



SILVERWOOD  
FOREST  
CORPORATION LIMITED AND COMPANY

# NEWSLETTER

20 June 2011

## AGM:

The directors invite all unit holders to attend the Annual General Meeting for Silverwood Land Partnership (SLP) which will be held on *Tuesday 9 August 2011 at 2.30 pm* in the Anchor Church, corner of James Cook drive and Joseph Banks Drive in Whitby.

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

**The attached proxy letter needs to be returned 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 label attached to the Proxy Form is correct for future cash distributions.**

## VISIT:

The directors invite all unit holders to view the sections for sale and the houses build at Silverwood Residential Estate, Endeavour Drive, Whitby.  
Please join us at 1.30pm Tuesday the 9<sup>th</sup> August 2011 at *Silverwood Residential Estate*, off Endeavour Drive Whitby, followed with nibbles and tea at 2pm at the Anchor Church for a 2.30pm AGM start.

## Annual Accounts:

The accounts for the Land Partnership have been posted on our website [www.silverwoodcorporation.co.nz](http://www.silverwoodcorporation.co.nz)  
NOTE: All our accounts are audited and meet NZ GAAP and IFR standards. The AGM Agenda can also be viewed there.

## SFP:

The 15 December 2010 Newsletter distributed together with the final dissolution payment of \$6,680.56 per SFP unit was the last SFP Newsletter circulated. The audited 30 November 2010 SFP accounts covering the period from 1 April 2010 to 30 November 2010 remain available on our website for your inspection. All unit holders signed the Motion to Terminate / Dissolution Certificate.

## SLP:

(1048 units)

'04 closing equity is	\$3,819,000	(Land \$3,890K and -\$ 71K other)
'06 closing equity is	<b>\$4,845,000</b>	<b>(Land \$5,200K and -\$355K other)</b>
'08 closing equity is	\$4,873,213	(Land \$5,514K and -\$641K other)
'09 closing equity is	\$4,750,208	incl. land at 2007 valuation+ costs since
'10 closing equity is	\$2,920,882	incl. land at 2007 valuation+costs since
'11 closing equity is	\$8,749,024	incl. land at 2007 valuation + cost since

Note 1: A total of \$1,550 per SLP unit was paid into SLP by SLP unit holders in 1990 and in 2003 and \$500 was returned to unit holders in August 2010 leaving you with a net of \$1,050 per SLP unit invested.

SILVERWOOD FOREST CORPORATION LIMITED  
C/- Tiedemann & Partners, PO Box 84 101, Westgate, Auckland 0657, New Zealand  
Email: [pect@xtra.co.nz](mailto:pect@xtra.co.nz) - Ph: +64 21 764 664  
[www.silverwoodecorporation.co.nz](http://www.silverwoodecorporation.co.nz)

Note 2: Since IFRS was introduced in 2007 land is valued at 2007 valuation and only costs that can be capitalised are added, all other costs such as site maintenance, administration and interests are expensed. As a consequence our 50% JV loan liability could grow faster than our JV asset unless section sales exceed running costs.

Note 3: In July 2010 NZTA paid out on its Land Take and Reverse Sensitivity claim. Incl. of GST SLP received \$8,156,250. Following receipt of these initial funds, Silverwood has been reimbursed for part of our consultants costs and further claims are expected to be met for prior year fees and disturbance costs. The Land Take represents 25% of SLP available land and was part of the ten year plan approved by directors in 2005.

Note 4: As a consequence of settling the NZTA Land Take and Reverse Sensitivity claims NZTA, after many years of delays, finally gave consent to our six Lot subdivision resource consent application and the six titles were received on settlement. This has two material impacts. Firstly it, belatedly, reduces the unsecured JV interest rate from 13% to a mortgage secured rate of 11%. Secondly the titles add definition to our financial negotiating position as titles can be used to sell, provide security over, can be developed, is positively reflected in value assessments, etc. Our Lot 5 was partially designated and partially severed and has passed to NZTA in full. This leaves SLP and its JV partners with five Lots to develop. At this stage we have developed Lot 2 where we hold our site visit.

Note 5: The \$7 ¼ M cash left after paying GST was used to pay off the two loans SLP had reducing its liabilities, we paid \$500 per unit to unit holders and we have lend \$5M to our JV at 11% pa, adding to our assets and to our income. Our 31 March 2011 Balance Sheet equity looks better and implies a healthy return subject to a sustained economic recovery and an increased demand for residential sections.

Note 6: NZTA has completed its Stage II Transmission Gully motorway development plans and these include two feeder roads over the balance of our land. These feeder roads (one to Whitby and one to Canons Creek) are the responsibility of the Porirua Council and are potentially funded by NZTA. Further Designations are therefore a possibility. This may affect our Lot 1 and Lot 4 plans.

The Lot 2 two hundred section development has almost been completed and that provides a wide range of well appointed sections. Sales are below budget but enquiries have picked up and your directors are confident that the quality of the sub division will mean JV profits will be realised. It is clearly in every unit holders interest to refer those wishing to purchase a residential section to [www.cartus.co.nz](http://www.cartus.co.nz) and view the Silverwood Residential estate development. Help with improving the rate of section sales is very welcome.

## OTHER:

- Peter Bould's 2011 TAX LETTER is on the website and is also included in this mail out.
- The address label on the envelope and on your Proxy Letter shows the number of units recorded under the name and address on the label. Please ensure the details shown on the label on the Proxy Form are correct.
- If you have any questions kindly email or phone I and I will try to answer you.

Kind Regards,  
Peter Tiedemann  
Ph: 021 764 664

