

## Whitby Corporation Limited

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

## Directors Report – November 2015

Dear Whitby Corporation Limited shareholders

It is very important that you attend the AGM/SGM either in person or by proxy.

There is a critically important decision to be made at this meeting which requires your vote!

The Directors have highlighted for the last two AGM's that we can no longer get distributions out to you tax free.

The Directors have spent some considerable time seeking good tax advice from NSA tax consultants in Auckland and we enclose a summary of the options available to the Company and its shareholders.

Up to last year we have been able to buy back shares in the company and distribute tax free to shareholders.

We have no longer been able to do this.

Our tax losses can only be offset against profits and to wait for our tax losses to be extinguished is an unacceptable time frame for shareholders who have already waited a long time.

Our April 2015 distribution to shareholders was done as a taxable dividend with the company paying 33% Resident Withholding Tax to IRD on your behalf, a total of \$85,800

There is no point in continuing along this path.

Silverwood Land 2015 Limited Partnership forecasts that a significant portion of future pay-out to its unit holders from the sections currently being developed and from commercial lots to be sold will be in the next 12-24 months. A fair proportion of their distributions are expected to come from capital gains, i.e. tax free to its unit holders.

The recommended and only way to get monies out to shareholders is to voluntarily liquidate Whitby Corporation in exchange for its assets, cash and Silverwood units, being distributed to its shareholders.

This is a major transaction for the company and requires a Special General Meeting and it needs a resolution to be passed by 75% of the shareholding in Whitby Corporation Limited to enable us to proceed with this.

Once we have passed this resolution we will make a tax free distribution to shareholders in the New Year and then continue until our assets have been depleted.

We currently have approximately \$200,000 on deposit and expect a further \$500,000 distribution from Silverwood Land Partnership in the New Year.

We expect to these amounts to be tax free as well as further amounts Silverwood is expected to distribute before we appoint a liquidator

At the final wind up we will distribute a pro rata issue of units in Silverwood Land Partnership to our WCL shareholders.

Whitby has a significant number of small shareholders and prior to any wind up it may be financially prudent to buy out some of the smaller shareholders but this is open to discussion and negotiations.

A valuation of the shares would be required to ensure fairness in assessing a value.

**NOTE: If you want a tax free distribution in the New Year then it will only happen if we achieve a 75% confirmation of the resolution!**

This is a complex issue and if shareholders wish to discuss it before the AGM/SGM you can contact the Directors or the secretary

Tony Loveday 0272247297 Peter Tiedemann 021764664 or Richard Hudson 044723560

Silverwood Sales are progressing well on Lot 2 and of the original 194 sections the number to be sold is now under 30

Negotiations with the TPG (The Property Group), Porirua City Council and New Zealand Transit Association for acquisition and compensation for the feeder roads across our other Lots progresses slowly. Compulsory acquisition has already occurred; settlement is the logical next step before payment to Silverwood and a distribution to its unit holders, including us

We look forward to seeing as many of you as possible on site and/or at the AGM. ***WITHOUT YOUR VOTE YOU MIGHT LOSE 1/3<sup>RD</sup> OF YOUR FUTURE INCOME FROM US – MAKE SURE YOU VOTE ON OR BEFORE 11 DECEMBER 2015!***

Tony Loveday

For the Directors

# Whitby Corporation Limited

## IMPORTANT NOTICE TO SHAREHOLDERS

Attached are documents that will have a major impact on the future of the Company.

It is vitally important that you are involved in that process. If you are not going to attend the AGM and SGM Whitby in person, we need from you the following:

- Proxies completed for both the AGM and SGM

### All Shareholders:

It is expected that in the next few months, distributions from the company will be made to shareholders.

If you wish to receive those distributions you will need to please complete the details below.

*Until we have those details, we will hold any distribution on your behalf.*

### Shareholder Details

<b>Name:</b>	
<b>Email Address:</b>	
<b>Bank Account Details Name:</b>  <b>Account Number:</b>	

## Whitby Corporation Limited

### Notice of Annual General Meeting

Notice is hereby given that the thirtieth Annual General Meeting of Whitby Corporation Limited shareholders will be held at the Petone Baptist Centre, 38 Buick Street, Petone on Friday 11<sup>th</sup> December 2015 to commence at 5.00pm.

