

# APPENDIX A

**FORM 529**

Corporations Act 2001

Subregulation 5.6.12 (2)

**NOTICE OF JOINT SECOND MEETING OF CREDITORS  
FOR THE WILLMOTT GROUP OF COMPANIES**

<b>WILLMOTT FORESTS LTD</b>	<b>ACN 063 263 650</b>
<b>WILLMOTT FINANCE PTY LTD</b>	<b>ACN 081 274 811</b>
<b>WILLMOTT FOREST NOMINEES PTY LTD</b>	<b>ACN 085 588 772</b>
<b>WILLMOTT FORESTS INVESTMENT MANAGEMENT PTY LTD</b>	<b>ACN 098 718 837</b>
<b>WILLMOTT FOREST PRODUCTS PTY LTD</b>	<b>ACN 103 019 094</b>
<b>WILLMOTT ENERGY PTY LTD</b>	<b>ACN 130 251 759</b>
<b>WILLMOTT NOTES PTY LTD</b>	<b>ACN 134 963 036</b>
<b>WILLMOTT SUBSCRIBER PTY LTD</b>	<b>ACN 134 963 027</b>
<b>BIOENERGY AUSTRALIA PTY LTD</b>	<b>ACN 096 335 901</b>
<b>BIOFOREST LTD</b>	<b>ACN 096 335 876</b>
<b>(ALL ADMINISTRATORS APPOINTED)</b>	
<b>(ALL RECEIVERS AND MANAGERS APPOINTED)</b>	
<b>(THE WILLMOTT GROUP)</b>	

Notice is given that a joint second meeting of the creditors of the Willmott Group will be held at Melbourne Town Hall, Corner Swanston and Collins Streets, Melbourne, Victoria at **2:00pm AEDST** on **Tuesday, 22 March 2011**. Registration commences at 12:00 midday and closes at 1:45pm AEDST.

**AGENDA**

1. To consider the Administrators' report in relation to the business, property, affairs and financial circumstances of the Willmott Group pursuant to section 439A of the Corporations Act 2001.
2. To consider for each company in the Willmott Group, the options available, the Administrators' recommendations and reasoning, and then to resolve either that:
  - a. the company execute a Deed of Company Arrangement; or
  - b. the administration should end; or
  - c. the company be wound up; or
  - d. the meeting be adjourned.
3. For creditors to consider and, if thought desirable, to resolve to appoint a Committee of Inspection for each company.
4. To discuss any other relevant business which may arise.

Dated:



**CRAIG D CRSOBIE AND IAN M CARSON  
JOINT & SEVERAL ADMINISTRATORS**

**Note**

- 1) Under the Corporations Regulations, a creditor is not entitled to vote at a meeting unless:
  - his/her claim has been admitted, wholly or in part, by the administrator; or
  - he/she has lodged with the administrator particulars of the debt or claim (regulation 5.6.23).
- 2) Furthermore proxies must be made available to the administrator.
- 3) A secured creditor may vote for the whole of his debt without deduction for his/her security (reg 5.6.24(4)).

---

Level 21, 181 William Street, Melbourne VIC 3000  
Telephone: 03 9269 4000 Facsimile: 03 9269 4099

# APPENDIX B

FORM 532

Corporations Act 2001

Regulation 5.6.29

**Willmott Forests Ltd  
(Administrators Appointed) (Receivers and Managers Appointed)  
ACN 063 263 650**

**APPOINTMENT OF PROXY**

I / We (1).....of  
..... (address),

a creditor / grower investor of **Willmott Forests Ltd (the Company)**

(2) appoint .....or in his / her absence

(3) .....as my/our general/special proxy to vote at the

Second Meeting of Creditors to be held on 22 March 2011 at 2:00pm AEDST, or at any adjournment of that meeting.

**Voting by Your Proxy**

A general proxy votes as he/she determines on your behalf.

A special proxy votes for some or all resolutions, specifically in the manner set out below (**please tick**).

	For	Against	Abstain
1) "That the Administration should end and the Company return to the control of the directors."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) "That the Deed of Company Arrangement proposed be accepted." <i>Please note a Deed of Company Arrangement has not been proposed at this stage</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3) "That the Company be wound up and that Ian Carson and Craig Crosbie be appointed joint and several Liquidators of the Company."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) If creditors resolve that the Company be wound up, "That a Committee of Inspection be appointed, comprising those creditors who nominate at the meeting to be members of such a committee."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5) ..... Other (please specify the particular resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated this                      day of                      2011

**Signature**

**CERTIFICATE OF WITNESS**

*(This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor or grower investor must not be witnessed by the person nominated as proxy) \*Omit if not applicable*

I.....,of.....  
....., certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated this                      day of                      2011

**Signature**

FORM 532

Corporations Act 2001

Regulation 5.6.29

**Willmott Finance Pty Ltd**  
**(Administrators Appointed) (Receivers and Managers Appointed)**  
**ACN 081 274 811**

**APPOINTMENT OF PROXY**

I / We (1).....of  
..... (address),

a creditor / grower investor of **Willmott Finance Pty Ltd (the Company)**

(2) appoint .....or in his / her absence

(3) .....as my/our general/special proxy to vote at the  
Second Meeting of Creditors to be held on 22 March 2011 at 2:00pm AEDST, or at any adjournment of that meeting.

**Voting by Your Proxy**

A general proxy votes as he/she determines on your behalf.

A special proxy votes for some or all resolutions, specifically in the manner set out below (**please tick**).

	For	Against	Abstain
1) "That the Administration should end and the Company return to the control of the directors."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) "That the Deed of Company Arrangement proposed be accepted." <i>Please note a Deed of Company Arrangement has not been proposed at this stage</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3) "That the Company be wound up and that Ian Carson and Craig Crosbie be appointed joint and several Liquidators of the Company."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) If creditors resolve that the Company be wound up, "That a Committee of Inspection be appointed, comprising those creditors who nominate at the meeting to be members of such a committee."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5) ..... Other (please specify the particular resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated this                      day of                      2011

**Signature** .....

**CERTIFICATE OF WITNESS**

(This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor or grower investor must not be witnessed by the person nominated as proxy) \*Omit if not applicable

I.....,of.....  
....., certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated this                      day of                      2011

**Signature** .....

FORM 532

Corporations Act 2001

Regulation 5.6.29

**Willmott Forest Products Pty Ltd  
(Administrators Appointed) (Receivers and Managers Appointed)  
ACN 103 019 094**

**APPOINTMENT OF PROXY**

I / We (1).....of  
..... (address),

a creditor / grower investor of **Willmott Forest Products Pty Ltd (the Company)**

(2) appoint .....or in his / her absence

(3) .....as my/our general/special proxy to vote at the  
Second Meeting of Creditors to be held on 22 March 2011 at 2:00pm AEDST, or at any adjournment of that meeting.

**Voting by Your Proxy**

A general proxy votes as he/she determines on your behalf.

A special proxy votes for some or all resolutions, specifically in the manner set out below (**please tick**).

	For	Against	Abstain
1) "That the Administration should end and the Company return to the control of the directors."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) "That the Deed of Company Arrangement proposed be accepted." <i>Please note a Deed of Company Arrangement has not been proposed at this stage</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3) "That the Company be wound up and that Ian Carson and Craig Crosbie be appointed joint and several Liquidators of the Company."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) If creditors resolve that the Company be wound up, "That a Committee of Inspection be appointed, comprising those creditors who nominate at the meeting to be members of such a committee."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5) ..... Other (please specify the particular resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated this                      day of                      2011

**Signature**

**CERTIFICATE OF WITNESS**

(This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor or grower investor must not be witnessed by the person nominated as proxy) \*Omit if not applicable

I.....,of.....

....., certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated this                      day of                      2011

**Signature**

FORM 532

Corporations Act 2001

Regulation 5.6.29

**Willmott Forests Investment Management Pty Ltd  
(Administrators Appointed) (Receivers and Managers Appointed)  
ACN 098 718 837**

**APPOINTMENT OF PROXY**

I / We (1).....of  
..... (address),

a creditor / grower investor of **Willmott Forests Investment Management Pty Ltd (the Company)**

(2) appoint .....or in his / her absence

(3) .....as my/our general/special proxy to vote at the  
Second Meeting of Creditors to be held on 22 March 2011 at 2:00pm AEDST, or at any adjournment of that meeting.

**Voting by Your Proxy**

A general proxy votes as he/she determines on your behalf.

A special proxy votes for some or all resolutions, specifically in the manner set out below (**please tick**).

	For	Against	Abstain
1) "That the Administration should end and the Company return to the control of the directors."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) "That the Deed of Company Arrangement proposed be accepted." <i>Please note a Deed of Company Arrangement has not been proposed at this stage</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3) "That the Company be wound up and that Ian Carson and Craig Crosbie be appointed joint and several Liquidators of the Company."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) If creditors resolve that the Company be wound up, "That a Committee of Inspection be appointed, comprising those creditors who nominate at the meeting to be members of such a committee."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5) ..... Other (please specify the particular resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated this                      day of                      2011

**Signature**

**CERTIFICATE OF WITNESS**

(This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor or grower investor must not be witnessed by the person nominated as proxy) \*Omit if not applicable

I.....,of.....

....., certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated this                      day of                      2011

**Signature**



FORM 532

Corporations Act 2001

Regulation 5.6.29

**Willmott Forest Nominees Pty Ltd  
(Administrators Appointed) (Receivers and Managers Appointed)  
ACN 085 588 772**

**APPOINTMENT OF PROXY**

I / We (1).....of  
..... (address),

a creditor / grower investor of **Willmott Forest Nominees Pty Ltd (the Company)**

(2) appoint .....or in his / her absence

(3) .....as my/our general/special proxy to vote at the  
Second Meeting of Creditors to be held on 22 March 2011 at 2:00pm AEDST, or at any adjournment of that meeting.

**Voting by Your Proxy**

A general proxy votes as he/she determines on your behalf.

A special proxy votes for some or all resolutions, specifically in the manner set out below (**please tick**).

	For	Against	Abstain
1) "That the Administration should end and the Company return to the control of the directors."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) "That the Deed of Company Arrangement proposed be accepted." <i>Please note a Deed of Company Arrangement has not been proposed at this stage</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3) "That the Company be wound up and that Ian Carson and Craig Crosbie be appointed joint and several Liquidators of the Company."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) If creditors resolve that the Company be wound up, "That a Committee of Inspection be appointed, comprising those creditors who nominate at the meeting to be members of such a committee."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5) ..... Other (please specify the particular resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated this                      day of                      2011

**Signature**

**CERTIFICATE OF WITNESS**

*(This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor or grower investor must not be witnessed by the person nominated as proxy) \*Omit if not applicable*

I.....,of.....  
....., certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated this                      day of                      2011

**Signature**

FORM 532

Corporations Act 2001

Regulation 5.6.29

**Willmott Energy Pty Ltd  
(Administrators Appointed) (Receivers and Managers Appointed)  
ACN 130 251 759**

**APPOINTMENT OF PROXY**

I / We (1).....of  
..... (address),

a creditor / grower investor of **Willmott Energy Pty Ltd (the Company)**

(2) appoint .....or in his / her absence

(3) .....as my/our general/special proxy to vote at the  
Second Meeting of Creditors to be held on 22 March 2011 at 2:00pm AEDST, or at any adjournment of that meeting.

**Voting by Your Proxy**

A general proxy votes as he/she determines on your behalf.

A special proxy votes for some or all resolutions, specifically in the manner set out below (**please tick**).

	For	Against	Abstain
1) "That the Administration should end and the Company return to the control of the directors."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) "That the Deed of Company Arrangement proposed be accepted." <i>Please note a Deed of Company Arrangement has not been proposed at this stage</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3) "That the Company be wound up and that Ian Carson and Craig Crosbie be appointed joint and several Liquidators of the Company."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) If creditors resolve that the Company be wound up, "That a Committee of Inspection be appointed, comprising those creditors who nominate at the meeting to be members of such a committee."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5) ..... Other (please specify the particular resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated this                      day of                      2011

**Signature** .....

**CERTIFICATE OF WITNESS**

(This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor or grower investor must not be witnessed by the person nominated as proxy) \*Omit if not applicable

I.....,of.....  
....., certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated this                      day of                      2011

**Signature** .....

FORM 532

Corporations Act 2001

Regulation 5.6.29

**Willmott Notes Pty Ltd  
(Administrators Appointed) (Receivers and Managers Appointed)  
ACN 134 963 036**

**APPOINTMENT OF PROXY**

I / We (1).....of  
..... (address),

a creditor / grower investor of **Willmott Notes Pty Ltd (the Company)**

(2) appoint .....or in his / her absence

(3) .....as my/our general/special proxy to vote at the  
Second Meeting of Creditors to be held on 22 March 2011 at 2:00pm AEDST, or at any adjournment of that meeting.

**Voting by Your Proxy**

A general proxy votes as he/she determines on your behalf.

A special proxy votes for some or all resolutions, specifically in the manner set out below (**please tick**).

	For	Against	Abstain
1) "That the Administration should end and the Company return to the control of the directors."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) "That the Deed of Company Arrangement proposed be accepted." <i>Please note a Deed of Company Arrangement has not been proposed at this stage</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3) "That the Company be wound up and that Ian Carson and Craig Crosbie be appointed joint and several Liquidators of the Company."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) If creditors resolve that the Company be wound up, "That a Committee of Inspection be appointed, comprising those creditors who nominate at the meeting to be members of such a committee."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5) ..... Other (please specify the particular resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated this                      day of                      2011

**Signature** .....

**CERTIFICATE OF WITNESS**

(This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor or grower investor must not be witnessed by the person nominated as proxy) \*Omit if not applicable

I.....,of.....  
....., certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated this                      day of                      2011

**Signature** .....

FORM 532

Corporations Act 2001

Regulation 5.6.29

**Willmott Subscriber Pty Ltd  
(Administrators Appointed) (Receivers and Managers Appointed)  
ACN 134 963 027**

**APPOINTMENT OF PROXY**

I / We (1).....of  
..... (address),

a creditor / grower investor of **Willmott Subscriber Pty Ltd (the Company)**

(2) appoint .....or in his / her absence

(3) .....as my/our general/special proxy to vote at the  
Second Meeting of Creditors to be held on 22 March 2011 at 2:00pm AEDST, or at any adjournment of that meeting.

**Voting by Your Proxy**

A general proxy votes as he/she determines on your behalf.

A special proxy votes for some or all resolutions, specifically in the manner set out below (**please tick**).

	For	Against	Abstain
1) "That the Administration should end and the Company return to the control of the directors."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) "That the Deed of Company Arrangement proposed be accepted." <i>Please note a Deed of Company Arrangement has not been proposed at this stage</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3) "That the Company be wound up and that Ian Carson and Craig Crosbie be appointed joint and several Liquidators of the Company."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) If creditors resolve that the Company be wound up, "That a Committee of Inspection be appointed, comprising those creditors who nominate at the meeting to be members of such a committee."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5) ..... Other (please specify the particular resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated this                      day of                      2011

**Signature** .....

**CERTIFICATE OF WITNESS**

(This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor or grower investor must not be witnessed by the person nominated as proxy) \*Omit if not applicable

I.....,of.....  
....., certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated this                      day of                      2011

**Signature** .....

FORM 532

Corporations Act 2001

Regulation 5.6.29

**BioEnergy Australia Pty Ltd  
(Administrators Appointed) (Receivers and Managers Appointed)  
ACN 096 335 901**

**APPOINTMENT OF PROXY**

I / We (1).....of  
..... (address),

a creditor / grower investor of **BioEnergy Australia Pty Ltd (the Company)**

(2) appoint .....or in his / her absence

(3) .....as my/our general/special proxy to vote at the  
Second Meeting of Creditors to be held on 22 March 2011 at 2:00pm AEDST, or at any adjournment of that meeting.

**Voting by Your Proxy**

A general proxy votes as he/she determines on your behalf.

A special proxy votes for some or all resolutions, specifically in the manner set out below (**please tick**).

	For	Against	Abstain
1) "That the Administration should end and the Company return to the control of the directors."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) "That the Deed of Company Arrangement proposed be accepted." <i>Please note a Deed of Company Arrangement has not been proposed at this stage</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3) "That the Company be wound up and that Ian Carson and Craig Crosbie be appointed joint and several Liquidators of the Company."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) If creditors resolve that the Company be wound up, "That a Committee of Inspection be appointed, comprising those creditors who nominate at the meeting to be members of such a committee."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5) ..... Other (please specify the particular resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated this                      day of                      2011

**Signature** .....

**CERTIFICATE OF WITNESS**

(This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor or grower investor must not be witnessed by the person nominated as proxy) \*Omit if not applicable

I.....,of.....  
....., certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated this                      day of                      2011

**Signature** .....

FORM 532

Corporations Act 2001

Regulation 5.6.29

**BioForest Ltd**  
**(Administrators Appointed) (Receivers and Managers Appointed)**  
**ACN 096 335 876**

**APPOINTMENT OF PROXY**

I / We (1).....of  
..... (address),

a creditor / grower investor of **BioForest Ltd (the Company)**

(2) appoint .....or in his / her absence

(3) .....as my/our general/special proxy to vote at the  
Second Meeting of Creditors to be held on 22 March 2011 at 2:00pm AEDST, or at any adjournment of that meeting.

**Voting by Your Proxy**

A general proxy votes as he/she determines on your behalf.

A special proxy votes for some or all resolutions, specifically in the manner set out below (**please tick**).

