



**SILVERWOOD  
FOREST**  
CORPORATION LIMITED AND COMPANY

24 July 2007

To: All Silverwood Forest and Land Partnership partners

Re: Tax losses available to you for deducting from your 2007 income.

Dear Silverwood partners,

Amongst the tax changes in 2005 was a provision relating to the quarantining of *special partnership losses* (section HC 1 of the Income Tax Act 1994). This was repealed 1 October 2005 effective for the 2005/06 and subsequent years.

Please note section IE 1(2B) of the Income Tax Act 1994; this limits the use of special partnership losses where the partner has no assessable income (this was also introduced at the time of the repeal of HC 1)

If you have already filed your 2007 return we attach below a suggested letter that you could send to the IRD.

**For each partnership unit the 2007 loss is as follows:**

	This Year-2007
<u>Silverwood Forest special partnership</u> (IRD Registration number 44-981-053) (Loss for Last year-2006 \$209.20 p/u)	\$ 0.00 p/u

[This year Silverwood Forest Partnership made a profit which has been offset against partnership losses carried forward from prior years and therefore do not require to be declared by the special partnership partners.]

<u>Silverwood Land special partnership</u> (IRD Registration number 57-129-751) (Loss for Last year-2006 \$ 158.28 p/u)	Loss \$ 127.09 p/u
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**Units held by you:**

The proxy form send to you last week has a label on the top right which indicates the name, address and the number of units our records show you hold: (1F,4L) means 1 Forest (SFP) unit and 4 Land (SLP) units.

Yours Sincerely,

  
Peter Bould  
Director

The Inland Revenue Department

*[Use the address of the IRD where you filed your tax return for 2006]*

*RE: [enter here your IRD number]*

*I have just been informed of tax losses arising from my being a partner in the Silverwood Land special partnership (IRD Registration number 57-129-751).*

The losses for the 2007 year not included in my return are:

	RWT	No units	Loss per unit	Total Loss
Silverwood Land partnership	nil	.....	X \$127.09 =	<u>\$.....</u>

*Would you please adjust my income tax return to incorporate these losses.*

*Yours faithfully,*

Name:

Address: