



Annual Report

Redwood Trust Incorporated
For the year ended 31 March 2016

Prepared by WK Advisors and Accountants Limited

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Trust Directory

Redwood Trust Incorporated For the year ended 31 March 2016

Incorporated Societies Register Number

418159

Date of Formation

18 August 1988

Trustees

Bob Penington
Craig Forsyth
Bruno Dalliessi

Nature of Business

To give donations to recognised charitable or amateur sporting organisations funded from gaming machines

IRD Number

050-432-882

GST Status

Payments Basis, Two monthly returns, Coinciding with balance date

Chartered Accountants

WK Advisors and Accountants Limited
P O Box 349
Blenheim 7240
Contact - Craig Forsyth

Auditors

Crowe Horwath NZ Audit Partnership
PO Box 764
Blenheim 7240

Bankers

Bank of New Zealand
92-94 Market Street
Blenheim 7201

These statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Audit Report

Statement of Profit or Loss

Redwood Trust Incorporated For the year ended 31 March 2016

	NOTES	2016	2015
Income			
Gaming Machine Funds - Redwood		1,023,303	1,064,060
Interest Received		77	183
Depreciation - Gain on Sale		2,573	6,517
Total Income		1,025,952	1,070,760
Expenses			
Accountancy Fees		6,000	5,500
Advertising and Marketing		1,435	1,532
Audit Fees		1,856	1,900
Bank Charges		229	229
Depreciation - Loss on Disposal		1,468	-
Depreciation Expense		64,054	63,072
Donations		420,550	471,848
Electronic Monitoring Activity		8,489	7,770
Gaming Machine Duty		235,360	244,734
Insurance		6,672	8,732
Interest - Marac Finance		10,146	15,007
Intralot Telecom Line Charge		618	618
Licences & Registrations		565	-
Loan Fees		370	520
Loss on Scrapping Asset		2,390	-
Operator's Annual Fee		3,612	3,612
Operator's Licence - Renewal		2,260	2,260
Printing, Stamps & Stationery		1,715	1,371
Problem Gambling Levy		15,416	16,030
Repairs & Maintenance		1,034	6,805
Repairs & Maintenance - Gaming Room		347	-
Secretarial Services		53,186	54,818
Service Contract		16,800	16,800
Site Fees and Administration		122,495	119,635
Subscriptions		490	490
Trustees Fees		20,000	20,000
Venue Annual Fee - per Machine		6,800	6,800
Venue Licence - Amendment		226	226
Venue Licence - Renewal		170	170
Website		594	594
Total Expenses		1,005,345	1,071,072
Net Surplus (Deficit)		20,608	(313)

These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Audit Report

Statement of Cash Flows

Redwood Trust Incorporated For the year ended 31 March 2016

	March 2016	March 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash was provided from:		
Receipts from gaming machines	1,023,303	1,064,060
Interest	77	183
	<u>1,023,380</u>	<u>1,064,243</u>
Cash was applied to:		
Payments to suppliers and employees	511,001	517,931
Authorised Distributions	405,550	471,848
Taxation paid	0	0
Interest paid	10,167	14,914
	<u>926,718</u>	<u>1,004,693</u>
NET CASH INFLOW(OUTFLOW) FROM OPERATING ACTIVITIES	<u>96,662</u>	<u>59,550</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash was provided from:		
Sale of fixed assets	6,000	8,000
Cash was applied to:		
Purchase of fixed assets	68,457	71,485
NET CASH INFLOW(OUTFLOW) FROM INVESTING ACTIVITIES	<u>-62,457</u>	<u>-63,485</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Cash was provided from:		
Hire purchase drawdowns	60,164	52,834
Cash was applied to:		
Repayment of hire purchase loans	92,454	84,988
NET CASH INFLOW(OUTFLOW) FROM FINANCING ACTIVITIES	<u>-32,290</u>	<u>-32,155</u>
Net Increase(Decrease) in cash held	1,915	-36,089
Add cash at start of year	58,985	95,074
Cash at end of year	<u>60,900</u>	<u>58,985</u>

RECONCILIATION OF NET SURPLUS TO NET CASHFLOW FROM OPERATING ACTIVITIES

REPORTED NET SURPLUS	20,608	-313
ADD(LESS) NON CASH ITEMS		
Depreciation and net gain on sale	65,339	56,556
ADD(LESS) MOVEMENTS IN OTHER WORKING CAPITAL ITEMS		
(Increase)/Decrease in Accounts Receivable	0	0
(Decrease)/Increase in GST Due	30	2,567
(Decrease)/Increase in Accounts Payable	-4,294	647
(Decrease)/Increase in Donation Creditors	15,000	0
(Decrease)/Increase in Interest Accrued	-21	93
	<u>10,715</u>	<u>3,307</u>
NET CASH INFLOW(OUTFLOW) FROM OPERATING ACTIVITIES	<u>96,662</u>	<u>59,550</u>

These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Audit Report.

