Woodleigh Forest Limited

Financial Report
For the Year Ended
29 February 2016

SILKS AUDIT
SA
CHARTERED ACCOUNTANTS

Woodleigh Forest Limited

Financial Statements
for the Year Ended 29 February 2016

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Woodleigh Forest Limited

Client Directory
For the Year Ended 29 February 2016

Director

Roger Ralph Dickie
Awatea
State Highway 3
Waverley

Registered Office

87 Weraroa Road
Waverley

Accountants

Markhams Waverley Limited
87 Weraroa Road
Waverley

Auditors

Silks Audit Chartered Accountants
156 Guyton Street
Wanganui

Bankers

Bank of New Zealand
124-126 Victoria Avenue
Wanganui

Solicitors

Horsley Christie
14 Victoria Avenue
Wanganui

Woodleigh Forest Limited

Directors Annual Report
For the Year Ended 29 February 2016

The Board of Directors present their Annual Report including financial statements of the Company for the year ended 29 February 2016.

Directors interests:

Director holding office during the year was R R Dickie.

No entries were made into the company's register during the year.

The nature of the company's business is that of Afforestation, and there has been no change during the year

Administration fees of $4,150 and management fees & forest expenses of $12,359 have been provided to the company by companies in which R R Dickie, a director, has a controlling interest. These services were provided on normal commercial terms.

There were no company shares acquired or disposed of by directors during the year.

No employees or former employees were paid in excess of $100,000 in the year

There were no donations made by the company during the year

For and on behalf of the Board

Director

4th April 2016

SILKS AUDIT CHARTERED ACCOUNTANTS

Woodleigh Forest Limited

Statement of Comprehensive Income
For the Year Ended 29 February 2016

	Feb 2016 $	Feb 2015 $	Budget $
Forest Expenses			
Fire Control	279	205	300
Management & Supervision Fees	7,789	9,074	9,020
	8,068	9,279	9,320
Operating Expenses			
Accountancy Fees	2,800	2,750	2,800
Administration	4,150	4,119	4,200
Audit Fees	1,750	1,625	1,625
Bank Fees	82	95	150
Depreciation for Period	176	190	176
Emission Trading Scheme	216	2,769	300
Legal Expenses	-	156	250
Meeting Costs	284	272	300
Repairs & Maintenance - Fences	-	-	2,500
Repairs & Maintenance - Tracks & Dams	4,000	3,963	4,000
Statutory Supervisor	2,000	2,000	2,000
Subscriptions - Forest Health, Research, Kyoto	166	94	105
Sundry Expenses	222	1,106	2,000
Valuation - Forest	435	225	250
Weed & Pest Control	2,463	-	2,500
	18,744	19,364	23,156
Standing Charges			
Insurance - Public Liability	416	401	-
Insurance - Plantations	11,675	11,051	11,678
Rates	6,792	6,178	6,688
	18,883	17,630	18,366
Total Forest Expenses	$45,695	$46,273	$50,842
Less Expenses Recovered			
Interest Received	27,004	21,912	480
Carbon Credit Sales (Net)	-	192,811	-
	27,004	214,723	480
Income for Tax Purposes	($18,691)	$168,450	($50,362)
Plantation Revaluation Increase (Decrease)	668,000	38,000	-
Net Surplus Before Taxation	649,309	206,450	(50,362)
Less Provision for Deferred Taxation	181,807	57,805	-
Net Surplus for Period	467,502	148,645	(50,362)
Comprehensive Income	-	-	-
Total Comprehensive Income	$467,502	$148,645	($50,362)

Note: This Statement must be read in conjunction with the accompanying Notes

Woodleigh Forest Limited

Statement of Changes in Equity
For the Year Ended 29 February 2016

	Share Capital $	Retained Earnings $	*2016* Total $
Opening Balance 1 March 2015	2,100,000	1,709,623	3,809,624
Comprehensive Income	-	467,502	467,502
Shares Issued			-
Dividends Paid			-
Transactions with Owners			-
Equity as at 29 February 2016	2,100,000	2,177,125	4,277,126

	Share Capital $	Retained Earnings $	*2015* Total $
Opening Balance 1 March 2014	2,100,000	1,560,978	3,660,979
Comprehensive Income	-	148,645	148,645
Shares Issued			-
Dividends Paid			-
Transactions with Owners			-
Equity as at 28 February 2015	2,100,000	1,709,623	3,809,624

Note: This Statement must be read in conjunction with the accompanying Notes.

