

## Whitby Corporation Limited

### Annual General Meeting 2013

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Address of Secretary:  
Mr R Hudson  
Pocock Hudson Limited  
PO Box 10 788  
WELLINGTON 6143

## Whitby Corporation Limited

### Notice of Annual General Meeting

Notice is hereby given that the twenty eighth Annual General Meeting of Whitby Corporation Limited shareholders will be held at the Petone Baptist Centre, 38 Buick Street, Petone on Tuesday 17<sup>th</sup> December 2013 to commence at 5.00 pm.

- Business:
1. To receive and consider the Annual Report and Financial Statements for the year ended 30 September 2013.
  2. To affirm the appointment of Mr T Bartlett as Auditor.
  3. Appointment of directors. (Mr Loveday retires by rotation and seeks re-election)
  4. Approval of directors fees
  5. Relationship with Silverwood Land Partnership
  6. To transact any other business which may be properly transacted at the meeting.

### By order of the Board of Directors

R B HUDSON  
SECRETARY

WELLINGTON

**Proxy:** All Shareholders are entitled to attend and vote at the meeting but if they are unable to attend, they may appoint a proxy to attend and vote on their behalf. The holder of a proxy need not be a Shareholder of the Company.

A Proxy form is included with this Notice and must be completed and delivered to the Secretary no later than 48 hours before this meeting.

If you are not going to attend the meeting, the directors recommend that you appoint a proxy on your behalf. In previous years, there has been difficulty in attaining a quorum of shareholders at the annual general meeting and the inclusion of your proxy will assist in attaining the necessary quorum.

**Directors:** Nominations for individuals seeking election as director must be received in writing by the Secretary no later than 48 hours before this meeting.

**Note:** The directors have indicated they wish to take all interested shareholders on a tour of the development site prior to the Annual General Meeting.  
If you are interested, there are instructions and map attached with details of the proposed visit.

**Note commencement time of 5.00pm for Annual General Meeting.**

# FORM OF PROXY

TO: WHITBY CORPORATION LIMITED  
PO BOX 10-788  
WELLINGTON 6143

I/WE \_\_\_\_\_ of \_\_\_\_\_ being a  
member/members of the above named Company hereby appoint \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_ as my/our Proxy, to  
vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on  
17 December 2013 and at any adjournment thereof.

SIGNED this \_\_\_\_\_ day of \_\_\_\_\_ 2013

\_\_\_\_\_  
SIGNATURE

**PLEASE NOTE:** A proxy need not be a member of the Company. This Proxy to  
be of use must be signed and forwarded to the registered  
address of the Company so as to be received not later than 48  
hours before the commencement of the meeting.

\_\_\_\_\_  
FOR OFFICE USE

DATE AND TIME RECEIVED \_\_\_\_\_

NO. OF SHARES HELD \_\_\_\_\_

## Shareholders Whitby Corporation

We invite shareholders to visit the Silverwood Lot 2 sections at Whitby at 3pm, December 17<sup>th</sup> 2014, prior to the AGM

Sales are progressing slowly with over half the sections sold and the first rural residential section has recently sold

There are at least 9 building companies now building and selling show homes.

A high percentage of the sections with the best views are now gone

Lot 1 is under a conditional contract and involves Silverwood Land Partnership (SLP) splitting off and retaining the southern part which will be linked to SLP's Lot 6 d and will have the feeder road from the motor way to Waitangirua running through it

Progress has been made on planning, surveying and valuing our remaining Lots 3, 4, and 6, and the balance of Lot 1

We are in negotiations with the Porirua City Council (PCC) for them to acquire our land to build their feeder roads to Waitangirua and to the James Cook Drive / Navigation Drive adjacent to our Lot 3

Final plans and figures on our Lots are awaiting the outcome of these negotiations.

NZTA is keen for PCC to progress matters with speed as it has announced a PPP start date of 1 July 2014 at which time it wishes to own all designated land for the Transmission Gully Motorway and related feeder / link roads.

The new web site is up and running and is dedicated to sales to both potential home and section buyers looking at the Wellington market.

The few remaining trees have been tendered for removal before the development of the Silverwood Lots gets under way and we expect the harvesting equipment to be on site in the next few weeks and all saleable trees removed by March 2014.

As mentioned last year the Silverwood JV partners took a Westpac loan of \$12 million primarily in order to equalize the JV partner's loans and to allow a pay-out last year.

At the end of October this loan had been reduced to \$7 million and the balance is covered by deferred payments on contracted sales.

We are hopeful that a further pay-out will be made in 2014

The primary issue that the Directors of Silverwood, and subsequently the Whitby Directors, have been addressing over the last 6 months is the best legal structure for the completion of the development and minimising the new FMA related compliance costs currently being experienced

Under legislative changes past last year, Silverwood's existing Special Partnership will cease to exist after April 2015. The existing structure gives unit holders liability only to the amounts they have

contributed to the partnership (and those contributions were repaid in full when we received our last Silverwood distribution earlier this year.)

The Directors of the special Silverwood Land Partnership may also be deemed financial advisors and this has implication for its Directors who were appointed to manage and achieve the best possible value for the land for the SLP unit holders not to give financial advice. Silverwood directors have to deliver cash repayments to its unit holders, not to give them financial advice.