	For	Against	Abstain
1) "That the Administration should end and the Company return to the control of the directors."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) "That the Deed of Company Arrangement proposed be accepted." <i>Please note a Deed of Company Arrangement has not been proposed at this stage</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3) "That the Company be wound up and that Ian Carson and Craig Crosbie be appointed joint and several Liquidators of the Company."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) If creditors resolve that the Company be wound up, "That a Committee of Inspection be appointed, comprising those creditors who nominate at the meeting to be members of such a committee."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5) ..... Other (please specify the particular resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated this                      day of                      2011

**Signature**

**CERTIFICATE OF WITNESS**

(This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor or grower investor must not be witnessed by the person nominated as proxy) \*Omit if not applicable

I.....,of.....  
....., certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated this                      day of                      2011

**Signature**

# APPENDIX C

**FORM 535**

Subregulation 5.6.49(2)

*Corporations Act (2001)***FORMAL PROOF OF DEBT OR CLAIM  
(GENERAL FORM)**

To the Administrators of [please tick the appropriate box to indicate the Company your claim is against]:

Company	A.C.N	Tick box below ✓
Willmott Forests Limited	063 263 650	
Willmott Finance Pty Ltd	081 274 811	
Willmott Forest Nominees Pty Ltd	085 588 772	
Willmott Forests Investment Management Pty Ltd	098 718 837	
Willmott Forest Products Pty Ltd	103 019 094	
Willmott Energy Pty Ltd	130 251 759	
Willmott Notes Pty Ltd	134 963 036	
Willmott Subscriber Pty Ltd	134 963 027	
BioEnergy Australia Pty Ltd	096 335 901	
BioForest Ltd	096 335 876	

(All Receivers and Managers Appointed) (All Administrators Appointed)

1. This is to state that the indicated company was on Monday, 6 September 2010 and still is, justly and truly indebted to:

\_\_\_\_\_

—

*(full name and address of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor) for*

\$ \_\_\_\_\_ and \_\_\_\_\_ cents.

Date	Consideration (state how the Debt arose)	Amount \$ c	Remarks (include details of voucher substantiating payment)

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following: *(insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form).*

Date	Drawer	Acceptor	Amount \$c	Due Date



- \* I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.
- \* I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

Dated ...../...../.....

Signature .....

Full Name .....

Address .....

Email .....

# APPENDIX D

**DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES**

**WILLMOTT FORESTS LIMITED ACN 063 263 650**

**WILLMOTT FINANCE PTY LTD ACN 081 274 811**

**WILLMOTT FOREST PRODUCTS PTY LTD ACN 103 019 094**

**WILLMOTT FORESTS INVESTMENT MANAGEMENT PTY LTD ACN 098 718 837**

**WILLMOTT FORESTS NOMINEES PTY LTD ACN 085 588 772**

**WILLMOTT ENERGY PTY LTD ACN 130 251 759**

**WILLMOTT NOTES PTY LTD ACN 134 963 036**

**WILLMOTT SUBSCRIBER PTY LTD ACN 134 963 027**

**BIOENERGY AUSTRALIA PTY LTD ACN 096 335 901**

**BIOFOREST LIMITED ACN 096 335 876**

**(ALL RECEIVERS AND MANAGERS APPOINTED)**

**(ALL ADMINISTRATOR APPOINTED)**

**COLLECTIVELY REFERRED TO AS 'THE GROUP'**

**1.1 Declaration of Independence, Relevant Relationships and Indemnities**

**Independence**

We, Ian Menzies Carson and Craig David Crosbie of PPB, Level 21, 181 William Street Melbourne, Victoria have undertaken a proper assessment of the risks to our independence prior to consenting to act as Joint & Several Administrators of any company within the Group. This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting an appointment over any company within the Group.

**Relevant Relationships**

We, or a member of our firm, have, or have had within the preceding 24 months, a relationship with:

<b>Name</b>	<b>Nature of relationship</b>	<b>Reasons why not an Impediment or Conflict</b>
Commonwealth Bank of Australia Ltd ('CBA' or 'Bank'), the secured creditor of the Group.	CBA engaged PPB on 17 August 2010 to prepare a report in respect of the Bank's exposure to the Group and its investment schemes. A report was delivered to the Bank on 27 August 2010 and a fee of \$36,112.50 inclusive of GST was rendered to the CBA.	We understand our obligations to all stakeholders and our engagement by CBA in relation to the Group should not be taken to constitute a bias or lack of independence on our behalf.

Name	Nature of relationship	Reasons why not an Impediment or Conflict
Commonwealth Bank of Australia Ltd ('CBA' or 'Bank'), the secured creditor of the Group (continued)	In addition to the above, creditors should also be aware that we have professional relationships with the majority of banks and lenders in Australia. We have previously undertaken formal and informal assignments on behalf of the CBA on matters unrelated to the Group.	This is not an unusual relationship for a professional firm and a major bank to have. The past engagements of PPB and its partners by the CBA have been based on the quality of the professional services provided and our expertise.
Radicle Projects Pty Ltd (Administrators Appointed) ACN 112 820 470 (‘Radicle’)	Stephen J Parberry, Brett S Lord and Craig D Crosbie, partners of PPB, were appointed as Joint and Several Administrators of Radicle on 30 August 2010. Radicle holds 79,116 fully paid ordinary shares in Willmott Forests Limited. Radicle also invested in 420 lots of the BioForests Dual Income Project 2006 representing 20.4% of the project for an initial cost of \$5,000 + GST per unit. The aforementioned investments held by Radicle have an indeterminate value at today's date.	Radicle operated at arm's length to the Group. Radicle's investments are of a portfolio nature. We believe Radicle (and by extension its Administrators) have no influence over the operations of Willmott Forests Limited, any other Group company or the managed investment schemes promoted by Willmott Forests Limited. Radicle does not exercise any management interest in the BioForests Dual Income Project 2006 in which it has invested.

There are no other prior professional or personal relationships that should be disclosed.

#### Prior Engagements with the Insolvent

Neither we, nor PPB, has undertaken any prior engagements for any company within the Group.

There are no other prior professional relationships or engagements that should be disclosed.

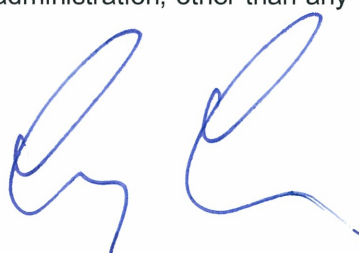
#### Indemnities

We have not been indemnified in relation to this administration, other than any indemnities that we may be entitled to under statute.

Dated 14th day of September 2010



(Ian Menzies Carson)



(Craig David Crosbie)

**NOTE:** *If circumstances change, or new information is identified, we are required under the IPA Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the company's creditors.*

# APPENDIX E

## Schedule of Willmott Schemes

Tree Type													
					Land Size	Willmott Land Ownership	% Willmott Interest	Pine	Silky-Oak	She-Oak	Mahogany	Tree Age Range	Individual Growers
RE/WFL	MIS	1	1989-1991 Project		448	100%	11%	100%	-	-	-	19 - 21	76
RE/WFL	MIS	2	Willmott Forests 1995-1999		5,473	100%	8%	100%	-	-	-	10 - 14	691
RE/WFL	MIS	3	Willmott Forests Project		29,867	68%	-	86%	7%	7%	-	2 - 10	4513
RE/WFL	MIS	4	Bioforest Dual Income Project 2006		307	100%	-	-	50%	50%	-	3	40
RE/WFL	MIS	5	Bioforest Sustainable Timber and Biofuel Project 2007		317	100%	-	-	50%	50%	-	1 - 2	1226
RE/WFL	MIS	6	Willmott Forests Premium Forestry Blend Project		6,912	33%	-	67%	27%	6%	-	1	1428
RE/WFL	MIS	7	Willmott Forests Premium Forestry Blend Project - 2010 Project		2,217	100%	-	75%	5%	-	20%	0	396
RE/WFL	MIS	8	Willmott Forests Premium Timberland Fund No. 1		159	100%	-	-	-	-	100%	0	57
RE/WFL	EO	1	1983 "No Project"		114	100%	1%	100%	-	-	-	27	52
RE/WFL	EO	2	1984 "No Project"		37	100%	-	100%	-	-	-	25 - 26	20
RE/WFL	EO	3	1985 "No Project"		78	100%	-	100%	-	-	-	25	19
RE/WFL	EO	4	1986 "No Project"		146	100%	4%	100%	-	-	-	24	40
RE/WFL	EO	5	1987 "No Project"		125	100%	8%	100%	-	-	-	23	27
RE/WFL	EO	6	1989 "No Project"		31	100%	-	100%	-	-	-	23	1
RE/WFL	EO	7	1990 "No Project" - Interest Only Offer		54	100%	-	100%	-	-	-	19	1
RE/WFL	EO	8	1991 "No Project"		7	100%	-	100%	-	-	-	23 - 26	1
RE/WFL	EO	9	1993 McKenzie & Partners - Forestry Partnership No.1		62	100%	-	100%	-	-	-	16	16
RE/WFL	EO	10	1994 Grimsey & Associates Pty Ltd - Forestry Partnership No.1		170	100%	-	100%	-	-	-	15	19
RE/WFL	EO	11	1994 Grimsey & Associates Pty Ltd - Forestry Partnership No.2		196	100%	3%	100%	-	-	-	15	16
RE/WFL	EO	12	1994 Grimsey & Associates Pty Ltd - Forestry Partnership No.3		93	100%	-	100%	-	-	-	15	18
RE/WFL	EO	13	1994 McKenzie & Partners - Forestry Partnership No.2		39	100%	-	100%	-	-	-	15	12
RE/WFL	EO	14	1995 "No Project" (Custom)		20	100%	-	100%	-	-	-	14	1
RE/WFL	EO	15	Sharp/Reed Plantation Project - 1998 Information Memorandum		136	100%	-	100%	-	-	-	11	2
RE/WFL	EO	16	Willmott Forests - Professional Investor - 2001 Project - 2001 Information Memorandum		288	100%	-	100%	-	-	-	9	5
RE/WFL	EO	17	2001 "No Project"		40	100%	100%	100%	-	-	-	9	1
RE/WFL	EO	18	Willmott Forests - Professional Investor - 2002 Project - 2002 Information Memorandum		266	100%	-	100%	-	-	-	8	4
RE/WFL	EO	19	Willmott Forests - Professional Investor - 2003 Project (2003 Information Memorandum (2003) and 2003 Information Memorandum (2004))		2,173	100%	-	100%	-	-	-	5 - 7	29
RE/WFL	EO	20	Willmott Forests - Professional Investor - 2004 Project (2004 Information Memorandum and 2004 Information Memorandum (2005))		5,420	80%	3%	100%	-	-	-	4 - 5	72
RE/WFL	EO	21	2005 Bioforest Wholesale Project No. 2 - 2005 Wholesale Forestry Memorandum (Bioforest)		96	100%	-	100%	-	-	-	5	10
RE/WFL	EO	22	Willmott Forests - Professional Investor - 2006 Project - 2006 Information Memorandum		551	67%	-	100%	-	-	-	3	13
R & M	EO	1	Taylor Singer No. 1 Partnership (1980)		9	100%	82%	100%	-	-	-	30	5
R & M	EO	2	Taylor Singer No. 5 Partnership (1980)		15	100%	53%	100%	-	-	-	29	11
R & M	EO	3	Taylor Singer No. 2 Partnership (1981)		12	100%	57%	100%	-	-	-	29	9
R & M	EO	4	Taylor Singer No. 3 Partnership (1981)		8	100%	89%	100%	-	-	-	29	3
R & M	EO	5	Taylor Singer No. 6 Partnership (1981)		6	100%	69%	100%	-	-	-	29	6
R & M	EO	6	1980		42	100%	63%	100%	-	-	-	29 - 30	6
R & M	EO	7	1981		31	100%	45%	100%	-	-	-	29 - 30	6

# APPENDIX F

Appendix F contains financial information in respect of each company in the Willmott Group as discussed in section 6 of this Report.

## PREFACE

The schedules contained in this Preface below show the consolidation of the Willmott Group entities for FY08, FY09 and FY10 (consolidation schedules). The consolidation schedules show that the vast majority of the Willmott Group's trading activities were conducted through WFL.

Other entities in the Willmott Group provided special purpose services such as financing (WF, WS and WN) trust services (WFN) etc. In relation to WFL and the other Willmott Group entities, we comment by exception due to the specialised or limited role these entities held.

In Appendices F1 to F10 we have provided further detail in respect of each subsidiary's Statutory Information, Accounts and Statutory investigations.

Readers should note that the Accounts presented herein have been extracted and summarised from the Willmott Group's Accounts which may result in minor variances from the underlying source documents due to rounding assumptions.

PPB Advisory, the Administrators, their Partners and staff are unable to give any warranty about the completeness, accuracy or otherwise of the financial information presented herein.



Statement of Financial Performance - FY10 (Unaudited)

	WFL	WF	WFN	WFIM	WFP	WE	WN	WS	BEA	BIO	WTIM	Consolidation Adjustments <sup>1</sup>	Willmott Group Consolidated
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Revenue from ordinary activities	77,570	1,109	-	1	-	-	-	-	-	-	16,350	(2,244)	92,786
Changes in inventories of finished goods and WIP	-	-	-	-	-	-	-	-	-	-	(416)	831	415
<b>Total Revenue</b>	<b>77,570</b>	<b>1,109</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,934</b>	<b>(1,413)</b>	<b>93,201</b>
<b>Expenses:</b>													
Sawmill materials and consumables	-	-	-	-	-	-	-	-	-	-	(8,712)	(953)	(9,664)
Personnel expenses	(10,158)	-	-	-	-	-	-	-	(1)	-	(5,678)	407	(15,430)
Depreciation and amortisation	(997)	-	-	-	(8)	-	-	-	-	(5)	(337)	(845)	(2,192)
Borrowing costs	(8,078)	(1)	-	-	-	-	-	-	-	-	(129)	(1)	(8,208)
PINES dividends	(1,312)	-	-	-	-	-	-	-	-	-	-	-	(1,312)
Woodlot sales marketing expenses	(5,079)	-	-	-	-	-	-	-	-	-	-	-	(5,079)
Woodlot sales external brokerage expenses	(2,662)	-	-	-	-	-	-	-	-	-	-	1	(2,661)
Forestry management expenses	(6,772)	-	-	-	-	-	-	-	-	-	-	-	(6,772)
Fair value loss on financial instruments	741	-	-	-	-	-	-	-	-	-	-	-	741
Impairment of land and buildings	(8,858)	-	-	-	(625)	-	-	-	-	-	-	5,546	(3,937)
Other expenses from ordinary activities	(15,376)	(109)	-	(1)	(9)	(269)	(0)	(0)	(131)	(182)	(6,187)	7,538	(14,726)
<b>Total Expenses</b>	<b>(58,551)</b>	<b>(110)</b>	<b>-</b>	<b>(1)</b>	<b>(642)</b>	<b>(269)</b>	<b>(0)</b>	<b>(0)</b>	<b>(132)</b>	<b>(187)</b>	<b>(21,042)</b>	<b>11,695</b>	<b>(69,240)</b>
<b>Profit before income tax expense</b>	<b>19,019</b>	<b>999</b>	<b>-</b>	<b>1</b>	<b>(642)</b>	<b>(269)</b>	<b>(0)</b>	<b>(0)</b>	<b>(132)</b>	<b>(187)</b>	<b>(5,109)</b>	<b>10,282</b>	<b>23,961</b>
Income tax (expense)/revenue	(12,979)	(300)	-	(0)	5	-	-	-	4	56	(782)	12	(13,984)
<b>Profit from continuing operations</b>	<b>6,040</b>	<b>699</b>	<b>-</b>	<b>0</b>	<b>(637)</b>	<b>(269)</b>	<b>(0)</b>	<b>(0)</b>	<b>(128)</b>	<b>(131)</b>	<b>(5,891)</b>	<b>10,293</b>	<b>9,977</b>
Discontinued operations													
Loss from discontinued operations, net of income tax	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Profit for the period</b>	<b>6,040</b>	<b>699</b>	<b>-</b>	<b>0</b>	<b>(637)</b>	<b>(269)</b>	<b>(0)</b>	<b>(0)</b>	<b>(128)</b>	<b>(131)</b>	<b>(5,891)</b>	<b>10,293</b>	<b>9,977</b>
Profit attributable to:													
Non-controlling interest profit (loss)	-	-	-	-	-	-	-	-	-	-	-	17	17
Profit attributable to members of the Parent Entity	6,040	-	-	-	-	-	-	-	-	-	-	3,920	9,960
<b>Total</b>	<b>6,040</b>	<b>699</b>	<b>-</b>	<b>0</b>	<b>(637)</b>	<b>(269)</b>	<b>(0)</b>	<b>(0)</b>	<b>(128)</b>	<b>(131)</b>	<b>(5,891)</b>	<b>10,293</b>	<b>9,977</b>

Note: 1) The Consolidation Adjustments column represents the difference between the amalgamation of the Willmott Group entities and the reported Consolidated Accounts.

Statement of Financial Performance - FY09 (Audited)

	WFL	WF	WFN	WFIM	WFP	WE	WN	WS	BEA	BIO	WIN	WTIM	ETL	Consolidation Adjustments <sup>1</sup>	Willmott Group Consolidated
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Revenue from ordinary activities	90,969	1,167	-	4	-	-	-	-	24,068	38,631	47	17,004	271	(50,923)	121,239
Changes in inventories of finished goods and WIP	-	-	-	-	-	-	-	-	-	-	-	(54)	-	135	81
<b>Total Revenue</b>	<b>90,969</b>	<b>1,167</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,068</b>	<b>38,631</b>	<b>47</b>	<b>16,950</b>	<b>271</b>	<b>(50,787)</b>	<b>121,320</b>
<b>Expenses:</b>															
Sawmill materials and consumables	-	-	-	-	-	-	-	-	-	-	-	(9,427)	-	(569)	(9,996)
Personnel expenses	(11,555)	-	-	-	-	-	-	-	(131)	(1,273)	-	(5,393)	(179)	417	(18,114)
Depreciation and amortisation	(971)	-	-	-	(10)	-	-	-	(7)	(8)	-	(306)	(4)	(54)	(1,360)
Borrowing costs	(4,185)	(1,703)	-	-	(31)	-	-	-	-	(3)	-	(161)	-	(16)	(6,099)
PINES dividends	(2,800)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,800)
Woodlot sales marketing expenses	(8,018)	-	-	-	-	-	-	-	-	-	-	-	-	(2,852)	(10,870)
Woodlot sales external brokerage expenses	(2,920)	-	-	-	-	-	-	-	-	(4,455)	-	-	-	2,938	(4,438)
Forestry management expenses	(28,294)	-	-	-	-	-	-	-	(26,721)	(29,969)	-	-	-	50,523	(34,461)
Fair value loss on financial instruments	(1,311)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,311)
Impairment of land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses from ordinary activities	(7,601)	24	-	(1)	(72)	(1)	-	-	(12)	(248)	-	(2,169)	(246)	402	(9,924)
<b>Total Expenses</b>	<b>(67,656)</b>	<b>(1,679)</b>	<b>-</b>	<b>(1)</b>	<b>(113)</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>(26,871)</b>	<b>(35,956)</b>	<b>-</b>	<b>(17,457)</b>	<b>(429)</b>	<b>50,788</b>	<b>(99,373)</b>
<b>Profit before income tax expense</b>	<b>23,313</b>	<b>(512)</b>	<b>-</b>	<b>4</b>	<b>(113)</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>(2,802)</b>	<b>2,676</b>	<b>47</b>	<b>(507)</b>	<b>(158)</b>	<b>1</b>	<b>21,947</b>
Income tax (expense)/revenue	(7,706)	199	-	(1)	26	-	-	-	833	(834)	(14)	-	-	(45)	(7,542)
<b>Profit from continuing operations</b>	<b>15,607</b>	<b>(313)</b>	<b>-</b>	<b>3</b>	<b>(88)</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>(1,969)</b>	<b>1,842</b>	<b>33</b>	<b>(507)</b>	<b>(158)</b>	<b>(44)</b>	<b>14,405</b>
Discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss from discontinued operations, net of income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Profit for the period</b>	<b>15,607</b>	<b>(313)</b>	<b>-</b>	<b>3</b>	<b>(88)</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>(1,969)</b>	<b>1,842</b>	<b>33</b>	<b>(507)</b>	<b>(158)</b>	<b>(44)</b>	<b>14,405</b>
Profit attributable to:															
Non-controlling interest profit (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	(330)	(330)
Profit attributable to members of the Parent Entity	15,607	-	-	-	-	-	-	-	-	-	-	-	-	(872)	14,735
<b>Total</b>	<b>15,607</b>	<b>(313)</b>	<b>-</b>	<b>3</b>	<b>(88)</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>(1,969)</b>	<b>1,842</b>	<b>33</b>	<b>(507)</b>	<b>(158)</b>	<b>(202)</b>	<b>14,405</b>

Note: 1) The Consolidation Adjustments column represents the difference between the amalgamation of the Willmott Group entities and the reported Consolidated Accounts.