SILKS AUDIT CHARTERED ACCOUNTANTS

Woodleigh Forest Limited

Statement of Financial Position
As at 29 February 2016

	Note	Feb 2016 $	Feb 2015 $
Current Assets			
Accrued Interest		5,193	419
Cash and Cash Equivalents	5	623,661	645,294
Goods & Services Tax		2,799	3,304
Accounts Payable		-	1
		631,653	649,018
Non Current Assets			
Plantations	6		
Plantation Value		3,466,000	3,428,000
Revaluation for Year		668,000	38,000
	7	4,134,000	3,466,000
Property, Plant and Equipment	8		
Land		479,530	479,530
Land Improvements		2,661	2,837
		482,191	482,367
Total Assets		5,247,844	4,597,385
Less Liabilities			
Current Liabilities			
Accounts Payable		1,150	-
Non Current Liabilities	13		
Deferred Tax		969,568	787,761
		969,568	787,761
Total Net Assets		$4,277,126	$3,809,624
Represented by:			
Shareholders Equity			
Equity as at 29 February 2016	15	$4,277,126	$3,809,624

For and on behalf of the Board of Directors

_______________ Director

4th April 2016

Note: This Statement must be read in conjunction with the accompanying Notes.

SILKS AUDIT CHARTERED ACCOUNTANTS

Woodleigh Forest Limited

Cashflow Statement
For the Year Ended 29 February 2016

	Note	Feb 2016	Feb 2015
		$	$
Cash Flows from Operating Activities			
Cash was provided from:			
Interest Received		22,230	21,493
Carbon Credit Sales (Net)		-	192,811
Goods & Services Tax		506	-
		22,736	214,304
Cash was applied to:			
Operating Expenses		44,369	46,083
Goods & Services Tax		-	798
		44,369	46,881
Net Cash inflow (outflow) from operating activities	9	(21,633)	167,422
Cash Flows from Financing Activities			
Cash was provided from:			
Net increase (decrease) in cash held		(21,633)	167,422
Cash at Start of Year		645,295	477,872
Cash at End of Year		$623,662	$645,294

Note: This Statement must be read in conjunction with the accompanying Notes .

Woodleigh Forest Limited

Notes to the Financial Statements
For the Year Ended 29 February 2016

1. **STATEMENT OF ACCOUNTING POLICIES**

Reporting Entity

The Financial Statements presented here are for the entity Woodleigh Forest Limited, which is a company registered under the Companies Act 1993.

Woodleigh Forest Limited is an issuer for the purposes of the Financial Reporting Act 1993. The financial statements of Woodleigh Forest Limited have been prepared in accordance with the Financial Reporting Act 1993.

Segmental Reporting

The entity operates in the forestry industry at locations in the North Island of New Zealand.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on an historical cost basis are followed, with the exception that certain assets specified below have been revalued.

These financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and comply with the NZ equivalents to International Financial Reporting Standards. The financial statements also comply with International Financial Reporting Standards. For this purpose, the Company has designated itself to be profit-oriented.

The information is presented in New Zealand dollars.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied:

i Receivables and payables are initially recorded at fair value and subsequently carried at amortised cost using the effective interest method. Due allowance is made for impaired receivables (doubtful debts). The resulting carrying amount for receivables is not materially different from estimated realisable value.

ii The forest plantations are recorded at fair value less estimated point of sale costs. Any gains or losses in the fair value of the forest is reported in the Statement of Financial Performance.

iii Woodleigh Forest Limited has voluntarily entered the Emission Trading Scheme ("ETS") in relation to 383 ha of plantation forest. Emission units are received from, or transferred to the government in respect of carbon stock changes in respect of this land. Carbon stocks are calculated in accordance with the climate change (forestry sector) regulations 2008. Some units received will have to be returned to the government upon harvest of the forest stock. As a result, units received are held at a nominal value and the units held are disclosed in the notes to the financial statements. Some unit values will not be recorded in the income statement unless it is certain that the units will not be required to meet harvest obligations.