Options for restructuring will be discussed at the AGM but include:

1/ Transferring the assets of Silverwood Partnership to a newly formed Silverwood Limited Partnership requiring continuance of registered statutory supervisor costs and all other new, with increases and more costs to be advised over the next twelve months, FMA and financial advisory related costs.

2/ Transferring the assets of Silverwood Partnership to a newly formed incorporated company issuing shares to Silverwood Land Partnership unit holders for its assets.

3/ Or Whitby Corporation Ltd, the current 50% owner of Silverwood Land Partnership units, could issue WCL shares for the balance of SLP units it does not own and continue operations without Silverwood Forest Corporation Ltd and / or Silverwood Land Partnership structures and save two of the three structures considerable annual compliance costs with little else changing.

Compliance has become, and will continue to become more complicated and increasing costs are of very serious concern to the Directors. These include, amongst others, for SLP new registered Statutory Supervisors , our accountant, new registered auditors.(The auditors are required to have a peer review.)

Currently this has increased compliance costs by \$30-\$40,000 per annum for SLP alone and you carry half of that.

Clearly we wish to have the simplest structure in place and with minimal compliance costs to see us through to our wind up day which follows the completion of all Silverwood land sales at Whitby.

There is merit in considering the option 3 where Whitby Corporation offers WCL shares to Silverwood Land Partnership unit holders for the balance of the units of the Silverwood Land Partnership it does not already own.

Whitby has a simple corporate structure and less compliance costs.

As a result your Directors have taken independent advice on the benefits for shareholders of progressing this option and we will elaborate on all the options at the AGM.

One of the key issues for Whitby is the likelihood of losing some of the carried forward tax losses due to the 49% continuity of shareholders requirement. This could be mostly overcome by further pay-outs before the transfer is required in April 2015

The likelihood of this occurring is being determined.

We intend to discuss these matters at the AGM but any decision will involve consideration by the Silverwood Partnership and voting by Whitby shareholders at a subsequent SGM as this would be a major financial transaction

Silverwood Directors are now looking at an exit strategy around 2020 and this will coincide with the opening of the motorway. It is expected pay-outs will be more regular up to that date.

We look forward to seeing you all

For The Directors

Whitby Corporation

Dear Shareholders

We have organised a visit for all interested shareholders to view the development at Whitby before we commence the AGM.

You are all welcome and it will give you a chance to see the size and progress made to date.

It is essential that you arrive on time to walk over the site.

It is proposed to meet at Lot100 at 3pm for a talk and we will commence a walk over the property shortly after.

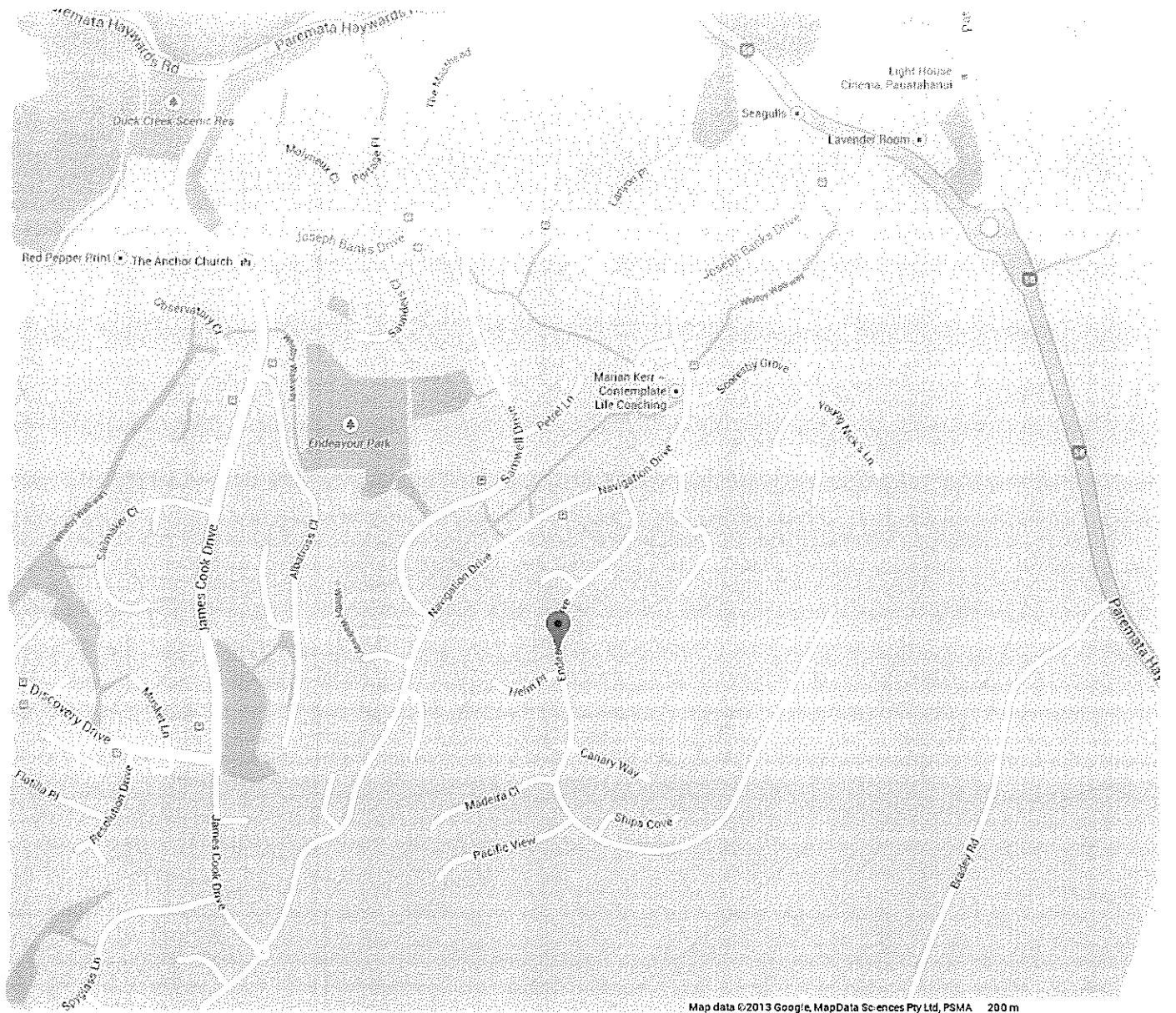
Peter Tiedemann and I will need to be at the church by 4.15pm for a Directors meeting and the AGM will commence at 5.00pm

