



TE HĀ O TĀNEMAHUTA  
*Forestry Emission Unit Trust*

# Annual Report

For the year ending

**31<sup>st</sup> March 2013**

**FORESTRY EMISSION UNIT TRUST  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2013**

<b>INDEX</b>	<b>PAGE</b>
Statement of Comprehensive Income	2
Statement of Changes in Equity	3
Statement of Financial Position	4
Statement of Cash Flows	5
Notes to the Financial Statements	6-15
Auditor's Report	16
Directory	17

**FORESTRY EMISSION UNIT TRUST  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 \$	2012 \$
<b>INCOME</b>			
<b>Administration</b>			
Grant Revenue for Administration		128,374	297,000
Administration Expenses	3	(113,289)	(210,673)
<b>Operating Surplus</b>		<u>15,085</u>	<u>86,327</u>
<b>NZ Units</b>			
Net Grant Revenue for NZ Units	8	6,235,593	15,913,492
NZ Units held in Trust		(6,235,593)	(15,913,492)
<b>Total NZ Units</b>		<u>-</u>	<u>-</u>
<b>Impairment of NZ Units</b>			
Revaluation of NZ Units held in Trust		11,173,846	2,240,335
Impairment of NZ Units	8	(11,173,846)	(2,240,335)
<b>Total Impairment of NZ Units</b>		<u>-</u>	<u>-</u>
<b>Surplus before tax</b>		15,085	86,327
Tax Expense	5	5,457	43,701
<b>TOTAL SURPLUS FOR THE PERIOD</b>		<u><b>9,628</b></u>	<u><b>42,626</b></u>
Other Comprehensive Income		-	-
<b>TOTAL COMPREHENSIVE SURPLUS FOR THE PERIOD</b>		<u><b>9,628</b></u>	<u><b>42,626</b></u>

**FORESTRY EMISSION UNIT TRUST  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	\$	\$	\$
		Trust Capital	Retained Earnings	Total Equity
Balance at 1 April 2011		-	-	-
<b>Total comprehensive surplus for the period</b>				
Surplus for the Period		-	42,626	42,626
Other Comprehensive Income		-	-	-
<b>Total comprehensive surplus for the period</b>		<u>-</u>	<u>42,626</u>	<u>42,626</u>
<b>Transactions directly with owners, recorded directly in equity</b>				
Trust Capital received from Settlor		10	-	10
<b>BALANCE AT 31 MARCH 2012</b>		<u><b>10</b></u>	<u><b>42,626</b></u>	<u><b>42,636</b></u>
<b>Total comprehensive surplus for the period</b>				
Surplus for the Period		-	9,628	9,628
Other Comprehensive Income		-	-	-
<b>Total comprehensive surplus for the period</b>		<u>-</u>	<u>9,628</u>	<u>9,628</u>
<b>BALANCE AT 31 MARCH 2013</b>		<u><b>10</b></u>	<u><b>52,254</b></u>	<u><b>52,264</b></u>

**FORESTRY EMISSION UNIT TRUST  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2013**

	Note	2013 \$	2012 \$
<b>EQUITY</b>			
Trust Capital		10	10
Retained Earnings		52,254	42,626
<b>TOTAL EQUITY</b>		<b>52,264</b>	<b>42,636</b>
Total Equity Represented by:			
<b>CURRENT ASSETS</b>			
Cash at Bank	6	65,228	102,170
NZ Units	8	4,341,948	3,147,003
GST Refundable		-	25,433
		<b>4,407,176</b>	<b>3,274,606</b>
<b>NON CURRENT ASSETS</b>			
NZ Units	8	4,392,956	10,526,154
Intangible Assets	7	6,726	11,473
		<b>4,399,682</b>	<b>10,537,627</b>
<b>TOTAL ASSETS</b>		<b>8,806,858</b>	<b>13,812,233</b>
<b>CURRENT LIABILITIES</b>			
Trade Payables		3,650	52,739
GST Payable		10,682	-
Current Taxation	5	5,358	43,701
Current NZ Units held in Trust	14	4,341,948	3,147,003
		<b>4,361,638</b>	<b>3,243,443</b>
<b>NON CURRENT LIABILITIES</b>			
Non Current NZ Units held in Trust	14	4,392,956	10,526,154
<b>TOTAL LIABILITIES</b>		<b>8,754,594</b>	<b>13,769,597</b>
<b>NET ASSETS</b>		<b>52,264</b>	<b>42,636</b>

These financial statements were approved on the 18th of June 2013. Signed for and on behalf of the Board of Trustees.