- Business:
1. To receive and consider the Annual Report and Financial Statements for the year ended 30 September 2015.
  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 5.00 pm 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  
11 December 2015 and at any adjournment thereof.

SIGNED this \_\_\_\_\_ day of \_\_\_\_\_ 2015

\_\_\_\_\_  
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 \_\_\_\_\_

## **Whitby Corporation Limited**

### **Notice of Special General Meeting**

**Notice is hereby given that a Special General Meeting of Whitby Corporation Limited shareholders will be held at the Petone Baptist Centre, 38 Buick Street, Petone on Friday 11<sup>th</sup> December 2015 to commence at 5.00pm (to be held concurrently with the Annual General Meeting at the same time).**

Business:        1.        To consider and approve the attached resolution

### **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.

**Note commencement time of 5.00 pm for Special 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 Special General Meeting of the Company to be held on  
11 December 2015 and at any adjournment thereof.

SIGNED this \_\_\_\_\_ day of \_\_\_\_\_ 2015

\_\_\_\_\_  
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 \_\_\_\_\_



## **Whitby Corporation Limited**

### **Special resolution of shareholders to remove Whitby Corporation Limited from the Register.**

We, the shareholders of Whitby Corporation Limited resolve to commence liquidation of the Company and carry out all necessary steps to have the company removed from the Companies Register, including to cease business, pay all creditors, distribute surplus assets, and appoint a liquidator.

## Email message

To: The Directors  
Whitby Corporation Limited

Email: [pect@xtra.co.nz](mailto:pect@xtra.co.nz); [tony@citystop.co.nz](mailto:tony@citystop.co.nz)

From: Keith Turner

Date: 17 November 2015

Subject: **WHITBY CORPORATION LIMITED**

CAUTION: The information contained in this email message is legally privileged and confidential. If the reader of this message is not the intended recipient you are hereby notified that any use, dissemination or reproduction of this message is prohibited. If you have received this message in error please notify us immediately and return the original message to us. Thank you.

This document is privileged from disclosure against the Commissioner of Inland Revenue pursuant to section 20B of the Tax Administration Act 1994 and cannot be disclosed to the Commissioner nor any of his officers without your consent.

Dear Directors

We refer to our discussions regarding the return of capital to shareholders of Whitby Corporation Limited ("Whitby"), and summarise our advice on the tax position below.

- It is no longer possible to undertake a tax free share buy back from all of the Whitby shareholders. To be tax free, shares to the value of at least 10% of the market value of the company must be repurchased, and the buyback must be sourced from subscribed capital. The available subscribed capital is less than 10% of the value of the company.
- Any distribution to the Whitby shareholders will therefore be a taxable dividend, and no imputation credits will be available to attach to such dividend due to Whitby's carried forward tax losses. As a result the company will need to deduct resident withholding tax at 33% from the dividend and pay this to the Inland Revenue.
- In order to distribute any company assets or cash representing a capital gain to the Whitby shareholders tax free, the company must distribute such assets or capital gain in the course of liquidation.
- To effect liquidation for tax purposes, the shareholders must pass a special resolution (75%) resolving to cease business, pay all creditors, distribute surplus assets and appoint a liquidator in due course.
- Accordingly, once the shareholders have so resolved, the units in Silverwood can be distributed to the Whitby shareholders tax free.

- A liquidator could be appointed to formally wind up the company. Any remaining tax losses of the company would be forfeited.

If you have any queries, feel free to contact us.

Yours sincerely  
**nsaTax Limited**



**Keith Turner**  
**Email: [keitht@nsatax.co.nz](mailto:keitht@nsatax.co.nz)**

Ref: 42576\_1

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 the Sales Office at Silverwood at 3.00 pm for a talk and we will commence a walk over the property shortly after.

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 sales office 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 25 March 2015 at the Baptist Church, Buick Street, Petone commencing 3.00pm.

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 J Austad, Mr G Pickering, Mrs A Morris, Mr C Ellis, Mr S Soulsby, Mr A Thorburn and Mrs S Sturman

**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

## *Silverwood Land Partnership:*

Mr Tiedemann addressed the meeting on the progress of the development. The directors had visited the site prior to the meeting with interested shareholders.

