

SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

Managed Investment Scheme SCH11747

FINANCIAL STATEMENTS **FOR THE YEAR ENDED** **31 MARCH 2019**

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SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

Managed Investment Scheme SCH11747

DIRECTORY FOR THE YEAR ENDED 31 MARCH 2019

General Partner: Silverwood Corporation Limited (362973)
NZBN 9429039548511

Nature of Business: Land Owner

Business Address: C/- Tiedemann & Partners
PO Box 84-101
Westgate, Auckland 0657

Registered Office: Geoff Bowker CA
Level 3, 142 Broadway
Newmarket, Auckland 1023

Board of Directors: Peter Bradney Bould
Eoin Malcolm Miller Johnson
Anthony Sydney Loveday
Peter Tiedemann

IRD Number: 119-590-858

Bankers: Bank of New Zealand
Auckland

Solicitors: Claymore Partners Limited
Auckland

Auditor: KPMG
Tauranga

Statutory Supervisor: Covenant Trustee Company Ltd
Auckland



Independent Auditor's Report

To the Partners of Silverwood Land 2015 Limited Partnership

Report on the financial statements

Opinion

In our opinion, the accompanying financial statements of Silverwood Land 2015 Limited Partnership (the Partnership) on pages 5 to 19:

- i. Present fairly in all material respects the Partnership's financial position as at 31 March 2019 and its financial performance and cash flows for the year ended on that date; and
- ii. Comply with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

We have audited the accompanying financial statements which comprise:

- The statement of financial position as at 31 March 2019;
- The statements of comprehensive income, changes in net assets attributable to partners and cash flows for the year then ended; and
- Notes, including a summary of significant accounting policies and other explanatory information.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Partnership in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

Other than in our capacity as auditor we have no relationship with, or interests in, the Partnership.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the Partners as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the financial statements as a whole and we do not express discrete opinions on separate elements of the financial statements



The key audit matter	How the matter was addressed in our audit
Sundry receivables and contingent assets relating to past land transactions	
Refer to Note 4 to the Financial Statements.	Our audit procedures included
<p>In financial year 2016 the New Zealand Transport Agency (NZTA) and Porirua City Council (PCC) completed a 'land take' exercise for the Transmission Gully Motorway. As a result the Partnership no longer has title to the land and so it has correctly not reflected any value for the land in the financial statements.</p> <p>The Partnership is seeking additional compensation from NZTA and PCC for the 'land take' under the provision of the Public Works Act 1981. In relation to this claim, the Partnership has capitalised certain costs on the basis that the costs are recoverable from NZTA and PCC and the recovery is considered highly probable. The capitalised costs have therefore been recognised as a sundry receivable in the financial statements.</p> <p>The Partnership has not recorded a receivable for any further compensation, as the amount is currently unknown and is dependent upon future events.</p> <p>The accounting treatment of capitalised costs and additional compensation from NZTA and PCC requires significant judgement by the Partnership.</p>	<ul style="list-style-type: none">- Interviewing management to obtain an understanding of the current status of proceedings;- Enquiring with the Partnership's legal representatives as to the current status of proceedings and the likelihood for recovery of the capitalised costs included within sundry receivables;- Reviewing legal documents and correspondence with counter-parties and challenging management's conclusions on proceedings;- On a sample basis, testing sundry receivables to supporting documentation to ensure they are related to the 'land take' and therefore are appropriate to capitalise as an asset; and- Evaluating the likelihood of further compensation and the quantum thereof.

Other information

The Directors, on behalf of the Partnership, are responsible for the other information included in the entity's financial statements. Other information includes the Directory. Our opinion on the financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

This independent auditor's report is made solely to the Partners as a body. Our audit work has been undertaken so that we might state to the Partners those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Partners as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.



Responsibilities of the Directors for the financial statements

The Directors of the General Partner, on behalf of the Partnership, are responsible for:

- The preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards;
- Implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- Assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objective is:

- To obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- To issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/>

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Glenn Keaney.