Woodleigh Forest Limited

Notes to the Financial Statements
For the Year Ended 29 February 2016

iv Revenue on sales of goods is recognised when they are delivered and ready for use by the customer.

v The entity is not a party to financial instruments with off balance sheet risk.

vi Property, plant and equipment is recorded at cost less accumulated depreciation. Land is recorded at cost. Depreciation has been calculated using the rates permitted by the Inland Revenue Department.

When an item of property, plant and equipment is disposed of, any gain or loss is recognised in the Statement of Comprehensive Income and is calculated as the difference between the sale price and the carrying value of the item.

Depreciation is provided for on a diminishing value basis on all tangible property, plant and equipment other than freehold land and capital work in progress, at depreciation rates calculated to allocate the cost or valuation less estimated residual value, over their estimated useful lives..

Major Depreciation periods are:
Land Improvements - average 31 years

vii Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

viii For the purposes of the cashflow statement, cash includes cash on hand and deposits held at call with banks.

ix The income tax expense charged to the income statement includes both the current year's provision and the income tax effect of:

Taxable temporary differences, except those arising from initial recognition of goodwill and other assets that are not depreciated; and

Deductible temporary differences to the extent that it is probable that they will be utilised.

Temporary differences arising from transactions, other than business combinations, effecting neither accounting profit nor taxable profit are ignored.

Tax effect accounting is applied on a comprehensive basis to all temporary differences using the liability method. A deferred tax asset is only recognised to the extent that it is probable there will be future taxable profit to utilise the temporary differences.

x The financial statements have been prepared on a GST exclusive basis, except for receivables and payables which are presented inclusive of GST.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

SILKS AUDIT CHARTERED ACCOUNTANTS

Woodleigh Forest Limited

Notes to the Financial Statements
For the Year Ended 29 February 2016

2. **AUDIT**

These financial statements have been produced subject to audit, please refer to Auditor's Report.

3. **RELATED PARTIES**

The company paid administration fees of $4,150 and management fees, ETS transactions and forest expenses of $12,359 to companies in which R R Dickie, a shareholder, has a controlling interest. These amounts were charged on normal commercial terms and conditions. The amount outstanding at balance date was $1,123 (2015 - $0). No related party debts have been written off or forgiven during the year.

4. **BUSINESS**

The principal activity of Woodleigh Forest Limited is that of Afforestation. The company grows pinus radiata for the purpose of selling the harvest in 2024 and 2025.

	Feb 2016	Feb 2015
	$	$
5. **CASH AND CASH EQUIVALENTS**		
Bank Account	27,657	58,848
Corporate Trust Limited	565,160	503,856
BNZ Term Deposit	-	42,465
Deposit - Investment Fund	30,844	40,125
	$623,661	$645,294

Deposit - Investment Fund
The deposit is available to fund any future obligation that Woodleigh Forest Limited may assume under its arrangement with other forest entities in the Roger Dickie Group Investment Fund. Woodleigh Forest Limited will contribute towards forest losses sustained by other entities and not covered by the Group Investment Fund.

6. **PLANTATION DETAILS**

The plantation is comprised of Pinus Radiata trees planted in the Wairoa District. The Net Stocked Area of 383 hectares was planted in 1996 (284ha) and 1997 (99ha).

7. **PLANTATION REVALUATIONS**

Valuer
The plantation was valued as at 29 February 2016 by Jeff Schnell, Registered Forestry Consultant (NZIF), of PF Olsen Limited, forest consultants and managers. The estimated fair value of the plantation is categorised within Level 3 of the fair value hierarchy.

Valuation Methodology
The valuation uses the following procedure:

i Future Yields are forecast.
ii Log prices are attached and harvest costs deducted to arrive at projected harvest revenues.
iii Projected clearfell revenues are reduced to account for attrition.

	Feb 2016	Feb 2015
	$	$

iv Future costs are added.
v The effect of taxation is modelled from a purchaser's perspective.
vi The resulting post-tax cashflow is discounted at the nominal discount rate, This generates a Net Present Value (NPV) by stand and by forest.