If you are coming from the Hutt Valley you will go on state Highway 58 from Haywards to Judgeford roundabout. Continue left through the round about, past the historic cottage and then turn left into Joseph Banks drive and left again into Navigation Drive. Endeavour Drive is 2<sup>nd</sup> or 3<sup>rd</sup> left off Navigation and there is a large house with a built up wall on the corner.

Continue up the hill up to Lot100 and to the development.

If you have problems phone me on 0272247297.

Tony Loveday  
Director



Map data ©2013 Google, MapData Sciences Pty Ltd, PSMA 200 m



# Whitby Corporation Limited

Minutes of the Annual General Meeting of Whitby Corporation Limited held on 10 December 2012 at the Baptist Church, Buick Street, Petone.

The Chairman (Mr A S Loveday) opened the meeting of the company by welcoming all shareholders to the meeting.

**Directors in attendance:** Mr A.S.Loveday, Mr P.Tiedemann, Mr R.Hudson (Secretary)

**Apologies:** Apologies were received from Mr & Mrs Soulsby, Mr L Redington, Mr M Moore and Mr P White

**Proxies:** The Secretary read the proxies

**Minutes of Previous Meeting:** The Chairman reviewed the minutes from the previous meeting. There were no matters arising.

The Chairman proposed that the minutes be accepted.

Seconded: Mr R Redington

**Passed**

**Financial Statements/Directors Report:**

The Chairman tabled the Financial Statements and Directors Report for the year ended 30 September 2012.

The Secretary advised the meeting that the audit had been completed and there were no changes to the accounts as distributed. He advised that the audited accounts would be made available on the company website.

The Chairman reviewed the financial statements and noted that the company was in a sound financial position with in excess of \$200,000 of cash on deposit or in bank accounts.

The Chairman then put to the meeting that the financial statements be approved.

Seconded: Mr R Redington

**Passed**

**Directors:**

Mr Loveday advised the meeting that Mr Tiedemann was required to stand for re-election by rotation. The Secretary confirmed there were no other nominations for director. Mr Loveday moved that Mr Tiedemann be re-elected for a two year period

Moved: Mr A S Loveday

Seconded: Mr J Austad

**Passed**

Mr Loveday requested that the directors' fees be approved at the same level as the previous year as follows:

- Mr Loveday \$6300 plus GST
- Mr Tiedemann \$3000 plus GST

The Secretary explained that the fees would be paid to companies associated with the directors

Moved: Mr J Austad  
Seconded: Mr R Redington

**Passed**

**Auditor:**

The Chairman proposed that Mr Terry Bartlett be reappointed as auditor

Seconded: Mr J Austad

**Passed**

The Chairman then provided a brief overview of the land development and explained that extremely positive progress had been made during the year. He explained that 63 lots had been sold now and 6 showhomes from various building companies were now on site or soon would be.

He then passed over to Mr Tiedemann to provide a more detailed overview of the Silverwood Land Partnership's activities for the year. Mr Tiedemann is the executive director of the management company that oversees the operations of the Partnership and is on the Management Committee of the Silverwood Joint Venture that manages the Whitby land development.

***Silverwood Land  
Partnership:***

Mr Tiedemann reviewed the progress on the development by reference to a number of hand outs he provided the meeting. The directors had visited the site prior to the meeting with interested shareholders.

Mr Tiedemann started by referring to the Silverwood prospectus which was now 10 years old and set out a long term year plan for the development. Mr Tiedemann explained that progress was in line with the prospectus but was 2 years behind on the timeline set out in that document. Given the Global Financial Crisis which was not allowed for in the plan, he considered this a very satisfactory achievement.