Statement of Financial Performance - FY08 (Audited)

	WFL	WF	WFN	WFIM	WFP	WE	WN	WS	BEA	BIO	WIN	WTIM	ETL	Consolidation Adjustments <sup>1</sup>	Willmott Group Consolidated
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Revenue from ordinary activities	53,860	5,207	-	6	81	-	-	-	7,162	14,067	7	18,118	269	(7,958)	90,819
Changes in inventories of finished goods and WIP	-	-	-	-	-	-	-	-	-	-	-	(514)	-	0	(514)
<b>Total Revenue</b>	<b>53,860</b>	<b>5,207</b>	<b>-</b>	<b>6</b>	<b>81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,162</b>	<b>14,067</b>	<b>7</b>	<b>17,603</b>	<b>269</b>	<b>(7,957)</b>	<b>90,305</b>
<b>Expenses:</b>															
Sawmill materials and consumables	-	-	-	-	-	-	-	-	-	-	-	(8,840)	(352)	352	(8,840)
Personnel expenses	(8,729)	-	-	-	-	-	-	-	(459)	(590)	-	(4,354)	-	(202)	(14,335)
Depreciation and amortisation	(871)	-	-	-	(2)	-	-	-	(7)	(6)	-	(879)	(2)	17	(1,750)
Borrowing costs	(1,768)	(2,845)	-	-	(86)	-	-	-	(736)	(3)	-	-	-	853	(4,585)
PINES dividends	(2,800)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,800)
Woodlot sales marketing expenses	(7,938)	-	-	-	-	-	-	-	-	-	-	-	-	(881)	(8,819)
Woodlot sales external brokerage expenses	(2,320)	-	-	-	-	-	-	-	-	(2,244)	-	-	-	1,172	(3,392)
Forestry management expenses	(16,053)	-	-	-	-	-	-	-	(14)	(12,500)	-	-	-	7,501	(21,066)
Fair value loss on financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment of land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses from ordinary activities	(1,839)	61	-	(2)	(1)	-	-	-	(400)	(219)	(17)	(3,391)	(217)	(971)	(6,995)
<b>Total Expenses</b>	<b>(42,317)</b>	<b>(2,784)</b>	<b>-</b>	<b>(2)</b>	<b>(89)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,616)</b>	<b>(15,562)</b>	<b>(17)</b>	<b>(17,464)</b>	<b>(572)</b>	<b>7,840</b>	<b>(72,582)</b>
<b>Profit before income tax expense</b>	<b>11,543</b>	<b>2,423</b>	<b>-</b>	<b>4</b>	<b>(8)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,546</b>	<b>(1,496)</b>	<b>(10)</b>	<b>140</b>	<b>(302)</b>	<b>(117)</b>	<b>17,723</b>
Income tax (expense)/revenue	(3,660)	(817)	-	(1)	3	-	-	-	(1,760)	448	(2)	74	-	(0)	(5,716)
<b>Profit from continuing operations</b>	<b>7,882</b>	<b>1,606</b>	<b>-</b>	<b>3</b>	<b>(5)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,786</b>	<b>(1,047)</b>	<b>(12)</b>	<b>214</b>	<b>(302)</b>	<b>(118)</b>	<b>12,007</b>
Discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss from discontinued operations, net of income tax	-	-	-	-	(144)	-	-	-	-	-	-	(2,916)	-	-	(3,060)
<b>Profit for the period</b>	<b>7,882</b>	<b>1,606</b>	<b>-</b>	<b>3</b>	<b>(149)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,786</b>	<b>(1,047)</b>	<b>(12)</b>	<b>(2,702)</b>	<b>(302)</b>	<b>(118)</b>	<b>8,947</b>
Profit attributable to:															
Non-controlling interest profit (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	694	694
Profit attributable to members of the Parent Entity	7,882	-	-	-	-	-	-	-	-	-	-	-	-	371	8,253
<b>Total</b>	<b>7,882</b>	<b>1,606</b>	<b>-</b>	<b>3</b>	<b>(149)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,786</b>	<b>(1,047)</b>	<b>(12)</b>	<b>(2,702)</b>	<b>(302)</b>	<b>1,065</b>	<b>8,947</b>

Note: 1) The Consolidation Adjustments column represents the difference between the amalgamation of the Willmott Group entities and the reported Consolidated Accounts.

Financial Position - Balance Sheet - FY10 (Unaudited)

	WFL	WF	WFN	WFIM	WFP	WE	WN	WS	BEA	BIO	WTIM	Consolidation Adjustments <sup>1</sup>	Willmott Group Consolidated
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<b>Current assets</b>													
Cash and cash equivalents	8,735	413	9	21	-	-	0	1	2	1	1,082	1,706	11,970
Trade and other receivables	52,491	7,112	-	384	-	-	-	-	2,041	3,368	2,452	(53,033)	14,815
Inventories	2,055	-	-	-	-	-	-	-	-	-	1,790	1	3,847
Deferred tax asset	7,865	-	-	-	-	-	-	-	-	-	-	(30)	7,835
Prepayments	7,140	-	-	-	-	-	-	-	-	-	698	3	7,841
Assets held for sale	8,581	-	-	-	-	-	-	-	-	-	-	0	8,581
Financial assets	2,415	-	-	-	-	2,454	-	-	-	-	-	(2,454)	2,415
<b>Total current assets</b>	<b>89,283</b>	<b>7,525</b>	<b>9</b>	<b>405</b>	<b>-</b>	<b>2,454</b>	<b>0</b>	<b>1</b>	<b>2,043</b>	<b>3,369</b>	<b>6,022</b>	<b>(53,806)</b>	<b>57,304</b>
<b>Non-current assets</b>													
Trade receivables	28,349	65,346	-	-	-	-	-	-	-	-	-	1	93,695
Financial assets	24,988	-	-	-	-	-	113,000	113,000	3,369	-	1,500	(253,403)	2,454
Property, plant and equipment	131,950	-	-	-	250	-	-	-	-	-	3,386	4,814	140,400
Standing timber	12,025	-	-	-	-	-	-	-	-	-	-	223	12,248
Intangibles	-	-	-	-	-	-	-	1	-	-	-	(1)	-
Deferred tax assets	2,639	114	-	-	-	-	-	-	-	-	-	(1)	2,752
Prepayments	34,071	-	-	-	-	-	-	-	-	-	-	2	34,073
<b>Total non-current assets</b>	<b>234,022</b>	<b>65,460</b>	<b>-</b>	<b>-</b>	<b>250</b>	<b>-</b>	<b>113,000</b>	<b>113,001</b>	<b>3,369</b>	<b>-</b>	<b>4,886</b>	<b>(248,365)</b>	<b>285,622</b>
<b>Total assets</b>	<b>323,305</b>	<b>72,984</b>	<b>9</b>	<b>405</b>	<b>250</b>	<b>2,454</b>	<b>113,000</b>	<b>113,002</b>	<b>5,412</b>	<b>3,369</b>	<b>10,908</b>	<b>(302,171)</b>	<b>342,926</b>
<b>Current liabilities</b>													
Accounts payable	14,803	58	-	-	-	-	-	-	-	-	2,470	(133)	17,198
Borrowings	6,257	-	9	-	-	-	-	33,000	-	-	373	(5,802)	33,838
Deferred tax liabilities	1,416	-	-	-	-	-	-	-	-	-	-	2	1,418
Derivative liabilities	487	-	-	-	-	-	-	-	-	-	-	-	487
Provisions	25,225	976	-	-	-	-	-	-	-	-	716	(170)	26,747
<b>Total current liabilities</b>	<b>48,188</b>	<b>1,034</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,000</b>	<b>-</b>	<b>-</b>	<b>3,559</b>	<b>(6,102)</b>	<b>79,688</b>
<b>Non-current liabilities</b>													
Borrowings	113,337	52,206	-	-	1,475	2,725	113,000	80,002	-	-	834	(282,408)	81,171
Preference shares	8,468	-	-	-	-	-	-	-	-	-	-	-	8,468
Deferred tax liabilities	9,088	-	-	-	82	-	-	-	-	-	-	0	9,170
Derivative liabilities	739	-	-	-	-	-	-	-	-	-	-	(0)	739
Provisions	222	12,564	-	-	-	-	-	-	-	-	1,002	(815)	12,973
<b>Total non-current liabilities</b>	<b>131,855</b>	<b>64,770</b>	<b>-</b>	<b>-</b>	<b>1,556</b>	<b>2,725</b>	<b>113,000</b>	<b>80,002</b>	<b>-</b>	<b>-</b>	<b>1,835</b>	<b>(283,222)</b>	<b>112,521</b>
<b>Total liabilities</b>	<b>180,043</b>	<b>65,804</b>	<b>9</b>	<b>-</b>	<b>1,556</b>	<b>2,725</b>	<b>113,000</b>	<b>113,002</b>	<b>-</b>	<b>-</b>	<b>5,395</b>	<b>(289,324)</b>	<b>192,209</b>
<b>Net assets</b>	<b>143,262</b>	<b>7,180</b>	<b>-</b>	<b>405</b>	<b>(1,306)</b>	<b>(271)</b>	<b>0</b>	<b>(0)</b>	<b>5,412</b>	<b>3,369</b>	<b>5,514</b>	<b>(12,847)</b>	<b>150,717</b>
<b>Equity</b>													
Contributed equity	93,558	1,854	-	500	550	0	0	0	5,540	3,500	18,765	(30,710)	93,558
Asset revaluation	-	-	-	(95)	-	-	-	-	-	-	383	(288)	-
Retained earnings	50,360	5,325	-	-	(1,856)	(271)	(0)	(0)	(128)	(131)	(13,634)	12,726	52,391
Hedge reserve	(656)	-	-	-	-	-	-	-	-	-	-	0	(656)
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	5,424	5,424
<b>Total equity</b>	<b>143,262</b>	<b>7,180</b>	<b>-</b>	<b>405</b>	<b>(1,306)</b>	<b>(271)</b>	<b>(0)</b>	<b>(0)</b>	<b>5,412</b>	<b>3,369</b>	<b>5,514</b>	<b>(12,848)</b>	<b>150,717</b>

Note: 1) The Consolidation Adjustments column represents the difference between the amalgamation of the Willmott Group entities and the reported Consolidated Accounts.

Financial Position - Balance Sheet FY09 (Audited)

	WFL	WF	WFN	WFIM	WFP	WE	WN	WS	BEA	BIO	WIN	WTIM	ETL	Consolidation Adjustments <sup>1</sup>	Willmott Group Consolidated
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<b>Current assets</b>															
Cash and cash equivalents	16,629	77	5	20	3	-	-	0	1	1	-	1,432	3,436	1,595	23,198
Trade and other receivables	61,434	28,166	-	384	-	-	-	-	2,029	3,759	-	2,543	1	(61,578)	36,739
Inventories	1,559	-	-	-	-	-	-	-	-	-	-	2,207	-	(0)	3,766
Deferred tax asset	18,661	-	-	-	-	-	-	-	0	1,101	-	784	-	(0)	20,546
Prepayments	15,896	-	-	-	-	-	-	-	-	-	-	689	-	-	16,586
Assets held for sale	4,730	-	-	-	-	-	-	-	-	3,863	-	-	-	14	8,607
Financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>118,911</b>	<b>28,243</b>	<b>5</b>	<b>404</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>2,031</b>	<b>8,724</b>	<b>-</b>	<b>7,655</b>	<b>3,437</b>	<b>(59,970)</b>	<b>109,442</b>
<b>Non-current assets</b>															
Trade receivables	19,077	55,874	-	-	-	-	-	-	-	-	-	-	-	550	75,501
Financial assets	33,130	-	-	-	-	-	87,000	87,000	3,500	-	-	1,600	-	(210,173)	2,057
Property, plant and equipment	125,398	-	-	-	883	-	-	-	-	1,136	-	4,498	2,259	(123)	134,051
Standing timber	10,596	-	-	-	-	-	-	-	-	-	-	-	-	-	10,596
Intangibles	-	-	-	-	-	-	-	1	-	-	-	-	-	1,078	1,079
Deferred tax assets	374	108	-	-	-	-	-	-	9	-	-	-	-	(9)	482
Prepayments	34,496	-	-	-	-	-	-	-	-	-	-	-	-	1	34,497
<b>Total non-current assets</b>	<b>223,071</b>	<b>55,982</b>	<b>-</b>	<b>-</b>	<b>883</b>	<b>-</b>	<b>87,000</b>	<b>87,001</b>	<b>3,509</b>	<b>1,136</b>	<b>-</b>	<b>6,097</b>	<b>2,259</b>	<b>(208,675)</b>	<b>258,263</b>
<b>Total assets</b>	<b>341,982</b>	<b>84,224</b>	<b>5</b>	<b>404</b>	<b>886</b>	<b>-</b>	<b>87,000</b>	<b>87,001</b>	<b>5,540</b>	<b>9,860</b>	<b>-</b>	<b>13,752</b>	<b>5,696</b>	<b>(268,645)</b>	<b>367,705</b>
<b>Current liabilities</b>															
Accounts payable	27,899	-	-	-	-	-	-	-	-	2,690	-	2,097	121	(144)	32,663
Borrowings	6,771	-	5	-	-	-	-	-	-	-	130	678	-	(6,437)	1,147
Deferred tax liabilities	2,417	-	-	-	-	-	-	-	-	-	-	2	-	(0)	2,419
Derivative liabilities	762	-	-	-	-	-	-	-	-	-	-	-	-	-	762
Provisions	57,216	1,014	-	-	45	-	-	-	-	3,670	-	439	891	(45)	63,230
<b>Total current liabilities</b>	<b>95,065</b>	<b>1,014</b>	<b>5</b>	<b>-</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,360</b>	<b>130</b>	<b>3,218</b>	<b>1,012</b>	<b>(6,627)</b>	<b>100,221</b>
<b>Non-current liabilities</b>															
Borrowings	88,580	62,410	-	-	1,429	(1)	87,000	87,001	-	-	-	1,010	-	(237,839)	89,591
Preference shares	40,000	-	-	-	-	-	-	-	-	-	-	-	-	-	40,000
Deferred tax liabilities	7,217	-	-	-	82	-	-	-	-	-	-	-	-	(10)	7,289
Derivative liabilities	338	-	-	-	-	-	-	-	-	-	-	-	-	(0)	338
Provisions	219	14,320	-	-	-	-	-	-	-	-	-	199	7	1	14,745
<b>Total non-current liabilities</b>	<b>136,355</b>	<b>76,730</b>	<b>-</b>	<b>-</b>	<b>1,510</b>	<b>(1)</b>	<b>87,000</b>	<b>87,001</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,209</b>	<b>7</b>	<b>(237,848)</b>	<b>151,963</b>
<b>Total liabilities</b>	<b>231,420</b>	<b>77,744</b>	<b>5</b>	<b>-</b>	<b>1,555</b>	<b>(1)</b>	<b>87,000</b>	<b>87,001</b>	<b>-</b>	<b>6,360</b>	<b>130</b>	<b>4,427</b>	<b>1,019</b>	<b>(244,475)</b>	<b>252,184</b>
<b>Net assets</b>	<b>110,562</b>	<b>6,481</b>	<b>-</b>	<b>404</b>	<b>(669)</b>	<b>(1)</b>	<b>(0)</b>	<b>0</b>	<b>5,540</b>	<b>3,500</b>	<b>(130)</b>	<b>9,325</b>	<b>4,677</b>	<b>(24,170)</b>	<b>115,521</b>
<b>Equity</b>															
Contributed equity	55,691	1,854	0	500	550	0	0	0	5,540	3,500	160	16,686	5,151	(33,941)	55,691
Asset revaluation	-	-	-	-	-	-	-	-	-	-	-	383	-	1	384
Retained earnings	54,661	4,626	-	(96)	(1,219)	(1)	(0)	(0)	-	-	(30)	(7,744)	(474)	2,458	52,181
Hedge reserve	210	-	-	-	-	-	-	-	-	-	-	-	-	-	210
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	7,055	7,055
<b>Total equity</b>	<b>110,562</b>	<b>6,481</b>	<b>0</b>	<b>404</b>	<b>(669)</b>	<b>(1)</b>	<b>0</b>	<b>0</b>	<b>5,540</b>	<b>3,500</b>	<b>130</b>	<b>9,325</b>	<b>4,677</b>	<b>(24,428)</b>	<b>115,521</b>

Note: 1) The Consolidation Adjustments column represents the difference between the amalgamation of the Willmott Group entities and the reported Consolidated Accounts.