Angela Foulkes  
Chairperson  
Forestry Emission Unit Trust



Alan Haronga  
Trustee  
Forestry Emission Unit Trust

**FORESTRY EMISSION UNIT TRUST  
STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2013**

	Note	2013 \$	2012 \$
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>			
Cash was provided from:			
Grant Income		128,374	297,000
Cash was applied to:			
Payment of Administration Expenses		(151,228)	(162,044)
Payment of Income Tax		(43,800)	-
Net GST		29,712	(18,554)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	4	<b><u>(36,942)</u></b>	<b><u>116,402</u></b>
<b>CASH FLOWS (USED IN) INVESTING ACTIVITIES</b>			
Cash was applied to:			
Purchase of Intangible Assets (excluding NZUs)		-	(14,242)
<b>NET CASH OUTFLOWS FROM INVESTING ACTIVITIES</b>		<b><u>-</u></b>	<b><u>(14,242)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash was provided from:			
Trust Capital Received		-	10
<b>NET CASH INFLOWS FROM FINANCING ACTIVITIES</b>		<b><u>-</u></b>	<b><u>10</u></b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(36,942)</b>	<b>102,170</b>
Cash at Beginning of the Period		102,170	-
<b>CASH AT END OF THE PERIOD</b>		<b><u>65,228</u></b>	<b><u>102,170</u></b>
Represented by:			
Cash at Bank		65,228	102,170
		<b><u>65,228</u></b>	<b><u>102,170</u></b>

**FORESTRY EMISSION UNIT TRUST - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

**1 STATEMENT OF ACCOUNTING POLICIES**

**Reporting Entity**

These financial statements are presented for the reporting entity Forestry Emission Unit Trust ("the Trust").

The financial statements have been prepared in accordance with the Trust Deed dated 19 April 2011 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.

The Trust qualifies for Differential Reporting exemptions as it has no public accountability, does not have the coercive power to tax, rate, or levy and meets the relevant size criteria. All available reporting exemptions allowed under the Framework for Differential Reporting have been adopted, with the exception of:

- NZ IAS 7 - Statement of Cash Flows

**Standards and Interpretations Issued But Not Yet Effective**

At the date of authorisation of these financial statements there are no 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.

**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.

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

**Significant Accounting Policies**

**(i) Grant Revenue**

Grant Revenue - For Administration

Government funding for administration is recognised based on the amount receivable for the financial year under the terms of the funding agreement

Grant Revenue - NZ Units ('NZUs')

NZUs are initially recorded at their fair value as a government grant and an intangible asset when they are allocated to the Trust. At the same time, an equal expense is recognised in the Statement of Comprehensive Income to record the liability the Trust has to transfer the NZUs to beneficiaries of the Trust.

**(ii) Interest Revenue**

Interest income on bank accounts is recognised under the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period (including all fees and points paid or received between the parties to the contract that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period to the net carrying amount of the financial instrument.

**(iii) Income Tax**

The income tax expense recognised in the Statement of Comprehensive Income is the estimated income tax payable in the current period, adjusted for any differences between the estimated and actual income tax payable in prior periods.

**FORESTRY EMISSION UNIT TRUST - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

**1 STATEMENT OF ACCOUNTING POLICIES (cont).**

**(iv) Goods and Services Tax**

All amounts are shown exclusive of GST, except for receivables and payables that are stated inclusive of GST.

**(vi) Intangibles**

Intangible assets excluding NZ Units 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.

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:

<b>Asset Category</b>	<b>Expected Life</b>	<b>Rate</b>	<b>Method</b>
Website Development	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.

**(vii) NZ Units and NZ Units Held on Trust**

The NZ Units relating to forests that were Crown forest licensed land on 19th July 2010 are recorded when the NZ Units are registered in the name of the Trust. The NZ Units received are initially recorded at fair value in the Statement of Comprehensive Income and the Statement of Financial Position. As the NZ Units are held in trust on behalf of future claimants a corresponding liability is recorded within the Statement of Financial Position as the Trust has a contractual obligation to hold all NZUs in Trust on behalf of beneficiaries until the settlement is enacted under an Act of Parliament at which time the NZU's must be transferred to them.

