claims Committee	0	0	0
2,075,568	Te Rūnanga o Ngāti Awa	0	0	0
1,164,220	Te Rūnanga o Tūwharetoa ki Kawerau	0	0	0
6,450,472	Total Direct Assistance	581,893	1,075,984	82,533
	District Research Costs	0	127,898	0
	District Facilitation Costs	0	36,959	25,879
	Total Ngāti Awa/Eastern Bay of Plenty Claimant Costs	0	1,240,841	108,412
King Country				
869,217	Maniapoto Māori Trust Board & Treaty Claims Committee	274,000	35,000	36,160
85,000	Maniapoto ki Waenganui Regional Claims Forum	60,000	25,000	0
234,000	Maniapoto ki te Raki Regional Claims Forum	50,000	184,000	0
133,768	Maniapoto ki te Tonga (Te Rohe Pōtae)	108,768	25,000	0
186,604	Raukawa Kaumātua Kaunihera	0	0	0
50,625	Te Maru o Rereahu Trust	0	0	0
23,625	Te Nehenehenui Claims	0	0	0
25,350	Te Whānui Kohinga	0	600	0
66,200	Tūhua Hikurangi Claimants	0	0	0
348,696	Raukawa Trust Board	0	272,976	75,720
2,023,085	Total Direct Assistance	492,768	542,576	111,880

**CROWN FORESTRY RENTAL TRUST – NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

18. TOTAL DISBURSEMENTS TO CLAIMANTS TO 31 MARCH 2010 (cont).

Total Disbursements Since 1990 to 31/03/2010	District & IWI	2010	2009	2008
King Country (cont).				
	District Research Costs	868,169	1,017,652	181,616
	District Facilitation Costs	13,192	67,348	16,198
	Total King Country Claimant Costs	1,374,129	1,627,576	309,694
Central North Island				
102,305	Haparangi A4	0	0	0
438,185	Horohoro Crown Forest Claims Committee	0	0	0
977,984	Lake Taupō Forest Trust	56,943	275,024	86,898
3,209,092	Ngā Kaihautū o Te Arawa Structure	0	0	0
330,658	Ngāti Rangitīhi	140,614	155,044	0
124,959	Ngāti Tuara/Kearoa	0	0	0
723,621	Ngāti Tūwharetoa	0	0	0
2,230,279	Ngāti Whare Iwi Claims	436,797	146,155	243,059
34,552	Rangiuru Sports Club Inc	0	0	0
110,938	Rotomahana Parekarangi 6N2B & 6O2B Trusts	0	0	0
118,500	Te Pūmautanga o Te Arawa	13,500	59,476	45,524
24,000	Te Papa-i-ouru Trustee Board	0	0	0
6,023	Te Rūnanga o Ngāti Tahu	0	0	0
2,563,501	Te Rūnanganui o Te Ikawhenua	0	0	0
200,000	Te Whakarewarewatanga o Te Ope Taua a Wāhiao	0	0	0
718,959	Whakarewarewa Forest Trust	0	0	0
1,020,311	Waitaha Raupatu Trust	499,774	440,537	80,000
50,000	Te Arawa Iwi of CNI	0	5,000	45,000
5,501,530	CNI Forest Iwi Group	1,350,872	3,467,648	683,011
828,251	Te Rūnanga o Ngāti Manawa	526,137	302,114	0
11,752,913	Volcanic Interior Plateau Project	0	0	0
1,562,835	Raukawa Trust Board	610,235	952,600	0
1,876,477	Te Maru o Ngāti Rangiwewehi	1,503,417	373,060	0
221,444	Ngā Punawai o Te Toko Toru	221,444	0	0
356,618	Te Kotahitanga o Whakaue	181,660	174,958	0
35,083,935	Total Direct Assistance	5,541,393	6,351,616	1,183,492
	District Research Costs	1,800,704	226,265	56,776
	District Facilitation Costs	261,542	653,515	184,930
	Total Central North Island Claimant Costs	7,603,639	7,231,396	1,425,198