Financial Position - Balance Sheet FY08 (Audited)

	WFL	WF	WFN	WFIM	WFP	WE	WN	WS	WIN	BEA	BIO	WIN	WTIM	ETL	Consolidation Adjustments <sup>1</sup>	Willmott Group Consolidated
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<b>Current assets</b>																
Cash and cash equivalents	22,196	720	5	170	5	-	-	-	159	79	28,929	159	5,103	3,896	(21)	61,399
Trade and other receivables	46,436	1,343	-	233	5	-	-	-	-	15,575	11,721	-	2,602	15	(40,753)	37,175
Inventories	237	-	-	-	-	-	-	-	-	-	31	-	2,261	-	1	2,530
Deferred tax asset	14,188	-	-	-	109	-	-	-	-	-	10,212	-	784	-	(109)	25,184
Prepayments	8,260	154	-	-	123	-	-	-	-	-	5,466	-	705	-	0	14,709
Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>91,318</b>	<b>2,217</b>	<b>5</b>	<b>403</b>	<b>241</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159</b>	<b>15,654</b>	<b>56,358</b>	<b>159</b>	<b>11,456</b>	<b>3,911</b>	<b>(40,883)</b>	<b>140,997</b>
<b>Non-current assets</b>																
Trade receivables	10,386	60,513	-	-	-	-	-	-	-	-	-	-	-	-	(4,291)	66,609
Financial assets	32,873	-	-	-	-	-	-	-	-	3,500	-	-	-	-	(34,373)	2,000
Property, plant and equipment	94,858	-	-	-	622	-	-	-	-	42	12,279	-	2,898	1,051	(89)	111,660
Standing timber	9,281	-	-	-	-	-	-	-	-	30	-	-	-	-	1	9,312
Intangibles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,133	1,133
Deferred tax assets	305	117	-	-	-	-	-	-	-	-	-	-	-	-	1	423
Prepayments	19,532	-	-	-	-	-	-	-	-	-	-	-	-	-	1	19,533
<b>Total non-current assets</b>	<b>167,236</b>	<b>60,630</b>	<b>-</b>	<b>-</b>	<b>622</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,572</b>	<b>12,279</b>	<b>-</b>	<b>2,898</b>	<b>1,051</b>	<b>(37,617)</b>	<b>210,670</b>
<b>Total assets</b>	<b>258,554</b>	<b>62,847</b>	<b>5</b>	<b>403</b>	<b>863</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159</b>	<b>19,226</b>	<b>68,637</b>	<b>159</b>	<b>14,354</b>	<b>4,961</b>	<b>(78,500)</b>	<b>351,667</b>
<b>Current liabilities</b>																
Accounts payable	37,201	-	-	-	-	-	-	-	-	859	12,941	-	2,056	109	(17,205)	35,961
Borrowings	5,382	-	5	-	410	-	-	-	-	9,526	13,066	-	669	-	(27,454)	1,604
Deferred tax liabilities	2,152	-	-	-	-	-	-	-	-	-	1,658	-	2	-	(1)	3,812
Derivative liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	56,235	2,051	-	1	45	-	-	-	2	1,332	39,313	2	322	13	(155)	99,162
<b>Total current liabilities</b>	<b>100,970</b>	<b>2,051</b>	<b>5</b>	<b>1</b>	<b>455</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>11,717</b>	<b>66,978</b>	<b>2</b>	<b>3,050</b>	<b>122</b>	<b>(44,814)</b>	<b>140,539</b>
<b>Non-current liabilities</b>																
Borrowings	16,942	38,669	-	-	989	-	-	-	60	-	-	60	1,659	-	(9,407)	48,973
Preference shares	40,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40,000
Deferred tax liabilities	2,874	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,874
Derivative liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	214	15,333	-	-	-	-	-	-	-	-	-	-	75	4	0	15,627
<b>Total non-current liabilities</b>	<b>60,031</b>	<b>54,002</b>	<b>-</b>	<b>-</b>	<b>989</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>60</b>	<b>1,734</b>	<b>4</b>	<b>(9,407)</b>	<b>107,474</b>
<b>Total liabilities</b>	<b>161,001</b>	<b>56,054</b>	<b>5</b>	<b>1</b>	<b>1,444</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62</b>	<b>11,717</b>	<b>66,978</b>	<b>62</b>	<b>4,783</b>	<b>126</b>	<b>(54,220)</b>	<b>248,013</b>
<b>Net assets</b>	<b>97,553</b>	<b>6,794</b>	<b>-</b>	<b>402</b>	<b>(581)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97</b>	<b>7,509</b>	<b>1,658</b>	<b>97</b>	<b>9,571</b>	<b>4,835</b>	<b>(24,280)</b>	<b>103,654</b>
<b>Equity</b>																
Contributed equity	55,504	1,854	0	500	550	-	-	-	160	5,540	3,500	160	16,425	5,151	(33,840)	55,504
Asset revaluation	-	4,940	-	-	-	-	-	-	(63)	-	-	(63)	383	-	(4,814)	383
Retained earnings	42,049	-	-	(98)	(1,131)	-	-	-	-	1,969	(1,842)	-	(7,237)	(316)	7,033	40,426
Hedge reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,341	7,341
<b>Total equity</b>	<b>97,553</b>	<b>6,794</b>	<b>0</b>	<b>402</b>	<b>(581)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97</b>	<b>7,509</b>	<b>1,658</b>	<b>97</b>	<b>9,571</b>	<b>4,835</b>	<b>(24,280)</b>	<b>103,654</b>

Note: 1) The Consolidation Adjustments column represents the difference between the amalgamation of the Willmott Group entities and the reported Consolidated Accounts.

Statement of Cash Flows (Unaudited) - FY10

	WFL	WF	WFN	WFIM	WFP	WE	WN	WS	BEA	BIO	WTIM	Consolidation Adjustments <sup>1</sup>	Willmott Group Consolidated (\$'000)
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<b>Cash flows from operating activities:</b>													
Receipts from customers	29,182	29,056	-	-	-	-	-	-	-	-	16,552	(42,435)	32,355
Interest received	2,368	105	-	1	-	-	-	-	-	-	207	16	2,697
Payments to suppliers and employees	(42,454)	(18,314)	-	(0)	(54)	-	0	0	(1)	(6,360)	(16,529)	17,229	(66,483)
Payment for prepaid leases	(1,095)	-	-	-	-	-	-	-	-	-	(129)	129	(1,095)
Borrowing costs paid	(7,276)	(1)	-	-	-	-	-	-	-	-	-	(1,555)	(8,832)
PINES dividend paid	(2,016)	-	-	-	-	-	-	-	-	-	-	-	(2,016)
Income taxes (paid)/received	(7,681)	(306)	-	(0)	5	-	-	-	13	1,157	5	70	(6,736)
<b>Net cash provided by/(used in) operating activities</b>	<b>(28,972)</b>	<b>10,540</b>	<b>-</b>	<b>0</b>	<b>(49)</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>13</b>	<b>(5,203)</b>	<b>107</b>	<b>(26,547)</b>	<b>(50,110)</b>
<b>Cash flows from investing activities:</b>													
Payments for plantation land and improvements	(8,736)	-	-	-	-	-	-	-	-	-	-	(862)	(9,598)
(Payment)/proceeds for long term prepaid leases	424	-	-	-	-	-	-	-	-	-	-	-	424
(Payment)/proceeds for plant and equipment	(2,648)	-	-	-	-	-	-	-	-	4,812	(2,054)	703	813
(Increase)/decrease in term receivables	(1,010)	-	-	-	-	-	-	-	-	-	-	12,687	11,677
Realisation from (payments for) investments	(13,484)	-	-	-	-	(2,723)	-	-	-	-	-	14,112	(2,095)
Loss of control of subsidiary (net of cash)	-	-	-	-	-	-	-	-	-	-	-	(1,241)	(1,241)
<b>Net cash provided by/(used in) investing activities</b>	<b>(25,454)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,723)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,812</b>	<b>(2,054)</b>	<b>25,399</b>	<b>(20)</b>
<b>Cash flows from financing activities:</b>													
Proceeds from issue of shares	37,575	-	-	-	-	-	-	-	-	-	2,079	(2,079)	37,575
Proceeds from borrowings	13,309	(10,204)	-	0	46	2,723	-	1	(12)	391	(482)	(94)	5,678
Dividends paid	(4,352)	-	4	-	-	-	-	-	-	-	-	(4)	(4,352)
<b>Net cash provided by/(unused in) financing activities</b>	<b>46,532</b>	<b>(10,204)</b>	<b>4</b>	<b>0</b>	<b>46</b>	<b>2,723</b>	<b>-</b>	<b>1</b>	<b>(12)</b>	<b>391</b>	<b>1,597</b>	<b>(2,177)</b>	<b>38,901</b>
Net increase/(decrease) in cash held	(7,894)	336	4	1	(3)	-	0	1	1	-	(350)	(3,325)	(11,229)
Cash at beginning of year	16,629	77	5	20	3	-	-	-	1	1	1,432	5,030	23,198
<b>Cash at end of year</b>	<b>8,735</b>	<b>413</b>	<b>9</b>	<b>21</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1,082</b>	<b>1,705</b>	<b>11,969</b>

Note: 1) The Consolidation Adjustments column represents the difference between the amalgamation of the Willmott Group entities and the reported Consolidated Accounts.

Statement of Cash Flows (Unaudited) - FY09

	WFL	WF	WFN	WFIM	WFP	WE	WN	WS	BEA	BIO	WIN	WTIM	ETL	Consolidation Adjustments <sup>1</sup>	Willmott Group Consolidated
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<b>Cash flows from operating activities:</b>															
Receipts from customers	100,418	31,057	-	-	5	-	-	-	31,955	14,014	46	16,751	986	(109,154)	86,078
Interest received	1,123	183	-	4	-	-	-	-	-	115	1	230	154	1	1,812
Proceeds from term debtors	-	(57,500)	-	-	-	-	-	-	-	-	-	-	-	57,500	-
Payments to suppliers and employees	(75,391)	148	-	(1)	(71)	(1)	(1)	(1)	(27,715)	(34,835)	-	(16,658)	(389)	70,184	(84,730)
Payment for prepaid leases	(545)	-	-	-	-	-	-	-	-	-	-	-	-	-	(545)
Borrowing costs paid	(2,930)	(1,703)	-	-	(31)	-	-	-	-	(3)	-	(177)	-	(25)	(4,869)
PINES dividend paid	(2,800)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,800)
Income taxes (paid)/received	(16,470)	(859)	-	(2)	217	-	-	-	(508)	1,340	(16)	(32)	0	(45)	(16,375)
<b>Net cash provide by/(used in) operating activities</b>	<b>3,406</b>	<b>(28,675)</b>	<b>-</b>	<b>1</b>	<b>119</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>3,733</b>	<b>(19,369)</b>	<b>31</b>	<b>115</b>	<b>751</b>	<b>18,462</b>	<b>(21,429)</b>
<b>Cash flows from investing activities:</b>															
Payments for plantation land and improvements	(30,745)	-	-	-	-	-	-	-	-	-	-	-	-	2,099	(28,646)
(Payment)/proceeds for long term prepaid leases	(14,963)	-	-	-	-	-	-	-	-	-	-	-	-	(1)	(14,964)
(Payment)/proceeds for plant and equipment	(5,059)	-	-	-	(150)	-	-	-	26	7,266	-	(1,809)	(1,212)	(2,674)	(3,612)
(Increase)/decrease in term receivables	21,297	-	-	-	-	-	-	-	-	-	-	-	-	(23,985)	(2,688)
Realisation from/(payments for) investments	(7,150)	-	-	-	-	-	-	-	30	-	-	-	-	6,287	(833)
Loss of control of subsidiary (net of cash)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided by/(used in) investing activities</b>	<b>(36,620)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(150)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57</b>	<b>7,266</b>	<b>-</b>	<b>(1,809)</b>	<b>(1,212)</b>	<b>(18,274)</b>	<b>(50,743)</b>
<b>Cash flows from financing activities:</b>															
Proceeds from issue of shares	187	-	-	-	-	-	-	0	-	-	-	261	-	(261)	187
Proceeds from borrowings	33,420	28,032	-	(151)	30	1	1	1	(3,867)	(16,825)	(190)	(639)	-	(70)	39,743
Dividends paid	(5,959)	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,959)
<b>Net cash provided/(used in) by financing activities</b>	<b>27,648</b>	<b>28,032</b>	<b>-</b>	<b>(151)</b>	<b>30</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>(3,867)</b>	<b>(16,825)</b>	<b>(190)</b>	<b>(378)</b>	<b>-</b>	<b>(331)</b>	<b>33,971</b>
Net increase/(decrease) in cash held	(5,566)	(643)	-	(149)	(2)	-	-	0	(78)	(28,928)	(159)	(2,072)	(461)	(143)	(38,201)
Cash at beginning of year	22,196	720	5	170	5	-	-	-	79	28,929	159	3,504	3,896	1,737	61,399
<b>Cash at end of year</b>	<b>16,630</b>	<b>77</b>	<b>5</b>	<b>20</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>1,432</b>	<b>3,435</b>	<b>1,593</b>	<b>23,198</b>

Note: 1) The Consolidation Adjustments column represents the difference between the amalgamation of the Willmott Group entities and the reported Consolidated Accounts.



Statement of Cash Flows (Unaudited) - FY08

	WFL	WF	WFN	WFIM	WFP	WE	WN	WS	BEA	BIO	WIN	WTIM	ETL	Consolidation Adjustments <sup>1</sup>	Willmott Group Consolidated
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<b>Cash flows from operating activities:</b>															
Receipts from customers	66,494	785	-	-	76	-	-	-	2,345	31,094	-	17,759	6	3,512	122,071
Interest received	1,622	1,295	-	6	1	-	-	-	4	337	7	58	269	(735)	2,864
Payments to suppliers and employees	(18,413)	(168)	-	(2)	(129)	-	-	-	(1,025)	(12,843)	-	(18,066)	(482)	(5,234)	(56,363)
Payment for prepaid leases	138	-	-	-	-	-	-	-	(736)	-	-	-	-	736	138
Borrowing costs paid	(2,035)	(2,785)	-	-	(86)	-	-	-	-	(3)	-	115	-	(174)	(4,968)
PINES dividend paid	(2,800)	-	-	-	-	-	-	-	-	-	-	787	-	(787)	(2,800)
Income taxes (paid)/received	(1,051)	(501)	-	(2)	28	-	-	-	(497)	(1,834)	2	-	0	785	(3,069)
<b>Net cash provided by/(used in) operating activities</b>	<b>43,954</b>	<b>(1,374)</b>	<b>-</b>	<b>2</b>	<b>(110)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>91</b>	<b>16,752</b>	<b>9</b>	<b>653</b>	<b>(207)</b>	<b>(1,897)</b>	<b>57,873</b>
<b>Cash flows from investing activities:</b>															
Payments for plantation land and improvements	(14,546)	-	-	-	(23)	-	-	-	-	-	-	-	-	(11,144)	(25,713)
(Payment)/proceeds for long term prepaid leases	(9,700)	-	-	-	-	-	-	-	-	-	-	-	-	-	(9,700)
(Payment)/proceeds for plant and equipment	(984)	-	-	-	-	-	-	-	-	(9,552)	-	(146)	(943)	10,356	(1,269)
(Increase)/decrease in term receivables	(12,220)	-	-	-	-	-	-	-	-	-	-	-	-	(1,628)	(13,847)
Realisation from/(payments for) investments	(15,905)	-	-	-	-	-	-	-	(3,500)	-	-	-	-	23,584	4,179
Loss of control of subsidiary (net of cash)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided by/(used in) investing activities</b>	<b>(53,355)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(23)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,500)</b>	<b>(9,552)</b>	<b>-</b>	<b>(146)</b>	<b>(943)</b>	<b>21,168</b>	<b>(46,350)</b>
<b>Cash flows from financing activities:</b>															
Proceeds from issue of shares	-	-	-	-	-	-	-	-	-	3,500	-	16,424	-	(19,924)	-
Proceeds from borrowings	5,957	1,101	-	2	61	-	-	-	3,456	10,747	(2)	(12,550)	-	768	9,541
Dividends paid	(5,865)	-	-	-	-	-	-	-	-	-	-	-	-	(1)	(5,865)
<b>Net cash provided by/(used in) financing activities</b>	<b>93</b>	<b>1,101</b>	<b>-</b>	<b>2</b>	<b>61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,456</b>	<b>14,247</b>	<b>(2)</b>	<b>3,874</b>	<b>-</b>	<b>(19,156)</b>	<b>3,676</b>
Net increase/(decrease) in cash held	(9,308)	(273)	-	4	(72)	-	-	-	48	21,447	7	4,381	(1,150)	115	15,199
Effects of exchange rate change on cash assets	-	-	-	-	-	-	-	-	-	-	(17)	-	-	17	-
Cash at beginning of year	31,504	993	5	166	77	-	-	-	31	7,482	170	722	5,047	4	46,200
<b>Cash at end of year</b>	<b>22,196</b>	<b>720</b>	<b>5</b>	<b>170</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79</b>	<b>28,929</b>	<b>160</b>	<b>5,103</b>	<b>3,897</b>	<b>135</b>	<b>61,399</b>

Note: 1) The Consolidation Adjustments column represents the difference between the amalgamation of the Willmott Group entities and the reported Consolidated Accounts.

# APPENDIX F1

### WILLMOTT FORESTS LTD (Administrators Appointed) (Receivers and Managers Appointed) (WFL)

WFL is the parent entity of the Willmott Group. Refer to the main report for further information about trading activities of WFL.

#### Statutory Information

WFL was first incorporated in Victoria on 16 March 1994 under the name Timber Capital Limited prior to changing its name on 23 August 1999.

