

Minutes AGM of Silverwood Corporation Ltd

Date: 15th June 2021 commencing 2.30pm

Venue: The Community of Saint Luke, Remuera Road, Newmarket

Present:

Directors: Peter Tiedemann (PT), Peter Bould (PB), Tony Loveday (TL)

Unitholders: 15 unit holders were present plus a further 3 unit holders followed procedures via Zoom

Unit Holders present in the room and proxies **represented 57% of SLP's 1,013,851 units.**

Also present were:

- Julian Dawson, Barrister acting for SLP at the Land Valuation Tribunal, presenting Silverwood's case at the LVT
- John Bould, x Harrison Grierson, presenting Silverwood's case in its application to have the balance of its land rezoned to Future Urban in Porirua City Council Long Term Growth Plan published 12 March 2019.
- David Partis, Web and Zoom co-ordinator
- Celina Freymark, representing Covenant, the statutory supervisor, together with Joanne Lu who attended via Zoom.

Apologies: John Ballard

Chairman

Tony Loveday was elected Chairman for the meeting.

The Chairman welcomed unit holders and discussed the agenda in terms of the afternoon's proceedings.

Minutes last AGM 30th June 2020.

These were approved by the meeting moved by Judy Foster seconded by Noelene Murdoch.

There were no matters arising that were not to be subsequently covered at the meeting.

FMA extension in time

Peter Tiedemann confirmed that the FMA has granted an extension for the partnership to 31st March 2024.

Financial Accounts to 31 March 2021.

The Annual Accounts were adopted by the meeting. Moved Tony Loveday, seconded Brendan Robinson.

Progress Report – Land Take Compensation

The largest potential asset is the settling with the Crown and PCC on the second land take for the TMG's two link roads being the James Cook extension to Whitby and the Waitangirua link road to Waitangirua. This has been the subject of a Land Valuation Tribunal hearing last week.

SLP directors have previously requested PCC and NZTA make another payment up to the amount of their agreed valuation and the Section 66 costs up to the LVT hearing, and these have been received.

Peter Tiedemann gave a brief progress report on the asset realization process and LVT process and introduced Julian Dawson (Barrister acting for SLP at the LVT) who gave an update on the compensation claims and reported on the LVT proceedings over last week in Wellington. He explained that he could not comment on the possible outcomes of the LVT.

Peter Tiedemann then introduced John Bould, (Land Advisor to SLP)

John Bould tabled a report on the land sales progress and on the compensation land matters. He reported that Lots 1 and Lot 6 (now referred to as Lot 6) were the only lots left to sell. However, he emphasized that there were still access issues to resolve to maximize their sale value. He also explained the implications of the Porirua District Plan and the background and current work being undertaken to achieve a Future Urban Zone for Lot 6. A copy of his address is attached.

Gas pipeline relocation.

The balance of this compensation has been received.

General Business.

A question was raised regarding the price paid for the McQuade units sold by tender of 20,000 units in SLP. The matter of the price was confidential to the vendor McQuade and only persons involved with the vendor would be party to that information.

There was no other business and the meeting concluded at 3.30pm

Signed by

A.L. Loveday
Chairman

Attachments being part of AGM 2021 handouts:

1. Agenda AGM 15 June 2021
2. Minutes AGM 30 June 2020
3. Silverwood Tax Letter 14 May 2021
4. Silverwood AGM invite and Proxy email
5. Silverwood Newsletter 14 May 2021 14 May 2021
6. Silverwood KPMG audited Financial Statements for the year ending 31 March 2021
7. Silverwood Land For Sale, address at the AGM by John Bould.

Silverwood Land 2015 Limited Partnership

Annual General Meeting 2021

AGENDA

Tuesday 15th June 2020, commencing 2:30pm
The Community of Saint Luke, Remuera Road, Newmarket

1. Appointment of Chairman:

2. In Attendance:
Plus - Via ZOOM:

David Partis

3. Proxies:

4. Apologies:

**5. Confirmation of Minutes of AGM held: 30 June
2020**

6. Matters Arising:

7. FMA exemption roll-over to 31 March 2024

Peter T

**8. Confirmation and Adoption of Financial Statements
Land Partnership Chair**

**9. Update on PCC / NZTA Land Valuation Tribunal
process
Julian Dawson**

**10. Update on Future Urban Zoning Lots 1 and 6 and
L6N/L6S
John Bould**

11. General Business:

Meeting Closure:

He reported that Lots 1 and Lot 6 (now referred to as Lot 6) were the only lots left to sell. However, there are access issues to resolve in order to maximize their sale value.

There is still a small amount to collect in relation to a previously agreed gas pipeline relocation.

The largest potential asset is settling with the Crown and PCC on the second land take for the TMG's two link roads being the James Cook extension to Whitby and the Waitangirua link road to Waitangirua. This is now the subject of a Land Valuation Tribunal hearing which is being progressed. The parties are in the process of submitting their evidence to the court.

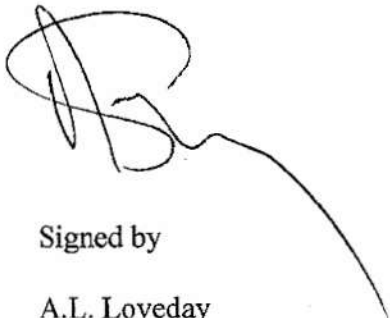
Evidence has now been exchanged.

SLP directors have previously requested PCC and NZTA make another payment up to the amount of their agreed valuation and today they confirmed this would be done, subject to an agreement to be received.

