



Circular to Growers

26 July 2022

Dear Grower

Willmott Forests Limited
ACN 063 263 650
(In Liquidation) (WFL)

As Responsible Entity ('RE') for the schemes detailed at Appendix A:
(collectively, 'the Schemes')

FINAL REPORT TO GROWERS

I refer to the liquidation of WFL in its capacity as RE of the Schemes and, in particular, to the winding up of the Schemes which commenced on 27 June 2012 by order of the Supreme Court of Victoria (**Court**) pursuant to Section 601ND of the *Corporations Act 2001* (**'the Act'**).

I am pleased to advise that on 8 July 2022, the winding up of the Schemes was completed after distributing the final Scheme monies held. The final distributions were delayed while the matters outlined in Section 1 of this Report were resolved.

Herein is my final report to growers pursuant to Section 13 of *ASIC Corporations (Externally-Administered Bodies) Instrument 2015/251* (**Report**). The Report covers Scheme-related activities for the years ended 21 March 2019, 21 March 2020, 21 March 2021, 21 March 2022 and for the period 22 March 2022 to 8 July 2022 (**Reporting Period**).

Please note, I have reported the Scheme proceeds and distributions on a consolidated basis, including both registered and unregistered Schemes.

The Report outlines the following for the Reporting Period:

1. Details of the actions taken
2. The value of Scheme property realised and returns to growers
3. Summary of receipts and payments

1. Details of the actions taken during the Reporting Period

1.1 Registered and Professional Investor Schemes (R&PI Schemes)

During 2012 to 2014 certain forestry assets were sold by the Liquidators, with net proceeds of c.\$6.0m plus interest being available for distribution to growers (**Net Proceeds**). This is in addition to the c.\$1.1m of funds on hand at my appointment.

In and around June 2014, the Liquidators made first distributions of c\$5.6m of Net Proceeds (plus interest) to growers who had invested in WFL Schemes. However, the Liquidators were unable to distribute all Net Proceeds at that time as certain growers and their financier, Willmott Finance Pty Ltd (In Liquidation) (**Willmott Finance**), had made claims to the same entitlement from the Net Proceeds (**Competing Claims**). The Liquidators withheld payment from over 900 growers pending resolution of the Competing Claims.

Receivers and Managers were in control of Willmott Finance until their retirement in December 2020. During the receivership, the Receivers and Managers were responsible for the collection of unpaid grower loans. Following their retirement, I assumed responsibility for collecting those loans that remained unpaid.

In 2021, as Liquidator of Willmott Finance, I agreed with the secured lender how the remaining Competing Claims should be treated and distributed the balance of Net Proceeds held.

From October 2021 to April 2022 I made distributions totalling c.\$1.2m in respect of the Competing Claims associated with the R&PI Schemes plus interest.

In addition to the above, a tranche of growers with Net Proceeds plus interest totalling c.\$1.1m (net of withholding tax as appropriate) did not respond to distribution notices. Their entitlement has been paid to ASIC as unclaimed monies.

1.2 Contractual and Partnership (C&P) Schemes

Settlement of the sale of the C&P schemes' land and trees took place in 2015 (\$1.6m with interest and net of realisation costs).

The Liquidators distributed the majority of net proceeds (c.\$1.2m) from the sale of the trees to the growers of the various C&P Schemes in May 2016. Further distributions (c.\$0.3m) and payment of associated unclaimed monies to ASIC (c.\$0.1m) were paid in the 2019 financial year.

2. The value of Scheme property realised and returns to growers

Below is a summary of the Scheme property realised by WFL as RE and the returns to growers in accordance with the process directed by the Court orders dated 26 November 2012. This information is shown on a consolidated basis (i.e. inclusive of registered and unregistered professional Schemes).