Subsequent to initial recognition, the NZ Units are recorded at cost (being fair value at date of registration) less accumulated impairment losses.

**(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.

**(x) Financial Instruments**

Non derivative financial assets are classified and measured at amortised cost when the asset is held within the Trust's business model where the objective is to collect the contractual cash flows and those contractual cash flows consist solely of payments of principal and interest on specified dates. Financial assets measured at amortised cost are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment.

**Cash and Cash Equivalents**

Cash and cash equivalents comprise cash held in bank accounts 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.



**FORESTRY EMISSION UNIT TRUST - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

**1 STATEMENT OF ACCOUNTING POLICIES (cont).**

**Accrued Interest**

Accrued interest comprises the interest earned but not yet received on bank accounts. Accrued interest is recorded separately to the underlying bank accounts on the Statement of Financial Position.

**Receivables**

Receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method and 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.

**Payables**

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

**(xi) Impairment**

The carrying amount of the Trust's assets are reviewed at each balance date to determine whether there is any indication of impairment. If such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the the carrying amount of assets and are recognised in the Statement of Comprehensive Income.

**(xii) Comparatives**

Comparative figures represent the 10 month period ended 31 March 2012.

**(xiii) Statement of Cash Flows**

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

*Investing activities* are activities relating to the purchase and disposal of intangible assets (excluding NZUs).

*Financing activities* comprise the changes in Trust Capital.

**(xiv) Changes in Accounting Policies**

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

**2 NATURE OF ACTIVITIES**

The Forestry Emission Unit Trust was established on 19 April 2011 to hold NZ Units issued in relation to Crown forest licensed land.

The NZ Units received from the Ministry for Primary Industries and are held in trust on behalf of future beneficiaries. They are recorded as a Trust asset with a corresponding liability to beneficiaries within the Statement of Financial Position.

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

**3 ADMINISTRATIVE EXPENDITURE**

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

<b>Administrative Expenditure:</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Administrative and Office Support	68,320	152,643
Amortisation	4,747	2,769
Audit Fees	4,000	5,750
Communication Costs	873	4,751
Interest Expense	3,215	-
Trustee Fees	30,875	38,500
Trustee Travel and Meeting Costs	239	2,019
Other	1,020	4,240
	<b>113,289</b>	<b>210,673</b>

FORESTRY EMISSION UNIT TRUST - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013

4 RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO TOTAL COMPREHENSIVE SURPLUS

	2013 \$	2012 \$
<b>TOTAL COMPREHENSIVE SURPLUS FOR THE PERIOD</b>	<u>9,628</u>	<u>42,626</u>
<b>Items Not Involving Cash</b>		
Amortisation Expense	4,747	2,769
<b>Impact of Changes in Working Capital</b>		
Movement in Trade and Other Payables	(49,089)	52,739
Movement in GST Payable	36,115	(25,433)
Movement in Income Tax Payable	(38,343)	43,701
<b>Net Cash Flow from Operating Activities</b>	<u>(36,942)</u>	<u>116,402</u>

5 TAXATION

	2013 \$	2012 \$
<b>Reconciliation of Effective Tax Rate</b>		
Surplus before tax	15,085	86,327
Income tax using the Trust tax rate (33%)	<u>4,978</u>	<u>28,488</u>
<b>Adjustments</b>		
Non-assessable income	-	-
Non-deductible expenses	479	15,213
Income tax expense	<u>5,457</u>	<u>43,701</u>
<b>Tax Payable per Statement of Financial Position</b>		
Income tax expense	5,457	43,701
Income tax on other comprehensive income	-	-
Tax Paid	(99)	-
<b>Tax Payable</b>	<u>5,358</u>	<u>43,701</u>

6 FINANCIAL INSTRUMENTS

(a) *Foreign Exchange Risk*

The Trust has no exposure to foreign exchange risk.