General Business

There was some concern that the negotiating with NZTA and PCC could be held against SLP and become a PR problem for us. This was discussed and agreed that there is no reason for concern.

There was no other business and the meeting concluded at 4:15pm

A handwritten signature in black ink, appearing to be 'A.L. Loveday', with a long, sweeping underline that extends to the right.

Signed by

A.L. Loveday
Chairman

SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

14 May 2021

To: All partners of Silverwood Land 2015 Limited Partnership

Re: 2021 Tax position 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.

TAXABLE INCOME (LOSS) & TAX CREDITS

For each partnership unit, the 2021 taxable income (loss) and interest income and tax credit are as follows:

Year Ended 31 March 2021

Units issued: 1,013,851

Silverwood Land 2015 Limited Partnership
 (IRD Registration number 119-590-858)

	RWT	Income/(Loss)	
Trading Income (Loss)	-	\$ (0.3841354)	per unit
Interest Income	\$ 0.1613126	\$ 0.4888825	per unit
TOTAL Income (Loss)	<u>\$ 0.1613126</u>	<u>\$ 0.1047471</u>	per unit

For example, if you hold 1,000 units,

	RWT	Income/(Loss)
Trading Income	-	\$ (384.13)
Interest Income	\$ 161.31	\$ 488.88
	<u>\$ 161.31</u>	<u>\$ 104.75</u>

Units held by you:

If you cannot recall the Silverwood number of units that you hold, please search on the www.silverwoodcorporation.co.nz website under "Unit Holder Register".

Yours faithfully



Peter Tiedemann
 Director

NEWSLETTER

14 May 2021

AGM: The directors invite all Silverwood partners to attend the Annual General Meeting of Silverwood Land 2015 Limited Partnership (SLP) which will be held on *Tuesday the 15th of June 2021 at 2pm for a 2:30 start at the Courtyard room in 'The Community of Saint Luke'*, 130 Remuera Road, Remuera, AUCKLAND

Please reply to the Proxy Email

Please click 'Reply' to the Proxy Email if you are unable to attend the meeting.

1. Your Proxy reply is needed to ensure we have a quorum of registered partners present at the AGM.
2. The proxy is to register your attendance.

VISIT: Please join us for afternoon tea at **2:00pm Tuesday the 15th of JUNE 2021** to chat with other Silverwood partners and directors before we start the AGM at 2.30pm.

(Please Note: SLP also invites its unit holders to an informative 'courtesy meeting' for WELLINGTON area Wednesday 1 December 2021 at 2pm, The Baptist Church, Buick Street, Petone, to answer questions and to provide up-dates re SLP's affairs.)

ZOOM: Unit holders that like to find out more where Silverwood is at but are unable to attend the AGM can follow us by logging into:

<https://us02web.zoom.us/j/89647106891?pwd=TEVDL1NpcmJaZy9mTjhPSDNoNnpGZz09>

Topic: Silverwood AGM 15 June 2021 - Time: 2pm for a 2:30 Start

Join Zoom Meeting ID: 896 4710 6891 Passcode: 055716

Please still press reply on your proxy email to let your voice be heard.

Please email your question(s), if any, at least 24hrs in advance of the meeting.

FMA: In 2016 the directors had agreed to liquidate the Silverwood Land 2015 Limited Partnership by 31 March 2021. We applied in 2020 to extend this date to 31 March 2023 or possibly 2024. The reasons are that the matter is outside our control and has been caused by delays in opening of the TG motorway and its Link Roads. Opening of these roads is currently planned for some time later in 2021. We then need to sell the balance of your land which, so far, has been land locked for the last seven years.

LVT: Julian Dawson, our RMA Barrister, has agreed to attend the AGM and is willing to outline progress re the Silverwood Claim in the Land Valuation Tribunal that will be heard in the last week of May 2021. It may be some months before we get the decision, so it is unlikely to be available at the AGM. We have received parts of our claim for compensations in the last twelve months, and we distributed these via two Distributions of \$1 per unit in the last twelve months. (Distributions 13 and 14).

FUZ: Porirua City Council has requested submissions for their proposed District Plan Review and Silverwood put forward its request that the balance of our land be included in the Future Urban Zone category. John Bould has been leading this campaign and he will be happy to take your questions.

DISTRIBUTIONS: The original price paid per unit is \$1.55 and, so far, we distributed in cash and in RWT credits worth \$14.60 per unit. That is 9 times what you paid, plus, hopefully there is a little more to come (see our short list of residual assets below)

Distributed:	Total \$	per Unit (\$)	Per Unit (\$)
# of Silverwood units issued	Distributed	Old #1048	New#1,013,851
No 14 Dec 2020 - Paid	1,013,851	\$ 967	\$ 1.0000
No 13 Aug 2020 - Paid	1,013,851	\$ 967	\$ 1.0000
No 12 Dec 2018 - Paid	1,622,161	\$ 1,548	\$ 1.6000
No 11 May 2018 - Paid	3,041,553	\$ 2,902	\$ 3.0000
No 10 Nov 2017 - 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 Jul 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 2020	41,742	\$ 40	\$ 0.0412
RWT to distribute for The current year	163,547	\$ 156	\$ 0.1613
Total distributed in Cash and RWT	\$14,798,625	\$ 14,120	\$ 14.60p/u

(Note: At 31 March 2021 ALL Unit Holders were paid, except for two that have not yet provided the details required.)

ANNUAL

ACCOUNTS: The 2021 audited Financial Statements for the Land Partnership have been emailed to you. They were posted on www.silverwood.co.nz 7 May 2021. KPMG completed the 2021 audit and directors are satisfied the changes in equity fairly represent SLP value. The 2021 Tax Letter is also emailed to you and placed on our website. The Proxy Email and this Newsletter will be forwarded to you by email 14 May 2021, after which it will also appear on our website.