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

- Negotiations were being continued with the Porirua City Council and NZTA around the transfer of land to be used for feeder roads. Transit had started building the motorway but compensation for the land taken from SLP was still being negotiated.
- The key issue involved was the amount of compensation to be paid to SLP for the land taken to provide the feeder roads. The battle for compensation continued but the outcome was uncertain.
- The development was proceeding well and sales of Lot 2 were for the first time ahead of budget. The budget for the year was sale of 24 lots and this had been exceeded.
- Mr Tiedemann commented that lot 1 had been sold to a neighbour and lot 2 which could be divided into about 60 units could still be developed.
- Mr Tiedemann explained that the JV was going well and a loan to Westpac raised in previous years had been fully repaid. The JV was soon to distribute about \$700,000 and Whitby would expect to get a share of this through its interest in SLP

**Financial  
Statements/Directors  
Report:**

The Chairman tabled the Financial Statements and Directors Report for the year ended 30 September 2014.

The Chairman reviewed the financial statements and noted that the company was in a sound financial position. In a response to a query from the floor the Secretary reviewed the operating expenses with the meeting and explained that expenditure was higher because of accounting costs associated with the proposed restructuring of the company that had occurred during the year.

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

Seconded: Mr M Plimmer

**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 proposed to the meeting that Mr Tiedemann be re-elected for a two year period

Seconded: Mr R Kidd

**Passed**

Mr Loveday requested that the directors' fees be approved at the following amounts:

- Mr Loveday \$6,300 plus GST (no increase)
- Mr Tiedemann \$4,000 plus GST (an increase of \$1,000)

As in previous years the fees would be paid to companies associated with the directors.

Moved: Mr A Loveday

Seconded: Mr R Kidd

**Passed**

**Auditor:**

The Chairman proposed that Mr Terry Bartlett be reappointed as auditor

Seconded: Mr P Quinn

**Passed**

**Dividend**

The Chairman discussed proposed changes to the Silverwood Land Partnership necessitated by changes in the law. A paper had been prepared by SLP and this had been circulated to Whitby shareholders. The process for change had been expensive and time consuming but was now reaching its conclusion. A meeting of SLP unit holders was scheduled for 30 March 2015 to approve the transition to a limited Partnership.

**Mr Loveday reviewed a letter from a shareholder with the meeting**

Mr Loveday then discussed with the meeting that the company pay a dividend to shareholders once the distribution from SLP had been received.

The Secretary explained that the company could no longer repurchase shares from shareholders and that any distributions to shareholders would be taxable unless they were capital distributions made pursuant to the winding up of the company. Mr Loveday explained to the meeting that the winding up of the company would be explored by the directors before the next AGM but some work needs to be done before the directors will be in a position to advise shareholders.

Mr Loveday explained that directors were keen to distribute funds to shareholders as soon as possible hence the proposal to pay a dividend as soon as possible.

There was discussion around this matter and some shareholders expressed the view that the funds should be retained in the company and not paid out as a dividend

The following proposal was put to the meeting:

That that the company pay a taxable dividend to shareholders of \$250,000. The actual payment date of the dividend is to be agreed by the directors but is expected to be in early April 2015 following receipt of a cash distribution from SLP.

Moved: Mr Plimmer

Seconded: Mrs P Noldan

Dissenting Shareholders: Mr Kidd and Mr Sturman

All other shareholders approved the resolution and it was passed

**General Business**

There being no further business the meeting closed at about 4.15pm



**Whitby Corporation Limited**  
**Financial Statements**  
**For the year ended 30 September 2015**

# Whitby Corporation Limited

## Financial Statements

For the year ended 30 September 2015

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# Whitby Corporation Limited

## Company Directory

As at 30 September 2015

<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 2015

	Note	2015 \$	2014 \$
<b>Current Assets</b>			
Cash & Cash Equivalents	4	224,898	107,336
Tax Refundable	3	1,154	4,785
		<u>226,052</u>	<u>112,121</u>
 <b>Investments</b>			
Silverwood Land Partnership	5	4,329,809	3,663,410
		<u>4,329,809</u>	<u>3,663,410</u>
		4,555,861	3,775,531
 <b>Total Assets</b>			
 <b>Current Liabilities</b>			
Accounts Payable	6	7,929	3,666
		<u>7,929</u>	<u>3,666</u>
		7,929	3,666
 <b>Total Liabilities</b>		<u>7,929</u>	<u>3,666</u>
 <b>Net Assets</b>		<u><b>\$4,547,932</b></u>	<u><b>\$3,771,865</b></u>
 <b>Shareholders Funds</b>			
Equity	11a	483,567	483,567
Capital Reserves	11c	4,818,011	4,017,868
Accumulated Losses	11b	(753,646)	(729,570)
 <b>Total Shareholders' Funds</b>		<u><b>\$4,547,932</b></u>	<u><b>\$3,771,865</b></u>

