

SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

30 June 2016

To: All partners of Silverwood 2015 Limited Partnership

Re: 2016 Tax for partners of Silverwood Land 2015 Limited Partnership

Dear Silverwood Partners,

Please note section HG 11 of the Income Tax Act 2007; this limits the use of limited partnership losses by a limited partner to the extent of the value of their "basis". Any losses exceeding the amount of the basis may be carried forward to future income years. A deduction may be allowed in future income years subject to a general loss limitation rule. The partners "basis" exceeds the current year's loss, so there should be no limitation on deductibility this year.

If you have already filed your 2016 income tax return we attached below a suggested letter that you could send to the IRD.

TAXABLE INCOME (LOSS) & TAX CREDITS

For each partnership unit, the 2016 taxable income (loss) and interest income tax credits are as follows:

This Year - 2016

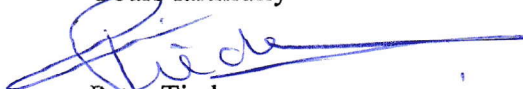
<u>Silverwood Land 2015 Limited Partnership</u>		
(IRD Registration number 119-590-858)	RWT	INCOME(LOSS)
Trading Loss		(\$276.40) per unit
Interest Income	\$11.96	\$ 63.20 per unit
Dividend Income	<u>\$ 5.32</u>	<u>\$ 16.14</u> per unit
TOTAL	<u>\$17.28</u>	<u>(\$197.06)</u> per unit

Resident Withholding Tax Credit on interest and dividend \$ 17.28 per unit

Units held by you:

The proxy form sent to you has a label on the top right which indicates the name, address and number of units our records show you hold: 4L means 4 Land 2015 LP units.

Yours faithfully



Peter Tiedemann
 Director

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SUPPLEMENTARY INFORMATION PROVIDED (UNAUDITED)

Year ended 31 March	2016	2015
	\$	\$
Income Tax Expense		
Current Tax Expense	<u>-</u>	<u>-</u>
Reconciliation of Effective Tax Rate		
Net (Loss) / Profit Before Tax	(34,240)	2,120,291
Non Assessable Income – Land Impairment reversal	-	(2,658,674)
Non Deductible – Directors Deferred Remuneration Increase / (Decrease)	(88,684)	262,058
Less Non Assessable Whitby Corp Capital Distribution	<u>(83,593)</u>	<u>-</u>
Loss Distributed to Partners	<u>(206,517)</u>	<u>(276,325)</u>
(Partners need to refer to the “Tax Letter” provided)		
Non Taxable Income / (Loss)	172,277	2,396,616
Taxable Loss	<u>(206,517)</u>	<u>(276,325)</u>
Net (Loss) / Profit Before Tax	<u>(34,240)</u>	<u>2,120,291</u>

1. Note Silverwood Land 2015 Limited Partnership (a LLP) effectively assumed all the assets and the liabilities of Silverwood Forest Corporation and Company Land Partnership (a SP) on 1 April 2015.
2. On behalf of all the partners, the general partner has chosen section HZ3(3)(b) method for calculating their partner’s basis under section HG11(3) i.e. as if the special partnership had always been a limited partnership.