Statement of Changes in Equity

Redwood Trust Incorporated For the year ended 31 March 2016

	2016	2015
Equity		
Opening Balance	77,228	77,541
Increases		
Current Year Earnings	20,608	(313)
Total Increases	20,608	(313)
Total Equity	97,836	77,228

These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Audit Report

Balance Sheet

Redwood Trust Incorporated As at 31 March 2016

	NOTES	31 MAR 2016	31 MAR 2015
Assets			
Current Assets			
BNZ - Current Account		60,899	58,985
Total Current Assets		60,899	58,985
Non-Current Assets			
Fixed Assets as per Schedule		198,771	201,652
Total Non-Current Assets		198,771	201,652
Total Assets		259,670	260,637
Liabilities			
Current Liabilities			
Trade and Other Payables		33,041	37,335
Donation Creditors		15,000	-
GST Account		18,585	18,556
Interest Accrued		584	604
Marac Finance - Current Portion		73,237	75,367
Total Current Liabilities		140,448	131,862
Non-Current Liabilities			
Loans			
Marac Finance - August 2010		-	10,013
Marac Finance - June 2011		4,699	22,388
Marac Finance - November 2012		-	17,824
Marac Finance - November 2013		12,719	30,289
Marac Finance - September 2014		29,833	46,400
Marac Finance - November 2015		47,374	-
Marac Finance - Current Portion		(73,237)	(75,367)
Total Loans		21,387	51,547
Total Non-Current Liabilities		21,387	51,547
Total Liabilities		161,834	183,409
Net Assets		97,836	77,228
Trustee Funds			
Trustees Income Account			
Opening Balance		(39,771)	(39,458)
Current Year Earnings		20,608	(313)
Total Trustees Income Account		(19,163)	(39,771)
Trustees Reserves		116,999	116,999
Total Trustee Funds		97,836	77,228

These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Audit Report

The financial statements are subject to audit. The accompanying notes form part of these financial statements and should be read in conjunction with the reports contained herein.

Trustee _____

Trustee B. Walker

Date:



Schedule of Fixed Assets and Depreciation

Redwood Trust Incorporated For the year ended 31 March 2016

NAME	PURCHASED	COST	OPENING VALUE	PURCHASES	DISPOSALS	RATE	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE
Gaming Machines									
00700483 Pyramid Magic 2c V99	31 Oct 2012	26,495	7,631	-	-	40%	3,052	21,917	4,578
00700483 White Tiger Conversion	5 Nov 2014	6,000	5,000	-	-	40%	2,000	3,000	3,000
00700484 Lucky Strike - Conversion	5 Nov 2014	6,000	5,000	-	-	40%	2,000	3,000	3,000
00700484 The Phantom 2c V99	31 Oct 2012	28,995	8,351	-	-	40%	3,340	23,985	5,010
00701149 Vir W/S MidR LTB Pure Gold 2c V04	4 Nov 2015	17,000	-	17,000	-	40%	2,833	2,833	14,167
00701150 Vir W/S MidR LTB Spark Royal BS 2c V01	4 Nov 2015	17,000	-	17,000	-	40%	2,833	2,833	14,167
00868042 Game Conversion	1 Jun 2005	4,750	34	-	-	40%	13	4,730	21
00868302 Wild Afr S&G Conversion	5 Nov 2014	4,000	3,333	-	3,333	40%	-	-	-
00868302 Players Choice	1 Dec 2006	29,900	134	-	134	48%	-	-	-
01920206 Multistar Dynamic	1 Aug 2010	33,995	1,690	-	-	48%	811	33,116	879
01920206 Multistar Gold Fever Conversion	30 Nov 2013	3,000	1,500	-	-	40%	600	2,100	900
01920207 Multistar Jackpots	1 Aug 2010	33,995	1,690	-	-	48%	811	33,116	879
01920207 Multistar Megastar 3	30 Nov 2013	-	-	-	-	40%	-	-	-
01920657 Multistar Gold Fever 2 Conversion	30 Nov 2013	3,000	1,500	-	-	40%	600	2,100	900
01920657 Multistar Wishes & Dreams	30 Jun 2011	33,995	4,895	-	-	40%	1,958	31,058	2,937
01920658 Multistar Gold Fever 3	30 Nov 2013	3,000	1,500	-	-	40%	600	2,100	900
01920658 Multistar Rock N' Jaguar	30 Jun 2011	33,995	4,895	-	-	40%	1,958	31,058	2,937
01960411 Conversion Multistar Foxy Fortune	1 Apr 2008	6,000	176	-	-	40%	70	5,894	106
01960411 Multistar Foxy Fortune	1 Oct 2002	18,700	35	-	-	40%	14	18,679	21
01970459 Multistar 10G Megastar	1 Sep 2005	24,995	206	-	-	40%	81	24,871	124
01980695 Multistar Megastar 2 w Pids	1 Apr 2008	25,995	762	-	-	40%	302	25,535	460
01983377 Multistar Foxy Fortune	1 Aug 2010	22,995	1,143	-	-	48%	549	22,401	594
01983378 Multistar 11	1 Aug 2010	22,995	1,143	-	-	48%	549	22,401	594