..... Director ..... Date

..... Director ..... Date

## Whitby Corporation Limited

### Statement of Comprehensive Income For the year ended 30 September 2015

	Note	2015 \$	2014 \$
<b>Revenue</b>		-	-
Operating expenses	2	(26,052)	(30,646)
<b>Operating Loss</b>		<b>(26,052)</b>	<b>(30,646)</b>
Finance income		2,345	3,151
Finance costs		(369)	(49)
<b>Loss before income tax</b>		<b>(24,076)</b>	<b>(27,544)</b>
Income tax (expense) benefit	3	-	-
<b>Net Loss for the period</b>		<b>(24,076)</b>	<b>(27,544)</b>
Other comprehensive income		-	-
<b>Total Comprehensive Income</b>		<b>(\$24,076)</b>	<b>(\$27,544)</b>

The accompanying notes form part of these financial statements.

## Whitby Corporation Limited

### Statement of Changes in Equity

As at 30 September 2015

	Note	Share Capital	Capital Reserves	Retained Earnings	Total
<b>Balance as at 1 October 2014</b>		483,567	4,017,868	(729,570)	<b>\$3,771,865</b>
Movements for period		-	1,060,143	(24,076)	<b>\$1,036,067</b>
Total comprehensive income for the year		-	1,060,143	(24,076)	<b>\$1,036,067</b>
Share Repurchases		-	-	-	-
Dividends Paid*		-	(260,000)	-	(260,000)
<b>Balance as at 30 September 2015</b>	<b>11</b>	<b>\$483,567</b>	<b>\$4,818,011</b>	<b>(\$753,646)</b>	<b>\$4,547,932</b>

\* Including Resident Withholding Tax of \$85,800 paid on 18 May 2015

		Share Capital	Capital Reserves	Retained Earnings	Total
<b>Balance as at 1 October 2013</b>		483,567	4,051,679	(702,026)	<b>\$3,833,220</b>
Movements for period		-	(33,811)	(27,544)	<b>(\$61,355)</b>
Total comprehensive income for the year		-	(33,811)	(27,544)	<b>(\$61,355)</b>
Share Repurchases		-	-	-	-
Dividends Paid		-	-	-	-
<b>Balance as at 30 September 2014</b>	<b>11</b>	<b>\$483,567</b>	<b>\$4,017,868</b>	<b>(\$729,570)</b>	<b>\$3,771,865</b>

The accompanying notes form part of these financial statements.

## Whitby Corporation Limited

### Statement of Cash Flows

For the year ended 30 September 2015

<b>Operating Cash Flows</b>	<b>Note</b>	<b>2015</b>	<b>2014</b>
<b>Cash was provided from:</b>		<b>\$</b>	<b>\$</b>
Taxation Refunds		4,785	1,146
<b>Cash was applied to:</b>			
Payments to Suppliers		(29,956)	(45,061)
Interest Paid		(88)	(49)
Resident Withholding Tax on Interest		(410)	(551)
<b>Net operating cash inflows (outflows)</b>	<b>10</b>	<u>(25,669)</u>	<u>(44,515)</u>
<b>Investing Cash Flows</b>			
<b>Cash was provided from:</b>			
Capital Distribution from Silverwood Forest Partnership			
Received 7 April 2015		209,600	-
Received 4 September 2015		183,400	-
Interest Received		2,345	3,151
<b>Net investing cash inflows (outflows)</b>		<u>395,345</u>	<u>3,151</u>
<b>Financing Cash Flows</b>			
<b>Cash was applied to:</b>			
Dividends Paid		(166,314)	-
RWT on Dividends		(85,800)	-
<b>Net Cash flow from Financing Activities</b>		<u>(252,114)</u>	<u>-</u>
<b>Net increase (decrease) in cash</b>		117,562	(41,364)
Add: Cash at start of year		107,336	148,700
<b>Ending Cash Carried Forward</b>		<u>224,898</u>	<u>\$107,336</u>
<b>Ending Cash Carried Forward consists of:</b>			
Bank Funds		224,898	107,336
		<u>\$224,898</u>	<u>\$107,336</u>

The accompanying notes form part of these financial statements.