<u>SLP</u> as at:	<u>Year</u>	<u>Equity</u>	<u>Distributions</u>	<u>Total Equity</u>	<u>Land*</u>	<u>Profit+</u>	<u>Tax Letter</u>
(was 1048 units until 1/12/17, # now 1,013,851)	<u>31/3</u>	<u>\$M</u>	<u>Accum \$M</u>	<u>+Distrib \$M</u>	<u>\$M</u>	<u>\$(000)</u>	<u>\$ p/unit</u>
	2005*	\$2.5	\$0	\$ 2.5M		\$ 4.7	+\$ 727
	2006*	\$4.8	\$0	\$ 4.8	\$5.2	+\$ 299	-\$ 158.28
	2007*	\$4.9	\$0	\$ 4.9	\$5.4	+\$ 100	-\$ 127.09
	2008	\$4.9	\$0	\$ 4.9	\$5.5	-\$ 70	-\$ 66.46
	2009*	\$4.0	\$0	\$ 4.0	\$5.3	+\$ 861	-\$ 117.37
	2010	\$2.9	\$0	\$ 2.9	\$4.8	-\$1,091	-\$1,745.54
	2011*	\$8.7	\$0,524	\$ 9.3	\$4.8	+\$6,359	-\$ 39.71
	2012	\$9.1	\$0,524	\$ 9.7	\$4.8	+\$ 388	+\$ 370.40
	2013*	\$8.5	\$0,524	\$ 9.0	\$3.8	-\$1,041	-\$ 160.37
	2014	\$7.3	\$1,624	\$ 8.9	\$3.2	-\$ 68	-\$ 107.22
	2015*	\$9.0	\$2,043	\$11.1M	\$5.5**	+\$2,120	-\$ 263.67
	2016	\$5.4	\$5,688	\$11.1M	\$3.5**	-\$ 34	-\$ 197.06
	2017	\$4.5	\$7,416	\$11.9M	\$4.1**	+\$ 860	-\$1,357.87
	2018	\$5.1	\$7,834	\$12.9M	\$1.1**	+\$1,173	+\$ 0.09927
	2019	\$1.9	\$12.6	\$14.5M	\$0.7**	+\$1,442	-\$ 0.6768
	2020	\$1.2	\$12.6	\$13.8M	\$0.5**	-\$ 728	-\$ 0.1382
	2021	\$1.0	\$14.8	\$15.8M	\$0.5**	+\$2,026	+\$0.10475#

*years of land revaluation **valuation/value exceeds land cost applied in FS #or+ \$104.75 per 1000 units

Land asset schedule:

<u>Title</u>	<u>Identifier</u>	<u>Land Stock</u>	<u>HA</u>	<u>1-June-19</u>
				<u>\$</u>
S7SOP475749	699019	Lot 1 S	8.2805	\$ 170,050
S17-SOP475749	699020	Lot 3	sold	0
S13SOP475749	699054	Lot 4	sold	0
S9-10SOP475749	699018	Lot 6	43.8778	\$ 340,100
Lot196DP448831	568462	Section196	sold	0
		Section 557	sold	0
Various		NZTA/PCC	LVT	0
		Total		\$ 510,150

All Silverwood land is for sale. If you are interested in purchasing the remainder of SLP land, please contact the writer.

Silverwood Corporation Limited (SCL) is the general partner of the Silverwood Land 2015 Limited Partnership.

The Companies Office and IRD hold full details of each partner of the partnership on their computers. The general partner (SCL) is responsible for ensuring the data these Departments hold about you is correctly recorded. The general partner can only do so if you, our unit holders, update the unit holder register on our website when changes occur and let us know you have done so. At an earlier AGM, SLP unit holders approved for the general partner to recover operating costs from unit holders who do not maintain their records, by deducting it from their future distributions after charging them. We may record extra costs in our unit holder files when we have been asked to correct or open records that unit holders are meant to maintain.

Notes re SLP's assets:

1. Lot 1 - South currently has no access due to the Waitangirua Link Road construction. There is conflicting information regarding the opening date of this road. Compensations for Lot 1 and Lot 6 were settled. Funds received have been distributed to partners in August 2020 (Distribution 13).
2. Lot 2 - The Land Asset schedule above excludes Lots 1N and Lot2 as all sections have been sold. The JV was discontinued 30/9/2016. Assets and liabilities were settled in the 2018 financial year.
3. Lot 3 – Lot 3 was sold and settled in the 2019 financial year. The LVT claim related to Lot3 has not been settled and is part of the LVT hearing later this month.
4. Lot 4 – Lot 4 was sold and settled in the 2018 financial year. The LVT claim related to Lot4 has not been settled and is part of the LVT hearing later this month.
5. Lot 5 – Lot 5 was severed and was settled by NZTA in the 2011 financial year.
6. Lot 6 – Lot 6 was part of PCC's land take for its TGM to Waitangirua Link Road which splits Lot 6 into two: L6N and L6S (also see note 1 above):
 - a. Lot 6 North, also affected by the gas pipe relocation, is a small block of land with housing potential if Future Urbane Zoning is approved by PCC.
 - b. Lot 6 South, also affected by the gas pipe relocation, is a large block of land with housing potential if Future Urbane Zoning is approved by PCC.

These lots have had no access for 7 years due to Link Road land takes. See Lot 1 above for details.

It took years for First Gas to complete the gas pipe re-location. They finally paid last month. April Debtor balances reverted to nil.

