

30 August 2018

The Directors  
Forest Enterprises Limited

Dear Directors

## **INDEPENDENT ASSURANCE REPORT ON THE PROSPECTIVE FINANCIAL STATEMENTS OF WAIRARAPA GROUP FOREST LIMITED PARTNERSHIP INVESTMENT**

We have performed a limited assurance engagement in respect of the prospective financial statements of Wairarapa Group Forest Limited Partnership Investment (the 'LP'), prepared by Forest Enterprises Limited (the Manager), comprising the prospective statement of comprehensive income, the prospective statement of changes in equity, the prospective statement of financial position and the prospective statement of cash flows of the LP, together with their related assumptions, accounting policies and other explanatory information as set out on pages 2 to 9 for the 7 months and 1 day ending 31 March 2019 and year ending 31 March 2020.

This report is prepared for inclusion on the Disclose Register in conjunction with the prospective financial statements and for no other purpose.

### **RESTRICTION ON USE**

This report has been prepared for the Directors of the LP. We disclaim any assumption of responsibility for any reliance on this report or the amounts included in the prospective financial statements for any purpose other than that for which they were prepared.

### **DIRECTORS' RESPONSIBILITIES**

The Directors of the Manager are responsible for the preparation and presentation of the prospective financial statements in accordance with FRS-42 *Prospective Financial Statements*, including the assumptions upon which they are based.

### **OUR RESPONSIBILITIES**

We are responsible for expressing a conclusion as a result of our limited assurance engagement on the LP's prospective financial statements for the 7 months and 1 day ending 31 March 2019 and year ending 31 March 2020.

We conducted our engagement in accordance with International Standard on Assurance Engagement (New Zealand) 3000, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (Revised)* ("ISAE (NZ) 3000 (Revised)") issued by the External Reporting Board.

We have conducted our engagement in order to state whether, on the basis of the procedures described, anything has come to our attention that would cause us to believe that:

- The best estimate assumptions do not provide a reasonable and supportable basis (as defined in FRS 42) for the preparation of the Prospective Financial Statements;
- The Prospective Financial Information was not prepared on the basis of the best estimate assumptions;
- The Prospective Financial Information is not prepared fairly in accordance with the recognition and measurement principles prescribed in New Zealand Financial Reporting Standards and other mandatory professional reporting requirements in New Zealand, and the accounting policies adopted by the Manager and disclosed in the Prospective Financial Information of the LP as at and for the period ending 31 March 2019 and the year ending 31 March 2020; and
- The Prospective Financial Information is unreasonable

The Prospective Financial Information has been prepared by the Directors of the Manager to provide investors with a guide to the LP's potential future financial performance based upon the achievement of certain economic, operating, developmental and trading assumptions about future events and actions that have not yet occurred and may not necessarily occur.

There is a considerable degree of subjective judgment involved in the preparation of the Prospective Financial Information. Actual results may vary materially from this Prospective Information and the variation may be materially positive or negative. Accordingly, investors should have regard to the risks set out in Section 7 of the Product Disclosure Statement and the Forest Management Plan.

Our procedures consisted primarily of enquiry and comparison, and other such analytical review procedures we considered necessary so as to form the conclusion set out below.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Prospective Financial Information.

## **REVIEW/ CONCLUSION ON THE PROSPECTIVE FINANCIAL INFORMATION**

Based on our review of the Prospective Financial Information, which is not an audit, and based on an investigation of the reasonableness of the LP Manager's best estimate assumptions giving rise to the Prospective Financial Information, nothing has come to our attention which causes us to believe that:

- The LP Manager's best estimate assumptions do not provide a supportable and reasonable basis (as defined in FRS 42) for the preparation of the Prospective Financial Information;
- The Prospective Financial Information was not prepared on the basis of the best estimate assumptions;
- The Prospective Financial Information is not prepared fairly in accordance with the recognition and measurement principles prescribed in New Zealand Financial Reporting Standards and other mandatory professional reporting requirements in New Zealand, and the accounting policies adopted by the Manager and disclosed in the Prospective Financial Information of the LP as at and for the period ending 31 March 2019 and the year ending 31 March 2020; and
- The Prospective Financial Information is unreasonable

The best estimate assumptions, set out in the Prospective Financial Statements, are subject to significant uncertainties and contingencies often outside the control of the LP and the Manager's Directors. If events do not occur as assumed, actual results achieved may vary significantly from the Prospective Financial Statements. Accordingly, we do not confirm or guarantee the achievement of the Prospective Financial Information, as future events, by their very nature, are not capable of independent substantiation.

## **INDEPENDENCE OR DISCLOSURE OF INTEREST**

Staples Rodway Audit Limited does not have any interest in the outcome of the Offer other than the preparation of this Report, for which normal professional fees are being received. We act as auditor and other assurance provider for the Manager. The provision of these services has not impaired our independence.

Yours faithfully  
STAPLES RODWAY AUDIT LIMITED



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Philip Pinckney  
DIRECTOR