# Whitby Corporation Limited

## Notes to the Financial Statements

For the year ended 30 September 2015

### 1 Statement of Accounting Policies

#### Reporting Entity

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

The financial statements of Whitby Corporation Limited are general purpose financial statements that have been prepared in accordance with generally accepted accounting practice and in accordance with the reporting requirements of the Financial Reporting Act 2013.

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

The Company transitioned on 1 October 2014 from the preparation of financial information in accordance with the reporting exemptions allowed under the framework for differential reporting to full reporting under NZ IFRS.

This transition had minimal effect on the accounting policies of the Company.

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 2015

(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 2015

(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 2015

<b>2</b>	<b>Operating Expenses</b>	<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
	Audit Fees	2,415	2,185
	Management Fees	12,535	13,024
	Other Expenses	11,102	15,437
		<u>26,052</u>	<u>30,646</u>
		<u><u>26,052</u></u>	<u><u>30,646</u></u>
<b>3</b>	<b>Income Tax Expense</b>	<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
	Operating loss before taxation	(24,076)	(27,544)
	Add: Silverwood Forest Profit/(Loss)	-	-
	Add: Silverwood Land Profit/(Loss)	(138,163)	(56,183)
	Add: Non Deductible Expenses	249	239
	Tax Losses Brought Forward	(2,566,510)	(2,483,022)
		<u>(2,728,500)</u>	<u>(2,483,022)</u>
	Tax Losses to Carry Forward (See Note 7)	(2,728,500)	(2,566,510)
		<u>(2,728,500)</u>	<u>(2,566,510)</u>
	Prima facie income tax @28%	-	-
		<u>-</u>	<u>-</u>
		<u><u>-</u></u>	<u><u>-</u></u>
	<b>Income Tax Refundable</b>	<b>2015</b>	<b>2014</b>
	RWT Received	1,154	4,785
		<u>1,154</u>	<u>4,785</u>
	Tax to be Refunded	<b>1,154</b>	<b>4,785</b>
		<u>1,154</u>	<u>4,785</u>
		<u><u>1,154</u></u>	<u><u>4,785</u></u>
<b>4</b>	<b>Cash &amp; Cash Equivalents</b>	<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
	ANZ	224,898	107,336
		<u>224,898</u>	<u>107,336</u>
		<u><u>224,898</u></u>	<u><u>107,336</u></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 2015

#### 5 Investments

##### Silverwood Land Partnership

##### 30<sup>th</sup> September 2015 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 \$8,612.99 each*	\$4,513,209	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	Percentage of Total Capital
524 Partnership Units of \$8,262.99 each**	\$4,329,809	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 2015 less the repayment of Capital received from Silverwood Land Partnership on 4 September 2015.

##### 30<sup>th</sup> September 2014 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 \$6,991.24 each*	\$3,663,410	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 2014.

	2015	2014
<b>6 Accounts Payable</b>	<b>\$</b>	<b>\$</b>
Accrued expenses	44	3,666
Dividends unbanked	7,887	-
	7,931	3,666

The accompanying notes form part of these financial statements.

## **Whitby Corporation Limited**

### **Notes to the Financial Statements (continued)**

For the year ended 30 September 2015

#### **7 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 \$2,728,500 (2014: \$2,556,510 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.

#### **8 Related Parties**

Whitby Corporation Limited paid or provided for management fees to Tiedemann & Partners, an entity associated with P Tiedemann, totalling \$5,290 including GST (2014: \$5,089 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 (2014: \$7,935 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 2015

#### 9 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 ANZ Bank NZ Ltd cash as presented in the Statement of Financial Position.