6 FINANCIAL INSTRUMENTS (cont.)

(b) *Credit Risk*

Financial instruments, which are potentially subject to credit risk, consist primarily of bank accounts. The Trust may be subject to losses up to the value of \$65,228 as at 31 March 2013 in the event of non-performance by all counter-parties. The Trust does not expect losses to occur as these instruments are comprised of balances 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 2013.

(c) *Interest Rate Risk*

The Trust's primary interest rate risk is on the Trust's bank account. The Trust only holds cash for meeting operational expenses.

(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 and by continuously monitoring forecast and actual cash flows.

(f) *Capital Risk Management*

The Trust manages its retained earnings to ensure that the Trust is able to continue as a going concern. There are no externally imposed capital requirements.

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

**FORESTRY EMISSION UNIT TRUST - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

**7 INTANGIBLE ASSETS**

<b>Intangible Assets – Website Development</b>	<b>2013</b>	<b>2012</b>
	\$	\$
Cost at Beginning of Year	14,242	-
Additions	-	14,242
Cost at End of Year	<u>14,242</u>	<u>14,242</u>
Amortisation at Beginning of Year	2,769	-
Annual Amortisation	4,747	2,769
Amortisation at End of Year	<u>7,516</u>	<u>2,769</u>
<b>Net Intangibles</b>	<b><u>6,726</u></b>	<b><u>11,473</u></b>

**8 NZ UNITS**

	<b>2013</b>		
	Value on Issue		
	Units	Date	\$
Additions - 3 December 2012	67,893	2.65	179,916
Additions - 11 February 2013	1,933,756	2.27	4,389,625
Additions - 12 February 2013	61,877	2.10	129,942
Additions - 25 February 2013	798,886	1.70	1,358,106
Additions - 26 February 2013	3,190	1.62	5,168
Additions - 26 February 2013	106,689	1.62	172,836
			<u>6,235,593</u>
Opening Market Value			13,673,157
Total Unit Value			<u>19,908,750</u>
Impairment			11,173,846
<b>Closing Market Value</b>			<b><u>8,734,904</u></b>
Current			4,341,948
Non-current			<u>4,392,956</u>
			<b><u>8,734,904</u></b>

	<b>2012</b>		
	Value on Issue		
	Units	Date	\$
Additions - 21 September 2011	39,375	14.42	567,788
Additions - 28 November 2011	508,382	11.15	5,668,459
Additions - 15 February 2012	1,230,572	7.85	9,659,990
Additions - 27 February 2012	2,030	8.50	17,255
			<u>15,913,492</u>
Impairment			2,240,335
<b>Closing Market Value</b>			<b><u>13,673,157</u></b>
Current			3,147,003
Non-current			<u>10,526,154</u>
			<b><u>13,673,157</u></b>

NZ Units are emissions units used in New Zealand to comply with the emissions trading scheme. Each NZ Unit represents one metric tonne of carbon dioxide, or the equivalent of any other greenhouse gas.

**FORESTRY EMISSION UNIT TRUST - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

**9 TRUSTEE FEES AND KEY MANAGEMENT PERSONNEL**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Trusteeship/Governance	30,875	38,500

The Trustee fees are determined by the Minister for the Environment. The fees for the first year for the Chairperson are set at an annual maximum of \$12,000, with other Trustees capped to an annual maximum of \$6,000.

The Trustees attend regular meetings during the period to deal with governance issues of the Trust.

<b>Fees received by Trustees</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Ms Angela Foulkes (Chairperson)	6,875	5,500
Mr Paul Morgan (term ended 30 June 2012)	3,250	11,000
Hon Sir Taihākurei (Edward) Durie (appointed 1 July 2012)	2,250	-
Mr Alan Haronga	4,625	5,500
Mr Alexander (John) Wilson	4,625	5,500
Mr C Maanu Paul	4,625	5,500
Mr Guy Royal	4,625	5,500
	<b>30,875</b>	<b>38,500</b>

**Key Management Personnel**

The Trust maintains an active register which records potential conflicts of interest whereby both the Secretary and Trustees are required to disclose any interests associated with their Iwi group or affiliations.