7. Lot 196 – This section was sold and settled in the 2020 financial year.
8. Lot 557 – This section was sold and settled in the 2018 financial year.
9. PCC & NZTA claim – Initial deposits have been received from both PCC and NZTA for land taken in 2013/14 to build the Transmission Gully Motorway and two Link Roads, (James Cook extension to Whitby and Waitangirua Link Road to Waitangirua). Our claims team have lodged Land Valuation Tribunal claims in December 2018. Claim details have been debated by expert witnesses caucus meetings, and we have received further settlements for items agreed during these caucusing meetings. Funds received were distributed in August 2020. After numerous delays, for several reasons, LVT will now hear our claims in the last week of May 2021. The outcome may not be known for some months.
10. There is a cash balance retained to ensure Silverwood can meet its regulatory outgoings as well as the costs associated with the LVT Hearing. The December 2020 Distribution was our 14th and followed settlement of our RMA s66 costs claim.

OTHER:

- The 2021 TAX LETTER will be emailed to you and posted on the website.
- **PLEASE click reply now to the 2021 Proxy email** unless you intend to attend the 15th of June 2021 AGM.
- It is the responsibility of each SLP partner / Unit Holder to make changes of email address, bank account details, your address, etc. in the register available via our website and to let us know as well.
- Since the 2012 AGM resolution, *'Unit Holders' costs can be deducted from future distributions.*
- SLP exclusively uses direct credits and email, if this is an issue, kindly ask your accountant, a family member or friend to help.
- Details re the FMA exemption received in December 2016 have been emailed to all unit holders at that time. The statutory supervisor has placed easements over our titles in the 2019 financial year.

If you have suggestions and/or questions kindly email me at pect@xtra.co.nz.

Kind Regards,
Peter Tiedemann

SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

Managed Investment Scheme SCH11747

FINANCIAL STATEMENTS **FOR THE YEAR ENDED** **31 MARCH 2021**

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SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

Managed Investment Scheme SCH11747

DIRECTORY FOR THE YEAR ENDED 31 MARCH 2021

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 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 audit of the financial statements

Opinion

In our opinion, the accompanying financial statements of Silverwood Land 2015 Limited Partnership (the 'Limited Partnership') on pages 5 to 18:

- i. Present fairly in all material respects the Limited Partnership's financial position as at 31 March 2021 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 2021;
- 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 Limited Partnership in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('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 Limited 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

Contingent assets relating to past land transactions

Refer to Note 4 to the Financial Statements.

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.

The Partnership is seeking additional compensation from NZTA and PCC for the "land take" under the provision of the Public Works Act 1981.

The Partnership has not recorded a receivable for any further compensation, as the amount is currently unknown and is dependent upon future events.

The accounting treatment of the additional compensation from NZTA and PCC requires significant judgement by the Partnership.

Our audit procedures included:

- Interviewing management to obtain an understanding of the current status of proceedings;
- Enquiring with the limited partnership's legal representatives as to the current status of proceedings
- Reviewing legal documents and correspondence with counterparties
- Evaluating the likelihood of further compensation and the quantum thereof

Other information

The Directors, on behalf of the Limited Partnership, are responsible for the other information included in the entity's financial statements. 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 Limited 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 Murray Dunn.

For and on behalf of

KPMG
Hamilton
7 May 2021

SILVERWOOD LAND 2015 LIMITED PARTNERSHIP
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
Land Revenue	2,809,010	295,000
Claim Payments	-	-
Total Revenue	2,809,010	295,000
Cost of Land/Claims	(886,128)	(919,325)
Total Direct Costs	(886,128)	(919,325)
Total Gross Margin	1,922,882	(624,325)
Administrative and Other Operating Expenses	(163,632)	(154,971)
Marketing Costs	(6,287)	(33,854)
Directors Deferred Remuneration and Management Fees paid	(222,836)	-
Directors Deferred Remuneration and Management Fees provision	-	84,458
Total Expenses	(392,755)	(104,367)
Operating Profit (Loss)	1,530,127	(728,692)
Net Financing Income	495,634	557
Net Profit Before Tax	2,025,781	(728,135)
Income Tax Expense	-	-
Net Profit (Loss) after Tax and Total Comprehensive Income for the Year	2,025,781	(728,135)

Note

2021 2020



SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO PARTNERS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021	2020
		\$	\$
Net Assets at the beginning of the Year		1,157,420	1,885,723
Net Profit / (Loss) after Tax and Total Comprehensive Income for the Year		2,025,781 ✓	(728,135)
Capital Distribution to Partners	10	(2,027,702) ✓	-
Tax Credit transferred to Partners		(163,547)	(169)
Net Assets at the end of the Year		<u>991,952</u>	<u>1,157,419</u>



SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

		2021	2020
	Note	\$	\$
<u>Cash Flows from Operating Activities</u>			
<i>Cash was provided from:</i>			
Land revenue		-	295,000
Claim Settlements		2,809,010	118
Bank Interest Received		378	387
Interest Received		331,835	-
GST refunds		114,912	148,265
		<u>3,256,135</u>	<u>443,770</u>
<i>Cash was applied to:</i>			
Bank Charges		(239)	(184)
Payments to Suppliers		(544,088)	(1,147,572)
Payments to Directors and Management for Deferred Fees	6	(256,239)	-
RWT Tax paid		(106)	-
		<u>(800,672)</u>	<u>(1,147,756)</u>
Net Cash from Operating Activities	8	<u>2,455,464</u>	<u>(703,986)</u>
<u>Cash Flows from Financing Activities</u>			
<i>Cash was applied to:</i>			
Capital Payment to Partners		(2,018,634)	-
Net Cash used in Financing Activities		<u>(2,018,634)</u>	<u>-</u>
Net increase/(decrease) in Cash during the year		436,830	(703,986)
Opening Cash balance		141,483	845,470
Ending Cash carried forward		<u>578,313</u>	<u>141,484</u>
Comprising:			
Cash at Bank		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>



This Statement is to be read in conjunction with the notes to the financial statements.

SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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. Due to delays in completing the Transmission Gully Motorway an extension to 31 March 2023 was requested in April 2020. At this time Silverwood Land 205 Limited Partnership will continue to operate under the terms of the existing exemption notice. As set out in the letter received on 29 March 2021 from the Financial Markets Authority (FMA), the FMA have advised they will not take any action against Silverwood in relation to any breaches of the Relevant FMC Obligations to the extent that Silverwood currently has relief from those requirements under the Current Notice, provided that:

- (a) any breaches of the Relevant FMC Obligations occur between 1 April 2021 and the date on which the FMA decides whether or not to grant any exemption notice sought by the Application; and
- (b) Silverwood continues to comply with the conditions of the Current Notice until such times as the FMA decides whether or not to grant any exemption notice sought by the Application.

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 2021 financial statements were authorised for issue by the Board of the Company on Friday 7 May 2021.

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").

Presentation currency

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



SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Specific accounting policies (continued)

c. Revenue

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

h. Intangible Assets

Intangible Assets are carried at cost and include 3,480 Emission Trading Scheme units.



SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Specific accounting policies (continued)

i. Financial instruments

Financial risk management objectives and policies

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.

Classification and measurement of financial liabilities

Financial liabilities continue to be measured at amortised cost.

Changes to impairment of financial assets

The NZ IRFS 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.

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).

j. 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.

k. 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 2021**

6. DEFERRED DIRECTORS' REMUNERATION AND MANAGEMENT FEE

Since the 2007 Financial Year full provisions have been made for the estimated liability for Directors Remuneration and Management Fees in the Statement of Financial Position and Statement of Comprehensive Income.

	2021	2020
	\$	\$
Opening balance	128,117	212,575
Change during the year through profit and loss	222,836	(84,458)
Paid during the year	(222,817)	
Closing balance	<u>128,136</u>	<u>128,117</u>

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 (\$994,722) after adding back Capital Repayments Payable to Partners in the period since 31 March 2006, a total of \$14,798,625 (see Note 10), inclusive of Resident withholding Tax distributed over recent years to Partners, and also adding back the movement for these deferred Directors Remuneration and Management Fees of \$222,836 (2020 \$ 84,458).

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.

	2021	2020
	\$	
Equity at 31 March 2021	991,952	1,157,418
Distributions (see Note 10)	14,798,625	12,607,375
Deferred fees paid so far added back	1,204,019	981,202
Total Equity before distributions and deferred fees	<u>16,994,596</u>	<u>14,745,995</u>
Less 1 April 2006 Equity	(4,844,773)	(4,844,773)
Amount subject to deferred fee calculation	<u>12,149,823</u>	<u>9,901,222</u>
11/111 for total deferred fees	1,204,038	981,202
Deferred fees paid so far	(1,075,902)	(853,085)
Provision for future deferred fees	<u>\$ 128,136</u>	<u>128,117</u>



SILVERWOOD LAND 2015 LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

9. 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.

10. 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 \$14,798,625 which is \$14.60 per unit as per table below and represents nine times the \$ 1.55 price paid per unit.

# of Silverwood units issued	Total (\$)	per Unit (\$)	p/NEW unit(\$)
		1048	1,013,851
No 14 Dec 2020 Paid	1,013,851	\$ 967	\$ 1.0000
No 13 Aug 2020 - Paid	1,013,851	\$ 967	\$ 1.0000
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 Jul 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 2020	41,742	\$ 40	\$ 0.0412
RWT to distribute for the current year	163,547	\$ 156	\$ 0.1613
Total distributed in cash and RWT	\$ 14,798,625	\$ 14,120	\$ 14.60

11. COMMITMENTS

There are no capital and lease commitments as at 31 March 2021.

12. SIGNIFICANT EVENTS AFTER BALANCE DATE

A: -The Transmission Gully Motorway construction, including the Link Roads and the Land Valuation Tribunal hearing have both been delayed. The LVT hearing has now been set to start 24 May 2021 and the TGM is meant to open by Christmas 2021. The Land Valuation Tribunal hearing is planned for the last week in May 2021. We have been advised it may take some months thereafter before we are advised of the outcome.

B: -Silverwood applied in April 2020 and again in February 2021 to the FMA to extend the wind up date to 31 March 2023 and this is with the FMA for their consideration.

C: - Emission Trading Scheme (ETS), The Silverwood partnership has 3,480 NZU in its NZETR account. Directors have agreed these be sold during the FYE 31 March 2022. We are in the process of opening a trading account to make this happen.

13. CONTINGENT LIABILITIES

The Land Valuation Tribunal hearings are planned for the last week in May 2021. Silverwood will incur LVT fees and the costs of its expert witnesses time, travel and accomodation some of which it expects / hopes to recover from the Crown.

There are no other contingent liabilities as at the 31st of March 2021.

Silverwood Land For Sale Whitby - Lot 1 South, Lot 6 South and Lot 6 North

In 1990 Silverwood owned 211 hectares of land at Whitby.

Over the last 30 years it has had 75 hectares taken by NZTA and Porirua City Council under the Public Works Act for motorway/roading, and it has sold 93 hectares to land developers.