\$'000	Total	R&PI	C&P
Scheme property realised	12,933.0	10,684.7	2,248.3
Less:			
Court approved costs of realisation*	(4,226.9)	(3,586.2)	(640.7)
Net scheme proceeds	8,706.1	7,098.5	1,607.6
Interest earned on scheme proceeds	801.9	774.4	27.5
Net scheme proceeds plus interest earned	9,508.0	7,872.9	1,635.1
Distributions to Growers			
No competing claims	(7,149.7)	(5,630.6)	(1,519.2)
Competing claims	(1,183.1)	(1,183.1)	-
Unclaimed monies paid to ASIC	(1,175.1)	(1,059.2)	(115.9)
Total Distributions to Growers	(9,508.0)	(7,872.9)	(1,635.1)
Remaining Scheme funds on hand	-	-	-

* Additional costs to realise and distribute scheme property were incurred, however, these additional costs were paid by other funds available in the liquidation that did not relate to scheme proceeds.

I note that the Court approved the Liquidators' costs to facilitate the distribution of funds to growers. These costs were deductible from Scheme assets, to the extent sufficient Scheme funds were held. The Court ordered that where the Liquidators' actual Scheme distribution costs exceeded the Court approved costs, such excess was to be borne by the WFL liquidation.

3. Summary of receipts and payments

Below is a summary of the Scheme related receipts and payments by year on a consolidated basis.

(\$'000)	Period ended				
	21-Mar-19	21-Mar-20	21-Mar-21	21-Mar-22	8-Jul-22
Scheme receipts					
Interest earned on scheme proceeds	18.8	20.1	16.8	8.3	0.0
Other receipts	10.6	-	-	2.8	-
Total Scheme receipts for the period	29.3	20.1	16.8	11.0	0.0
Scheme payments					
Grower distributions	(303.4)	(227.5)	(12.8)	(1,347.8)	(1.4)
Unclaimed monies payments					(1,059.6)
Bank fees	(0.1)	(0.0)	-	-	-
Total Scheme payments for the period	(303.5)	(227.5)	(12.8)	(1,347.8)	(1,061.1)
Net Scheme receipts / (payments)	(274.1)	(207.3)	4.0	(1,336.8)	(1,061.1)



Scheme affairs and activities for the years 2012 to 2018 are captured in the Liquidators' annual reports to creditors pursuant to section 508 of the Act (now repealed) which remain available on the PwC website at <https://www.pwc.com.au/deals/business-restructuring/insolvency-cases/3404.html>.

If you require further information, or have any queries, please email au_willmottgrowers@pwc.com.

Yours sincerely

A handwritten signature in black ink, appearing to read "Crosbie", written in a cursive style.

Craig Crosbie
Liquidator



Appendix A

Registered schemes

Willmott Forests 1989-1991 Project	ARSN 092 516 651
Willmott Forests Project	ARSN 089 379 975
BioForest Dual Income Project 2006	ARSN 119 153 623
BioForest Sustainable Timber and Biofuel Project 2007	ARSN 124 133 535
Willmott Forests Premium Forestry Blend Project	ARSN 131 549 589
Willmott Forests Premium Forestry Blend - 2010 Project	ARSN 142 722 585

Professional investor schemes (unregistered)

Professional Investor 2001 Information Memorandum
Professional Investor 2002 Information Memorandum
Professional Investor 2003 Information Memorandum
Professional Investor 2004 Information Memorandum
Professional Investor 2005 Information Memorandum
Forestry Memorandum (BioForest)

Contractual and partnership schemes (unregistered)

1993 McKenzie & Partners - Forestry Partnership No.1
1994 McKenzie & Partners - Forestry Partnership No 2
1994 Grimsey & Associates Pty Ltd - Forestry Partnership No.1
1994 Grimsey & Associates Pty Ltd - Forestry Partnership No.2
1994 Grimsey & Associates Pty Ltd - Forestry Partnership No.3
2005 BioForest Wholesale Project No. 2 - 2005 Wholesale
1983 (No Project)
1984 (No Project)
1985 (No Project)
1986 (No Project)
1987 (No Project)
1989 (No Project)
1990 (No Project) Interest Only Offer
1991 (No Project)
1995 (No Project) (Custom)
Sharp/Reed Plantation Project -1998 Information Memorandum