**10 RELATED PARTY TRANSACTIONS**

<b>Trustee Affiliations</b>	<b>Role</b>	<b>2013</b>	<b>Provision</b>
		<b>\$</b>	<b>for</b>
All trustees	Trustees of Crown Forestry Rental Trust	54,000	Administration Services
Ministry for the Environment	Minister is the appointor of trustees	128,374	Grant Income

  

<b>Trustee Affiliations</b>	<b>Role</b>	<b>2012</b>	<b>Provision</b>
		<b>\$</b>	<b>for</b>
All trustees	Trustees of Crown Forestry Rental Trust	90,000	Administration Services
Ministry for the Environment	Minister is the appointor of trustees	297,000	Grant Income

All trustees are trustees of Crown Forestry Rental Trust which received \$54,000 during the period to 31 March 2013 (2012: \$90,000) for the provision of administration and secretarial services.

The Minister for Climate Change has the power to appoint and remove trustees of the Trust. The Minister for Climate Change is also the Minister for the Environment. The Ministry for the Environment provided \$128,374 in Grant Income to the Trust during the period to 31 March 2013 (2012: \$297,000).

A number of Trustees have affiliations to certain Iwi that may receive NZ Units from the Trust. As noted in Note 9 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.

**11 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 March 2013 (2012: Nil).

**FORESTRY EMISSION UNIT TRUST - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

**12 COMMITMENTS**

**Capital Commitments**

The Trust has no capital commitments at 31 March 2013 (2012: Nil).

**13 DEEDS OF SETTLEMENT**

**Ngāti Whātua o Kaipara**

On 9 September 2011, the Crown and Ngāti Whātua o Kaipara signed a Deed of Settlement. Legislation to give effect to the settlement is currently before the House and is expected to be enacted in June 2013.

The impact of the settlement will be to distribute to Ngāti Whātua o Kaipara 100% of the NZ Units Held in Trust for Woodhill Crown Forest Licensed land. As at 31 March 2013 this would be approximately \$375,465.

The Deed of Settlement also provides for Ngāti Whātua o Kaipara to purchase a portion of the Riverhead Forest if it is not used in another settlement. As at 31 March 2013 the NZ Units Held in Trust for this portion would be approximately \$39,519.

**Ngāti Toa**

On 7 December 2012, the Crown and Ngāti Toa Rangatira signed a Deed of Settlement. Legislation to give effect to the settlement is expected to be introduced mid-2013.

The impact of the settlement will be to distribute to Ngāti Toa Rangatira 100% of the NZ Units Held in Trust for Golden Downs East Crown Forest Licensed land and a portion of the NZ Units Held in Trust for each of the Queen Charlotte and Golden Downs West Crown Forest Licensed lands. As at 31 March 2013 this would be approximately \$1,035,380.

**Ngāti Tama ki Te Tau Ihu**

On 20 April 2013, the Crown and Ngāti Tama ki Te Tau Ihu signed a Deed of Settlement. Legislation to give effect to the settlement is expected to be introduced mid-2013.

The impact of the settlement will be to distribute to Ngāti Tama ki Te Tau Ihu 100% of the NZ Units Held in Trust for Golden Bay Crown Forest Licensed land and a portion of the NZ Units Held in Trust for Rai, Golden Downs West and Motueka Crown Forest Licensed lands. As at 31 March 2013 this would be approximately \$336,079.

**Ngāti Rārua**

On 13 April 2013, the Crown and Ngāti Rārua signed a Deed of Settlement. Legislation to give effect to the settlement is expected to be introduced mid-2013.

The impact of the settlement will be to distribute to Ngāti Rārua 100% of the NZ Units Held in Trust for Wairau Crown Forest Licensed land and a portion of the NZ Units Held in Trust for Motueka Crown Forest Licensed land. As at 31 March 2013 this would be approximately \$349,406.

**Te Atiawa o Te Waka-a-Maui**

On 21 December 2012, the Crown and Te Atiawa o Te Waka-a-Maui signed a Deed of Settlement. Legislation to give effect to the settlement is expected to be introduced mid-2013.

The impact of the settlement will be to distribute to Te Atiawa o Te Waka-a-Maui a portion of the NZ Units Held in Trust for Rai, Golden Downs West, Motueka and Queen Charlotte Crown Forest Licensed lands. As at 31 March 2013 this would be approximately \$318,551.