It now holds just over 45 hectares. This land is shown on the attached plan as **Sections 7, 9 and 10, SO 475749**. For ease of identification and for convenience this land is usually referred to in Silverwood discussions as **Lot 1 South, Lot 6 North and Lot 6 South**.

Lot 6 North (legal description Section 9 SO475749; 1.5317ha) is the area just to the north of the (under construction) Waitangirua Link Road. This land is ripe and suitable for residential development. Most of this land is zoned residential.

Silverwood would like to sell this parcel but unfortunately it cannot be sold separately from Lot 6 South (ie section 10; 42.3461 ha) unless a subdivision resource consent is granted.

When Silverwood approached Council last year, it advised that it would require a 20 metre wide esplanade reserve to be taken from the Silverwood land adjacent to Duck Creek with zero compensation. PCC is entitled to do this but Silverwood considered that requirement to be unreasonable and inconsistent with the consents granted to Todd and Whitby Coastal Estates.

Silverwood considers that the Link Road creates a clear rational boundary between the two parcels and that lot 6 north and lot 6 south in their current configuration should each have been created on a separate title as part of the land take process. Silverwood is now proceeding with a subdivision resource consent to create separate titles for lot 6 north and lot 6 south on the basis that an esplanade reserve would be laid off next to Duck Creek at a similar width and with a similar function to the adjoining Todd subdivision.

This subdivision would create a small, very saleable raw land development block and would not involve Silverwood in capital works. The "consent obligations" would be transferred to the purchaser. The expected outcome would release the esplanade reserve to the public and enable walking and cycling access from The Banks Boulevard to Waitangirua Link Road and to the adjacent Silverbrooke residential development.

Town Planning Issues

One of the main reasons for seeking separate titles for Lot 6 south and Lot 6 north is the current (inappropriate) zoning on lot 6 south. That land currently has a Rural zone. Silverwood's consultants consider that the zone should be FUZ..

Recent Planning History

In 2019 Silverwood made submissions to the Porirua City Council Long Term (30 year) Growth Plan published on 21 March 2019. Its submissions included the attached GHD concept plan (which shows how urbanisation could be appropriately achieved over both the Silverwood land (approx 40ha) and the adjacent 60ha Landcorp property, thereby maximising the utilisation of existing urban facilities and infrastructure including access from the Waitangirua Link Road.

Porirua City Council agreed to the concept and recommended

“to adjust the urban/rural boundary in the east from the Lanes Flat interchange in the north, to Kenepuru in the south and between Waitangirua/Cannons Creek to the Transmission Gully Motorway (with the exception of Judgeford Hills). This means land to the east of Whitby/ Waitangirua and Cannons Creek up to Transmission Gully Motorway can be considered for residential zoning through the Proposed District Plan review”

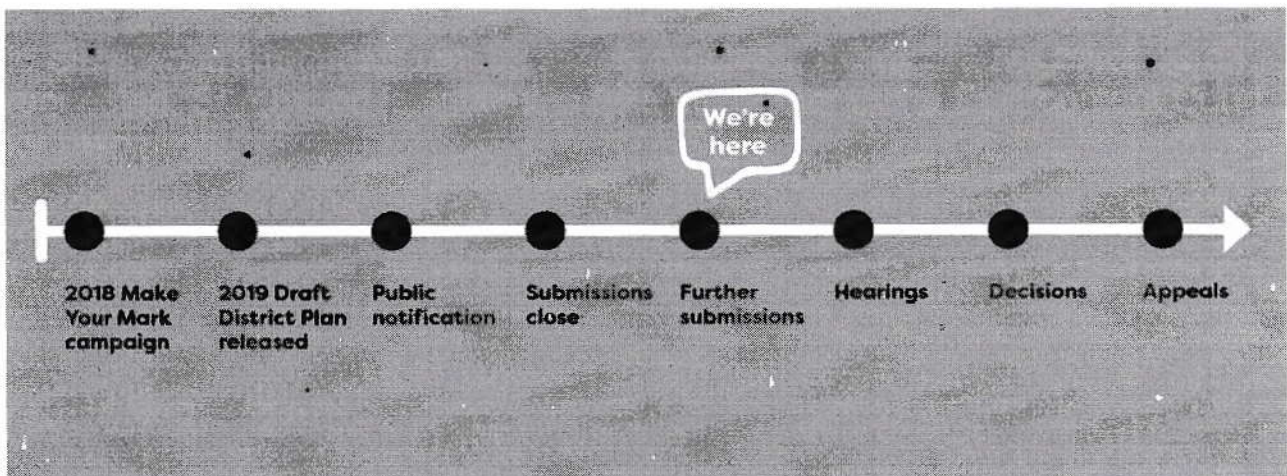
On the basis of that information, Silverwood expected that a Future Urban Zoning (FUZ) would be brought down on the land,

The Proposed District Plan review was publicly notified on 28 August 2020. However the PDP did not include the Silverwood land (or the Landcorp Block) in the FUZ. Silverwood lodged a comprehensive submission requesting a change of zoning from Rural to FUZ. This submission included reports from Planners, Civil Engineers, Traffic Engineers, Urban Design Architects and Landscape Architects. Submissions closed on 20 November 2020.