Mr Tiedemann then advised the meeting that a banking facility was being discussed with Westpac whereby a loan would be raised with that bank on the remaining land. The loan funds raised would be used to equalise the current accounts and loans of the Joint Venture partners. So the loan would be advanced by Westpac to the Joint Venture and then paid out by the Joint Venture to the Joint Venture partners.

Mr Tiedemann hoped this funding would be completed later in 2013 and, in that event, the share of funds released to Whitby Corporation would be distributed to its shareholders by way of share repurchase.

The prospects for the subdivision look very promising and projections show that over the next 5- 7 years the loan will be repaid with a substantial profit above that. Mr Tiedemann confirmed that his sole objective was to sell down the subdivision and maximise the return to shareholders in the shortest possible time frame.

Mr Tiedemann then provided an overview of the development work at the subdivision. Key issues he covered were as follows:

- Lot 2 was now developed with 193 sections available and selling.
- Lots 1, 3, 4 & 6 were at various stages of planning. For Lot 3 plans had been drawn up and were discussed with Council for evaluation. The other lots were not as advanced as Lot 3. Plans had been drafted for Lot 4. Lot 1 had been split in two by the designation for the Waitangarua motorway feeder road. Lot 6 still had a stand of timber on it which could be harvested
- Mr Tiedemann advised that, at this point, he expected the remaining blocks to be sold as larger development sites to other developers. This would mean the Joint Venture would not carry out the intensive development that had been necessary with Lot 2 to ready sections for sale eg roading, curbing etc.
- Negotiations with Porirua City Council will need to be undertaken regarding roading designations and feeder roads. Discussions were continuing with council regarding matters like ecological reserves and power lines. These were difficult but part of the development process.
- A new website for sales would be launched in February 2013. This was expected to assist the sales process.

#### General Business

Mr Loveday advised the meeting that the directors might initiate a share repurchase to all shareholders on a pro-rata basis later in 2013. This would be similar to that undertaken previously and would be conducted in line with the Constitution of the company

There being no further business the meeting closed at about 5.50pm

**Whitby Corporation Limited**  
**Financial Statements**  
**For the year ended 30 September 2013**

# Whitby Corporation Limited

## Financial Statements

For the year ended 30 September 2013

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# Whitby Corporation Limited

## Company Directory

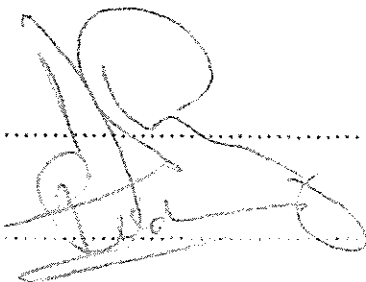
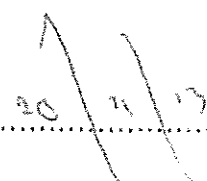
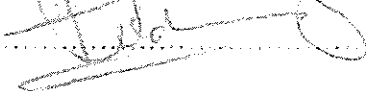
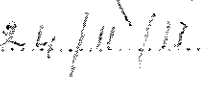
As at 30 September 2013

<b>Nature of Business</b>	Investment
<b>Registered Office</b>	Level 7, 44 Victoria Street WELLINGTON
<b>Directors</b>	A (Tony) Loveday Peter Tiedemann
<b>Accountants</b>	Pocock Hudson Limited WELLINGTON
<b>Bankers</b>	ANZ WELLINGTON
<b>Solicitors</b>	Oakley Moran 15 Brandon Street WELLINGTON
<b>Auditors</b>	Mr Terence Bartlett LOWER HUTT

Whitby Corporation Limited

Statement of Financial Position  
As at 30 September 2013

	Note	2013	2012
<b>Current Assets</b>		\$	\$
Cash & Cash Equivalents	4	148,700	216,400
Prepaid Taxation		1,146	3,034
		<u>149,846</u>	<u>219,434</u>
<b>Investments</b>			
Silvenwood Land Partnership	5	3,701,455	4,566,700
		<u>3,701,455</u>	<u>4,566,700</u>
<b>Total Assets</b>		<u>3,851,301</u>	<u>4,786,134</u>
<b>Current Liabilities</b>			
Accounts Payable	6	18,081	6,075
		<u>18,081</u>	<u>6,075</u>
<b>Term Liabilities</b>			
Shareholders' Loans	7	-	8,350
		<u>-</u>	<u>8,350</u>
<b>Total Liabilities</b>		<u>18,081</u>	<u>14,425</u>
<b>Net Assets</b>		<u><u>\$3,833,220</u></u>	<u><u>\$4,771,709</u></u>
<b>Shareholders Funds</b>			
Equity	12a	483,567	1,086,209
Capital Reserves	12c	4,051,679	4,366,566
Accumulated Losses	12b	(702,026)	(681,066)
<b>Total Shareholders' Funds</b>		<u><u>\$3,833,220</u></u>	<u><u>\$4,771,709</u></u>


 ..... Director .....  ..... Date 20/11/13  

 ..... Director .....  ..... Date 24/11/13

The accompanying notes form part of these financial statements



Whitby Corporation Limited

Statement of Comprehensive Income  
For the year ended 30 September 2013

	Note	2013 \$	2012 \$
Revenue		-	-
Operating expenses	2	(34,871)	(23,153)
Operating Loss		(34,871)	(23,153)
Finance income		5,651	6,637
Finance costs		(90)	(7)
Loss before income tax		(29,310)	(16,523)
Income tax (expense) benefit	3	-	-
Net Loss for the period		(29,310)	(16,523)
Other comprehensive income		8,350	-
Total Comprehensive Income		(\$20,960)	(\$16,523)

