



23rd November 2016.

The Directors  
Whitby Corporation Ltd  
PO Box 10788  
The Terrace  
**WELLINGTON 6143**

Dear Sirs,

The audit of the Whitby Corporation Ltd was completed on 18th November 2016. As a result of the audit I would comment as follows:

- (a) The Financial Statements were prepared in accordance with generally accepted accounting practice and that the presentation and disclosure requirements also met the accounting framework established by the Australian and New Zealand Institute of Chartered Accountants. All corrections required have been made to my satisfaction.
- (b) I am pleased to report I found no significant matters to highlight. You will appreciate that the primary purpose of the audit is to enable me to express an opinion on the truth and fairness of the Company's Financial Statements. Whilst the level of my audit test checks, inquiries and examinations may in certain circumstances have gone beyond the primary purpose, my audit and this letter should not be relied upon to disclose irregularities, which a more comprehensive examination may raise.

I wish to thank Jeremy Burns of Pocock Hudson for his cooperation and assistance provided throughout the audit process.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'T. Bartlett', written over a horizontal line.

**Terence Bartlett**  
**Chartered Accountant**

**Whitby Corporation Limited**  
**Financial Statements**  
**For the year ended 30 September 2016**

# Whitby Corporation Limited

## Financial Statements

For the year ended 30 September 2016

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# Whitby Corporation Limited

Company Directory  
As at 30 September 2016

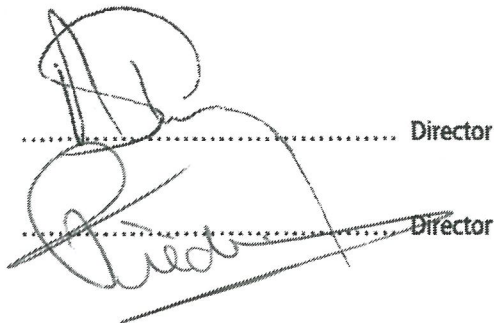
<b>Nature of Business</b>	Investment
<b>Registered Office</b>	Level 7, 44 Victoria Street Wellington
<b>Directors</b>	A (Tony) Loveday Peter Tiedemann
<b>Accountants</b>	Pocock Hudson Limited Wellington
<b>Bankers</b>	ANZ Wellington
<b>Auditors</b>	Terence Bartlett Chartered Accountants Lower Hutt

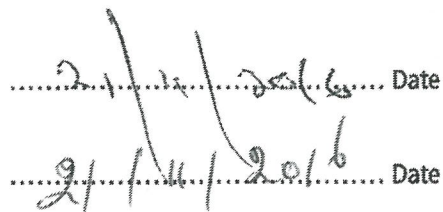
The accompanying notes form part of these financial statements.


Whitby Corporation Limited

Statement of Financial Position  
As at 30 September 2016

	Note	2016 \$	2015 \$
<b>Current Assets</b>			
Cash & Cash Equivalents	4	110,655	224,898
Tax Refundable	3	9,326	1,154
		<u>119,981</u>	<u>226,052</u>
<b>Investments</b>			
Silverwood Land Partnership	5	2,684,472	4,329,809
		<u>2,684,472</u>	<u>4,329,809</u>
<b>Total Assets</b>		<b>2,804,453</b>	<b>4,555,861</b>
<b>Current Liabilities</b>			
Accounts Payable	6	30,469	7,929
		<u>30,469</u>	<u>7,929</u>
<b>Total Liabilities</b>		<b>30,469</b>	<b>7,929</b>
<b>Net Assets</b>		<b><u>\$2,773,984</u></b>	<b><u>\$4,547,932</u></b>
<b>Shareholders Funds</b>			
Equity	12a	483,567	483,567
Capital Reserves	12c	3,126,543	4,818,011
Accumulated Losses	12b	(836,126)	(753,646)
<b>Total Shareholders' Funds</b>		<b><u>\$2,773,984</u></b>	<b><u>\$4,547,932</u></b>


  
..... Director


  
..... Date


  
..... Date

The accompanying notes form part of these financial statements.



## Whitby Corporation Limited

### Statement of Comprehensive Income For the year ended 30 September 2016

	Note	2016 \$	2015 \$
Revenue		-	-
Operating expenses	2	(83,365)	(26,052)
<b>Operating Loss</b>		<b>(83,365)</b>	<b>(26,052)</b>
Finance income		1,551	2,345
Finance costs		(666)	(369)
<b>Loss before income tax</b>		<b>(82,480)</b>	<b>(24,076)</b>
Income tax (expense) benefit	3	-	-
<b>Net Loss for the period</b>		<b>(82,480)</b>	<b>(24,076)</b>
Other comprehensive income		-	-
<b>Total Comprehensive Income</b>		<b>(\$82,480)</b>	<b>(\$24,076)</b>

The accompanying notes form part of these financial statements.



## Whitby Corporation Limited

### Statement of Changes in Equity As at 30 September 2016

	Note	Share Capital	Capital Reserves	Retained Earnings	Total
Balance as at 1 October 2015		483,567	4,818,011	(753,646)	\$4,547,932
Movements for period		-	(16,448)	(82,480)	(\$98,928)
Total comprehensive income for the year		-	(16,448)	(82,480)	(\$98,928)
Capital distributions to shareholders*	9	-	(1,675,020)	-	(1,675,020)
Balance as at 30 September 2016	12	\$483,567	\$3,126,543	(\$836,126)	\$2,773,984

\* No Resident Withholding Tax was deducted from payments made during the year ended 31 September 2016

		Share Capital	Capital Reserves	Retained Earnings	Total
Balance as at 1 October 2014		483,567	4,017,868	(729,570)	\$3,771,865
Movements for period		-	1,060,143	(24,076)	\$1,036,067
Total comprehensive income for the year		-	1,060,143	(24,076)	\$1,036,067
Share Repurchases		-	-	-	-
Dividends Paid*		-	(260,000)	-	(260,000)
Balance as at 30 September 2015	12	\$483,567	\$4,818,011	(\$753,646)	\$4,547,932

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

The accompanying notes form part of these financial statements.





# Whitby Corporation Limited

## Statement of Cash Flows For the year ended 30 September 2016

Operating Cash Flows	Note	2016	2015
Cash was provided from:		\$	\$
Taxation Refunds		1,154	4,785
<b>Cash was applied to:</b>			
Payments to Suppliers		(82,214)	(29,956)
Interest Paid		(63)	(88)
Resident Withholding Tax on Interest		(271)	(410)
<b>Net operating cash inflows (outflows)</b>	<b>10</b>	<u>(81,394)</u>	<u>(25,669)</u>
<b>Investing Cash Flows</b>			
<b>Cash was provided from:</b>			
Capital Distributions from Silverwood Forest Partnership			
Received 22 December 2015		655,000	-
Received 16 March 2016		544,960	-
Received 4 August 2016		314,400	-
Received 26 August 2016		104,800	-
Received 7 April 2015		-	209,600
Received 4 September 2015		-	183,400
Interest Received		1,551	2,345
<b>Net investing cash inflows (outflows)</b>		<u>1,620,711</u>	<u>395,345</u>
<b>Financing Cash Flows</b>			
<b>Cash was applied to:</b>			
Cash Distributions to Shareholders		(1,653,560)	-
Dividends Paid		-	(166,314)
RWT on Dividends		-	(85,800)
<b>Net Cash flow from Financing Activities</b>		<u>(1,653,560)</u>	<u>(252,114)</u>
<b>Net increase (decrease) in cash</b>		(114,243)	117,562
Add: Cash at start of year		224,898	107,336
<b>Ending Cash Carried Forward</b>		<u>110,655</u>	<u>224,898</u>
<b>Ending Cash Carried Forward consists of:</b>			
Bank Funds		110,655	224,898
		<u>110,655</u>	<u>224,898</u>

The accompanying notes form part of these financial statements.





# Whitby Corporation Limited

## Notes to the Financial Statements For the year ended 30 September 2016

### 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

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

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.

The accompanying notes form part of these financial statements.



## Whitby Corporation Limited

### Notes to the Financial Statements (continued)

For the year ended 30 September 2016

(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:

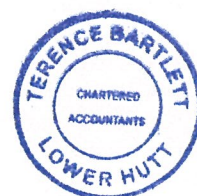
Cash is considered to be cash on hand, current accounts in banks and other highly liquid investments in which the company invests as part of its day to day cash management. Cash includes borrowings from financial institutions, such as bank overdrafts, where such borrowings are at call and are used as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

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

The accompanying notes form part of these financial statements.



## Whitby Corporation Limited

### Notes to the Financial Statements (continued)

For the year ended 30 September 2016

(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.

The accompanying notes form part of these financial statements.



## Whitby Corporation Limited

### Notes to the Financial Statements (continued)

For the year ended 30 September 2016

<b>2</b>	<b>Operating Expenses</b>	<b>2016</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
	Audit Fees	2,415	2,415
	Accounting Fees	6,900	6,900
	Legal Fees	10,948	-
	Management Fees	13,685	12,535
	Postage, Printing & Stationery	1,681	2,425
	Professional Fees	47,117	-
	Other Expenses	619	1,777
		<u>83,365</u>	<u>26,052</u>

Professional fees includes expenses relating to the restructuring of the company, tax consultancy and distributions made to shareholders during the year.