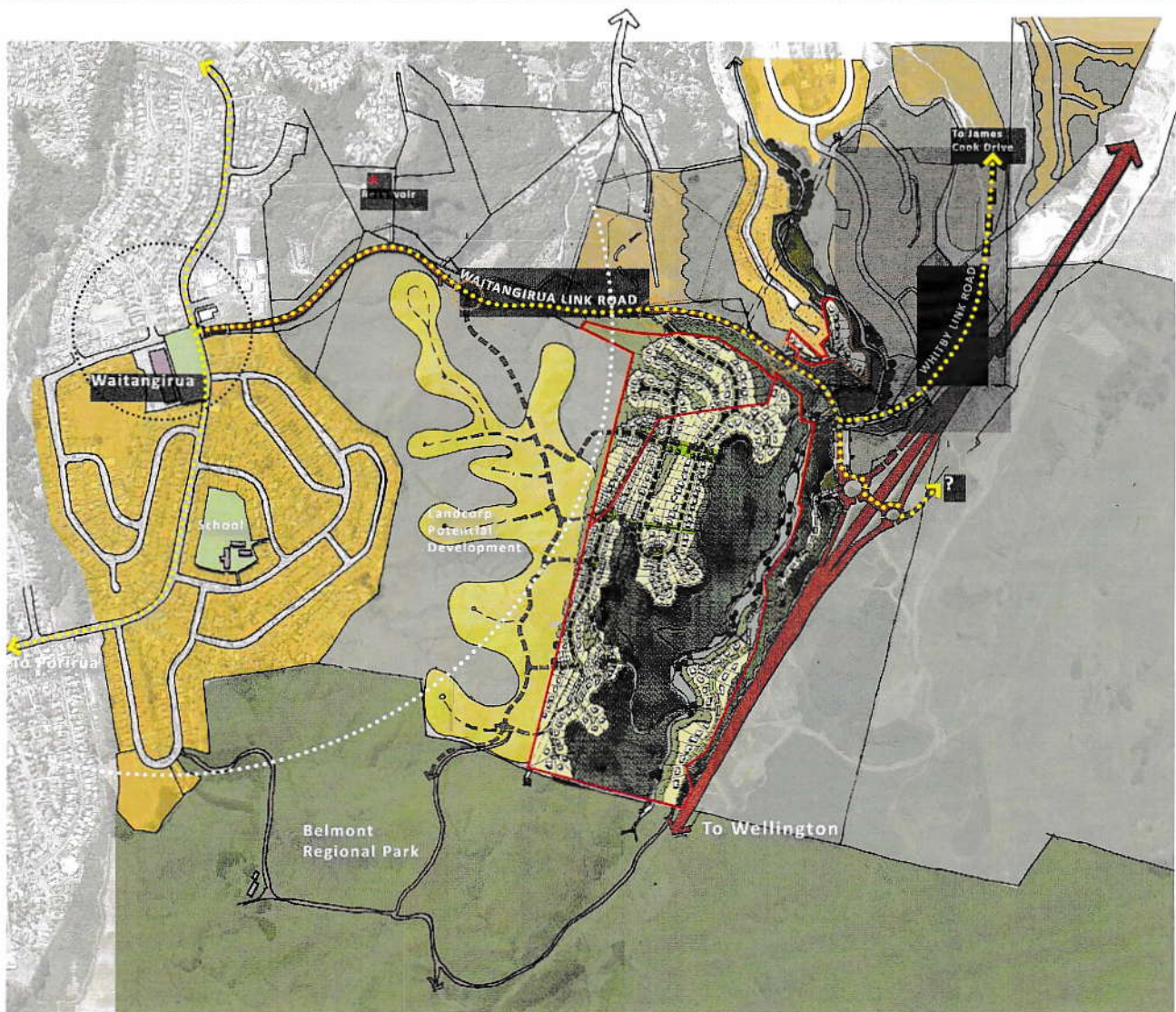
The District Plan Review Process allows further submissions (often referred to as “cross submissions” being the right to support or oppose primary

submissions). Silverwood exercised its rights in that regard by opposing the submissions lodged by two agencies.

It will be a matter for independent Commissioners to decide later this year, but we understand that the matters of concern raised by submitters in relation to Silverwood's requests can be simply resolved. If they are not resolved as requested, Silverwood is entitled to take the matter to the Environment Court for resolution.



SILVERWOOD CORPORATION LIMITED : LAND FOR SALE SECTIONS 7 & 9 ; SO 475749 ; AREA 52.1583 HECTARES



Design Assumptions:

- No topographic survey has been undertaken. The development concept is based on PCC GIS.
- Assumes residential zoning is applied, but no specific development controls (minimum lot size, building coverage etc.) adopted
- Two roading access points are assumed – one from the Waitangirua Link Road and one from the TG roundabout

Design Drivers:

- Maximum road gradient is 1:10
- Lots sizes respond to topography
- Physical connections provided to adjacent land parcel
- Vegetated slopes /batters visually break up development
- House platforms generally close to the road
- No dwellings located within the overhead transmission line corridor
- No dwellings located over the underground gas line
- Maximize views and solar gain
- Provide for pedestrian connectivity, particularly where roading is constrained

Design Outcomes:

- Mix of lot typologies, including smaller, attached housing comprehensively developed
- Use of private lanes on steeper land
- Pocket parks located at junction points and close to higher density product
- Pedestrian walkways between clusters and along Duck Creek