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

18. TOTAL DISBURSEMENTS TO CLAIMANTS TO 31 MARCH 2010 (cont).

Total Disbursements Since 1990 to 31/03/2010	District & IWI	2010	2009	2008
Urewera				
24,438	Manutaki Trust	0	0	0
88,450	Mataatua Marae Hearing Committee	0	0	0
30,000	Maungapōhatu Marae Committee	0	0	0
48,000	Murumurunga Marae	0	0	0
1,125,090	Ngā Rauru o Ngā Pōtiki	0	0	0
8,940	Ngāti Kahungunu ki Waikaremoana	0	0	0
10,000	Ngāti Rangitahi Manawhenua Project	0	0	0
2,554,034	Te Rūnanga o Ngāti Manawa	0	702,457	524,803
44,000	Rangiāhua Marae	0	0	0
40,000	Rangitahi Marae	0	0	0
247,000	Panekiri Tribal Trust Board	0	0	0
56,824	Tauarau Marae Committee	0	0	0
50,000	Te Kahungunu Collective	0	0	0
1,802,421	Te Kotahi ā Tūhoe	664,694	600,379	225,848
74,475	Te Rangatiratanga o Ngāti Rangitahi	0	0	0
33,000	Te Rewarewa Marae	0	0	0
85,500	Te Whānau-a-Kai Trust	0	0	0
749,399	Tūhoe Waikaremoana Māori Trust Board	0	0	0
351,173	Ngāti Whare Iwi Claims	0	351,173	0
44,000	Waimako Trust	0	0	0
7,466,744	Total Direct Assistance	664,694	1,654,009	750,651
	District Research Costs	87,860	186,834	210
	District Facilitation Costs	9,459	1,829	34,093
	Total Urewera Claimant costs	762,013	1,842,672	784,954
East Coast				
319,626	Ngāti Porou Mt Hikurangi Lands Claim Committee	0	0	0
359,796	Te Kura Tākai Puni	0	0	0
3,682,854	Te Rūnanga o Ngāti Porou	1,669,511	1,286,866	0
376,760	United Tribal Council	52,871	84,889	129,000
234,142	Te Roopu Kaiwhakahaere o Ruawaiipu Cluster	0	66,742	57,400
259,553	Ngā Ahi Kaa Cluster	48,560	65,288	35,705
108,354	Te Uru Karaka Cluster	9,354	0	33,000
364,654	Te Aitanga a Hauiti Iwi Cluster	55,952	113,702	101,500