<b>3</b>	<b>Income Tax Expense</b>	<b>2016</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
	Operating loss before taxation	(82,480)	(24,076)
	Add: Silverwood Forest Profit/(Loss)	-	-
	Add: Silverwood Land Profit/(Loss)	(103,259)	(138,163)
	Add: Non Deductible Expenses	243	249
	Tax Losses Brought Forward	(2,728,500)	(2,566,510)
	Tax Losses to Carry Forward (See Note 7)	<u>(2,913,996)</u>	<u>(2,728,500)</u>
	Prima facie income tax @ 28%	<u>-</u>	<u>-</u>

	<b>Income Tax Refundable</b>	<b>2016</b>	<b>2015</b>
	RWT Received	9,326	1,154
	Tax to be Refunded	<u>9,326</u>	<u>1,154</u>

<b>4</b>	<b>Cash &amp; Cash Equivalents</b>	<b>2016</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
	ANZ	110,655	224,898
		<u>110,655</u>	<u>224,898</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 2016

#### 5 Investments

##### Silverwood Land Partnership

30 <sup>th</sup> September 2016		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 \$5,123.04 each*	\$2,684,472	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 2016.

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 2015.

	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.

The accompanying notes form part of these financial statements.





## Whitby Corporation Limited

### Notes to the Financial Statements (continued)

For the year ended 30 September 2016

6	Accounts Payable	2016	2015
		\$	\$
	Accrued expenses	1,798	44
	Shareholder distributions held	28,671	7,887
		<u>30,469</u>	<u>7,931</u>

#### 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 \$2,913,996 (2015: \$2,728,500 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 management fees to Tiedemann & Partners, an entity associated with P Tiedemann, totalling \$9,559 including GST (2015: \$5,290 including GST). Management and secretarial fees were also paid to Valley Management Services Limited and CityStop Limited, companies associated with A S Loveday, totalling \$26,030 including GST (2015: \$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.

The accompanying notes form part of these financial statements.



## Whitby Corporation Limited

### Notes to the Financial Statements (continued)

For the year ended 30 September 2016

#### 9 Distributions to Shareholders

The shareholders by resolution passed at a Special General Meeting held on 11 December 2015 resolved to commence the liquidation of the company. Pursuant to that resolution the company made the following capital distributions to shareholders:

December 2015	\$790,850
March 2016	\$494,281
August 2016	\$389,889
	<u>\$1,675,020</u>

No Resident Withholding Tax was deducted from these payments.

#### 10 Financial Instruments

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

Cash  
Investments  
Accounts Payable

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.

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

	2016	2015
	\$	\$
Net Surplus (Loss) after taxation	(82,480)	(24,076)
Sundry Income not received in cash	-	-
Interest Received	(1,551)	(2,345)
(Decrease)/Increase in Prepaid Tax	883	4,375
(Decrease)/Increase in Accounts Payable	1,754	(3,623)
	<u>1,086</u>	<u>(1,593)</u>
<b>Net Cash Flows from Operating Activities</b>	<u><u>(\$81,394)</u></u>	<u><u>(\$25,669)</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 2016

#### 12 Shareholders' Equity

##### (a) Capital

	2016	2015
	\$	\$
Issued Capital	483,567	483,567
<b>Total Issued and Paid up Capital</b>	<u>483,567</u>	<u>483,567</u>
Opening Number of Shares	1,977,124	1,977,124
<b>Total Issued Number of Shares</b>	<u>1,977,124</u>	<u>1,977,124</u>
<b>(b) Retained Earnings</b>		
Accumulated Losses opening balance	(753,646)	(729,570)
Net Profit after Tax	(82,480)	(24,076)
<b>Accumulated Losses closing balance</b>	<u>(836,126)</u>	<u>(753,646)</u>
<b>(c) Reserves</b>		
Share Premium Reserve	-	-
Asset Revaluation Reserve	4,674,712	4,691,160
Capital Reserve	126,851	386,851
Dividends Paid	-	(260,000)
Capital Returned	(1,675,020)	-
<b>Total Capital Reserves</b>	<u>3,126,543</u>	<u>4,818,011</u>

#### 13 Decision to Liquidate the Company

At the Special General Meeting held on 11<sup>th</sup> December 2015, shareholders resolved to commence liquidation of the Company. As at 30 September 2016, no liquidator had been appointed as the Company was awaiting professional advice to Silverwood Land 2015 Limited Partnership, regarding approval for a share split. This would enable the partnership to distribute units to Whitby Corporation Shareholders.

Once decisions have been reached as regards to the future of Silverwood Land 2015 Limited Partnership, the resolution of the Special General Meeting held in December 2015 can be put in to effect.

The accompanying notes form part of these financial statements.



## **AUDITORS REPORT**

### **To the Members of 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 30th September 2016. This information is stated in accordance with the accounting policies set out on pages 6 to 8.

#### **Directors' Responsibilities**

The Directors are responsible for the preparation 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 2016, 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 13:
  - i) comply with generally accepted accounting practice in New Zealand, and
  - ii) give a true and fair view of the financial position of the Company as at 30 September 2016, and the results of its operations and cash flows for the year ended on that date.

My audit was completed on 23rd November 2016 and my unqualified opinion is expressed as at that date.



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