If the stand has a negative NPV after the discounting as above, then the stand value is assessed as the sum of the current replacement costs.

The fair value estimate excludes the value of the land and the improvements thereon.

Also excluded are any costs and revenues associated with subsequent crops, and any value arising from the Emissions Trading Scheme.

The key inputs used in obtaining fair value are as follows, along with their sensitivity to a significant increase or decrease.

Projected Yield
The growth potential was determined for each crop type based on measurement data supplied by the forest manager. Where a crop has not been measured, the indices estimated in the original prospectus have been used. A clearfell age of 28 has been assumed for the majority of the radiata crops. Some small stands have been assigned other clearfell ages to coincide with the harvesting of larger neighbouring stands. Yields have been projected from measured starting points (where data allows) using appropriate growth models. The Atlas Forecaster modelling system has been used. A significant increase in this input would increase the fair value of the plantation.

Log Prices
The radiata pine log prices used in the valuation have been derived from prices paid at the Gisborne and Napier ports over the past three years. An exception to this is the radiata domestic pulp price, which has been derived from the three-year average price (averaged to December 2015) as reported by MPI. They range from $54 to $154 per m3 depending on grade. Log prices for other species are taken from recent industry publications and other sources. A significant increase in this input would increase the fair value of the plantation.

Projected Costs
All costs apart from rates have been assessed by PF Olsen, and are based on current industry standards and expressed in 2016 New Zealand dollars.

i Tending costs vary with the age of the trees and depending on the rate of growth. The projected age of the pre-harvest inventory is two years prior to clearfell at this point the harvest plan can be prepared which forms the basis of specific costings for the harvest. Prior to the pre-harvest inventory and harvest plan being prepared tending costs used in the valuation represents an average across all crop costs and may differ when a pre-harvest inventory and harvestplan is completed.
ii Annual costs for insurance, forest management and other costs have been expressed in dollars per hectare over the whole estate. Costs may vary from forest to forest depending upon a number of forest related management factors.

SILKS AUDIT CHARTERED ACCOUNTANTS

	Feb 2016	Feb 2015
	$	$

iii Clearfell harvest costs are defined as all costs from stump to price point defined as at wharf or mill gate. They include costs for logging and loading, road and skid formation, harvest management and cartage. Costs are based on current average contract costs. Some of these costs vary depending on the size and volume per hectare harvested.

iv Logging and loading costs are based on harvest operations in the North Island over the past year. These costs vary widely depending upon location of forest, terrain, and existing roading access. An average logging and loading cost is calculated for each crop type based on the proportion of area by terrain class. The estimate of the proportion of the area in each terrain class has been made by PF Olsen staff during the site visit carried out at the feasibility stage.

v Road and skid formation costs have been re-assessed this year using a consistent basis across all forests. PF Olsen carried out detailed assessment of road formation costs for a representative sample of four forests. This assessment used topographic maps, together with information collected during the field inspections. The modelling uses an average per hectare cost however the actual costs could differ when a pre-harvest inventory and harvest plan is carried out.

vi Harvest management costs are set at an average price for all crop types. This is based on current industry efficient costs for management of similar sized operations.

vii Cartage costs are based on a cost model which has been derived from current actual contract rates. Cartage distances are taken from the original feasibility reports. Until a pre-harvest inventory and harvest plan is completed, including where the logs will be sold, this cost could vary. Any significant change in costings or forest yield would affect the fair value of the plantation.

Discount Rate

The discount rate used in the estimate of the tree crop market value is important. The value estimate of young immature forests in particular is very sensitive to the choice of discount rate. The discount rate used represents a real rate of return, which is over and above inflation. Rates quoted by financial institutions are generally nominal rates, which include inflation. The discount rate selected of 6.5% is based on rates derived from actual transactions in the last three years applied to post-tax cash flows. A significant increase in this input would decrease the fair value of the plantation.

Impact of the Emissions Trading Scheme

In respect of the pre-1990 forest land the carbon credits allocation, in the valuer's opinion, does not impact on the tree crop market value estimate. In respect of the post-1989 forest land premiums may have been paid for this carbon trading opportunity, but carbon credit prices have since declined significantly. It has not as yet been possible to quantify this premium or conclude that such premium still applies to any or all post-1989 forests. This valuation therefore does not include any value in respect of this carbon trading opportunity. A significant increase in this input would increase the fair value of the plantation.