A historical search of ASIC database as at the date of Administration discloses the following information in relation to WFL:

Date of Incorporation	Registered Office	Principal Place of Business
16/03/1994	249 Park Street South Melbourne VIC 3205	249 Park Street South Melbourne VIC 3205

WFL's directors and secretaries are listed as follows:

Director Name	Role	Date Appointed	Date Resigned
Jonathan David Madgwick	Director	16/03/1994	Current at 06/09/2010
	Secretary	18/08/2003	30/04/2009
	Secretary	24/08/1999	20/02/2001
Hugh Thomas Davies	Director	18/07/2000	Current at 06/09/2010
James William Antony Higgins	Director	18/07/2000	Current at 06/09/2010
Marcus Derham	Director	1/02/1995	Current at 06/09/2010
Raymond Maxwell Smith	Director	28/08/2008	Current at 06/09/2010
John Hugh Rutledge	Secretary	30/04/2009	Current at 06/09/2010
	Director	24/08/1999	31/10/2003
Ian Richard Bond	Secretary	20/02/2001	18/08/2003
Gregory Robert MacMillan	Director	16/03/1994	24/08/1999
	Secretary	16/03/1994	24/08/1999
David Alan Smith	Director	16/03/1994	24/08/1999

Registered charges over WFL are as follows:

Charge	Charge Type	Charge No	Date Registered	Date Created
Esanda Finance Corporation Limited	Fixed	1011200	5/01/2004	8/12/2003
National Australia Bank Limited	Fixed	1067387	30/07/2004	29/06/2004
Suncorp Metway Advances Corporation Pty Ltd	Fixed	1231127	14/11/2005	3/11/2005
Esanda Finance Corporation Limited	Fixed	1516274	20/09/2007	21/08/2007
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767711	20/03/2009	17/03/2009
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767723	20/03/2009	17/03/2009
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767741	20/03/2009	17/03/2009
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767770	20/03/2009	17/03/2009

## Historical Profit and Loss

Summarised below are the Income Statements of WFL for the FYs ended 30 June 2008, 30 June 2009, 30 June 2010 and for the period 1 July 2010 to 6 September 2010.

### Profit and Loss / Income Statement

	Note	YTD to 6 Sep10 (Unaudited) (\$'000)	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)	FY08 (Audited) (\$'000)
<b>Continuing operations</b>					
Revenue from ordinary activities		9,554	77,570	90,969	53,860
Personnel expenses		(1,605)	(10,158)	(11,555)	(8,729)
Depreciation and amortisation		(72)	(997)	(971)	(871)
Borrowing costs		(1,492)	(8,078)	(4,185)	(1,768)
PINES dividends		-	(1,312)	(2,800)	(2,800)
Woodlot sales marketing expenses		(793)	(5,079)	(8,018)	(7,938)
Woodlot sales external brokerage expenses		(413)	(2,662)	(2,920)	(2,320)
Forestry management expenses		(3,316)	(6,772)	(28,294)	(16,053)
Fair value loss on financial instruments		41	741	(1,311)	-
Impairment of Investments and land and buildings	a)	-	(8,858)	-	-
Other expenses from ordinary activities		(2,889)	(15,376)	(7,601)	(1,839)
<b>Profit before income tax expense</b>		<b>(985)</b>	<b>19,019</b>	<b>23,313</b>	<b>11,543</b>
Income tax (expense)/revenue		-	(12,979)	(7,706)	(3,660)
<b>Total recognised income &amp; expense for the year</b>		<b>(985)</b>	<b>6,040</b>	<b>15,607</b>	<b>7,882</b>

### Note

- a) The Impairment of Investments and land and buildings recorded in FY10 relates to WFL's write down of its investment in its subsidiary companies WFIM, WTIM, WS, WN and WE.

## Historical Balance Sheet

Summarised below are WFL's Financial Position/Balance Sheet as at 30 June 2008, 30 June 2009, 30 June 2010 and 6 September 2010.

### Balance Sheet / Financial Position – WFL

	Notes	YTD to 6 Sep10 (Unaudited) (\$'000)	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)	FY08 (Audited) (\$'000)
<b>Current assets</b>					
Cash and cash equivalents		7,505	8,735	16,629	22,196
Trade and other receivables	a)	48,173	52,491	61,434	46,436
Inventories		1,582	2,055	1,559	237
Deferred tax asset		7,865	7,865	18,661	14,188
Prepayments		6,212	7,140	15,896	8,260
Assets classified as held for resale		8,581	8,581	4,730	-
Financial assets		315	2,415	-	-
<b>Total current assets</b>		<b>80,233</b>	<b>89,283</b>	<b>118,911</b>	<b>91,318</b>
<b>Non-current assets</b>					
Trade receivables	b)	28,801	28,349	19,077	10,386
Financial assets	b)	25,005	24,988	33,130	32,873
Property, plant and equipment		134,523	131,950	125,398	94,858
Standing timber		12,635	12,025	10,596	9,281
Deferred tax assets		2,587	2,639	374	305
Prepayments		33,910	34,071	34,496	19,532
<b>Total non-current assets</b>		<b>237,461</b>	<b>234,022</b>	<b>223,071</b>	<b>167,236</b>
<b>Total assets</b>		<b>317,694</b>	<b>323,305</b>	<b>341,982</b>	<b>258,554</b>
<b>Current liabilities</b>					
Accounts payable		10,443	14,803	27,899	37,201
Borrowings	b)	6,209	6,257	6,771	5,382
Deferred tax liabilities		1,416	1,416	2,417	2,152
Derivative liabilities		446	487	762	-
Provisions		16,550	25,225	57,216	56,235
<b>Total current liabilities</b>		<b>35,064</b>	<b>48,188</b>	<b>95,065</b>	<b>100,970</b>
<b>Non-current liabilities</b>					
Borrowings	b)	120,306	121,805	88,580	16,942
PINES		8,468	-	-	-
Preference shares		-	-	40,000	40,000
Deferred tax liabilities		9,088	9,088	7,217	2,874
Derivative liabilities		738	-	338	-
Provisions		132	961	219	214
<b>Total non-current liabilities</b>		<b>138,732</b>	<b>131,855</b>	<b>136,355</b>	<b>60,031</b>
<b>Total liabilities</b>		<b>173,796</b>	<b>180,043</b>	<b>231,420</b>	<b>161,001</b>
<b>Net assets</b>		<b>143,898</b>	<b>143,262</b>	<b>110,562</b>	<b>97,553</b>
<b>Equity</b>					
Contributed equity		93,558	93,558	55,691	55,504
Retained earnings		50,997	50,360	54,661	42,049
Hedge reserve		(656)	(656)	210	-
<b>Total equity</b>		<b>143,898</b>	<b>143,262</b>	<b>110,562</b>	<b>97,553</b>

### Notes

- a) Trade and other Receivables include intercompany loans which eliminate on consolidation.
- b) The majority of the Willmott Group's financial assets and liabilities (i.e. loans and borrowings, were ultimately held by WFL).

## Cash flow

Summarised below are WFL's Cashflow Statements for the FYs ended 30 June 2008, 30 June 2009, and 30 June 2010.

### Cash Flow – WFL

	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)	FY08 (Audited) (\$'000)
<b>Cashflows from Operating Activities</b>			
Receipts from customers	29,182	100,418	66,494
Interest received	2,368	1,123	1,622
Payments to suppliers & employees	(42,454)	(75,391)	(18,413)
Payment for prepaid leases	(1,095)	(545)	138
Borrowing costs paid	(7,276)	(2,930)	(2,035)
PINES dividend paid	(2,016)	(2,800)	(2,800)
Income taxes (paid)/ received	(7,681)	(16,470)	(1,051)
<b>Net cash provided by (used in) operating activities</b>	<b>(28,972)</b>	<b>3,406</b>	<b>43,954</b>
<b>Cashflows from Investing Activities</b>			
Payments for plantation land and improvements	(8,312)	(30,745)	(14,546)
(Payments)/proceeds for long term prepaid leases	-	(14,963)	(9,700)
(Payments)/proceeds for property, plant and equipment	(2,648)	(5,059)	(984)
Increase/(decrease) in term receivables	(1,010)	21,297	(12,220)
Realisation of (payments for) investments	(13,484)	(7,150)	(15,905)
Loss of control of subsidiary(net of cash)	-	-	-
<b>Net cash provided by (used in) investing activities</b>	<b>(25,454)</b>	<b>(36,620)</b>	<b>(53,355)</b>
<b>Cashflows from Financing Activities</b>			
Proceeds from issue of shares	37,575	187	-
Proceeds from (repayment of) borrowings	13,309	33,420	5,957
Dividends paid	(4,352)	(5,959)	(5,865)
<b>Net cash provided by (used in) financing activities</b>	<b>46,532</b>	<b>27,648</b>	<b>93</b>
<b>Net increase (decrease) in cash held</b>	<b>(7,894)</b>	<b>(5,566)</b>	<b>(9,308)</b>
Cash at beginning of year	16,629	22,196	31,504
<b>Cash at end of year</b>	<b>8,735</b>	<b>16,629</b>	<b>22,196</b>

### Directors Report as to Affairs (RATA)

Refer to section 7 of this Report for detailed information on WFL's RATA.

## Statutory Investigations

### 1. Solvency Assessment

#### Intercompany Loans

Intercompany loan balances are reflected in the table below:

#### WFL Intercompany Loans

	YTD to 6 Sep10 (\$'000)	FY10 (\$'000)	FY09 (\$'000)	FY08 (\$'000)
Loan from WN	(120,000)	(113,000)	(86,999)	n/a
Loan from WFIM	(384)	(384)	(384)	(233)
Loan from BEA	(2,041)	(2,041)	(2,029)	(7,688)
Loan from BIO	(3,368)	(3,368)	(3,759)	-
<b>Loans Payable</b>	<b>(125,793)</b>	<b>(118,793)</b>	<b>(93,171)</b>	<b>(7,921)</b>
Loans to subsidiaries	-	-	6,303	4,524
Loan to WFN	9	9	5	5
Loan to WF	39,913	43,030	53,234	-
Loan to WFP	1,475	1,475	1,429	444
Loan to WE	2,725	2,725	1	-
Loan to WS	2	2	1	-
Loan to BEA	-	-	-	9,526
Loan to BIO	-	-	-	13,066
<b>Loans Receivable</b>	<b>44,124</b>	<b>47,241</b>	<b>60,973</b>	<b>27,565</b>

WFL holds intercompany loans to and from most other companies in the Willmott Group. Due to the insolvency of the Willmott Group, and the limited assets in the subsidiaries, these loans are likely to be unrecoverable by the Administrators.

#### Investigations into Insolvency

The Administrators are required to consider the solvency of each entity in the Willmott Group. The Willmott Group entities are interdependent and reliant on the resources of WFL as:

- loans to and from WFL with subsidiaries are ultimately dependent on WFL's capacity to pay;
- WFL's capacity to pay is dependent on its ability to meet its obligations as and when they fall due. As WFL is the main trading entity in the Willmott Group with substantially all of the Willmott Group liabilities, our comments in respect of the solvency of the Willmott Group in section 11.9 of the Report apply to WFL;
- all subsidiaries in the Willmott Group are liable for the debt owed to the Banking Syndicate and accordingly are in default.

Accordingly, we have considered the solvency of the Willmott Group as a whole.

Based on our preliminary investigations to date, we believe that the Willmott Group of entities was insolvent from at least 30 June 2010. Refer to section 11.9 of the Report for a detailed discussion on the solvency of the Willmott Group.

#### Outstanding or previous winding up applications

The Administrators' review of ASIC records did not disclose any winding up applications filed against WFL prior to the appointment of the Administrators.

## **2. Books and Records**

Books and records are required to be maintained in accordance with s286 of the Act. Refer to section 11.2 of this Report for further background information in this regard. All books and records of the Willmott Group, including WFL are maintained on a collective basis. Based on our preliminary investigations, we have not identified any particular breaches of s286 of the Act by WFL or the Willmott Group.

## **3. Potential Liquidator Recoveries – Voidable Transactions**

Though only preliminary investigations into the affairs of WFL have been conducted to date, we have identified certain potentially voidable transactions that a Liquidator may be able to pursue for recoveries for the benefit of creditors. Refer to section 11.8 of this Report for further discussion on this matter in relation to WFL.

### **a. Unfair preferences**

Investigations to date have identified at least one creditor who may have received unfair preferential payments that a Liquidator could potentially pursue. Please refer to section 11.8.1 for further information in respect of this matter.

### **b. Uncommercial transactions**

We have currently identified one creditor who has received uncommercial payments from WFL in two years preceding administration. These transactions shall be further investigated should a Liquidator be appointed. Please refer to section 11.8.2 for further information in respect of this matter.

### **c. Unfair loans**

We have not identified any unfair loans through our preliminary investigations that may be considered voidable by a Liquidator. Please refer to section 11.8.3 for further information in respect of identifying unfair loans.

### **d. Unreasonable director related transactions**

We have commenced investigations into the reasonableness of various director related transactions including remuneration, bonuses, loans, and Scheme interests and whether potential recoveries could be pursued for the benefit of creditors. These preliminary investigations are discussed in section 11.8.5 and 11.13 of the main Report.

### **e. Voidable charges**

Our preliminary investigations have not identified any voidable charges in relation to WFL. For further details regarding voidable charges, refer to section 11.8.6 of this Report.

## **4. Breach of Directors' Duties**

Refer to section 11.10 of this Report for further information in regards to the various duties imposed on directors and their possible defences to any action taken by a Liquidator. We have identified specific concerns regarding potential breaches of these statutory duties in regards to WFL which require further investigation.

## **5. Report to ASIC**

As Administrators, we are required to complete and lodge a Report with ASIC pursuant to Section 438D of the Act where it appears that a past or present officer of WFL may have been guilty of an offence. In this regard, readers should refer to section 11.6 of the main Report.



**5 DD9 B8 =L' &**

### WILLMOTT FINANCE PTY LTD (Administrators Appointed) (Receivers and Managers Appointed) (WF)

Since incorporation in 1998, WF either provided loans to Grower Investors for the purchase of Woodlots or acted as an intermediary between Grower Investors and third party financiers.

#### Statutory Information

WF is 100% owned by WFL and was incorporated as Timber Capital Plantation Project Land Pty Ltd on 13 March 1998. On 6 October 1998 the company changed it's name to WF.

A historical search of ASIC database as at the date of Administration discloses the following information in relation to WF:

Date of Incorporation	Registered Office	Principal Place of Business
13/01/1998	249 Park Street South Melbourne VIC 3205	249 Park Street South Melbourne VIC 3205

The directors and secretaries of WF are as follows:

Name	Role	Date Appointed	Date Resigned
Jonathan David Madgwick	Director	13/01/1998	Current at 06/09/2010
	Secretary	13/01/1998	16/11/2009
Marcus Derham	Director	13/01/1998	Current at 06/09/2010
John Hugh Rutledge	Secretary	16/11/2009	Current at 06/09/2010
Gregory Robert Mac Millan	Director	17/03/2003	12/12/2008
David Alan Smith	Director	13/01/1998	16/08/2000
Tom Kotsimbos	Director /Secretary	13/01/1998	13/01/1998

Registered charges over WF are as follows:

Charge	Charge Type	Charge No	Date Registered	Date Created
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767717	20/03/2009	17/03/2009
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767724	20/03/2009	17/03/2009
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767731	20/03/2009	17/03/2009
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767753	20/03/2009	17/03/2009

The fixed and floating charges registered to CBA Corporate Services (NSW) Pty Ltd relate to the debt facility provided by the Banking Syndicate.

## Historical Profit and Loss

Summarised below are the Income Statements of WF for the FYs ended 30 June 2008, 30 June 2009, 30 June 2010 and for the period 1 July 2010 to 6 September 2010.

### Profit and Loss / Income statement - WF

	Notes	YTD to 6 Sep10 (Unaudited) (\$'000)	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)	FY08 (Audited) (\$'000)
<b>Continuing operations</b>					
Revenue from ordinary activities	a)	486	1,109	1,167	5,207
Borrowing costs	b)		(1)	(1,703)	(2,845)
Other expenses from ordinary activities		(24)	(90)	(7)	(14)
Provision for doubtful debts			(20)	31	75
<b>Profit before income tax expense</b>		<b>462</b>	<b>999</b>	<b>(512)</b>	<b>2,423</b>
Income tax (expense)/revenue		-	(300)	199	(817)
<b>Profit attributable to members of the Company</b>		<b>462</b>	<b>699</b>	<b>(313)</b>	<b>1,606</b>

### Notes

- a) Revenue from ordinary activities comprises interest on the repayment of loans to Grower Investors, bank interest and plantation income from loans which have been assumed by WF.
- b) Borrowing costs relate to external borrowings.

## Historical Balance Sheet

Summarised below are WF's Financial Position/Balance Sheet as at 30 June 2008, 30 June 2009, 30 June 2010 and 6 September 2010.

### Balance Sheet / Financial Position - WF

	Notes	YTD to 6 Sep10 (Unaudited) (\$'000)	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)	FY08 (Audited) (\$'000)
<b>Current assets</b>					
Cash and cash equivalents		155	413	77	720
Trade and other receivables	a)	4,114	7,112	28,166	1,343
Prepayments		-	-	-	154
<b>Total current assets</b>		<b>4,269</b>	<b>7,525</b>	<b>28,243</b>	<b>2,217</b>
<b>Non-current assets</b>					
Trade receivables	b)	65,725	65,346	55,874	60,513
Deferred tax assets		114	114	108	117
<b>Total non-current assets</b>		<b>65,839</b>	<b>65,459</b>	<b>55,982</b>	<b>60,630</b>
<b>Total assets</b>		<b>70,108</b>	<b>72,984</b>	<b>84,224</b>	<b>62,847</b>
<b>Current liabilities</b>					
Accounts payable		1	58	-	-
Provisions	c)	981	976	1,014	2,051
<b>Total current liabilities</b>		<b>982</b>	<b>1,034</b>	<b>1,014</b>	<b>2,051</b>
<b>Non-current liabilities</b>					
Borrowings	d)	49,089	52,206	62,410	38,669
Provisions	c)	12,396	12,564	14,320	15,333
<b>Total non-current liabilities</b>		<b>61,485</b>	<b>64,770</b>	<b>76,730</b>	<b>54,002</b>
<b>Total liabilities</b>		<b>62,467</b>	<b>65,804</b>	<b>77,744</b>	<b>56,053</b>
<b>Net assets</b>		<b>7,641</b>	<b>7,180</b>	<b>6,481</b>	<b>6,794</b>
<b>Equity</b>					
Contributed equity		1,854	1,854	1,854	1,854
Retained earnings		5,787	5,325	4,625	4,940
<b>Total equity</b>		<b>7,641</b>	<b>7,180</b>	<b>6,481</b>	<b>6,794</b>

### Notes

- a) Trade and other receivables comprise loans to Grower Investors.
- b) Trade receivables comprise term debtors, provision for doubtful debts and an intercompany loan repayable by WFL.
- c) Provisions include unearned revenue and in FY08 income tax.
- d) Borrowings comprise funds provided by WFL, convertible notes and a loan from CBA (FY08), which were used to fund Grower Investor loans.