The accompanying notes form part of these financial statements





## Whitby Corporation Limited

### Statement of Changes in Equity As at 30 September 2013

	Note	Share Capital	Capital Reserves	Retained Earnings	Total
Balance as at 1 October 2012		1,086,209	4,366,566	(681,066)	\$4,771,709
Movements for period		(602,642)	(314,887)	(20,960)	(\$938,489)
Total comprehensive income for the year		(602,642)	(314,887)	(20,960)	(\$938,489)
Balance as at 30 September 2013	12	\$483,567	\$4,051,679	(\$702,026)	\$3,833,220

		Share Capital	Capital Reserves	Retained Earnings	Total
Balance as at 1 October 2011		1,086,209	4,172,476	(664,543)	\$4,594,142
Movements for period		-	194,090	(16,523)	\$177,567
Total comprehensive income for the year		-	194,090	(16,523)	\$177,567
Balance as at 30 September 2012	12	\$1,086,209	\$4,366,566	(\$681,066)	\$4,771,709

The accompanying notes form part of these financial statements

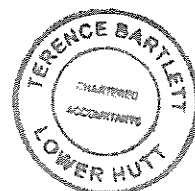


Whitby Corporation Limited

Statement of Cash Flows  
For the year ended 30 September 2013

Operating Cash Flows	Note	2013	2012
Cash was provided from:		\$	\$
Interest Received		5,651	6,466
Taxation Refunds		3,034	11,735
 Cash was applied to:			
Payments to Suppliers		(22,864)	(30,245)
Interest Paid		(90)	(7)
Resident Withholding Tax on Interest		(989)	(1,132)
 Net operating cash inflows (outflows)	11	<u>(15,258)</u>	<u>(13,182)</u>
 Investing Cash Flows			
Cash was provided from:			
Capital Distribution from Investments		550,200	-
 Net investing cash inflows (outflows)		<u>550,200</u>	<u>-</u>
 Financing Cash Flows			
Net Cash flow from Financing Activities			
Shares Repurchased	12	(602,642)	-
 Net Cash flow from Financing Activities		<u>(602,642)</u>	<u>-</u>
 Net increase (decrease) in cash		(67,700)	(13,182)
Add: Cash at start of year		216,400	229,582
 Ending Cash Carried Forward		<u>\$148,700</u>	<u>\$216,400</u>
 Ending Cash Carried Forward consists of:			
Bank Funds		148,700	216,400
		<u>\$148,700</u>	<u>\$216,400</u>

The accompanying notes form part of these financial statements



## Whitby Corporation Limited

### Notes to the Financial Statements For the year ended 30 September 2013

#### 1 Statement of Accounting Policies

##### Reporting Entity

Whitby Corporation Limited is a company registered under the Companies Act 1993.

Whitby Corporation Limited is a reporting entity for the purposes of the Financial Reporting Act 1993. The financial statements of Whitby Corporation Limited have been prepared in accordance with the Financial Reporting Act 1993.

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP), adopting the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and its interpretations as appropriate for profit-oriented entities.

##### General Accounting Policies

The general accounting policies recommended by the New Zealand Institute of Chartered Accountants for the measurement and reporting of results and financial position on an historical cost basis are followed by the Company. Accrual accounting is used in preparation of these financial statements and reliance is placed on the fact that the company is a going concern.

##### 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.

The Company qualifies for Differential Reporting exemptions as it is not large and has no public accountability. All available reporting exemptions allowed under the Framework for Differential Reporting have been adopted except that a statement of cash flows is presented.

The company is domiciled in New Zealand and the reporting currency is New Zealand dollars.

##### (a) Goods and Services Tax

These accounts have been prepared inclusive of GST as Whitby Corporation Limited is not registered for GST.



Whitby Corporation Limited

Notes to the Financial Statements (continued)

For the year ended 30 September 2013

(b) Trade and Other Payables

Trade and other payables are stated at cost and are inclusive of GST.

(c) Expenses

All costs are expensed when the related services have been rendered.

(d) Taxation

Taxation is calculated on a taxes payable method.

(e) Statement of Cash Flows

The following are definition of the terms in the Statement of Cash Flows:

Cash is considered to be cash on hand, current accounts in banks and other highly liquid investments in which the company invests as part of its day to day cash management. Cash includes borrowings from financial institutions, such as bank overdrafts, where such borrowings are at call and are used as part of the day to day cash management.

Investing activities are those activities relating to the acquisition, holding and disposal of investments. Investments can include securities not falling within the definition of cash.

Financing activities are those activities which result in changes in the size and composition of the capital structure. This includes both equity and debt not falling within the definition of cash. Dividends paid in relation to the capital structure are included in financing activities.

Operating activities include all transactions and other events that are not financing or investing activities.