**CROWN FORESTRY RENTAL TRUST – NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

18. TOTAL DISBURSEMENTS TO CLAIMANTS TO 31 MARCH 2010 (cont).

Total Disbursements Since 1990 to 31/03/2010	District & IWI	2010	2009	2008
East Coast (cont).				
5,705,739	Total Direct Assistance	1,836,248	1,617,487	356,605
	District Research Costs	1,208,993	933,728	1,453,130
	District Facilitation Costs	3,600	51,467	24,807
	Total East Coast Claimant costs	3,120,841	2,602,682	1,834,542
Gisborne				
87,018	Ngā Uri o Te Kooti Rikirangi	0	0	0
540,792	Ngāi Tāmanuhiri Whānui Charitable Trust	0	0	9,500
67,144	Ngāriki Kaipūtahi Whānui Trust	0	0	0
34,215	Te Rūnanga o Tūranganui-a-Kiwa	0	6,118	28,097
1,792,065	Tūranga Claimants (Tūranga Manuwhiriwhiri)	364,436	1,377,362	50,267
128,605	Rongowhakaata Charitable Trust	0	15,261	0
537,847	Te Aitanga-a-Mahaki	0	0	0
359,880	Te Pou-a-Haokai & Ngāi Tāmanuhiri	0	(4,430)	103,410
170,000	Te Pou-a-Haokai Central Progression Team	0	0	0
73,500	Te Whānau a Kai	0	0	0
32,500	Wi Pere Whānau Trust	0	0	0
3,823,566	Total Direct Assistance	364,436	1,394,311	191,274
	District Research Costs	33,422	354,375	9,114
	District Facilitation Costs	2,756	11,579	70,715
	Total Gisborne Claimant Costs	400,614	1,760,265	271,105
Wairoa				
372,101	Ngā Uri o Te Wharerata Forestry Claims Committee	0	0	0
44,843	Ngāi Tama Te Rangi Claim Committee	0	0	0
382,225	Panekiri Tribal Trust Board	0	0	0
42,500	Te Iwi o Rakaipaaka	0	0	0
42,500	Te Whānau o Rongomaiwahine	0	0	0
13,460	Wairoa Waikaremoana Māori Trust Board	0	0	0
741,202	Wairoa Working Group	170,912	60,000	206,990
42,500	Whakaki Marae Committee	0	0	0
1,681,331	Total Direct Assistance	170,912	60,000	206,990
	District Research Costs	9,250	0	575
	District Facilitation Costs	4,890	2,862	15,071
	Total Wairoa Claimant costs	185,052	62,862	222,636

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

18. TOTAL DISBURSEMENTS TO CLAIMANTS TO 31 MARCH 2010 (cont).

Total Disbursements Since 1990 to 31/03/2010	District & IWI	2010	2009	2008
Mōhaka ki Ahuriri				
1,278,435	Maungaharuru Tangitu Society Inc.	34,422	231,090	0
269,100	Ngā Hapū o Te Ahuriri	0	0	0
2,868,536	Ngāti Pāhauwera	1,087,299	706,066	0
43,148	Te Whanganui a Orotū	0	0	0
292,635	Mōhaka Waikare	292,635	0	0
315,984	Mana Ahuriri Incorporated	315,984	0	0
241,475	Ngāti Hineuru	53,189	188,286	0
5,309,313	Total Direct Assistance	1,783,529	1,125,442	0
	District Research Costs	337,288	3,495	0
	District Facilitation Costs	25,330	12,855	4,818
	Total Mōhaka ki Ahuriri Claimant costs	2,146,147	1,141,792	4,818
Southern Hawkes Bay				
129,743	Ngā Tukemata o Ruahine	0	0	0
600,325	He Toa Takitini	265,284	16,805	109,267
730,068	Total Direct Assistance	265,284	16,805	109,267
	District Research Costs	43,816	214,547	960,970
	District Facilitation Costs	3,542	4,323	8,194
	Total Southern Hawkes Bay Claimant costs	312,642	235,675	1,078,431
Taranaki				
313,292	Ngā Iwi o Taranaki/Ngāti Maru	0	0	0
313,292	Total Direct Assistance	0	0	0
National Park				
62,600	Ngāti Rangī Trust	0	0	0
4,000	Southern Whanganui Cluster	0	0	0
297,633	Whanganui Central Claims Charitable Trust	0	0	0
2,000	Whanganui Northern Cluster	0	0	0
366,233	Total Direct Assistance	0	0	0
	District Research Costs	0	139	34,127
	District Facilitation Costs	0	0	15,739
	Total National Park Claimant costs	0	139	49,866