Woodleigh Forest Limited

Notes to the Financial Statements
For the Year Ended 29 February 2016

	Feb 2016	Feb 2015
	$	$

8. PROPERTY, PLANT AND EQUIPMENT

	Opening Value	Additions/ Deletions	Closing Value
Land and Improvements - 2015 Year			
Cost - March 1997	492,325	-	492,325
Accumulated Depreciation	(9,768)	(190)	(9,958)
Net Book Value	482,557	(190)	482,367
Land and Improvements - 2016 Year			
Cost - March 1997	492,325	-	492,325
Accumulated Depreciation	(9,958)	(176)	(10,134)
Net Book Value	482,367	(176)	482,191

The latest capital value set by Quotable Value for rating purposes in August 2015 was $1,030,000

9. CASH FLOW RECONCILIATION

	Feb 2016	Feb 2015
Reconciliation of Cash Flows from Operating Activities:		
Reported Surplus for Year	649,309	206,450
Non Cash Item - Depreciation	176	190
Non Cash Item - Forest Revaluation	(668,000)	(38,000)
	(18,515)	168,640
Movements in Working Capital:		
(Increase)/Decrease in Accounts Receivable	-	-
Increase/(Decrease) in Accounts Payable	1,150	-
(Increase)/Decrease in Accrued Interest	4,774	419
(Increase)/Decrease in GST	506	**(798)**
	(3,118)	(1,218)
Net Cash Flow from Operating Activities	($21,633)	$167,422

10. IMPUTATION CREDIT ACCOUNT

	Feb 2016	Feb 2015
Balance as at 29 February 2016	-	-

11. CAPITAL COMMITMENTS & CONTINGENT LIABILITIES

At balance date, and also the previous balance date, there were no known capital commitments or contingent liabilities.

12. EVENTS AFTER BALANCE DATE

There have been no significant events after balance date.

SILKS AUDIT CHARTERED ACCOUNTANTS

Woodleigh Forest Limited

Notes to the Financial Statements
For the Year Ended 29 February 2016

	Feb 2016 $	Feb 2015 $
13. INCOME TAX AND DEFERRED TAX		
Surplus before Tax	649,309	206,450
Prima Facie Tax at 28% (2011 - 30%)	181,807	57,805
Permanent Differences		
Different Deferred Tax Rate	-	-
Other	-	-
Income Tax Expense	181,807	57,805
Represented by:		
Current Tax	-	-
Deferred Tax	181,807	57,805
	181,807	57,805

DEFERRED TAX LIABILITY

	Total
28 February 2014	729,956
Charged to Income	57,805
28 Febuary 2015	787,761
Charged to Income	181,807
29 February 2016	969,568

14. **FINANCIAL INSTRUMENTS**

Interest Rate Risk

The company has no interest rate risk given that no money is owed to other financial institutions.

Credit Risk

Financial Instruments which potentially subject the company to credit risk principally consist of bank balances, deposits and accounts receivable as set out in the Statement of Financial Position. The amounts set out are the maximum exposures and are net of any recognised provision for losses on these financial instruments. No collateral is held for any of these amounts.

Concentration of Credit Risk

The company is not exposed to any concentration of credit risk.

Liquidity Risk

Liquidity risk represents the company's ability to meet its financial obligations on time. For the most part the company generates sufficient cash flows from its operating activities to make timely payments.

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Woodleigh Forest Limited

Notes to the Financial Statements
For the Year Ended 29 February 2016

Currency Risk

The company has no currency risk given that any financial instruments it deals with is all in New Zealand dollars.

Price Rate Risk

Price risk is the risk that the value of financial instruments and the interest margin will fluctuate as a result of changes in market interest rates. The risk is that financial assets may re-price at a different time and/or by a different amount than financial liabilities. The company considers that such risk is minimal given that no funds are owed to other financial institutions.

Financial Risk Strategy

The company risk management strategy is to use 100% equity finance from shareholders.