Whitby Corporation Limited

Notes to the Financial Statements (continued)

For the year ended 30 September 2013

(f) Financial Instruments

Financial instruments are recognised in the balance sheet when the company becomes party to a financial contract. They include cash balances, receivables, payables, investments in and loans to others, and term borrowings.

(i) Receivables and payables

Receivables and payables are initially recorded at fair value. Due allowance is made for impaired receivables (doubtful debts). Except for a few customers with extended credit terms, the resulting carrying amount for receivables is not materially different from estimated realisable value.

(ii) Borrowings

Borrowings are initially recorded at fair value net of transaction costs incurred.

Borrowing costs that are directly attributable to the acquisition, construction, or production of assets that necessarily take a long time to build and/or prepare for use form part of the cost of that asset. Other borrowing costs are recognised as an expense in the period they are incurred.

All financial assets are classified as loans and receivables.

Liabilities classified as financial liabilities are measured at cost.

The fair value of all financial instruments is considered to be equivalent to their carrying value.



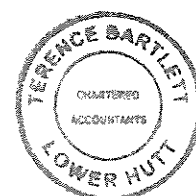
Whitby Corporation Limited

Notes to the Financial Statements (continued)

For the year ended 30 September 2013

2	Operating Expenses	2013 \$	2012 \$
	Audit Fees	2,070	1,955
	Management Fees	11,385	11,385
	Other Expenses	21,416	9,813
		<u>34,871</u>	<u>23,153</u>
		<u>34,871</u>	<u>23,153</u>
3	Income Tax Expense	2013 \$	2012 \$
	Operating loss before taxation	(20,960)	(16,523)
	Add: Silverwood Forest Profit/(Loss)	-	-
	Add: Silverwood Land Profit/(Loss)	(84,034)	194,090
	Add: Non Deductible Expenses	235	1,325
	Tax Losses Brought Forward	(2,378,263)	(2,557,155)
	Tax Losses to Carry Forward (See Note 8)	<u>(2,483,022)</u>	<u>(2,378,263)</u>
	Prima facie income tax @28%	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
4	Cash & Cash Equivalents	2013 \$	2012 \$
	ANZ	148,700	216,400
		<u>148,700</u>	<u>216,400</u>
		<u>148,700</u>	<u>216,400</u>

The accompanying notes form part of these financial statements



Whitby Corporation Limited

Notes to the Financial Statements (continued)

For the year ended 30 September 2013

5 Investments

Silverwood Land Partnership

	Cost		
524 Partnership Units of \$1,550.67 each (Average Unit Cost)	\$812,550		
		31 March Value	Percentage of Total Capital
524 Partnership Units of \$8,113.85 each*		\$4,251,655	50.00

\* Represents unit value based on the audited financial statements of Silverwood Land Partnership as prepared in respect of the year ended 31 March 2013.

	Current Value		
524 Partnership Units of \$7,063.85 each**	\$3,701,455		Percentage of Total Capital 50.00

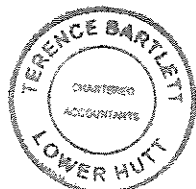
\*\* Represents unit value based on the audited financial statements of Silverwood Land Partnership as prepared in respect of the year ended 31 March 2013 less the repayment of Capital received from Silverwood Land Partnership on 25 June 2013.

6 Accounts Payable

	2013	2012
	\$	\$
Accrued expenses	18,081	6,075
	<u>18,081</u>	<u>6,075</u>

7 Shareholders Loans

Represents an accrual for interest on shareholder funds held incorrectly and repaid over twenty five years ago. Given the passing of the time the directors have decided to reverse this accrual in the current year.



## Whitby Corporation Limited

### Notes to the Financial Statements (continued)

For the year ended 30 September 2013

#### 8 Accumulated Losses and Future Income Offsets

The amount held in this account represents the accumulated accounting losses of the company and does not equate to assessed tax losses.

Assessed tax losses available to be carried forward and offset against future income, subject to the issue of an assessment, are in the order of \$2,483,022 (2012: \$2,378,263 assessed) as shown in Note 3 of these notes to the accounts.

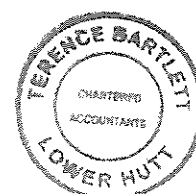
No future benefit has been taken up in these statements for tax losses available.

#### 9 Related Parties

Whitby Corporation Limited paid or provided for management fees to Tiedemann & Partners, an entity associated with P Tiedemann, totalling \$4,140 including GST (2012: \$4,140 including GST). Management fees were also paid or provided to Valley Management Services Limited, a company associated with A S Loveday, totalling \$7,245 including GST (2012: \$7,245 including GST). These payments are inclusive of GST as the company is not registered for GST purposes.

No related party debts have been written off or forgiven during the year.

All related party transactions were performed on an arm's length basis.





Whitby Corporation Limited

Notes to the Financial Statements (continued)

For the year ended 30 September 2013

10 Financial Instruments

The company has the following recognized financial assets and financial liabilities:

Cash  
Investments  
Accounts Payables.

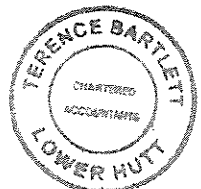
The fair value of the above financial assets and financial liabilities are equivalent to the carrying amounts in the Statement of Financial Position.