**CROWN FORESTRY RENTAL TRUST – NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

18. TOTAL DISBURSEMENTS TO CLAIMANTS TO 31 MARCH 2010 (cont).

Total Disbursements Since 1990 to 31/03/2010	District & IWI	2010	2009	2008
Whanganui				
297,487	Ngāti Hāua Iwi	98,510	135,477	3,500
79,871	Ngāti Rakeipoho/Hikairo	0	0	0
838,330	Ngāti Rangī Trust	133,979	132,205	115,471
1,238,021	Southern Whanganui Cluster	223,781	113,500	429,264
2,120,530	Te Rūnanga o Ngāti Apa	0	438,148	455,662
915,748	Whanganui Central Claims Charitable Trust	26,814	246,357	327,826
871,773	Whanganui Northern Cluster	37,728	223,833	160,463
851,855	Whanganui River Māori Trust Board	44,788	2,000	0
7,213,615	Total Direct Assistance	565,600	1,291,520	1,537,186
	District Research Costs	162,681	506,341	1,024,972
	District Facilitation Costs	90,904	156,786	173,495
	Total Whanganui Claimant costs	819,185	1,954,647	2,735,653
Rangitikei/Manawatū				
52,452	Ngāti Tamarangi	0	0	0
1,635,915	Tanenuiarangi Manawatu Incorporated	236,013	312,765	369,595
15,000	Muaupoko Tribal Authority	15,000	0	0
40,000	Te Rūnanga o Muaupoko	0	0	0
430,698	Te Rūnanga o Raukawa	5,000	0	0
2,174,065	Total Direct Assistance	256,013	312,765	369,595
	District Research Costs	157,970	0	0
	District Facilitation Costs	18,021	605	797
	Total Rangitikei/Manawatū Claimant costs	432,004	313,370	370,392
Wairarapa				
459,400	Ngā Hapū Karanga o Wairarapa	0	0	0
787,706	Ngāi Tūmāpuhia a Rangī Claims Committee	0	7,500	7,500
646,756	Te Rūnanga o Rangitāne o Wairarapa	21,901	0	18,375
173,500	Ngāti Hinewaka	0	0	0
4,250	Ngāti Te Hore	0	0	0
8,500	Owahanga Roopu	0	0	0
441,529	Rangitāne o Tāmakinui-a-Rua	0	0	0
88,355	Te Rōpu Whenua Ngāi Tūmāpuhiri	0	0	0
10,000	Wairarapa Moana ki Pouakani Inc	0	0	0
2,619,996	Total Direct Assistance	21,901	7,500	25,875

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

18. TOTAL DISBURSEMENTS TO CLAIMANTS TO 31 MARCH 2010 (cont).

Total Disbursements Since 1990 to 31/03/2010	District & IWI	2010	2009	2008
Wairarapa (cont).				
	District Research Costs	0	0	0
	District Facilitation Costs	157	7,287	668
	Total Wairarapa Claimant costs	22,058	14,787	26,543
Te Tau Ihu				
4,753,619	Kurahaupō ki Te Waipounamu Trust	1,338,011	1,250,965	1,191,978
697,716	Ngāti Apa ki Te Waipounamu Trust	0	0	0
594,399	Ngāti Koata nō Rangitoto ki Te Tonga Trust	0	0	0
631,313	Ngāti Kuia Trust Claim Committee	0	0	0
854,097	Ngāti Rarua Trust	0	0	0
587,974	Ngāti Tama Manawhenua ki Te Tau Ihu Trust	0	0	0
4,282,971	Tainui Taranaki ki te Tonga Ltd	1,779,391	884,479	950,739
902,608	Te Atiawa Manawhenua ki Te Tau Ihu Trust	0	0	0
893,360	Te Rūnanga a Ngāti Toa Rangatira	200,000	216,534	81,075
2,236,861	Te Rūnanga o Toa Rangatira Incorporated	462,969	350,483	305,932
601,536	Te Rūnanga o Rangitāne o Wairau	0	0	0
52,500	Wakatū Incorporated	0	0	0
17,088,954	Total Direct Assistance	3,780,371	2,702,461	2,529,724
	District Research Costs	131,627	42,375	228,064
	District Facilitation Costs	148,654	4,070	74,982
	Total Te Tau Ihu Claimant costs	4,060,652	2,748,906	2,832,770
Southern South Island				
1,149,337	Ngāi Tahu Māori Trust Board	0	0	0
1,149,337	Total Direct Assistance	0	0	0
127,888,361	TOTAL DIRECT ASSISTANCE TO CLAIMANTS	22,211,906	21,041,197	8,349,538
	Total District Research Costs	6,215,517	4,345,625	5,150,547
	Total District Facilitation Costs	1,132,024	1,622,506	963,520
	TOTAL DIRECT SERVICES TO CLAIMANTS	29,559,447	27,009,328	14,463,605
	Other Research Costs	1,456,536	1,220,285	1,051,590
	Other Facilitation Costs	3,483,554	3,005,220	1,881,578
	TOTAL ASSISTANCE TO CLAIMANTS	34,499,537	31,234,833	17,396,773