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

	2015	2014
	\$	\$
Net Surplus (Loss) after taxation	(24,076)	(27,544)
Sundry Income not received in cash	-	-
Interest Received	(2,345)	(3,151)
(Decrease)/Increase in Prepaid Tax	4,375	595
(Decrease)/Increase in Accounts Payable	(3,623)	(14,415)
	<u>(1,593)</u>	<u>(16,971)</u>
<b>Net Cash Flows from Operating Activities</b>	<u><u>(\$25,669)</u></u>	<u><u>(\$44,515)</u></u>

## Whitby Corporation Limited

### Notes to the Financial Statements (continued)

For the year ended 30 September 2015

<b>11 Shareholders' Equity</b>		
<b>(a) Capital</b>		
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Issued Capital	483,567	483,567
	<hr/>	<hr/>
<b>Total Issued and Paid up Capital</b>	<b>483,567</b>	<b>483,567</b>
	<hr/> <hr/>	<hr/> <hr/>
Opening Number of Shares	1,977,124	1,977,124
	<hr/>	<hr/>
<b>Total Issued Number of Shares</b>	<b>1,977,124</b>	<b>1,977,124</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>(b) Retained Earnings</b>		
Accumulated Losses opening balance	(729,570)	(702,026)
Net Profit after Tax	(24,076)	(27,544)
	<hr/>	<hr/>
<b>Accumulated Losses closing balance</b>	<b>(753,646)</b>	<b>(729,570)</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>(c) Reserves</b>		
Share Premium Reserve	-	-
Asset Revaluation Reserve	4,691,160	3,631,017
Capital Reserve	386,851	386,851
Dividends Paid	(260,000)	-
	<hr/>	<hr/>
<b>Total Capital Reserves</b>	<b>4,818,011</b>	<b>4,017,868</b>
	<hr/> <hr/>	<hr/> <hr/>



SILVERWOOD

CORPORATION LIMITED

# NEWSLETTER

10 August 2015

## **AGM:**

The directors invite all Silverwood unit holders to attend the Annual General Meeting of Silverwood Land 2015 Limited Partnership (SLP) which will be held on *Tuesday 15th September 2015 at 'The Community of Saint Luke'* 130 Remuera Road, Remuera, AUCKLAND

*Please reply to the Proxy Email send to you on Monday 17th August.*

Please send a reply to the Proxy Email 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. Payment of the YE 2015 \$400 p/u Distribution started after Easter 2015. A further Distribution of around \$390 p/u is proposed to be paid on completion of the new unit register requirements of FMA rules. Further details will follow.

## **VISIT:**

Please join us for afternoon tea at 3.00pm Tuesday the 15th of September to chat with other unit holders and your directors before we start the AGM at 3.30pm. Whitby Corporation Ltd (WCL) shareholders are welcome to attend but have no voting rights. Note: SLP and WCL invite unit and 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 they have two directors in common.

**DISTRIBUTIONS:** The 2015 financial year's distribution of \$400 per unit plus the \$1,050 per unit and the \$500 per unit distributed in 2014 and 2010 respectively, means that \$1,950 per unit has been returned to the SLP unit holders. This amount now exceeds what was paid in by SLP unit holders in 1990 and 2003 by \$400 per unit. You can expect the next distribution notice before the 2015 AGM date of 15<sup>th</sup> September 2015. Please be aware that the FMA requires additional information from unit holders and this needs to be received before this distribution can be paid. Details are part of the Distribution Notice email to come.

## **ANNUAL**

The 2015 audited accounts for the Land Partnership has been posted on [www.silverwoodcorporation.co.nz](http://www.silverwoodcorporation.co.nz)

## **ACCOUNTS:**

KPMG Tauranga completed the 2015 audit and directors are satisfied the increase in equity fairly represents SLP value. The 2015 Tax Letter has been placed on our new website. The Proxy Email and this Newsletter will be forwarded by MailChimp on or before the 17<sup>th</sup> of August, after which it will also appear on our website,