**Credit Risk**

The Financial instrument which potentially subjects the company to credit risk is cash. The maximum exposure to credit risk is the carrying value of National Bank of NZ Ltd cash as presented in the Statement of Financial Position.

11 Reconciliation of net profit after tax with net cash flows from operating activities

	2013	2012
	\$	\$
Net Surplus (Loss) after taxation	(20,960)	(16,523)
Sundry Income not received in cash	-	171
Decrease in Shareholders Loans	(8,350)	-
Increase in Prepaid Tax	2,046	(10,603)
Increase in Accounts Payable	12,006	7,091
	<u>5,702</u>	<u>3,341</u>
<b>Net Cash Flows from Operating Activities</b>	<u><u>(\$15,258)</u></u>	<u><u>(\$13,182)</u></u>

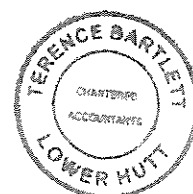


Whitby Corporation Limited

Notes to the Financial Statements (continued)  
For the year ended 30 September 2013

12	Shareholders' Equity		
	(a) Capital		
		2013	2012
		\$	\$
	Issued Capital	483,567	1,086,209
	<b>Total Issued and Paid up Capital</b>	<u>483,567</u>	<u>1,086,209</u>
	<b>Total Issued Number of Shares</b>	1,977,124	2,278,445
	(b) Retained Earnings		
	Accumulated Losses opening balance	(681,066)	(664,543)
	Net Profit after Tax	(20,960)	(16,523)
	<b>Accumulated Losses closing balance</b>	<u>(702,026)</u>	<u>(681,066)</u>
	(c) Reserves		
	Share Premium Reserve	-	-
	Asset Revaluation Reserve	3,664,828	3,979,715
	Capital Reserve	386,851	386,851
	<b>Total Capital Reserves</b>	<u>4,051,679</u>	<u>4,366,566</u>

The accompanying notes form part of these financial statements



**AUDITORS REPORT**  
**TO THE MEMBERS**  
**WHITBY CORPORATION LIMITED**

I have audited the financial statements on pages 2 to 13. The financial statements provide information about the past financial performance and financial position of the Company as at 30<sup>th</sup> September 2013. This information is stated in accordance with the accounting policies set out on pages 6-8.

**Directors' Responsibilities**

The directors are responsible for the preparation and presentation of the financial statements, which give a true and fair view of the financial position of the Company as at 30<sup>th</sup> September 2013, and the results of operations and cash flows for the year ended on that date.

**Auditor's Responsibilities**

I am responsible for expressing an independent opinion on the financial statements presented by the directors and reporting my opinion to the shareholders.

**Basis of Opinion**

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- ❖ The significant estimates and judgements made by the directors in the preparation of the financial statements, and
- ❖ Whether the accounting policies used and described in the Notes are appropriate to the circumstances of the Company, consistently applied and adequately disclosed.

I conducted my audit in accordance with New Zealand Auditing Standards.

I planned and performed my audit so as to obtain all the information and explanations, which I considered necessary in order to provide sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in my capacity as Auditor I have no other relationship with or interest in the Company.

**Unqualified Opinion**

I have obtained all the information and explanations that I have required. In my opinion:

- ❖ Proper accounting records have been kept by the Company as far as appears from our examination of those records: and
- ❖ The Financial Statements on pages 2 to 12:
  - i) Comply with generally accepted accounting practice in New Zealand
  - ii) Give a true and fair view of the financial position of the Company as at 30 September 2013, and the results of its operations and cash flows for the year ended on that date.

My audit was completed on 27<sup>th</sup> November 2013 and my unqualified opinion is expressed as at that date.



**Terence Bartlett**  
**Chartered Accountant**  
**Lower Hutt**



SILVERWOOD  
FOREST  
CORPORATION LIMITED AND COMPANY

# NEWSLETTER

24 June 2013

**AGM:** The directors invite all unit holders to attend the Annual General Meeting for Silverwood Land Partnership (SLP) which will be held on *Tuesday 10 September 2013 at 'The Community of Saint Luke'* 130 Remuera Road, Remuera, AUCKLAND

*Please Return the Proxy Letter enclosed if you can not attend.*

Please return the enclosed Proxy Letter if you are unable to attend the meeting.

1. The completed Proxy is needed to ensure we have a quorum of registered unit holders present. The proxy is to register your attendance only, not voting rights.
2. Please ensure your address on the Proxy Form is correct for future cash distributions.
3. Please add your email address which helps us to find you if / when the next distribution is to be made.
4. Please add your bank account number if you wish to have future SLP payments made directly into your bank account

**VISIT:** Please join us for afternoon tea at 3.00pm Tuesday the 10<sup>th</sup> of September so you can browse through plans of our five Lots in Whitby before we start the AGM at 3.30pm. Whitby Corporation Ltd (WCL) shareholders are also welcome to attend; SLP and WCL have agreed to invite their unit/shareholders to their respective AGMs, (SLP in Auckland, WCL in Wellington) as SLP is WCL's only investment and as WCL owns 50% of SLP and as two of the directors are in common.