## Cash flow

Summarised below are WF's Cashflow Statements for the FYs ended 30 June 2008, 30 June 2009 and 30 June 2010.

### Cash Flow - WF

	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)	FY08 (Audited) (\$'000)
<b>Cash Flows From Operating Activities</b>			
Receipts from customers	29,056	31,057	785
Interest Received	105	183	1,295
Payments from term debtors	(18,283)	(57,500)	-
Payments to suppliers & employees	(31)	148	(168)
Borrowing costs paid	(1)	(1,703)	(2,785)
Income tax paid	(306)	(859)	(501)
<b>Net cash provided by (used in) operating activities</b>	<b>10,540</b>	<b>(28,675)</b>	<b>(1,374)</b>
<b>Cash Flows From Investing Activities</b>			
Proceeds from (payments for) investments	-	-	-
<b>Net cash provided by (used in) investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash Flows From Financing Activities</b>			
Loans from/(to) inter-group companies	(10,204)	57,525	-
Proceeds from (repayment of) bank loan	-	(29,493)	-
Proceeds from (repayment of) borrowings	-	-	1,101
<b>Net cash provided by (used in) financing activities</b>	<b>(10,204)</b>	<b>28,032</b>	<b>1,101</b>
<b>Net increase (decrease) in cash held</b>	<b>336</b>	<b>(643)</b>	<b>(273)</b>
Cash at beginning of year	77	720	993
<b>Cash at end of year</b>	<b>413</b>	<b>77</b>	<b>720</b>

## Directors Report as to Affairs

Upon the appointment of an Administrator, s438B of the Act requires the directors to provide a RATA outlining the financial circumstances of the company concerned, including net book values, estimated realisable values and all known assets and liabilities. A RATA was provided by the directors on 24 November 2010.

Directors Report as to Affairs	Net Book Value Amount (\$)
<i>Assets not specifically charged</i>	
Interests in land	-
Sundry debtors	69,838,342
Cash on hand	-
Cash at bank	161,138
Plant and Equipment	-
Other assets	-
<b>Total Assets</b>	<b>69,999,480</b>
Partly owing to secured creditors	-
Creditors	49,087,443
Contingent liabilities	13,377,312
<b>Total Liabilities</b>	<b>62,464,755</b>
<b>Estimated Surplus (deficit)</b>	<b>7,534,725</b>

Sundry debtors comprise loans provided to Grower Investors. A provision for doubtful debts of \$386,219 has been included in this amount.

Creditors include the ATO and intercompany loans (refer below).

The contingent liabilities relate to unearned lease and maintenance fees from the 1995, 1996, 1997 & 1998 Schemes.

## Statutory Investigations

### 1. Solvency Assessment

#### Intercompany Loans

Intercompany loan balances from 30 June 2008 to September 2010 are as follows:

<b>WF Intercompany Loan Balance</b>	<b>YTD to 6 Sep10 (\$'000)</b>	<b>FY10 (\$'000)</b>	<b>FY09 (\$'000)</b>	<b>FY08 (\$'000)</b>
Loan from WFL	39,913	43,030	53,234	-
Convertible notes	9,176	9,176	9,176	9,176
Loan to WFL	-	-	-	4,290

#### Investigations into Insolvency

The Administrators are required to consider the solvency of each entity in the Willmott Group. The Willmott Group entities are interdependent and reliant on the resources of WFL as:

- loans to and from WFL with subsidiaries are ultimately dependent on WFL's capacity to pay;
- WFL's capacity to pay is dependent on its ability to meet its obligations as and when they fall due. As WFL is the main trading entity in the Willmott Group with substantially all of the Willmott Group liabilities, our comments in respect of the solvency of the Willmott Group in the body of the Report apply to WFL;
- all subsidiaries in the Willmott Group are liable for the debt owed to the Banking Syndicate and accordingly are in default.

Based on our preliminary investigations, we believe that the Willmott Group of entities was insolvent from at least 30 June 2010. Refer to section 11.9 of the Report for a detailed discussion on the solvency of the Willmott Group. From our initial review conducted to date, we have not identified any significant factors which would indicate an alternative date of insolvency for WF. Further investigations shall be conducted should a Liquidator be appointed.

#### Outstanding or previous winding up applications

The Administrators' review of ASIC records did not disclose any winding up applications filed against WF prior to the appointment of the Administrators.

### 2. Books and Records

Books and records are required to be maintained in accordance with s286 of the Act. Refer to section 11.2 of this Report for further background information in this regard. All books and records of the Willmott Group, including WF, are maintained on a collective basis. Based on our preliminary investigations, we have not identified any particular breaches of s286 of the Act by WF or the Willmott Group.

### **3. Potential Liquidator Recoveries – Voidable Transactions**

To date, we have conducted only preliminary investigations into the business and affairs of WF. At this point in time we have not identified any voidable transactions that may be pursued with the aim of recovering funds for the benefit of creditors.

#### **a. Unfair preferences**

We have not identified any unfair preferential payments through our preliminary investigations that may be considered voidable should a Liquidator be appointed. Please refer to section 11.8.1 for further information in respect of identifying unfair preferences.

#### **b. Uncommercial transactions**

We have not identified any uncommercial transactions through our preliminary investigations that may be considered voidable should a liquidator be appointed. Please refer to section 11.8.2 for further information in respect of identifying uncommercial transactions.

#### **c. Unfair loans**

We have not identified any unfair loans through our preliminary investigations that may be considered voidable should a liquidator be appointed. Whilst it may transpire that some intercompany loans within the Willmott Group are uncommercial, the ability for a Liquidator to recover any such loan given the insolvency of the group would appear remote. In any event a material impact on the creditors is not expected if indeed such unfair loans exist. Please refer to section 11.8.3 for further information in respect of identifying unfair loans.

#### **d. Unreasonable director related transactions**

Our preliminary investigations to date in relation to unreasonable director related transactions have not identified any transactions that a Liquidator could pursue for the benefit of creditors. Further investigations will be conducted should a Liquidator be appointed. Please refer to section 11.8.5 for further information in respect of director related transactions.

#### **e. Voidable charges**

Our preliminary investigations have not identified any voidable charges in relation to WF.

### **4. Breach of Directors' Duties**

Refer to section 11.10 of this Report for further information in regards to the various duties imposed on directors and their possible defences to any actions taken by a Liquidator. Whilst we have identified certain concerns regarding potential breaches of these statutory duties in regards to the parent entity WFL, investigations are ongoing as to specific breaches of duties by the directors of WF.

### **5. Report to ASIC**

As Administrators, we are required to complete and lodge a report with ASIC pursuant to Section 438D of the Act where it appears that a past or present officer of WF may have been guilty of an offence. From preliminary investigations to date, we have not identified evidence of any breaches of the Act that would require a Report to be lodged with the ASIC in respect of WF.

# APPENDIX F3



**WILLMOTT FOREST NOMINEES PTY LTD (Administrators Appointed) (Receivers and Managers Appointed) (WFN)**

WFN is a trustee entity whose sole purpose was to hold Willmott Group employee share entitlements on trust. It does not actively trade and all operational expenses were reimbursed by its parent entity, WFL.

**Statutory Information**

WFN was incorporated as Trujan Pty Ltd on 15 December 1998 and is 100% owned by WFL. On 29 November 1999, the company changed its name to Willmott Timberland Pty Ltd. On 23 October 2000 the company changed its name to WFN.

A historical search of ASIC database as at the date of Administration discloses the following information in relation to WFN:

<b>Date of Incorporation</b>	<b>Registered Office</b>	<b>Principal Place of Business</b>
15/12/1998	249 Park Street South Melbourne VIC 3205	249 Park Street South Melbourne VIC 3205

The directors and secretaries of WFN are as follows:

<b>Name</b>	<b>Role</b>	<b>Date Appointed</b>	<b>Date Resigned</b>
Marcus Derham	Director/Secretary	23/12/1998	Current at 06/09/2010
Jonathan David Madgwick	Director	25/11/1999	Current at 06/09/2010
	Secretary	25/11/1999	16/11/2009
Hugh Thomas Davies	Director	7/11/2002	Current at 06/09/2010
Tom Kotsimbos	Director/ Secretary	15/12/1998	23/12/1998

Registered charges over WFN are as follows:

<b>Charge</b>	<b>Charge Type</b>	<b>Charge No</b>	<b>Date Registered</b>	<b>Date Created</b>
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767712	20/03/2009	17/03/2009
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767730	20/03/2009	17/03/2009
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767749	20/03/2009	17/03/2009
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767779	20/03/2009	17/03/2009

The fixed and floating charges registered to CBA Corporate Services (NSW) Pty Limited relate to the debt facility provided by the Banking Syndicate.

## Historical Profit and Loss

Summarised below are the Income Statements for WFN for the FYs ended 30 June 2008, 30 June 2009, 30 June 2010 and for the period 1 July 2010 to 6 September 2010 along with our preliminary commentary.

### Profit and Loss / Income statement - WFN

	YTD to 6 Sep10 (Unaudited) (\$'000)	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)	FY08 (Audited) (\$'000)
<b>Continuing operations</b>				
Revenue from ordinary activities	-	-	-	-
Interest Received	-	-	-	-
Reimbursement from parent company	-	-	-	-
Bank Charges	-	-	-	-
<b>Profit before income tax expense</b>	-	-	-	-
Income tax (expense)/revenue	-	-	-	-
<b>Profit attributable to members of the Company</b>	-	-	-	-

WFN did not conduct any material trading activities.

## Historical Balance Sheet

Summarised below are WFN's Financial Position/Balance Sheet as at 30 June 2008, 30 June 2009, 30 June 2010 and 6 September 2010.

### Balance Sheet / Financial Position - WFN

	YTD to 6 Sep10 (Unaudited) (\$'000)	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)	FY08 (Audited) (\$'000)
<b>Current assets</b>				
Cash at Bank	9	9	5	5
<b>Total current assets</b>	9	9	5	5
<b>Total assets</b>	9	9	5	5
<b>Current liabilities</b>				
Loan - Willmott Forests Limited	9	9	5	5
<b>Total current liabilities</b>	9	9	5	5
<b>Total liabilities</b>	9	9	5	5
<b>Net assets</b>	0	0	0	0
<b>Equity</b>				
Contributed equity	0	0	0	0
<b>Total equity</b>	0	0	0	0

WFN's sole asset is Cash at bank which was loaned to WFN by WFL.

## Cash Flow

Summarised below are WFN's Cashflow Statements for the FYs ended 30 June 2008, 30 June 2009, and 30 June 2010.

### Cash Flow - WFN

	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)	FY08 (Audited) (\$'000)
<b>Cashflows from Operating Activities</b>			
Interest received	-	-	-
Payments to suppliers and employees	-	-	-
<b>Net cash provided by/(used in) operating activities</b>	-	-	-
<b>Cash Flows From Investing Activities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cashflows from Financing Activities</b>			
Receipt of dividends	8	11	8
Payment to employees	(4)	(11)	(8)
Receipts from employees	34	38	36
Payment for shares investments	(34)	(38)	(36)
<b>Net cash provided by/(used in) financing activities</b>	<b>4</b>	<b>0</b>	<b>0</b>
<b>Net increase/(decrease) in cash held</b>	<b>4</b>	<b>-</b>	<b>-</b>
Cash at beginning of year	5	5	5
<b>Cash at end of year</b>	<b>9</b>	<b>5</b>	<b>5</b>

## Directors Report as to Affairs

Upon the appointment of an Administrator, s438B of the Act requires the directors to provide a RATA outlining the financial circumstances of the company concerned, including net book values, estimated realisable values and all known assets and liabilities. A RATA was provided by the directors on 24 November 2010.

Directors Report as to Affairs	Net Book Value Amount (\$)
<i>Assets not specifically charged</i>	
Interests in land	-
Sundry debtors	-
Cash on hand	4,280
Cash at bank	-
Plant and Equipment	-
Other assets	-
<b>Total Assets</b>	<b>4,280</b>
Partly owing to secured creditors	-
Creditors	4,278
Contingent liabilities	-
<b>Total Liabilities</b>	<b>4,278</b>
<b>Estimated Surplus (deficit)</b>	<b>2</b>

The directors' RATA indicates that WFN's only asset is cash totalling \$4,280 with the sole liability being an intercompany loan from WFL in the amount of \$4,278. We note that WFN's management accounts as at 6 September 2010 indicate that the loan from WFL is \$8,511.

## Statutory Investigations

### 1. Solvency Assessment

#### Intercompany Loans

Intercompany loan balances from 30 June 2008 to September 2010 are as follows:

WFN Intercompany Loan Balance	YTD to 6 Sep10 (\$'000)	FY10 (\$'000)	FY09 (\$'000)	FY08 (\$'000)
Loan from WFL	9	9	5	5

WFL as parent entity holds intercompany loans to and from all other companies in the Willmott Group. Due to the insolvency of the Willmott Group, and the limited assets in the Willmott subsidiaries, these loans are likely to be unrecoverable by the Administrators.

#### Investigations into Insolvency

The Administrators are required to consider the solvency of each entity in the Willmott Group. The Willmott Group entities are interdependent and reliant on the resources of WFL as:

- loans to and from WFL with subsidiaries are ultimately dependent on WFL's capacity to pay;
- WFL's capacity to pay is dependent on its ability to meet its obligations as and when they fall due. As WFL is the main trading entity in the Willmott Group with substantially all of the Willmott Group liabilities, our comments in respect of the solvency of the Willmott Group in the body of the Report apply to WFL;
- all subsidiaries in the Willmott Group are liable for the debt owed to the Banking Syndicate and accordingly are in default.

Based on our preliminary investigations, we believe that the Willmott Group of entities was insolvent from at least 30 June 2010. Refer to section 11.9 of the Report for a detailed discussion on the solvency of the Willmott Group. From our preliminary review conducted to date, we have not identified any significant factors which would indicate an alternative date of insolvency for WFN. Further investigations shall be conducted should a Liquidator be appointed.

#### Outstanding or previous winding up applications

The Administrators' review of ASIC records did not disclose any winding up applications filed against WFN prior to the appointment of the Administrators.

### 2. Books and Records

Books and records are required to be maintained in accordance with s286 of the Act. Refer to section 11.2 of this Report for further background information in this regard. All books and records of the Willmott Group, including WFN, are maintained on a collective basis. Based on our preliminary investigations, we have not identified any particular breaches of s286 of the Act by WFN or the Willmott Group.

### 3. Potential Liquidator Recoveries – Voidable Transactions

To date, we have only conducted preliminary investigations into the business and affairs of WFN. At this point in time we have not identified any voidable transactions that may be pursued with the aim of recovering funds for the benefit of creditors.

**a. Unfair preferences**

We have not identified any unfair preferential payments through our preliminary investigations that may be considered voidable should a Liquidator be appointed to WFN. Please refer to section 11.8.1 for further information in respect of identifying unfair preferences.

**b. Uncommercial transactions**

We have not identified any uncommercial transactions through our preliminary investigations that may be considered voidable should a liquidator be appointed. Please refer to section 11.8.2 for further information in respect of identifying uncommercial transactions.

**c. Unfair loans**

We have not identified any unfair loans through our preliminary investigations that may be considered voidable should a liquidator be appointed. Please refer to section 11.8.3 for further information in respect of identifying unfair loans.

**d. Unreasonable director related transactions**

Our preliminary investigations to date in relation to unreasonable director related transactions have not identified any transactions that a Liquidator could pursue for the benefit of creditors. Further investigations will be conducted should a Liquidator be appointed. Please refer to section 11.8.5 for further information in respect of director related transactions.

**e. Voidable charges**

Our preliminary investigations have not identified any voidable charges in relation to WFN.

**4. Breach of Directors' Duties**

Refer to section 11.11 of this Report for further information in regards to the various duties imposed on directors and their possible defences to any actions taken by a Liquidator. Whilst we have identified certain concerns regarding potential breaches of these statutory duties in regards to the parent entity WFL, investigations are ongoing as to specific breaches of duties by the directors of WFN.

**5. Report to ASIC**

As Administrators, we are required to complete and lodge a Report with ASIC pursuant to Section 438D of the Act where it appears that a past or present officer of WFN may have been guilty of an offence. From preliminary investigations to date, we have not identified evidence of any breaches of the Act that would require a Report to be lodged with the ASIC in respect of WFN.

# APPENDIX F4

**WILLMOTT FORESTS INVESTMENT MANAGEMENT PTY LTD (Administrators Appointed) (Receivers and Managers Appointed) (WFIM)**

WFIM was engaged by WFL through a 'Land Sourcing and Forestry Services Agreement' to act as the Manager of the 2010 Scheme, and was to be responsible for all of the technical and operational aspects of this project. WFL, as RE, was to pay WFIM land procurement and establishment fees equal to the forestry application fees paid by Grower Investors. WFIM then in return engaged WFL and third party contractors to carry out all maintenance works, consequently repaying to WFL all Grower Investors application funds. WFIM also holds certain forest property rights on behalf of Grower Investors in relation to Schemes operated on HVP land.

**Statutory Information**

WFIM was incorporated on 12 November 2001 and is 100% owned by WFL.

A historical search of ASIC database as at the date of Administration discloses the following information in relation to WFIM:

<b>Date of Incorporation</b>	<b>Registered Office</b>	<b>Principal Place of Business</b>
12/11/2001	249 Park Street South Melbourne Vic 3205	249 Park Street South Melbourne Vic 3205

The directors and secretaries of WFIM are as follows:

<b>Name</b>	<b>Role</b>	<b>Date Appointed</b>	<b>Date Resigned</b>
Jonathan David Madgwick	Director	27/09/2004	Current at 06/09/2010
	Secretary	27/09/2004	19/11/2009
Marcus Derham	Director	12/11/2001	Current at 06/09/2010
John Hugh Rutledge	Secretary	19/11/2009	Current at 06/09/2010
Gregory Robert Mac Millan	Director/ Secretary	26/04/2004	12/12/2008
Paul Dickson	Director/ Secretary	12/11/2001	26/04/2004
Tom Kotsimbos	Director/ Secretary	12/11/2001	12/11/2001

Registered charges over WFIM are as follows:

<b>Charge</b>	<b>Charge Type</b>	<b>Charge No</b>	<b>Date Registered</b>	<b>Date Created</b>
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767719	20/03/2009	17/03/2009
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767727	20/03/2009	17/03/2009
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767747	20/03/2009	17/03/2009
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767774	20/03/2009	17/03/2009

The fixed and floating charges registered to CBA Corporate Services (NSW) Pty Limited relate to the debt facility provided by the Banking Syndicate.