15. **SHARE CAPITAL**

Authorised Capital

2,187,500 ordinary shares	2,187,500	2,187,500

Issued and Paid Up Capital

2,187,500 issued shares	2,187,500	2,187,500
Less uncalled shares of 87,500	(87,500)	(87,500)
Total Issued and paid up capital	$2,100,000	$2,100,000

16. **JUDGEMENT AND ESTIMATE UNCERTAINTY**

The preparation of financial statements of necessity involves judgement and estimation. The only significant estimation required for the period is the plantation valuation which includes factors such as expected discounted cashflow rates, harvest dates and current log prices at mill or at wharf, refer to the plantation note for details.

Forest Plantation

Woodleigh Forest Limited is one of approximately 90 forests administered by Roger Dickie (NZ) Limited using a common forest manager, Forest Management New Zealand (FMNZ) and a common valuer PF Olsen Limited. With a forestry estate of this size PF Olsen is able to carry out rotational checks on selected forests to validate the accuracy of forest data that FMNZ provides for the purposes of the forest valuation.

Due to the nature of a growing forest it is not practical or economic to be physically counted each year. The treecrop valuation is how the underlying growing forest is represented in financial terms.

FMNZ has been providing forest management services to the company since inception and has been producing the required data for the forest valuer (PF Olsen). PF Olsen is, a forestry consultant in its own right and qualifies as an expert for financial reporting purposes.

PF Olsen in order to rely upon the physical data provided by FMNZ validates this information on a rotational basis in the following manner:

SILKS AUDIT CHARTERED ACCOUNTANTS

PF Olsen prepared the initial feasibility study that takes into account significant factors such as plantable area, topography and soils, climate, growth potential, forest development programme, planting and tending, and forecast yields.

Has knowledge of the geographic estate that the forest is growing in.

Inspects a subset of forests each year.

Carries out a ground-check map (to validate net stocked area, access).

Checks tending status, and uniformity of stocking, on a selection of stands (to validate measurement data provided).

Visual checks of stand condition (crop health, growth to date).

Checks for protection measures (e.g. water points, evidence pest control).

Seek explanations for any changes observed in net stocked area, crop typing.

Have relied on a systems audit of FMNZ carried out in the late 90's and the intention from PF Olsen is to conduct another systems audit during 2016.

17. ADOPTION OF NEW AND REVISED STANDARDS - (Early adoption of Standards, Interpretations and Modifications)

The company believes there will be no effects from accounting standards which have been issued but not yet effective.

18. EMISSIONS TRADING SCHEME

The company holds 61,621 NZUs (2015 - 61,621) on the New Zealand Emission Unit Register. The company elects to record these at their Nominal Amount ($0). The Fair Value of these NZUs based on prices offered by brokers as at 29 February 2016 is $585,400 (2015 - $363,564)

Of the 61,621 NZU Units held at balance date, 33,783 are able to be sold without liability for future repurchase on harvest.

SILKS AUDIT
Chartered Accountants

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INDEPENDENT AUDITORS REPORT

To the Shareholders of Woodleigh Forest Limited

Report on the Financial Statements
We have audited the financial statements of Woodleigh Forest Limited on pages 3 to 15 which comprise the Statement of Financial Position as at 29 February 2016 and the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements
The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
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 (New Zealand) and International Standards on Auditing. 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 accounting policies used and the reasonableness of accounting estimates, as well as evaluating 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 Woodleigh Forest Limited.

Opinion
In our opinion the financial statements give a true and fair view of the financial position of Woodleigh Forest Limited as at 29 February 2016, and its financial performance and its cashflows for the year ended in accordance with New Zealand Equivalents to International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

We also report in accordance with sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993. In relation to our audit of the financial statements for the year ended 29 February 2016:

(i) We have obtained all the information and explanations we have required; and

(ii) In our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Restriction on Distribution or Use

This report is made solely to the Shareholders, as a body, in accordance with section 207B(1) of the Companies Act 1993. Our audit has been undertaken so that we might state to the Shareholders those matters we are required to state to them in an auditors 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 Company and the Shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Silks Audit

Silks Audit
Chartered Accountants
Wanganui, New Zealand

Date: 4 April 2016