**Ngāti Kōata**

On 21 December 2012, the Crown and Ngāti Kōata signed a Deed of Settlement. Legislation to give effect to the settlement is expected to be introduced mid-2013.

The impact of the settlement will be to distribute to Ngāti Kōata all of the NZ Units Held in Trust for Hira and Waimea Crown Forest Licensed lands. As at 31 March 2013 this would be approximately \$256,356.

**Raukawa**

On 2 June 2012, the Crown and Raukawa signed a Deed of Settlement. Legislation to give effect to the settlement is expected to be introduced mid-2013.

The impact of the settlement will be to distribute to Raukawa a portion of the NZ Units Held in Trust for Pureora North Crown Forest Licensed land. As at 31 March 2013 this would be approximately \$8,007.

**FORESTRY EMISSION UNIT TRUST - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

**13 DEEDS OF SETTLEMENT (cont.)**

**Ngai Takoto**

On 27 October 2012, the Crown and Ngai Takoto signed a Deed of Settlement. Legislation to give effect to the settlement is expected to be introduced mid-2013.

The impact of the settlement will be to distribute to Ngai Takoto a portion of the NZ Units Held in Trust for Aupouri Crown Forest Licensed land. As at 31 March 2013 this would be approximately \$145,497.

**Te Rarawa**

On 28 October 2012, the Crown and Te Rarawa signed a Deed of Settlement. Legislation to give effect to the settlement is expected to be introduced mid-2013.

The impact of the settlement will be to distribute to Te Aupouri a portion of the NZ Units Held in Trust for Aupouri Crown Forest Licensed land. As at 31 March 2013 this would be approximately \$145,497.

**Te Aupouri**

On 28 January 2012, the Crown and Te Aupouri signed a Deed of Settlement. Legislation to give effect to the settlement is expected to be introduced mid-2013.

The impact of the settlement will be to distribute to Te Aupouri a portion of the NZ Units Held in Trust for Aupouri Crown Forest Licensed land. As at 31 March 2013 this would be approximately \$145,497.

**FORESTRY EMISSION UNIT TRUST - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

**14 NZ UNITS HELD IN TRUST TO 31 MARCH 2013**

	<b>Forest No.</b>	<b>Opening Balance Units</b>	<b>Current Period Additions Units</b>	<b>Disbursed Units</b>	<b>Closing Balance Units</b>	<b>Total held in Trust \$</b>
<b>Northland</b>						
Aupouri *	1	145,082	227,986	-	373,068	727,483
Otangaroa	2	19,194	30,162	-	49,356	96,244
Waitangi	3	14,063	22,099	-	36,162	70,516
Glenbervie	4	50,624	79,552	-	130,176	253,843
<b>Auckland</b>						
Mangawhai *	6	4,830	7,590	-	12,420	24,219
Woodhill *	7	74,879	117,667	-	192,546	375,465
Riverhead	8	26,271	41,283	-	67,554	131,730
Maramarua	11	36,666	57,618	-	94,284	183,854
Whangapoua	12	60,235	94,655	-	154,890	302,036
Kauaeranga	13	2,030	3,190	-	5,220	10,179
Waihou	14	10,689	16,797	-	27,486	53,598
Tairua	15	73,717	115,841	-	189,558	369,638
Athenree	16	6,832	10,736	-	17,568	34,258
Whangamata	60	1,778	2,794	-	4,572	8,915
<b>Central North Island</b>						
Rotoehu *	17	16,233	25,509	-	41,742	81,397
Pirongia	24	1,911	3,003	-	4,914	9,582
Tawarau	25	9,436	14,828	-	24,264	47,315
Mangaokewa	26	5,285	8,305	-	13,590	26,501
Pureora North *	27	9,394	14,762	-	24,156	47,104
<b>East Coast</b>						
Ruatoria *	32	84,917	133,441	(84,917)	133,441	260,210
Tokomaru *	33	68,579	107,767	(68,579)	107,767	210,146
Mangatu	34	78,834	123,882	-	202,716	395,296
Wharerata *	35	51,345	80,685	-	132,030	257,459
Patunamu	36	27,468	43,164	-	70,632	137,732
<b>Hawkes Bay</b>						
Mohaka *	37	99,589	156,497	(99,589)	156,497	305,169
Esk	38	44,086	69,278	-	113,364	221,060
Kaweka	39	47,586	74,778	-	122,364	238,610
Gwavas	40	47,852	75,196	-	123,048	239,944

