



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 15th 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

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 17th of August, after which it will also appear on our website,

SLP 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 \$ p/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 7th 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 or at peter@silverwood.co.nz

Kind Regards,
Peter Tiedemann
Executive Director