SILVERWOOD CORPORATION LIMITED : LAND FOR SALE
SECTIONS 7 & 9 ; SO 475749 ; AREA 52.1583 HECTARES

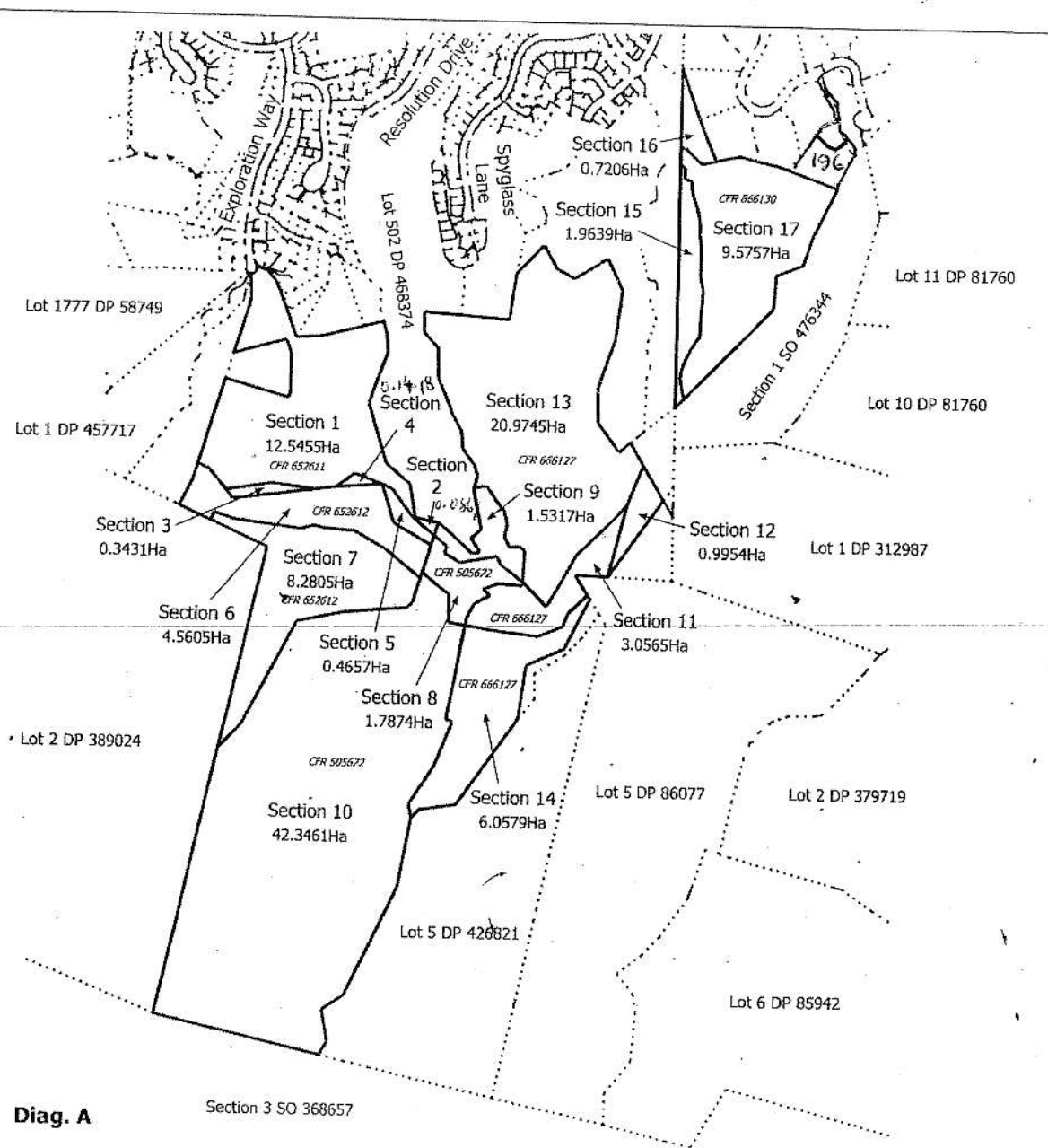
Address ; Waitangirua Link Road

Zoning ; Rural / Part Suburban

Future Zoning ; refer to 2048 PCC Growth Strategy Recommendation;
(See Report 6 March 2019 attached)

That Council

“agree to adjust the urban/rural boundary the east from the Lanes Flat interchange in the north, to Kenepuru in the southend between Waitangirua/ Cannons Creek to the Transmission Gully motorway (with the exception of Judgeford Hills). This means land to the east of Whitby/Waitangirua and Cannons Creek up to Transmission Gully motorway can be considered for residential zoning through the Proposed District Plan Review”.



Diag. A Section 3 SO 368657

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<u>Sections:</u>	<u>Sheet:</u>
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7	T3
8, 9, 10	T4
11, 12, 13, 14	T4 - 5
15, 16, 17	T6

Table 1

STL	LAND	ACQUIRED	DATE	SLP LAND
2009	OLD	BY		REMAINING
	(ha)			(ha)
			1990	211.8094
various	29.0093	VERPLANC	2009	182.8001
lot 5	27.4559	NZTA	2010	155.3442
lot 2	12.8815	NZTA	2010	142.4627
various	17.5671	VERPLANC	2012	124.8956
lot 1	13.5826	PROGENI	2014	111.313
section 1	11.7274	NZTA	2014	99.5856
section 2	1.1444	NZTA	2014	98.4412
section 3	0.0679	NZTA	2014	98.3733
section 4	1.4476	NZTA	2014	96.9257
section 6	0.6930	NZTA	2014	96.2327
sections 6,8,11,15,16	12.0889	PCC	2015	84.1438
section 12	0.9954	PCC	2015	83.1484
section 14	6.0579	PCC	2015	77.0905
section 13	20.9745	BLACK DRAGON	2017	56.116
lot 557	1.3735	BLACK DRAGON	2017	54.7425
lot 1 DP514349	0.4729	CAREFUL LANDSC	2018	54.2696
lot 2 DP514349	10.3832	ELEVATION	2018	43.8864