**CROWN FORESTRY RENTAL TRUST – NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

19. FOREST RENTAL PROCEEDS HELD IN TRUST TO 31 MARCH 2010

	Forest No.	Opening Balance	Opening Adjustments	Current Year Received \$	Current Year Distributions \$	Total held in Trust \$
Northland						
Aupouri	1	9,908,108	(2,770)	445,000		10,350,338
Otangaroa	2	2,523,165	(1,284)	120,000		2,641,881
Waitangi	3	1,637,955		93,000		1,730,955
Glenbervie	4	7,609,615		457,109		8,066,724
Auckland						
Mangawhai	6	1,133,700	(49,817)	57,660		1,141,543
Woodhill	7	19,959,702		1,348,000		21,307,702
Riverhead	8	9,311,398		322,700		9,634,098
Maramarua	11	10,727,257		506,900		11,234,157
Whangapoua	12	5,503,234		187,000		5,690,234
Kauaeranga	13	262,792		12,900		275,692
Waihou	14	1,636,155		79,500		1,715,655
Tairua	15	12,938,209		570,600		13,508,809
Athenree	16	2,261,824		107,400		2,369,224
Whangamatā	60	26,600		26,600		53,200
Central North Island						
Rotoehu	17	13,408,151	(6,729)	742,572	(4,635,482)	9,508,512
Horohero	18	1,715,295		77,488	(1,792,783)	0
Whakarewarewa	19	10,870,410		495,703	(11,366,113)	0
Crater	20	1,906,209	62,837	101,092	(2,070,138)	0
Kāingaroa	21	224,786,518		13,022,262	(237,808,780)	0
Waimihia	22	26,620,536		1,688,818	(28,309,354)	0
Marotiri	23	322,261	(56,011)	11,884	(278,134)	0
Pirongia	24	331,744		17,000		348,744
Tawarau	25	1,545,889		98,000		1,643,889
Mangaokewa	26	873,072		45,000		918,072
Pureora South	27	824,680		35,000	(859,680)	0
Pureora North	27	757,934	25,600	9,845		793,379
Waituhi	28	650,713		35,000	(685,713)	0
Taurewa	29	777,498		45,000	(822,498)	0
East Coast						
Ruatōria	32	5,714,301		331,500		6,045,801
Tokomaru	33	5,366,157		341,700		5,707,857
Mangatū	34	7,975,176		542,961		8,518,137
Wharerata	35	7,491,751	(2,417)	380,000		7,869,334
Patunamu	36	4,099,779	(3,448)	230,000		4,326,331

**CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

19. FOREST RENTAL PROCEEDS HELD IN TRUST TO 31 MARCH 2010 (cont).

	Forest No.	Opening Balance	Opening Adjustments	Current Year Received \$	Current Year Distributions \$	Total held in Trust \$
Hawkes Bay						
Mōhaka	37	13,627,786		725,900		14,353,686
Esk	38	6,769,163		360,400		7,129,563
Kāweka	39	4,486,801		220,800		4,707,601
Gwavas	40	5,999,109	(122)	292,900		6,291,887
Southern North Island						
Erua	41	52,297		2,000		54,297
Karioi	42	7,283,607		164,400		7,448,007
Te Wera	43	1,750,056		84,000		1,834,056
Lismore Hill *	44	3,826,747		240,335		4,067,082
Lismore Sand *	45	1,411,855		76,000		1,487,855
Santoft *	46	3,810,339	200	125,000		3,935,539
Tangimoana	47	582,731		16,000		598,731
Waitārere	48	2,172,547		109,859		2,282,406
Manakau	49	326,094		22,683		348,777
Ngāumu	51	10,274,505	(1,815)	600,000		10,872,690
Nelson						
Golden Bay	52	169,491		18,088		187,579
Motueka	53	2,501,361	200	154,078		2,655,639
Golden Downs East	54	14,719,530	(66,200)	814,000		15,467,330
Golden Downs West	54	15,583,630	66,200	881,000		16,530,830
Waimea	55	2,962,027		137,919		3,099,946
Rai	56	6,647,387		398,000		7,045,387
Hira	57	3,820,690		182,931		4,003,621
Queen Charlotte	58	885,297		56,445		941,742
Wairau	59	6,436,886		397,000		6,833,886
Total Forest Rental Proceeds		517,577,724	(35,576)	28,664,932	(288,628,675)	257,578,405
* Forests or part of forests expected to be settled in the following financial year.						
Current/Non Current Split of Rental Proceeds Held				2010 \$		2009 \$
Current				6,210,347		277,585,246
Non Current				251,368,058		239,992,478
				257,578,405		517,577,724

CROWN FORESTRY RENTAL TRUST - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

19. FOREST RENTAL PROCEEDS HELD IN TRUST TO 31 MARCH 2010 (cont).

Explanation for Opening Adjustments

The Trust has reconciled its records of rentals held for each forest with those records held by LINZ for the last 20 years. This was a one-off reconciliation exercise undertaken in the lead up to the CNI Settlement and subsequently completed for all forests. The results of the exercise are set out under the column Opening Adjustments.

The Opening Adjustments are historical adjustments, correcting mis-coding of forestry licence fees or interest earned over the years that should have been recorded in the Statement of Comprehensive Income. The net effect of the reconciliation exercise is \$35,576 and has been taken to the Statement of Comprehensive Income as Other Income.



**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 and its financial position as at 31 March 2010. 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 2010 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 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 our agreed-upon-procedures work performed in relation to the Central North Island Collective and Te Pumautanga Trust settlements in July 2009, we have no relationship with or interests in Crown Forestry Rental Trust.

Unqualified Opinion

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

In our opinion:

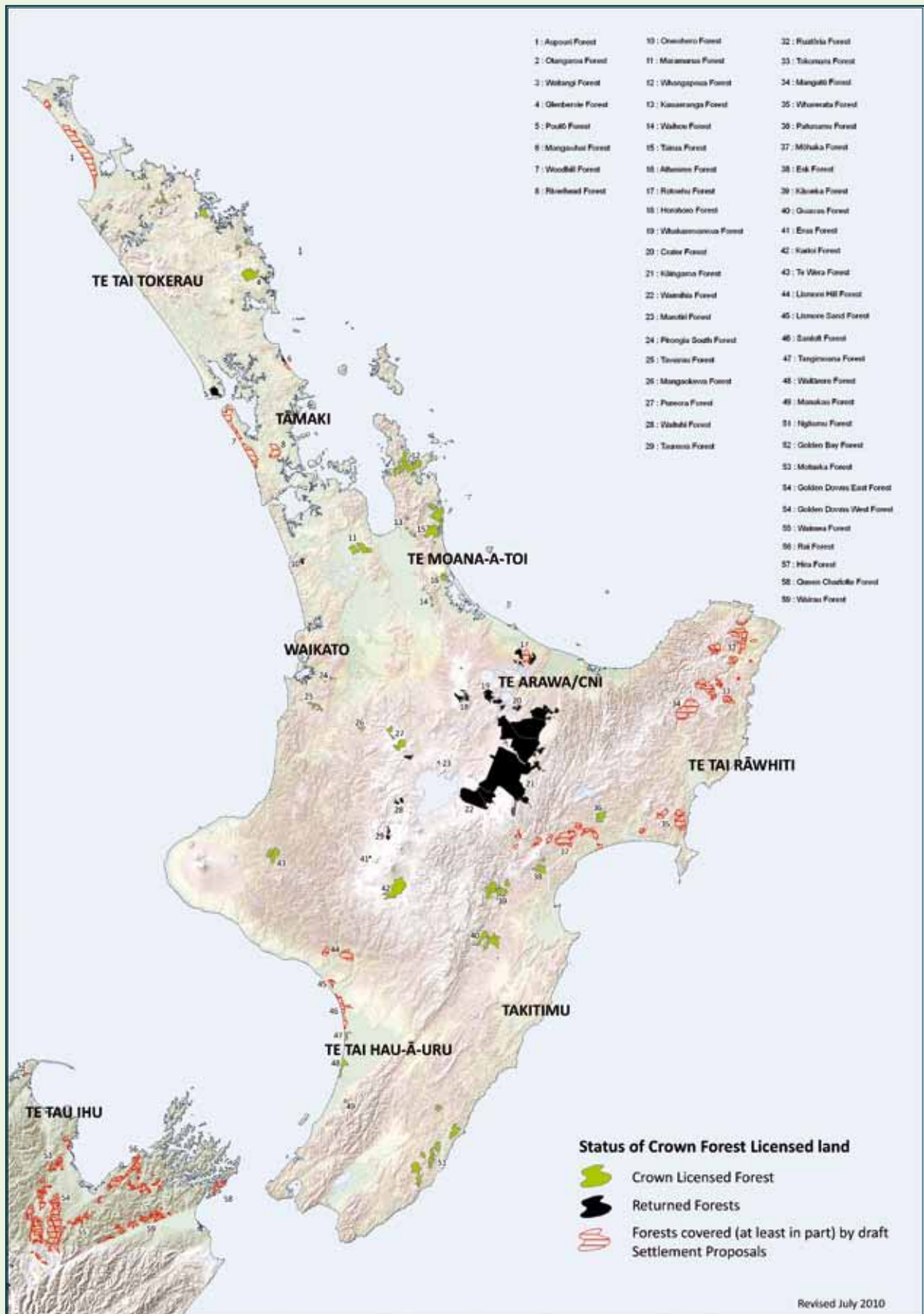
- proper accounting records have been kept by Crown Forestry Rental Trust as far as appears from our examination of those records; and
- the financial statements on pages 10 to 40:
 - comply with generally accepted accounting practice in New Zealand; and
 - give a true and fair view of the financial position of Crown Forestry Rental Trust as at 31 March 2010 and the results of its operations and cash flows for the year ended on that date.

Our audit was completed on 25 May 2010 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 2010 included on Crown Forestry Rental Trust's website. The Board of Trustees is responsible for the maintenance and integrity of Crown Forestry Rental Trust's website. We have not been engaged to report on the integrity of Crown Forestry Rental 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 date 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.

Crown Forest Licensed Land



Crown Forestry Rental Trust

Directory

TRUSTEES:

Sir Graham Latimer (Chairman) Māori Appointor
Gregory Fortuin Crown Appointor
Angela Foulkes Crown Appointor
Paul Morgan Māori Appointor
Alan Haronga Māori Appointor
John Wilson (appointed June 2009) Crown Appointor

APPOINTED BY:

SENIOR MANAGEMENT

Darrin Sykes Chief Executive
Jason Ake Strategic Relationships Manager
Leah Campbell Director Service Delivery
Andrew French Chief Operating Officer

CROWN FORESTRY RENTAL TRUST

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Ph: 07 349 6438
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Ngā Kaitiaki Rēti Ngahere Karauna
CROWN FORESTRY RENTAL TRUST