For and on behalf of



Tauranga

31 May 2019

SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019	2018
		\$	\$
Land Revenue	1	2,272,562	4,954,130
Total Revenue		2,272,562	4,954,130
Cost of Land		(483,328)	(3,379,737)
Total Direct Costs		(483,328)	(3,379,737)
Total Gross Margin		1,789,234	1,574,393
Administrative and Other Operating Expenses	2	(202,571)	(289,889)
Marketing Costs	2	(15,986)	(2,319)
Directors Deferred Remuneration and Management Fees Movement	6	(158,566)	(129,049)
Total Expenses		(377,123)	(421,257)
Operating Profit		1,412,111	1,153,136
Net Financing Income	3	29,397	19,721
Net Profit Before Tax		1,441,508	1,172,857
Income tax expense		-	-
Net Profit after Tax and Total Comprehensive Income for the Year		1,441,508	1,172,857



SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO PARTNERS
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019	2018
		\$	\$
Net Assets at the beginning of the Year		5,108,388	4,495,927
Net Profit / (Loss) after Tax and Total Comprehensive Income for the Year		1,441,508	1,172,857
Whitby Corporation Limited Capital		822	(34,581)
Capital Distribution to Partners	11	(4,663,715)	(524,000)
Tax Credit transferred to Partners		(1,281)	(1,815)
Net Assets at the end of the Year		<u>1,885,721</u>	<u>5,108,388</u>

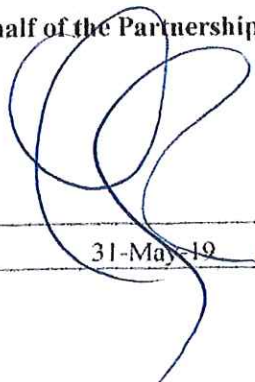



SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019**

		2019	2018
	Note	\$	\$
Current Assets			
Cash at Bank		845,470	4,419,093
Trade Receivables	5	31,933	28,750
Sundry Receivables	4	593,464	246,295
GST		76,275	67,424
Land Stock	4	691,005	1,075,400
Total Current Assets		<u>2,238,148</u>	<u>5,836,962</u>
Total Assets		<u>2,238,148</u>	<u>5,836,962</u>
Current Liabilities			
Trade Payables		101,927	101,138
Sundry Payables and Accruals		21,954	60,417
Distribution Payable to Unit Holder		15,971	-
Deferred Directors Remuneration and Management Fee	6	212,575	567,019
Total Current Liabilities		<u>352,427</u>	<u>728,574</u>
Total Liabilities		<u>352,427</u>	<u>728,574</u>
Net Assets Attributable to Partners		<u>1,885,721</u>	<u>5,108,388</u>
Total Liabilities and Net Assets Attributable to Partners		<u>2,238,148</u>	<u>5,836,962</u>

For and on behalf of the Partnership and the Board of Directors

Director: 
Date: 31-May-19

Director: 
Date: 31-May-19



SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

	2019	2018
Note	\$	\$
<u>Cash Flows from Operating Activities</u>		
<i>Cash was provided from:</i>		
Land revenue	2,250,000	4,649,969
Interest Received	29,397	6,216
	<u>2,279,397</u>	<u>4,656,185</u>
<i>Cash was applied to:</i>		
Bank Charges	(279)	-
Payments to Suppliers	(687,536)	(403,975)
Payments to Directors and Management	6 (517,002)	(57,640)
RWT Tax paid	(1,281)	-
	<u>(1,206,098)</u>	<u>(461,615)</u>
Net Cash from Operating Activities	8 <u>1,073,299</u>	<u>4,194,570</u>
<u>Cash Flows from Investing Activities</u>		
<i>Cash was provided from:</i>		
Capital payment received from Whitby Corporation Ltd	822	13,503
<i>Cash was applied to:</i>		
Land - Resource consent costs	-	(148,337)
Net Cash from Investing Activities	<u>822</u>	<u>(134,834)</u>
<u>Cash Flows from Financing Activities</u>		
<i>Cash was applied to:</i>		
Capital Payment to Partners	(4,647,743)	(524,000)
Net Cash used in Financing Activities	<u>(4,647,743)</u>	<u>(524,000)</u>
Net increase/(decrease) in Cash during the year	(3,573,623)	3,535,736
Opening Cash balance	4,419,093	883,357
Ending Cash carried forward	<u>845,470</u>	<u>4,419,093</u>
Comprising:		
Cash at Bank	845,470	4,419,093
	<u>845,470</u>	<u>4,419,093</u>



SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Reporting entity

Silverwood Land 2015 Limited Partnership ("the Partnership"), previously known as Silverwood Forest Corporation Limited and Company - Land Partnership, is a Limited Partnership registered under the Limited Partnerships Act 2008.

The Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013 ("the Acts") are effective for the Partnership. Silverwood Corporation Limited registered a Managed Investment Scheme SILVERWOOD LAND 2015 LIMITED PARTNERSHIP (SCH11747) on the 15th of December 2016 and received its Certificate of Registration of Managed Investment Scheme ('MIS') on that date under Clause 14, Schedule 2 of the Financial Markets Conduct Act 2013. On the 30th of November 2016 the 'Financial Markets Conduct (Silverwood Land 2015 Limited Partnership) Exemption Notice 2016' was received and on the 28th of February 2017 all Unit Holders were sent the required follow up document: 'Reliance on exemptions granted by the Financial Markets Authority' which includes the 'wind up plan' where Silverwood Corporation Limited undertakes to distribute net proceeds before winding up The Partnership on or before 31 March 2021.

Silverwood Corporation Limited ("the Company") is the General Partner of the Partnership and is registered under the Companies Act 1993. Previously known as Silverwood Forest Corporation Limited, the Company is responsible for managing the affairs of the Partnership including preparing the financial statements of the Partnership.

The Partnership is a land owner.

The 2019 financial statements were authorised for issue by the Board of the Company on 31 May 2019.

Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable financial reporting standards, as appropriate for for-profit oriented entities. The financial statements comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").



SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Presentation currency

The financial statements are presented in New Zealand Dollars (NZD), the Partnership's functional currency.

Measurement base

The financial statements have been prepared on a historical cost basis, unless highlighted in the specific accounting policies and notes.

Use of estimates and judgements

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Where material, information on significant assumptions and estimates is provided in the relevant accounting policy or is provided in the relevant note.

The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

Significant judgement or estimation is applied in the following area:

- Land Stock: Estimation is used to determine the cost per lot of land still owned by the Partnership (see Note 4).

Specific accounting policies

a. Land Stock

Land Stock Improvements are collectively held as inventory and measured at the lower of cost or net realisable value. Net realisable value is established by independent valuation where appropriate.

b. Net Assets Attributable to Partners

These funds consist of Partner units in the Partnership that were used to finance the Partnership, which are subject to certain restrictions per the Silverwood Land 2015 Limited Partnership Deed of Participation.



SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Specific accounting policies (continued)

c. Revenue

Revenue is measured based on the consideration specified in a contract with a purchaser and excludes amounts collected on behalf of third parties. The Partnership recognises revenue when it transfers control over a property to a purchaser.

Revenue on sales of Land Stock is recognised when legal title to the land has passed to the purchaser. Where the sale of Land Stock has been invoiced to the purchaser, but legal title to the land had not passed to the purchaser, GST already paid on behalf of the purchaser is included within Trade Receivables. The actual recognition of revenue and passage of legal title to the purchaser occurs simultaneously.

d. Financing Income

Interest income is recognised in profit or loss as it is earned, using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

e. Income Tax

There is no tax payable by the Partnership. Each Partner is individually liable for the tax on their respective share of the income from the Partnership. Following the issue of the Partnership's audited Financial Statements, the Partnership issues its annual Tax Letter to its Unit Holders which sets out the relevant items to declare per unit.

f. Goods and Services Tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST where applicable.

g. Impairment

The carrying amounts of the Partnership's tangible assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Estimated recoverable amount is the greater of their fair value less costs to sell and value in use. If the estimated recoverable amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in profit or loss.