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Schedule of Fixed Assets and Depreciation

NAME	PURCHASED	COST	OPENING VALUE	PURCHASES	DISPOSALS	RATE	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE
07993772 PC4 Equinox	5 Nov 2014	25,995	21,663	-	-	40%	8,665	12,998	12,998
07993773 SL-V Equinox	5 Nov 2014	27,495	22,913	-	-	40%	9,165	13,748	13,748
07994088 EGM Scatter Strike Blue	4 Nov 2015	23,995	-	23,995	-	40%	3,999	3,999	19,996
09007252 Selexion 7 - free conversion	30 Jun 2011	26,950	3,881	-	-	40%	1,552	24,622	2,328
09007635 Norse Warrior FSF	31 Oct 2012	26,950	7,762	-	-	40%	3,105	22,293	4,657
09990001 Selexion 2 03089 upgrade	1 Apr 2009	12,950	629	-	629	40%	-	-	-
09990001 Selexion 2 ZKA 03089	1 Nov 2004	18,500	100	-	100	40%	-	-	-
09990004 Selexion 4 - 04986 upgrade	1 Apr 2009	12,950	629	-	629	40%	-	-	-
09990004 Selexion 4 - ZKA 04986	1 Mar 2004	18,500	70	-	70	40%	-	-	-
Display Flags x2	20 Jan 2012	1,058	752	-	-	10%	75	381	677
EMS - Wiring & Software	1 Mar 2007	931	3	-	-	50%	2	929	2
Jackpot Conversion	1 Mar 2001	950	1	-	-	40%	-	950	-
Jackpot System Generation One	30 Nov 2013	29,250	14,625	-	-	40%	5,850	20,475	8,775
Jackpot Sinfo Kits AU1 x3	30 Nov 2013	3,300	1,650	-	-	40%	660	2,310	990
Jackpot Sinfo Kits GU4 x2	30 Nov 2013	4,000	2,000	-	-	40%	800	2,800	1,200
Jackpot Sinfo Kits GU4A x2	30 Nov 2013	4,000	2,000	-	-	40%	800	2,800	1,200
Mystery Jackpot 1078	1 Oct 1999	8,042	3	-	-	40%	1	8,040	2
Notes sorter, s/no 2P105L052	13 Jan 2016	5,300	-	5,300	-	40%	530	530	4,770
Qcom Conversion Kits	1 Apr 2006	2,000	21	-	-	40%	8	1,987	13
Qcom Upgrades	1 Apr 2006	17,250	185	-	-	40%	73	17,139	111
Revaluation	1 Aug 2004	60,423	60,423	-	-	-	-	-	60,423
Superflat Monitors x5	1 Sep 2005	6,500	54	-	-	40%	21	6,468	32
Total Gaming Machines		744,089	189,981	63,295	4,895		60,283	459,191	188,098

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Schedule of Fixed Assets and Depreciation