<b>SLP</b> as at: (1048 units)	Year 31/3	Equity \$ Mill	Distributions P/u total\$M	Total Equity + Distr to '15	Land* \$M	Profit- \$(000)	Tax Letter \$/unit
	2005*	\$2.5	\$0 \$0	\$ 2.5M	\$4.7	+\$ 727	
	2006*	\$4.8	\$0 \$0	\$ 4.8	\$5.2	+\$ 299	-\$ 158.28
	2007*	\$4.9	\$0 \$0	\$ 4.9	\$5.4	+\$ 100	-\$ 127.09
	2008	\$4.9	\$0 \$0	\$ 4.9	\$5.5	-\$ 70	-\$ 66.46
	2009*	\$4.0	\$0 \$0	\$ 4.0	\$5.3	+\$ 861	-\$ 117.37
	2010	\$2.9	\$0 \$0	\$ 2.9	\$4.8	-\$1,091	-\$1,745.54
	2011*	\$8.7	\$500 \$0.524	\$ 9.3	\$4.8	+\$6,359	-\$ 39.71
	2012	\$9.1	\$0 \$0.524	\$ 9.7	\$4.8	+\$ 388	-\$ 370.40
	2013*	\$8.5	\$0 \$0.524	\$ 9.0	\$3.8	-\$1,041	-\$ 160.37
	2014	\$7.3	\$1050 \$1.624	\$ 8.9	\$3.2	-\$0,068	-\$ 107.22
	2015*	\$9.0	\$400 \$2.043	\$11.1M	\$5.5**	+\$2,120	-\$ 263.67

\*years of land revaluation

\*\*valuation exceeds land cost applied in FS

## NOTES:

- 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 2010 Land Take, NZTA had not yet completed its agreement with SLP re Lots 3 and 4 Titles and Access. As a consequence Land Stock Values were written down in 2013 accounts by some \$890K. In 2015 valuations exceeded costs, so only costs are applied to the Financial Statements. With the Transmission Gully Motorway and its Feeder Roads having received its final consent in 2012, issues are being corrected and SLP is negotiating settlements with NZTA and PCC via their property consultants The Property Group. Most of our consultant costs have been paid by PCC and LINZ for NZTA.
- As a consequence of final approval for the Transmission Gully Motorway and Feeder Roads, Porirua City Council (PCC) changed its District Plan effectively placing a Designation over our Lots 1, 4 and 6 for the Waitangirua Feeder Road and a designation over part of our Lot 3 to enable it to complete the James Cook Feeder Road. In July 2014 we delivered Before & After plans which are under re-re-consideration by TPG's and SLP's consulting planners. Notices of desire to acquire Land under the Public Works Act 1981 as well as Notices of Intention to take parts of our Land have been received and have been acted upon, in other words the land has been taken, but compensations have not been received. However it gives us clarity as to what land is Taken after years of changes, errors and uncertainties causing SLP to have to go back to our planners many times for time consuming and costly adjustments.
- Lot 1 North has been sold and Lot 1 South is reverting to SLP and is part of the 2015 FS Land Stock.
- Lot 2 development has been completed, 194 sections were built of which 144 sections have been sold as of the 7<sup>th</sup> of this month with a further 19 sections under option. Rural residential Lot 196 has reverted back to SLP to allow it to have temporary access for working Lot 3. Note: this access is too steep and narrow for public access.
- Lots 3, 4 and 6: The not designated parts have been defined and titles were re-instated in June after a five year delay! We now wish to complete plans, possibly to resource consent level, but are awaiting finalisation of Land Take agreements before selling all or part.
- Lot 4: SLP and Todd's development in Whitby, the Banks, have agreed to access into Lot 4 from Whitby.
- In January 2013 the Silverwood JV mortgaged its assets (sections and debtors) with Westpac for 5.3% 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, 2014 and part of 2015 profits go to Verplank as they were by far the largest investor. However a \$1M loan repayment was paid to SLP in 2013. SLP placed these funds on term investment with BNZ until late June 2013 after which \$1,050 was paid to SLP unit holders. In September 2014 the JV mortgage was paid off and closed.

## OTHER:

- The 2015 TAX LETTER is on the website.
- PLEASE email a reply to the 2015 Proxy Email.

- Since the 2012 AGM resolution, *'Lost Unit Holders' cost can be deducted from outstanding distributions*. It is the responsibility of the Unit Holder to advise changes of email address, bank account details etc. SLP no longer uses Cheques and snail mail, it uses direct credits and email.
- The annual Newsletter, AGM invite with Proxy details, and Distribution details will be emailed, kindly use Reply Email to respond where requested.
- The Annual Financial Statements, Tax Letter and other up-dates continue to be posted on our website.
- Our twelve year old website has been closed. Its replacement has some pages under development.

If you have any questions and/or suggestions kindly email me at [pect@xtra.co.nz](mailto:pect@xtra.co.nz) or at [peter@silverwood.co.nz](mailto:peter@silverwood.co.nz)

Kind Regards,  
Peter Tiedemann  
Executive Director