**DISTRIBUTION:** The SFCL LP directors are happy to say that the enclosed cheque (or the 26 June 2013 bank transfer made to those who provided their bank account number) represents \$1,050 per unit. This, added to the \$500 per unit distributed in 2010, means that \$1,550 per unit has been returned to the SLP unit holders. This amount is the same as what was paid in by SLP unit holders in 1990 and 2003. Future distributions will therefore be from profits earned.

**ANNUAL ACCOUNTS:** The DRAFT accounts for the Land Partnership have been posted on [www.silverwoodcorporation.co.nz](http://www.silverwoodcorporation.co.nz). The AGM Agenda, The Proxy Letter, the Tax Letter and this Newsletter are also there. SLP accounts are at the auditors to ensure they meet all new requirements of NZ GAAP and the IFR Standards. It is worth noting here that new accounting requirements added every year since 2007 make comparisons with commercial realities and prior years more complex and less comprehensible to most, including the professionals involved in ensuring these standards are met, as well as being very costly to SLP unit holders. The time has come to speak out against these out of proportion and over expensive, illogical and incomprehensible controls for small entities like SLP. The Financial Marketing Authority has not renewed our 2012 Statutory Supervisor's licence and our 2012 auditor has not renewed his audit licence. These changes have seen costs soar and appointments changed – see our web site. Note: One of these changes means deferred director fees are now part of the 2013 accounts as well as in the notes.

<b>SLP:</b>	'04 closing equity is	\$3,819,000	(Land \$3,890K and -\$ 71K other)
(1048 units)	'06 closing equity is	\$4,844,773	(Land \$5,200K and -\$355K other)
	'08 closing equity is	\$4,873,213	(Land \$5,514K and -\$641K other)
	'10 closing equity is	\$2,920,882	(incl. land at 2007 valuation + cost since)
	'12 closing equity is	\$9,133,399	(incl. land at 2010 valuation) (in'13 \$8,649,291)
	'13 closing DRAFT	\$8,503,310	(incl land at 2013 valuation)

**Notes:**

1. Since IFRS was introduced in 2007 land stocks are valued at the lower of cost or valuation. In July 2010 New Zealand Transport Authority (NZTA) paid SLP for its Land Take \$8,156,250 incl GST. However, since this Land Take, NZTA has not yet completed its agreement with SLP re Lots 3 and 4 Titles and Access. As a consequence Land Stock Values have been written down in 2013 accounts by some \$890K. With the Transmission Gully Motorway and its Feeder Roads (TGM&FR) having received its final consent in 2012, we expect this to be resolved, and corrected, within the next twelve to eighteen months. SLP has been reimbursed by NZTA for most prior year consultant costs. Disturbance Claims have not yet been finalised.
2. As a consequence of final approval for the TGM&FR, Porirua City Council (PCC) has changed its District Plan effectively placing a Designation over our Lots 1, 4 and 6 for the Waitangirua Feeder Road and is contemplating a designation over part of our Lot 3 to enable it to complete the James Cook / TGM Feeder Road. SLP is in progress of negotiating compensation by PCC.
3. Lot 1 is under offer for the part north of the northern PCC designation boundary. The PCC designated land and further south will be consolidated with lot 6 on completion of the sale of the northern part. In return Verplank receives one Lot 2 rural residential lot
4. Lot 2 development has been completed, 194 sections were built of which 80 residential sections have been sold by 11 June with a further 6 agreements out for signing and a further 17 sections under option. Silverwood and its JV partner Verplank will retain one rural residential section each to provide SLP access to land beyond Lot 2 for maintenance and future development.
5. Lots 3, 4 and 6, the not designated parts, are work in progress with development plans drawn for selling all or parts from PCC agreed plans. This means titles and accesses need to be finalised with NZTA, PCC and with new neighbours as Whitby Coastal Estate Ltd. has sold and is selling land with a border to SLP land.
6. In January 2013 the Silverwood JV mortgaged its assets (sections and debtors) with Westpac for 5.2% pa to enable the JV partners to largely equalise investments in the JV in 2013 and the balance in 2014. This means that all 2013 and part of 2014 profits go to Verplank as they were by far the largest investor. However a \$1M loan repayment was paid to SLP who placed these funds on term investment with BNZ until late June after which \$1,050 is to be paid to SLP unit holders. It is clearly in every unit holder's interest to refer those wishing to purchase a residential section in the Wellington region to [www.carrus.co.nz](http://www.carrus.co.nz) Help with improving the rate of section sales is always very welcome. Those interested in being involved in the development of Lots 3, 4 and/or 6 should contact the writer.

**OTHER:**

- The 2013 TAX LETTER is on the website and is also included in this mail out. Note- In 2013 SLP made a small taxable loss.
- The address details on your Proxy Letter shows your number of units recorded under the name and address we have on our record for you. Please ensure these name, address and unit details are correct. Note that, since the 2012 AGM resolution, 'Lost Unit Holders' costs are carried by the lost unit holder.
- If you have any questions and/or suggestions kindly email me at [pct@xtra.co.nz](mailto:pct@xtra.co.nz). Effective from last month, my Partnership office at 300 Richmond Road has been closed but my work & contact details remain unchanged.

Kind Regards,  
Peter Tiedemann  
Executive Director