NAME	PURCHASED	COST	OPENING VALUE	PURCHASES	DISPOSALS	RATE	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE
Plant & Equipment									
17" TFT Security Monitor 15-MCI17TH-4 28-04.11	28 Apr 2011	650	266	-	266	20%	-	-	-
32" HDMI Monitor	30 Nov 2013	595	436	-	436	20%	-	-	-
Air Conditioning	1 Aug 2003	5,000	1,219	-	-	11%	139	3,920	1,080
Bar Stools	1 Sep 2003	3,727	224	-	-	22%	48	3,551	176
Bases	1 Oct 2006	1,019	242	-	-	16%	38	815	204
Bases	1 Sep 2006	10,136	2,373	-	-	16%	370	8,133	2,003
Computer	1 Feb 2011	2,265	274	-	274	40%	-	-	-
Computer System 26-01.12	26 Jan 2012	1,850	202	-	-	50%	101	1,749	101
EMS - Wiring	1 Oct 2006	650	2	-	-	50%	1	649	1
EMS - Wiring & Software	1 Oct 2006	3,940	12	-	-	50%	6	3,934	6
EMS - Wiring & Software Dual Loop	1 Jan 2007	898	3	-	-	50%	2	896	2
Gaming Security Cams	1 Sep 2006	2,730	262	-	262	24%	-	-	-
Gaming Stools x 6	1 Jul 2007	2,280	406	-	-	20%	81	1,955	325
Performance Optimising Monitoring System	24 Nov 2011	5,900	2,769	-	-	20%	554	3,685	2,215
Security Camera System	1 Jan 2007	11,014	1,152	-	1,152	24%	-	-	-
Security Cameras	13 Apr 2015	5,162	-	5,162	-	40%	2,065	2,065	3,097
VIR LCD Button Upgrade Kit	5 Nov 2014	1,995	1,829	-	-	20%	366	532	1,463
Total Plant & Equipment		59,811	11,672	5,162	2,390		3,770	31,884	10,673
Total		803,900	201,653	68,457	7,285		64,054	491,075	198,771

These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Audit Report

Disposal Schedule

Redwood Trust Incorporated For the year ended 31 March 2016

NAME	PURCHASED	COST	ASSET VALUE	SALE PRICE	DEP RECOVERED	LOSS	CAPITAL GAIN	DISPOSED
Gaming Machines								
00868302 Wild Afr S&G Conversion	5 Nov 2014	4,000	3,333	1,920	-	1,413	-	4 Nov 2015
00868302 Players Choice	1 Dec 2006	29,900	134	80	-	54	-	4 Nov 2015
09990001 Selexion 2 03089 upgrade	1 Apr 2009	12,950	629	1,720	1,091	-	-	4 Nov 2015
09990001 Selexion 2 ZKA 03089	1 Nov 2004	18,500	100	280	180	-	-	4 Nov 2015
09990004 Selexion 4 - 04986 upgrade	1 Apr 2009	12,950	629	1,800	1,171	-	-	4 Nov 2015
09990004 Selexion 4 - ZKA 04986	1 Mar 2004	18,500	70	200	130	-	-	4 Nov 2015
Total Gaming Machines		96,800	4,895	6,000	2,573	1,468	-	
Plant & Equipment								
17" TFT Security Monitor 15-MCI7TH-4 28.04.11	28 Apr 2011	650	266	-	-	266	-	31 Mar 2016
32" HDMI Monitor	30 Nov 2013	595	436	-	-	436	-	31 Mar 2016
Computer	1 Feb 2011	2,265	274	-	-	274	-	31 Mar 2016
Gaming Security Cams	1 Sep 2006	2,730	262	-	-	262	-	31 Mar 2016
Security Camera System	1 Jan 2007	11,014	1,152	-	-	1,152	-	31 Mar 2016
Total Plant & Equipment		17,254	2,390	-	-	2,390	-	
Total		114,054	7,285	6,000	2,573	3,858	-	

These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Audit Report.

Notes to the Financial Statements

Redwood Trust Incorporated For the year ended 31 March 2016

1. Statement of Accounting Policies

Basis of Preparation

The financial statements presented here are for the entity Redwood Trust Incorporated, an Incorporated Society registered under the Incorporated Societies Act 1908.

These financial statements are Special Purpose reports prepared for the members of the Redwood Trust Incorporated. Accordingly they should not be relied on for any other purpose.

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified.

Changes in Accounting Policies

The trust transitioned on 1 April 2015 from preparation of reports using generally accepted accounting practice to special purpose financial reporting. The transition had minimal impact on the accounting policies of the trust.

All other accounting policies were applied consistently during the year.

Income Tax

The Redwood Trust Incorporated is exempt from income tax under section CW48 of the Income Tax Act 2007.

Fixed Assets

Fixed Assets have been included at cost less accumulated depreciation. Details of fixed assets are set out in the attached Schedule of Fixed Assets and Depreciation.

Depreciation

Depreciation has been charged on either a diminishing value (DV) or cost price (CP) basis, at rates approved by the Inland Revenue Department. Details of rates and depreciation claims are set out in the Fixed Asset Register included herein.

Finance Leases

Assets purchased under finance leases are included as fixed assets in the Statement of Financial Position and depreciated at maximum rates allowed by the Income Tax Act 2007. Finance leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the property, are capitalised at the present value of the minimum lease payments. A corresponding liability is also disclosed with lease payments being apportioned between the liability and interest payments.