## Historical Profit and Loss

Summarised below are the Income Statements for WFIM for the FYs ended 30 June 2008, 30 June 2009, 30 June 2010 and for the period 1 July 2010 to 6 September 2010.

### Profit and Loss / Income Statement - WFIM

	YTD to 6 Sep10 (Unaudited) (\$'000)	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)	FY08 (Audited) (\$'000)
<b>Continuing operations</b>				
Revenue from ordinary activities	(0)	1	4	6
Borrowing costs	-	-	-	(2)
Other expenses from ordinary activities	(0)	(1)	(1)	-
<b>Profit before income tax expense</b>	<b>(0)</b>	<b>1</b>	<b>3</b>	<b>4</b>
Income tax (expense)/revenue	-	(0)	(1)	(1)
<b>Profit attributable to members of the Company</b>	<b>(0)</b>	<b>0</b>	<b>3</b>	<b>3</b>

WFIM holds land sourcing and forestry agreements on behalf of Grower Investors for the term of their investment in relation to various Willmott Schemes. WFIM does not actively trade or employ.

Revenue from ordinary activities represents interest revenue on loans to WFL whilst expenses from ordinary activities represent WFIM's liability for income tax expense on profit.

## Historical Balance Sheet

Summarised below are WFIM's Financial Position/Balance Sheet as at 30 June 2008, 30 June 2009, 30 June 2010 and 6 September 2010.

### Balance Sheet / Financial Position - WFIM

	YTD to 6 Sep10 (Unaudited) (\$'000)	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)	FY08 (Audited) (\$'000)
<b>Current assets</b>				
Cash and cash equivalents	21	21	20	170
Trade and other receivables	384	384	384	233
<b>Total current assets</b>	<b>405</b>	<b>405</b>	<b>404</b>	<b>403</b>
<b>Total assets</b>	<b>405</b>	<b>405</b>	<b>404</b>	<b>403</b>
<b>Current liabilities</b>				
Provisions	-	-	-	1
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>Net assets</b>	<b>405</b>	<b>405</b>	<b>404</b>	<b>402</b>
<b>Equity</b>				
Contributed equity	500	500	500	500
Retained earnings	(95)	(95)	(96)	(98)
<b>Total equity</b>	<b>405</b>	<b>405</b>	<b>404</b>	<b>402</b>

WFIM's assets consist of Cash and a Loan Receivable provided to WFL.



## Cash Flow

Summarised below are WFIM's Cashflow Statements for the FYs ended 30 June 2008, 30 June 2009, and 30 June 2010.

### Cash Flow - WFIM

	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)	FY08 (Audited) (\$'000)
<b>Cash Flows From Operating Activities</b>			
Interest Received	1	4	6
Income tax paid	(0)	(2)	(2)
Payments to suppliers & employees	(0)	(1)	(2)
<b>Net cash provided by/(used in) operating activities</b>	<b>0</b>	<b>1</b>	<b>2</b>
<b>Cash Flows From Investing Activities</b>	<b>-</b>	<b>-</b>	
<b>Cash Flows From Financing Activities</b>			
Payments (to)/from intercompany loans	0	(151)	2
<b>Net cash provided by/(used in) financing activities</b>	<b>0</b>	<b>(151)</b>	<b>2</b>
<b>Net increase/(decrease) in cash held</b>	<b>1</b>	<b>(149)</b>	<b>4</b>
Cash at beginning of year	20	170	166
<b>Cash at end of year</b>	<b>21</b>	<b>20</b>	<b>170</b>

## Directors Report as to Affairs

Upon the appointment of an Administrator, s438B of the Act requires the directors to provide a RATA outlining the financial circumstances of the company concerned, including net book values, estimated realisable values and all known assets and liabilities. A RATA was provided by the directors on 24 November 2010.

Directors Report as to Affairs	Net Book Value Amount (\$)
<i>Assets not specifically charged</i>	
Interests in land	-
Sundry debtors	383,766
Cash on hand	-
Cash at bank	20,839
Plant and Equipment	-
Other assets	-
<b>Total Assets</b>	<b>404,605</b>
Partly owing to secured creditors	-
Creditors	-
Contingent liabilities	-
<b>Total Liabilities</b>	<b>-</b>
<b>Estimated Surplus (deficit)</b>	<b>404,605</b>

Sundry debtors are comprised solely of an intercompany loan made to WFL. We note that WFIM's management accounts as at 6 September 2010 are consistent with the RATA.

## Statutory Investigations

### 1. Solvency Assessment

#### Intercompany Loans

Intercompany loan balances from 30 June 2008 to September 2010 are as follows:

<b>WFIM Intercompany Loan Balance</b>	<b>YTD to 6 Sep10 (\$'000)</b>	<b>FY10 (\$'000)</b>	<b>FY09 (\$'000)</b>	<b>FY08 (\$'000)</b>
Loan to WFL	383,766	383,766	383,936	233,139

#### Investigations into Insolvency

The Administrators are required to consider the solvency of each entity in the Willmott Group. The Willmott Group entities are interdependent and reliant on the resources of WFL as:

- loans to and from WFL with subsidiaries are ultimately dependent on WFL's capacity to pay;
- WFL's capacity to pay is dependent on its ability to meet its obligations as and when they fall due. As WFL is the main trading entity in the Willmott Group with substantially all of the Willmott Group liabilities, our comments in respect of the solvency of the Willmott Group in the body of the Report apply to WFL;
- all subsidiaries in the Willmott Group are liable for the debt owed to the Banking Syndicate and accordingly are in default.

Based on our preliminary investigations, we believe that the Willmott Group of entities was insolvent from at least 30 June 2010. Refer to section 11.9 of the Report for a detailed discussion on the solvency of the Willmott Group. From our initial review conducted to date, we have not identified any significant factors which would indicate an alternative date of insolvency for WFIM. Further investigations shall be conducted should a Liquidator be appointed.

#### Outstanding or previous winding up applications

The Administrators' review of ASIC records did not disclose any winding up applications filed against WFIM prior to the appointment of the Administrators.

### 2. Books and Records

Books and records are required to be maintained in accordance with s286 of the Act. Refer to section 11.2 of this Report for further background information in this regard. All books and records of the Willmott Group, including WFIM, are maintained on a collective basis. Based on our preliminary investigations, we have not identified any particular breaches of s286 of the Act by WFIM or the Willmott Group.

### 3. Potential Liquidator Recoveries – Voidable Transactions

To date, we have only conducted preliminary investigations into the business and affairs of WFIM. At this point in time we have not identified any voidable transactions that may be pursued with the aim of recovering funds for the benefit of creditors.

**a. Unfair preferences**

We have not identified any unfair preferential payments through our preliminary investigations that may be considered voidable should a Liquidator be appointed to WFIM. Please refer to section 11.8.1 for further information in respect of identifying unfair preferences.

**b. Uncommercial transactions**

We have not identified any uncommercial transactions through our preliminary investigations that may be considered voidable should a liquidator be appointed. Please refer to section 11.8.2 for further information in respect of identifying uncommercial transactions.

**c. Unfair loans**

We have not identified any unfair loans through our preliminary investigations that may be considered voidable should a liquidator be appointed. Whilst it may transpire that some intercompany loans within the Willmott Group are uncommercial, the ability for a Liquidator to recover any such loan given the insolvency of the group would appear remote. In any event a material impact on the creditors is not expected if indeed such unfair loans exist. Please refer to section 11.8.3 for further information in respect of identifying unfair loans.

**d. Unreasonable director related transactions**

Our preliminary investigations to date in relation to unreasonable director related transactions have not identified any transactions that a Liquidator could pursue for the benefit of creditors. Further investigations will be conducted should a Liquidator be appointed. Please refer to section 11.8.5 for further information in respect of director related transactions.

**e. Voidable charges**

Our preliminary investigations have not identified any voidable charges in relation to WFIM.

**4. Breach of Directors' Duties**

Refer to section 11.10 of this Report for further information in regards to the various duties imposed on directors and their possible defences to any actions taken by a Liquidator. Whilst we have identified certain concerns regarding potential breaches of these statutory duties in regards to the parent entity WFL, investigations are ongoing as to specific breaches of duties by the directors of WFIM.

**5. Report to ASIC**

As Administrators, we are required to complete and lodge a Report with ASIC pursuant to Section 438D of the Act where it appears that a past or present officer of WFIM may have been guilty of an offence. From preliminary investigations to date we have not identified evidence of any breaches of the Act that would require a Report to be lodged with the ASIC in respect of WFIM.

# APPENDIX F5

**WILLMOTT FOREST PRODUCTS PTY LTD (Administrators Appointed) (Receivers and Managers Appointed) (WFP)**

WFP is a non-trading entity of the Willmott Group. Its sole purpose is to hold title to properties located in Bombala, NSW, primarily entailing land and buildings which were formerly used as a timber processing mill.

**Statutory Information**

WFP was incorporated as Derwant Pty Ltd on 2 December 2002 and is 100% owned by WFL. On 6 December 2010, the company changed its name to South East Sawmilling Pty Ltd. On 15 May 2003 the company changed its name to WFP.

A historical search of ASIC database as at the date of Administration discloses the following information in relation to WFP:

<b>Date of Incorporation</b>	<b>Registered Office</b>	<b>Principal Place of Business</b>
2/12/2002	249 Park Street South Melbourne VIC 3205	1 Bright Street Bombala NSW 2632

The directors and secretaries of WFP are as follows:

<b>Name</b>	<b>Role</b>	<b>Date Appointed</b>	<b>Date Resigned</b>
Marcus Derham	Director	5/12/2002	Current at 06/09/2010
Jonathan David Madgwick	Director	23/06/2004	Current at 06/09/2010
	Director	5/12/2002	12/06/2003
	Secretary	5/12/2002	16/11/2009
Samuel Ernest Baker	Director	5/08/2003	23/06/2004
David Alan Smith	Director	12/06/2003	23/06/2004
Tom Kotsimbos	Director/ Secretary	2/12/2002	5/12/2002
John Hugh Rutledge	Secretary	16/11/2009	9/09/2010

Registered charges over WFP are as follows:

<b>Charge</b>	<b>Charge Type</b>	<b>Charge No</b>	<b>Date Registered</b>	<b>Date Created</b>
National Australia Bank Limited	Fixed	1011609	12/01/2004	29/12/2003
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767718	20/03/2009	17/03/2009
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767725	20/03/2009	17/03/2009
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767745	20/03/2009	17/03/2009
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767762	20/03/2009	17/03/2009

The fixed and floating charges registered to CBA Corporate Services (NSW) Pty Limited relate to the debt facility provided by the Banking Syndicate.

## Historical Profit and Loss

Summarised below are the Income Statements for WFP for the FYs ended 30 June 2008, 30 June 2009, 30 June 2010 and for the period 1 July 2010 to 6 September 2010,

### Profit and Loss / Income statement - WFP

	YTD to 6Sep10 (Unaudited) (\$'000)	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)	FY08 (Audited) (\$'000)
<b>Continuing operations</b>				
Revenue from ordinary activities	-	-	0	81
Borrowing costs	-	-	(31)	(86)
Depreciation and amortisation	(2)	(8)	(10)	(2)
Impairment on Land and Buildings	-	(625)	-	-
Other expenses from ordinary activities	(0)	(9)	(72)	(1)
<b>Profit before income tax expense</b>	<b>(2)</b>	<b>(642)</b>	<b>(113)</b>	<b>(8)</b>
Income tax (expense)/revenue	-	5	26	3
<b>Profit from continuing operations</b>	<b>(2)</b>	<b>(637)</b>	<b>(88)</b>	<b>(5)</b>
Discontinued operations				
Loss from discontinued operations	-	-	-	(144)
<b>Loss for the Year</b>	<b>(2)</b>	<b>(637)</b>	<b>(88)</b>	<b>(149)</b>

WFP's only revenue in FY09 and FY08 relates to interest earned from cash at bank.

WFP's expenses relate to depreciation of land and buildings. Prior to the establishment of the Willmott Group's Syndicated Banking Facilities (which were established in March 2009), WFP incurred an interest expense on borrowings from CBA.

The draft unaudited FY10 accounts indicate an impairment write down of \$625,000 against plant and equipment. The plant and equipment relates to a disused timber processing mill in Bombala.

## Historical Balance Sheet

Summarised below are WFP's Financial Position/Balance Sheet as at 30 June 2008, 30 June 2009, 30 June 2010 and 6 September 2010.

### Balance Sheet / Financial Position - WFP

	YTD to 6 Sep10 (Unaudited) (\$'000)	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)	FY08 (Audited) (\$'000)
<b>Current assets</b>				
Cash and cash equivalents	-	-	3	5
Trade and other receivables	-	-	-	5
Deferred tax asset	-	-	-	109
Prepayments	-	-	-	123
<b>Total current assets</b>	-	-	<b>3</b>	<b>241</b>
<b>Non-current assets</b>				
Property Plant and Equipment	249	250	883	622
<b>Total non-current assets</b>	<b>249</b>	<b>250</b>	<b>883</b>	<b>622</b>
<b>Total assets</b>	<b>249</b>	<b>250</b>	<b>886</b>	<b>863</b>
<b>Current liabilities</b>				
Payables	-	-	-	-
Borrowings	-	-	-	410
Provisions	1	-	45	45
<b>Total current liabilities</b>	<b>1</b>	<b>-</b>	<b>45</b>	<b>455</b>
<b>Non-current liabilities</b>				
Borrowings	1,475	1,475	1,429	989
Deferred tax liability	81	82	82	-
<b>Total non-current liabilities</b>	<b>1,556</b>	<b>1,556</b>	<b>1,510</b>	<b>989</b>
<b>Total liabilities</b>	<b>1,557</b>	<b>1,556</b>	<b>1,555</b>	<b>1,444</b>
<b>Net assets</b>	<b>(1,308)</b>	<b>(1,306)</b>	<b>(669)</b>	<b>(581)</b>
<b>Equity</b>				
Contributed equity	550	550	550	550
Accumulated Losses	(1,858)	(1,856)	(1,219)	(1,131)
<b>Total equity</b>	<b>(1,308)</b>	<b>(1,306)</b>	<b>(669)</b>	<b>(581)</b>

WFP's Property Plant and Equipment includes freehold land and buildings in Bombala, NSW which relate to a former timber processing mill.

Borrowings represent lease liabilities, and a CBA loan prior to the establishment of the Willmott Group's Syndicated Banking Facilities which were established in March 2009.

The Provision of \$45k in FY08 & FY09 relates to depreciation of the Property Plant and Equipment.

## Cash Flow

Summarised below are WFP's Cashflow Statements for the FYs ended 30 June 2008, 30 June 2009, and 30 June 2010.

### Cash Flow - WFP

	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)	FY08 (Audited) (\$'000)
<b>Cash Flows From Operating Activities</b>			
Receipts from customers	-	5	76
Interest received	-	0	1
Payments to suppliers & employees	(54)	(71)	(129)
Borrowing costs paid	-	(31)	(86)
Income tax benefit received	5	217	28
<b>Net cash provided by/(used in) operating activities</b>	<b>(49)</b>	<b>119</b>	<b>(110)</b>
<b>Cash Flows From Investing Activities</b>			
Payments for property, plant and equipment	-	(150)	(23)
<b>Net cash provided by/(used in) investing activities</b>	<b>-</b>	<b>(150)</b>	<b>(23)</b>
<b>Cash Flows From Financing Activities</b>			
Proceeds from borrowings	46	30	61
<b>Net cash provided by/(used in) financing activities</b>	<b>46</b>	<b>30</b>	<b>61</b>
<b>Net increase (decrease) in cash held</b>	<b>(3)</b>	<b>(2)</b>	<b>(72)</b>
Cash at beginning of year	3	5	77
<b>Cash at end of year</b>	<b>-</b>	<b>3</b>	<b>5</b>

## Directors Report as to Affairs

Upon the appointment of an Administrator, s438B of the Act requires the directors to provide a RATA outlining the financial circumstances of the company concerned, including net book values, estimated realisable values and all known assets and liabilities. A RATA was provided by the directors on 24 November 2010.

Directors Report as to Affairs	Net Book Value Amount (\$)
<i>Assets not specifically charged</i>	
Interests in land	-
Sundry debtors	-
Cash on hand	-
Cash at bank	-
Plant and Equipment	25,058
Other assets	-
Assets subject to specific charges	223,504
<b>Total Assets</b>	<b>248,5620</b>
Partly owing to secured creditors	-
Creditors	1,475,080
Contingent liabilities	-
<b>Total Liabilities</b>	<b>1,475,080</b>
<b>Estimated Surplus (deficit)</b>	<b>(1,226,518)</b>

The asset subject to the specific charge is identified as land. We understand that that this land relates to disused timber processing mill in Bombala, NSW. However we understand that this land is not subject to the Banking Syndicate's charge. The directors have not provided a breakdown of the plant and equipment.



Creditors primarily relate to a loan from WFL of \$1,474,581. The remaining balance represents monies owing to Bombala council for unpaid rates and taxes.

## Statutory Investigations

### 1. Solvency Assessment

#### Intercompany Loans

Intercompany loan balances from 30 June 2008 to September 2010 are as follows:

WFP Intercompany Loan Balance	YTD to 6 Sep 10 (\$'000)	FY10 (\$'000)	FY09 (\$'000)	FY08 (\$'000)
Loan from WFL	1,475	1,475	1,429	444

#### Investigations into Insolvency

The Administrators are required to consider the solvency of each entity in the Willmott Group. The Willmott Group entities are interdependent and reliant on the resources of WFL as:

- loans to and from WFL with subsidiaries are ultimately dependent on WFL's capacity to pay;
- WFL's capacity to pay is dependent on its ability to meet its obligations as and when they fall due. As WFL is the main trading entity in the Willmott Group with substantially all of the Willmott Group liabilities, our comments in respect of the solvency of the Willmott Group in the body of the Report apply to WFL;
- all subsidiaries in the Willmott Group are liable for the debt owed to the Banking Syndicate and accordingly are in default.