Impairment losses are reversed when there is a change in the estimated recoverable amount of the asset concerned such that recoverable amount is in excess of current carrying amount. This reversal is also through profit or loss, and the reversal is limited to bringing the asset in question to its original cost.



SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Specific accounting policies (continued)

h. Financial instruments

Financial risk management objectives and policies

The Partnership classifies its financial instruments in the following categories: loans and receivables and other liabilities at amortised cost. Management determines the classification of its instruments at initial recognition and re-evaluates this designation at each reporting date. At the reporting date, all financial assets were classified as "loans and receivables". All financial liabilities were classified as "other liabilities at amortised cost". Details of the significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets and financial liabilities, are disclosed below.

Financial assets consist of cash at bank, trade receivables and other receivables. Financial liabilities consist of trade payables and other payables. In addition, the Partnership is party to financial instruments to meet financing needs. These financial instruments may include guarantees of others' bank facilities.

Recognition and measurement

Financial assets and financial liabilities are recognised when the Partnership becomes a party to the contractual provisions of the financial instruments. At initial recognition, financial liabilities are measured at fair value and subsequently at amortised cost using the effective interest method.

- (i) Cash and cash equivalents include cash in hand, deposits held on call with banks, short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.
- (ii) Receivables and payables are initially recorded at fair value and subsequently carried at amortised cost using the effective interest method. Due allowance is made for impaired receivables (doubtful debts).

i. Cash flows

For the purpose of the cash flow statement, cash and cash equivalents includes cash deposits held at call with banks, net of bank overdrafts.

j. Provisions

The Partnership recognises a provision for future expenditure of an uncertain amount or timing where there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.



SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Specific accounting policies (continued)

Changes in accounting policies

The Partnership applied NZ IFRS 15 from 1 April 2018. There has been no cumulative effect of initially applying this standard and no adjustment has been made to opening equity.

The Partnership previously recognised revenue for the sale of land stock when the risks and rewards of ownership transfer to the purchaser. Under NZ IFRS 15 the Partnership recognises revenue when a purchaser takes possession of the goods. Practically, this has had no impact on the timing or measurement of the Partnership's recognition of revenue.

The Partnership applied NZ IFRS 9 Financial Instruments from 1 April 2018 without restatement, in accordance with the transition requirements. This standard sets out the new requirements for classification and measurement, impairment and hedge accounting for financial instruments.

The following changes to accounting policies due to application of NZ IFRS 9 have been applied to these financial statements.

Classification and measurement of financial assets

The Partnership classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Partnership's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. On adoption of NZ IFRS 9, investments previously classified as loans and receivables are now classified as financial assets at amortised cost. However there is no material impact as these are still measured at amortised cost.

Classification and measurement of financial liabilities

Classification of financial liabilities remained unchanged for the Partnership. Financial liabilities continue to be measured at amortised cost.

Changes to impairment of financial assets

The NZ IFRS 9 impairment requirements are based on an expected credit loss model, replacing the incurred loss methodology under NZ IAS 39. The Partnership applies the simplified approach for trade and other receivables, which requires the lifetime expected credit losses to be applied when measuring the loss allowance. The impact of adopting NZ IFRS 9 has not had a material impact on the loss allowance.

Standards not yet effective

NZ IFRS 16 (Leases) - effective on or after 1 April 2019

This standard fundamentally changes the accounting treatment of leases by lessees as it eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single on-balance sheet accounting model that is similar to current finance lease accounting. Therefore, lessees will appear to become more asset-rich, but also more heavily indebted. Lessor accounting remains similar to current practise with lessors continuing to classify leases as finance and operating leases. There are also changes in accounting over the life of the lease. These changes are not expected to have a significant impact on the Partnership.



SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. NET LAND REVENUE	2019	2018
	\$	\$
Land Sales	2,272,562	4,954,130
	<u>2,272,562</u>	<u>4,954,130</u>
2. TOTAL EXPENSES	2019	2018
	\$	\$
Auditor's Remuneration	10,875	18,500
Other assurance costs	1,575	1,500
Other Administrative Expenses	190,121	185,863
Administrative Expenses of Silverwood Joint Venture	-	84,026
Total Administrative and Other Operating Expenses	<u>202,571</u>	<u>289,889</u>
Marketing Costs	15,986	-
Marketing Costs of Silverwood Joint Venture	-	2,319
Total Marketing Costs	<u>15,986</u>	<u>2,319</u>
3. NET FINANCING INCOME	2019	2018
	\$	\$
Interest Income	28,575	5,789
Whitby Captial Distribution	822	13,503
Share of Interest Income of Silverwood Joint Venture	-	427
	<u>29,397</u>	<u>19,719</u>



SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

4. LAND STOCK	2019	2018
	\$	\$
Land Stock held solely by the Partnership	691,005	1,075,400
	691,005	1,075,400

All land held by the Partnership is for sale and is classified as Land Stock and accounted for in accordance with NZ IAS 2 - Inventories.

All remaining Land Stock is currently carried at cost, which is a combination of the Lands deemed cost on transition to NZ IFRS plus subsequent expenditure at cost, after allowance for the disposal of land that has occurred since that time.

The Partnership's Land Stock held as at 31 March 2019 carries a cost of \$691,005 and relates to Lots 1S, 6 and section 196 of Lot2.

Contingent asset in relation to past Land Stock taken.

In 2012, NZTA received Environment Court consent to proceed with the Transmission Gully Motorway including its two Porirua City Council (PCC) Link Roads. On receipt of the Environment Court consent to proceed with the Transmission Gully Motorway, and including the two PCC Link Roads, PCC placed both the James Cook extension and the Waitangirua Link Road on its District Plan, effectively creating PCC designations that affected the land of the Partnership. During the 2016 year, NZTA and PCC committed to a Land Take exercise which resulted in a land reduction for the Partnership.

Combined consideration of \$736,262 was received from NZTA/PCC as an advanced payment for the land taken. The Partnership disagreed with the deposit paid by NZTA/PCC and obtained an external valuation from Sheldon and Partners Limited, registered valuers, who in their report dated 20 April 2016, valued the land at \$8.33million plus GST (This was then subsequently increased on 18 December 2017 to \$8.98million plus GST as a result of information contained in two reports provided by PCC).

The Partnership has made a claim to the Land Valuation Tribunal in December 2018 and this process is under way. In relation to this claim, the Partnership has capitalised certain costs on the basis that the costs are recoverable from NZTA and PCC and the recovery is considered highly probable. These costs of \$593,464 (2018: \$246,295) have been recognised as a sundry receivable in the Statement of Financial Position.

Further compensation is therefore determined possible from PCC and NZTA in relation to this land taken, however the compensation amount is currently unknown and is dependent on the outcome of the claim taken to the Land Valuation Tribunal in December 2018. Due to the uncertainty over the quantum and timing of compensation, this has been disclosed as a contingent asset and is not reflected in the Statement of Financial Position.

5. TRADE RECEIVABLES AND DEFERRED INCOME	2019	2018
	\$	\$
Trade Receivables due to the Partnership	31,933	28,750
	31,933	28,750



SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

6. DEFERRED DIRECTORS' REMUNERATION AND MANAGEMENT FEE

Full Provision has been made for the estimated liability for Directors Remuneration and Management Fees in the Statement of Financial Position and Statement of Comprehensive Income.

	2019	2018
	\$	\$
Opening balance	567,019	495,610
Change during the year through profit and loss	158,566	129,049
Paid during the period	(517,022)	(57,640)
Other	4,013	-
Closing balance	212,576	567,019

A written Remuneration Agreement exists which determines the calculation of this liability, effective 1 April 2006. It was established in consideration for a reduction in Directors' remuneration and fees from that date, such that the Directors each accrue 1/111th of any increase in Partnership Funds from 31 March 2006, and in addition Peter Tiedemann specifically will receive an additional 7/111th of the same amount, after adjusting the increase in Partnership Funds for Capital Repayments to Partners, Resident Withholding Tax, and before taking account of the deferred directors' remuneration and management fees. This agreement was reached following consultations with the Partnership's Solicitor and in agreement with the Statutory Supervisor and was subsequently approved by Partners at the 2007 AGM.