**FORESTRY EMISSION UNIT TRUST - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

**14 NZ UNITS HELD IN TRUST TO 31 MARCH 2013 (cont.)**

	<b>Forest No.</b>	<b>Opening Balance Units</b>	<b>Current Period Additions Units</b>	<b>Disbursed Units</b>	<b>Closing Balance Units</b>	<b>Total held in Trust \$</b>
<b>Southern North Island</b>						
Erua	41	588	924	-	1,512	2,948
Karioi	42	-	174,582	-	174,582	340,435
Te Wera	43	22,722	35,706	-	58,428	113,935
Lismore Hill	44	32,739	51,447	-	84,186	164,163
Lismore Sand	45	6,636	10,428	-	17,064	33,275
Santoft	46	29,729	46,717	(20,125)	56,321	109,826
Tangimoana	47	5,726	8,998	-	14,724	28,712
Waitarere	48	14,049	22,077	-	36,126	70,446
Manakau	49	2,058	3,234	-	5,292	10,319
Ngaumu	51	87,066	136,818	-	223,884	436,574
<b>Nelson</b>						
Golden Bay *	52	2,282	3,586	-	5,868	11,443
Motueka *	53	28,861	45,353	-	74,214	144,717
Golden Downs East *	54	110,264	173,272	-	283,536	552,895
Golden Downs West *	54	135,828	213,444	-	349,272	681,080
Waimea *	55	25,109	39,457	-	64,566	125,904
Rai *	56	56,105	88,165	-	144,270	281,327
Hira *	57	27,811	43,703	-	71,514	139,452
Queen Charlotte *	58	13,223	20,779	-	34,002	66,304
Wairau *	59	60,158	94,534	-	154,692	301,646
<b>Total NZ Units Held in Trust</b>		<b>1,780,359</b>	<b>2,972,289</b>	<b>(273,210)</b>	<b>4,479,438</b>	<b>8,734,904</b>

\* Forests or part of forests expected to be settled in the following financial year.  
The NZ Units held in trust in relation to these forests are recognised as a current liability.

	<b>2013 \$</b>	<b>2012 \$</b>
<b>Current/Non Current Split of NZ Units Held</b>		
Current	4,341,948	3,147,003
Non Current	4,392,956	10,526,154
	<b>8,734,904</b>	<b>13,673,157</b>



## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FORESTRY EMISSION UNIT TRUST

### Report on the Financial Statements

We have audited the financial statements of the Forestry Emission Unit Trust on pages 2 to 15, which comprise the statement of financial position as at 31 March 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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.

### *Trustees' Responsibility for the Financial Statements*

The Board of Trustees are responsible for the preparation and fair presentation of financial statements, in accordance with generally accepted accounting practice in New Zealand, and for such internal control as the Board of Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibilities*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor, we have no relationship with or interests in the Forestry Emission Unit Trust.

### *Opinion*

In our opinion, the financial statements on pages 2 to 15 present fairly, in all material respects, the financial position of The Forestry Emission Unit Trust as at 31 March 2013, and its financial performance and cash flows for the year ended on that date in accordance with generally accepted accounting practice in New Zealand.



**Chartered Accountants**  
18 June 2013  
Wellington, New Zealand

## **FORESTRY EMISSION UNIT TRUST**

### **Directory**

#### **TRUSTEES**

Angela Foulkes (Chairman)  
Hon Sir Taihākurei (Edward) Durie (appointed 1 July 2012)  
Guy Royal  
C Maanu Paul  
Alan Haronga  
John Wilson

#### **TRUST SECRETARY**

Darrin Sykes

## **FORESTRY EMISSION UNIT TRUST**

Level 7

135 Victoria Street

P O Box 2219

Wellington

NEW ZEALAND

Telephone: 04 915 1500

Facsimile: 04 916 7806

Toll Free: 0800 CFRT CFRT  
0800 2378 2378

Email: [contact@feut.org.nz](mailto:contact@feut.org.nz)

Website: [www.feut.org.nz](http://www.feut.org.nz)