Goods and Services Tax

The Statement of Financial Performance and Statement of Cashflows (where included) have been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of account receivables and payables.

Going Concern

The Trust continues to adopt the Going Concern assumption in preparing the financial statements as the Trust has, in the opinion of the Trustees, adequate resources to continue operations in the foreseeable future.

2. Audit

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

3. Contingent Liabilities

At balance date there are no known contingent liabilities (2015: \$0). Redwood Trust Incorporated has not granted any Securities in respect of liabilities payable by any other party whatsoever.

4. Capital Commitments

As at balance date there are no significant capital commitments (2015: \$0)

5. Events Subsequent to Balance Date

No events or transactions have occurred since balance date which would have a material effect upon the financial statements or which are of such significance as to require mention in the notes to the financial policies. There are no plans or intentions that may materially affect the current value or classification of assets and liabilities. (2015: \$0).

6. Related Parties

Accountancy and secretarial services have been provided to the Trust by WK Advisors and Accountants Limited, a firm in which Trustee, C.A. Forsyth is a Director.

All related party transactions are carried out on an arms length basis on normal commercial terms. No related party debts have been written off or forgiven during the year.

7. Term Liabilities

Marac Finance (June 2011)

Repayable monthly instalments Principal and Interest
Interest rate 10.95% PA
\$1,590.85 Monthly
Secured by a specific security deed over the assets purchased.
Balance as at 31 March 2016 - \$4,699 (2015: \$22,388)

Marac Finance (November 2013)

Repayable monthly instalments Principal and Interest
Interest rate 9.95% PA
\$1,649.77 Monthly
Secured by a specific security deed over the assets purchased.
Balance as at 31 March 2016 - \$12,719 (2015: \$30,289)

Marac Finance (September 2014)

Repayable monthly instalments Principal and Interest
Interest rate 9.95% PA
\$1,703.55 Monthly
Secured by a specific security deed over the assets purchased.
Balance as at 31 March 2016 - \$29,833 (2015: \$46,400)

Marac Finance (November 2015)

Repayable monthly instalments Principal and Interest
Interest rate 9.00% PA
\$1,670.69 Monthly
Secured by a specific security deed over the assets purchased.
Balance as at 31 March 2016 - \$47,374 (2015: \$0)

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Redwood Trust Incorporated

Report on the Financial Statements

We have audited the accompanying special purpose financial statements of Redwood Trust Incorporated on pages 4 to 8 and 13 to 15, which comprise the statement of financial position as at 31 March 2016 the statement of profit and loss, 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.

Trustees' Responsibility for the Financial Statements

The Trustees' are responsible on behalf of the entity for the preparation and fair presentation of these special purpose financial statements in accordance with the accounting policies as disclosed in Note 1 of the financial statements, and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose 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 of 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 made by management, as well as evaluating the overall presentation of the special purpose 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 Society.



Crowe Horwath
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Opinion

In our opinion, the special purpose financial statements present fairly, in all material respects, the financial position of Redwood Trust Incorporated as at 31 March 2016, and its financial performance and cash flows for the year then ended in accordance with the accounting policies set out in Note 1 of the financial statements.

Basis of Accounting

Without modifying our opinion, we draw attention to the accounting policies in Note 1 of the special purpose financial statements, which describes the basis of accounting. The financial statements are prepared to assist Redwood Trust Incorporated to meet the requirements of the Trustees. As a result, the financial statements may not be suitable for another purpose.

A handwritten signature in blue ink that reads "Crowe Horwath".

Crowe Horwath New Zealand Audit Partnership
CHARTERED ACCOUNTANTS
21 June 2016



21 June 2016

P O Box 764
BLENHEIM 7240

The Trustees
Redwood Trust Incorporated
PO Box 349
BLENHEIM 7240

Dear Trustees

Annual Financial Statement Audit for the Year Ended 31 March 2016

We have recently completed our financial statement audit for the Redwood Trust Incorporated for the year ended 31 March 2016, and we have pleasure in providing our report on the results of the audit process.

If you require further information on the matters raised in this report please do not hesitate to make contact.

We wish to acknowledge the assistance provided by management and staff during the audit. Without their assistance an efficient and effective audit would not have been possible.

Yours sincerely
Crowe Horwath New Zealand Audit Partnership

A handwritten signature in blue ink, appearing to read "Ken Sandri", written over a horizontal line.

Ken Sandri
Principal- Audit & Assurance
T 03 211 3371
M 027 434 2890
E Ken.Sandri@crowehorwath.co.nz