The liability is therefore calculated as 11/111th of the difference between the 31 March 2006 Partnership Funds (\$4,844,773) and the current periods Partnership Funds (\$1,885,721) after adding back Capital Repayments Payable to Partners in the period since 31 March 2006, a total of \$12,607,206 (see Note 12), inclusive of Resident withholding Tax distributed over recent years to Partners, and also adding back the provision for these deferred Directors Remuneration and Management Fees of \$1,064,841 (2018 \$907,095).

The deferred fees are only payable once distributions to Partners have exceeded the Partnership equity as at 31 March 2006, which amounted to \$4,844,773 or \$4,623 per unit of a total of 1,048 units at the time. The 6th Distribution added to earlier distributions and RWT distributed exceed the 31 March 2006 equity.

	2019	2018
	\$	\$
Equity at 31 March	1,885,721	5,108,388
Distributions (see Note 11)	12,607,206	7,942,211
Deferred fees paid and accrued	1,064,841	907,095
Total Equity before distributions and deferred fees	15,557,769	13,957,695
Less 1 April 2006 Equity	(4,844,773)	(4,844,773)
Amount subject to deferred fee calculation	10,712,996	9,112,922
11/111 for total deferred fees	1,061,648	903,082
Other	4,013	4,013
Deferred fees paid to date	(853,085)	(340,076)
Provision for future deferred fees	\$ 212,576	\$ 567,019



SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

7. RELATED PARTY TRANSACTIONS

i) Related Party Relationships

The Partnership considers the Directors of the General Partner to be related parties of the Partnership, along with any businesses in which the Directors of the Partnership (or close family relations thereof) have significant influence, including the parties whose transactions are noted below.

ii) Related Party Transactions

During the year the Partnership obtained consultancy services and disbursements from suppliers who are related parties by virtue of common control and directorships. The values of the transactions were as follows:

Net Invoices received for the Partnership from:	Director	2019	2018
Aratas Consulting Services Limited -dir. fee	M Johnson	10,161	10,051
Aratas Consulting Services Limited -FMA & exp	M Johnson	973	2,139
Aratas Consulting Services Limited - Deferred Fee	M Johnson	46,637	5,240
Peter Bould CA Limited -dir. fee	P Bould	10,161	10,051
Peter Bould CA Limited-FMA & exp	P Bould	2,077	3,321
Peter Bould CA Limited - Deferred Fee	P Bould	46,637	5,240
Tiedemann & Partners for administration	P Tiedemann	33,447	28,867
Wholesale Products Trading Limited -dir. fee	P Tiedemann	10,161	10,051
Wholesale Products Trading Limited -FMA & exp	P Tiedemann	159,149	138,081
Wholesale Products Trading Limited - Deferred Fee	P Tiedemann	373,097	41,920
Valley Management Services Limited -dir. fee	T Loveday	10,161	10,051
Valley Management Services Limited -FMA & exp	T Loveday	1,872	2,713
Valley Management Services Limited -Deferred Fee	T Loveday	46,637	5,240
		<u>751,171</u>	<u>272,965</u>

During the year the Partnership also incurred costs of \$42,364 (2018: \$44,877) from Finders Keepers Ltd (related to Peter Bould through a close family member). No balances were outstanding as at 31 March 2019 (2018: \$Nil). Other transactions with related parties are disclosed as appropriate within these financial statements.

iii) **Distribution to Partners:** In 2019 we declared two distribution and paid related deferred fees to directors as per note 6 ii) and note 11. On 31 March 2019 all unit holders, except for one that has not completed requested data, had been paid all their distributions.



SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

8. RECONCILIATION OF NET PROFIT / (LOSS) WITH CASH FLOWS FROM OPERATING ACTIVITIES

	2019	2018
	\$	\$
Net Profit / (Loss) for the year	1,441,508	1,172,857
Adjustment for items included in Net Profit / (Loss) with no cash flow effect:		
Capital payment and dividend received	822	1,503
	822	1,503
	-	-
Impact of changes in working capital items:		
Movement in Land Stock	384,395	2,630,832
Movement in Trade and Other Receivables	(362,023)	228,637
Movement in Trade Payables, Other Payables and Accruals	(37,677)	31,964
Deferred Directors' Remuneration and Management Fees	(353,725)	155,425
Net cash from operating activities	1,073,299	4,194,570

9. FINANCIAL INSTRUMENTS

The Partnership has a number of financial instruments in the course of its normal activities. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the bases of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in the accounting policies.

i) Fair Value

The estimated fair value of the Partnership's financial instruments equals the carrying values. This applies to all bank balances, receivables and payables. Accordingly no comparison is made between the fair values and carrying values for any class of financial instrument.

ii) Liquidity Risk

Liquidity risk is the risk that the Partnership will not be able to meet its financial obligations as they fall due. The Partnership's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and adverse conditions, without incurring unacceptable losses or risking damaging the Partnership's reputation.

iii) Credit Risk

Financial instruments that expose the Partnership to the most significant credit risk are Trade Receivables. The maximum exposure to credit risk is the carrying value of each financial asset in the Statement of Financial Position which is net of any recognised provision for losses on those financial instruments.

iv) Interest Rate Risk

Interest rate risk is the risk that interest rate changes will adversely affect the Partnership's results. This is not considered to be significant to the Partnership.



SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

10. FINANCIAL INSTRUMENTS (continued)

v) Market Risk

The main market risk, being the demand for and valuation of commercial land, does not significantly impact the Partnership's financial instruments.

11. DISTRIBUTION TO PARTNERS

In the 1990 Prospectus the original Silverwood Land Partnership issued 262 units. In the 2003 Prospectus a further 262 units were issued followed by a one for one bonus issue, i.e. 1,048 units were issued. On 1 December 2017 Silverwood units were split 1000 for 1 and the total units issued rose to 1,048,000. On 7 December 2017 Silverwood's 50% unit holder liquidated and passed its 524,000 units to its shareholders in proportion to their shareholding. As a consequence Silverwood had to cancel the units it received in itself (34,149) leaving 1,013,851 Silverwood units on issue. Over the life of the Partnership total distributions that have been declared to-date add to \$12,607,206, which is \$12.43 per unit as per table below and represents eight times the \$ 1.55 price paid per unit.

	Total (\$)	per Unit (\$)	p/NEW unit(\$)
		1048	1,013,851
# of Silverwood units issued			
No12 Dec 2018 - Paid	1,622,161	\$ 1,548	\$ 1.6000
No11 May 2018- Paid	3,041,553	\$ 2,902	\$ 3.0000
No10 Nov2017 - Paid	524,000	\$ 500	\$ 0.5168
No 9 Mar 2017 -Paid	681,200	\$ 650	\$ 0.6719
No 8 Dec 2016 - Paid	1,048,000	\$ 1,000	\$ 1.0337
No 7 Mar 2016 - Paid	838,400	\$ 800	\$ 0.8269
No 6 Mar 2016 - Paid	1,089,920	\$ 1,040	\$ 1.0750
No 5 Dec 2015 - Paid	1,310,000	\$ 1,250	\$ 1.2921
No 4 Sep 2015 - Paid	366,800	\$ 350	\$ 0.3618
No 3 Apr 2015 - Paid	419,200	\$ 400	\$ 0.4135
No 2 Jul 2013 - Paid	1,100,400	\$ 1,050	\$ 1.0854
No 1 Jul 2010 - Paid	524,000	\$ 500	\$ 0.5168
RWT Distributed to 31 March 2018	40,291	\$ 38	\$ 0.0397
RWT to distribute for the current year	1,281	\$	0.0013
Total distributed in cash and RWT	\$ 12,607,206	\$ 12,029	\$ 12.4350

12. COMMITMENTS

There are no capital and lease commitments as at 31 March 2019.

13. SIGNIFICANT EVENTS AFTER BALANCE DATE

Subsequent to year end, Lot 196 was sold (unconditionally) on 22 May 2019 with a settlement date of 6 June 2019.

14. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 March 2019.