Based on our preliminary investigations, we believe that the Willmott Group of entities was insolvent from at least 30 June 2010. Refer to section 11.9 of the Report for a detailed discussion on the solvency of the Willmott Group. From our initial review conducted to date, we have not identified any significant factors which would indicate an alternative date of insolvency for WFP. Further investigations shall be conducted should a Liquidator be appointed.

#### Outstanding or previous winding up applications

The Administrators' review of ASIC records did not disclose any winding up applications filed against WFP prior to the appointment of the Administrators.

### 2. Books and Records

Books and records are required to be maintained in accordance with s286 of the Act. Refer to section 11.2 of this Report for further background information in this regard. All books and records of the Willmott Group, including WFP, are maintained on a collective basis. Based on our preliminary investigations, we have not identified any particular breaches of s286 of the Act by WFP or the Willmott Group.

### 3. Potential Liquidator Recoveries – Voidable Transactions

To date, we have only conducted preliminary investigations into the business and affairs of WFP. At this point in time we have not identified any voidable transactions that may be pursued with the aim of recovering funds for the benefit of creditors.

#### **a. Unfair preferences**

We have not identified any unfair preferential payments through our preliminary investigations that may be considered voidable should a Liquidator be appointed to WFP. Please refer to section 11.8.1 for further information in respect of identifying unfair preferences.

#### **b. Uncommercial transactions**

We have not identified any uncommercial transactions through our preliminary investigations that may be considered voidable should a liquidator be appointed. Please refer to section 11.8.2 for further information in respect of identifying uncommercial transactions.

#### **c. Unfair loans**

We have not identified any unfair loans through our preliminary investigations that may be considered voidable should a liquidator be appointed. Whilst it may transpire that some intercompany loans within the Willmott Group are uncommercial, the ability for a Liquidator to recover any such loan given the insolvency of the group would appear remote. In any event a material impact on the creditors is not expected if indeed such unfair loans exist. Please refer to section 11.8.3 for further information in respect of identifying unfair loans.

#### **d. Unreasonable director related transactions**

Our preliminary investigations to date in relation to unreasonable director related transactions have not identified any transactions that a Liquidator could pursue for the benefit of creditors. Further investigations will be conducted should a Liquidator be appointed. Please refer to section 11.8.5 for further information in respect of director related transactions.

#### **e. Voidable charges**

Our preliminary investigations have not identified any voidable charges in relation to WFP.

### **4. Breach of Directors' Duties**

Refer to section 11.10 of this Report for further information in regards to the various duties imposed on directors and their possible defences to any actions taken by a Liquidator. Whilst we have identified certain concerns regarding potential breaches of these statutory duties in regards to the parent entity WFL, investigations are ongoing as to specific breaches of duties by the directors of WFP.

### **5. Report to ASIC**

As Administrators, we are required to complete and lodge a Report with ASIC pursuant to Section 438D of the Act where it appears that a past or present officer of WFP may have been guilty of an offence. From preliminary investigations to date, we have not identified evidence of any breaches of the Act that would require a Report to be lodged with the ASIC in respect of this WFP.

# APPENDIX F6

### WILLMOTT ENERGY PTY LTD (Administrators Appointed) (Receivers and Managers Appointed) (WE)

WE was formed to diversify revenue streams for the Willmott Group through renewable energy opportunities. The business intended to focus on the utilisation of biomass produced from plantation forestry activities, the licensing of ethanol technologies, the production of ethanol and the development of new plantations for carbon sequestration and wood production. The company also owns a 24% holding in Ethanol Technologies Limited (ETL).

#### Statutory Information

WE was incorporated on 19 March 2008 and is 100% owned by WFL.

A historical search of ASIC database as at the date of Administration discloses the following information in relation to WE:

Date of Incorporation	Registered Office	Principal Place of Business
19/03/2008	249 Park Street South Melbourne VIC 3205	249 Park Street South Melbourne VIC 3205

The directors and secretaries of WE are as follows:

Name	Role	Date Appointed	Date Resigned
Marcus Derham	Director	19/03/2008	Current at 06/09/2010
	Secretary	19/03/2008	19/11/2009
Jonathan David Madgwick	Director	19/03/2008	Current at 06/09/2010
Tom Kotsimbos	Director/ Secretary	19/03/2008	19/03/2008
John Hugh Rutledge	Secretary	19/11/2009	9/09/2010

Registered charges over WE are as follows:

Charge	Charge Type	Charge No	Date Registered	Date Created
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767714	20/03/2009	17/03/2009
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767729	20/03/2009	17/03/2009
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767748	20/03/2009	17/03/2009
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767777	20/03/2009	17/03/2009

The fixed and floating charges registered to CBA Corporate Services (NSW) Pty Limited relate to the debt facility provided by the Banking Syndicate.

#### Historical Profit and Loss

Summarised below are the Income Statements for WE for the FYs ended 30 June 2009, 30 June 2010 and for the period 1 July 2010 to 6 September 2010.

#### Profit and Loss / Income statement - WE

	6 September 2010 (Unaudited) (\$'000)	FY10 (Unaudited) (\$'000)	FY09 (Unaudited) (\$'000)
Revenue from ordinary activities	-	-	-
Expense from ordinary activities	-	(269)	(1)
<b>Loss attributable to members of the company</b>	<b>-</b>	<b>(269)</b>	<b>(1)</b>

Although established in March 2008, WE's Financial Statements were first prepared for FY09.

WE has not earned any revenue since its establishment and its expenses comprise the impairment write-down of the ETL investment and consultant's expenses.

### Historical Balance Sheet

Summarised below are WE's Financial Position/Balance Sheet as at 30 June 2008, 30 June 2009, 30 June 2010 and 6 September 2010.

#### Balance Sheet / Financial Position - WE

	YTD to 6 Sep10 (Unaudited) (\$'000)	FY10 (Unaudited) (\$'000)	FY09 (Unaudited) (\$'000)
<b>Non-current assets</b>			
Financial Assets	2,454	2,454	-
<b>Total assets</b>	<b>2,454</b>	<b>2,454</b>	<b>-</b>
<b>Non-current liabilities</b>			
Borrowings	(2,725)	(2,725)	(1)
<b>Total non-current liabilities</b>	<b>(2,725)</b>	<b>(2,725)</b>	<b>(1)</b>
<b>Total liabilities</b>	<b>(2,725)</b>	<b>(2,725)</b>	<b>(1)</b>
<b>Net assets</b>	<b>(271)</b>	<b>(271)</b>	<b>(1)</b>
<b>Equity</b>			
Contributed equity	0	0	0
Accumulated Losses	(271)	(271)	(1)
<b>Total equity</b>	<b>(271)</b>	<b>(271)</b>	<b>(1)</b>

WE's Financial Assets relate to its net investment in ETL.

Borrowings comprise solely of an intercompany loan from WFL.

### Cash Flow

Summarised below are WE's Cashflow Statements for the FYs ended 30 June 2009 and 30 June 2010.

#### Cash Flow - WE

	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)
<b>Cash Flows From Operating Activities</b>		
Payments to suppliers	-	(1)
<b>Net cash provided by/(used in) operating activities</b>	<b>-</b>	<b>(1)</b>
<b>Cash Flows From Investing Activities</b>		
(Payments) for investments	(2,723)	-
<b>Net cash provided by/(used in) investing activities</b>	<b>(2,723)</b>	<b>-</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from issue of shares	-	0
Proceeds from borrowings	2,723	1
<b>Net cash provided by/(used in) financing activities</b>	<b>2,723</b>	<b>1</b>
<b>Net increase/(decrease) in cash held</b>	<b>-</b>	<b>-</b>
Cash at beginning of year	-	-
<b>Cash at end of year</b>	<b>-</b>	<b>-</b>

## Directors Report as to Affairs

Upon the appointment of an Administrator, s438B of the Act requires the directors to provide a RATA outlining the financial circumstances of the company concerned, including net book values, estimated realisable values and all known assets and liabilities. A RATA was provided by the directors on 24 November 2010.

Directors Report as to Affairs	Net Book Value Amount (\$)
<i>Assets not specifically charged</i>	
Interests in land	-
Sundry debtors	-
Cash on hand	-
Cash at bank	-
Plant and Equipment	-
Other assets	2,454,011
<b>Total Assets</b>	<b>2,454,011</b>
Partly owing to secured creditors	-
Creditors	2,724,738
Contingent liabilities	-
<b>Total Liabilities</b>	<b>2,724,738</b>
<b>Estimated Surplus (deficit)</b>	<b>(270,727)</b>

Other assets include a shareholding in ETL, which totals \$2.4 million after an impairment charge of \$269,000.

An intercompany loan provided by WFL is the WE's only creditor.

## Statutory Investigations

### 1. Solvency Assessment

#### Intercompany Loans

Intercompany loan balances from 30 June 2009 to September 2010 are as follows:

WE Intercompany Loan	YTD to 6 Sep10 (\$'000)	FY10 (\$'000)	FY09 (\$'000)	FY08 (\$'000)
Balance				
Loan from WFL	2,725	2,725	1	Entity did not exist

## Outstanding or previous winding up applications

The Administrators' review of ASIC records did not disclose any winding up applications filed against WE prior to the appointment of the Administrators.

## Investigations into Insolvency

The Administrators are required to consider the solvency of each entity in the Willmott Group. The Willmott Group entities are interdependent and reliant on the resources of WFL as:

- loans to and from WFL with subsidiaries are ultimately dependent on WFL's capacity to pay;
- WFL's capacity to pay is dependent on its ability to meet its obligations as and when they fall due. As WFL is the main trading entity in the Willmott Group with substantially all of the Willmott Group liabilities, our comments in respect of the solvency of the Willmott Group in the body of the Report apply to WFL;

- all subsidiaries in the Willmott Group are liable for the debt owed to the Banking Syndicate and accordingly are in default.

Based on our preliminary investigations, we believe that the Willmott Group of entities was insolvent from at least 30 June 2010. Refer to section 11.9 of the Report for a detailed discussion on the solvency of the Willmott Group. From our initial review conducted to date, we have not identified any significant factors which would indicate an alternative date of insolvency for WE, noting that it was incorporated in March 2008. Further investigations shall be conducted should a Liquidator be appointed.

## **2. Books and Records**

Books and records are required to be maintained in accordance with s286 of the Act. Refer to section 11.2 of this Report for further background information in this regard. All books and records of the Willmott Group, including WE, are maintained on a collective basis. Based on our preliminary investigations, we have not identified any particular breaches of s286 of the Act by WE or the Willmott Group.

## **3. Potential Liquidator Recoveries – Voidable Transactions**

To date, we have only conducted preliminary investigations into the business and affairs of WE. At this point in time we have not identified any voidable transactions that may be pursued with the aim of recovering funds for the benefit of creditors.

### **a. Unfair preferences**

We have not identified any unfair preferential payments through our preliminary investigations that may be considered voidable should a Liquidator be appointed to WE. Please refer to section 11.8.1 for further information in respect of identifying unfair preferences.

### **b. Uncommercial transactions**

We have not identified any uncommercial transactions through our preliminary investigations that may be considered voidable should a liquidator be appointed. Please refer to section 11.8.2 for further information in respect of identifying uncommercial transactions.

### **c. Unfair loans**

We have not identified any unfair loans through our preliminary investigations that may be considered voidable should a liquidator be appointed. Whilst it may transpire that some intercompany loans within the Willmott Group are uncommercial, the ability for a Liquidator to recover any such loan given the insolvency of the group would appear remote. In any event a material impact on the creditors is not expected if indeed such unfair loans exist. Please refer to section 11.8.3 for further information in respect of identifying unfair loans.

### **d. Unreasonable director related transactions**

Our preliminary investigations to date in relation to unreasonable director related transactions have not identified any transactions that a Liquidator could pursue for the benefit of creditors. Further investigations will be conducted should a Liquidator be appointed. Please refer to section 11.8.5 for further information in respect of director related transactions.

### **e. Voidable charges**

Our preliminary investigations have not identified any voidable charges in relation to WE.

#### **4. Breach of Directors' Duties**

Refer to section 11.10 of this Report for further information in regards to the various duties imposed on directors and their possible defences to any actions taken by a Liquidator. Whilst we have identified certain concerns regarding potential breaches of these statutory duties in regards to the parent entity WFL, investigations are ongoing as to specific breaches of duties by the directors of WE.

#### **5. Report to ASIC**

As Administrators, we are required to complete and lodge a Report with ASIC pursuant to Section 438D of the Act where it appears that a past or present officer of WE may have been guilty of an offence. From preliminary investigations to date, we have not identified evidence of any breaches of the Act that would require a Report to be lodged with the ASIC in respect of WE.



# APPENDIX F7

### WILLMOTT NOTES PTY LTD (Administrators Appointed) (Receivers and Managers Appointed) (WN)

WN is solely involved with the Willmott Group's financing activities and primarily acted as an intermediary entity between WS and WFL for the transfer of funds borrowed for legal and tax reasons.

#### Statutory Information

WN was incorporated on 16 January 2009 and is 100% owned by WFL.

A historical search of ASIC database as at the date of Administration discloses the following information in relation to WN:

Date of Incorporation	Registered Office	Principal Place of Business
16/01/2009	249 Park Street South Melbourne VIC 3205	249 Park Street South Melbourne VIC 3205

WN's Directors are listed as follows:

Director Name	Role	Date Appointed	Date Resigned
Marcus Derham	Director/Secretary	16/01/2009	Current as at 6/09/2010
Tom Kotsimbos	Director/ Secretary	16/01/2009	16/01/2009

Registered charges over WN are as follows:

Charge	Charge Type	Charge No	Date Registered	Date Created
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767720	20/03/2009	16/03/2009
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767767	20/03/2009	17/03/2009

The fixed and floating charges registered to CBA Corporate Services (NSW) Pty Limited relate to the debt facility provided by the Banking Syndicate.

#### Historical Profit and Loss

Summarised below are the Income Statements for WN for the FYs ended 30 June 2009, 30 June 2010 and for the period 1 July 2010 to 6 September 2010.

#### Profit and Loss / Income statement - WN

	6 September 2010 (Unaudited) ('000)	30 June 2010 (Unaudited) ('000)	30 June 2009 (Audited) ('000)
Revenue from ordinary activities	-	-	-
Bank Charges	(0)	(0)	(0)
Licence fee	-	(0)	-
<b>Loss attributable to members of the company</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>

WN was established in January 2009 to facilitate the Willmott Group's funding from it's Banking Syndicate. WN does not earn any revenue whilst its expenses relate to Bank charges and a licence fee. However, we note that WN holds significant assets and liabilities which would, on a commercial basis, earn interest income and incur interest expense. Potentially these items should be reflected in WN's Accounts. As they are not, the Accounts may be incorrect or the underlying assets/liabilities are held on an uncommercial basis.

## Historical Balance Sheet

Summarised below are WN's Financial Position/Balance Sheet as at 30 June 2009, 30 June 2010 and 6 September 2010.

### Balance Sheet / Financial Position – WN

	YTD 6 Sep 2010 (Unaudited) (\$'000)	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)
<b>Current assets</b>			
Cash and cash equivalents	0	0	0
<b>Total current assets</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Non-current assets</b>			
Other assets	120,000	113,000	87,000
Prepayments	0	-	-
<b>Total non-current assets</b>	<b>120,000</b>	<b>113,000</b>	<b>87,000</b>
<b>Total assets</b>	<b>120,000</b>	<b>113,000</b>	<b>87,000</b>
<b>Non-current liabilities</b>			
Borrowings	120,000	113,000	87,000
<b>Total non-current liabilities</b>	<b>120,000</b>	<b>113,000</b>	<b>87,000</b>
<b>Total liabilities</b>	<b>120,000</b>	<b>113,000</b>	<b>87,000</b>
<b>Net assets</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>
<b>Equity</b>			
Contributed equity	0	0	0
Accumulated Losses	(0)	(0)	(0)
<b>Total equity</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>

WN's Other Assets consist of an intercompany loan to WFL.

Borrowings comprise of an inter-company loan (debentures) from WS.

## Cash Flow

Summarised below are WN's Cashflow Statements for the FYs ended 30 June 2009 and 30 June 2010.

### Cash Flow - WN

	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)
<b>Cash Flows From Operating Activities</b>		
Payments to suppliers	(0)	(0)
<b>Net cash provided by/(used in) operating activities</b>	<b>(0)</b>	<b>(0)</b>
<b>Cash Flows From Investing Activities</b>		
Payments for property, plant & equipment	-	-
<b>Net cash provided by/(used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from issue of shares	-	0
Loan from fellow subsidiary	26,000	87,000
Loan to parent company	(26,000)	(86,999)
<b>Net cash provided by/(used in) financing activities</b>	<b>0</b>	<b>1</b>
<b>Net increase/(decrease) in cash held</b>	<b>0</b>	<b>0</b>
Cash at beginning of year	0	-
<b>Cash at end of year</b>	<b>0</b>	<b>0</b>

### Directors Report as to Affairs

Upon the appointment of an Administrator, s438B of the Act requires the directors to provide a RATA outlining the financial circumstances of the company concerned, including net book values, estimated realisable values and all known assets and liabilities. A RATA was provided by the directors on 24 November 2010.

Directors Report as to Affairs	Net Book Value Amount (\$)
<i>Assets not specifically charged</i>	
Interests in land	-
Sundry debtors	119,999,138
Cash on hand	
Cash at bank	110
Plant and Equipment	
Other assets	550
<b>Total Assets</b>	<b>119,999,798</b>
Partly owing to secured creditors	-
Creditors	120,000,000
Contingent liabilities	-
<b>Total Liabilities</b>	<b>120,000,000</b>
<b>Estimated Surplus (deficit)</b>	<b>(202)</b>

Sundry debtors represent an intercompany loan to WFL. Other assets reflect the formation expenses of the company which is unlikely to have any realisable value.

The creditor balance represents the amount owing to WS.

## Statutory Investigations

### 1. Solvency Assessment

#### Intercompany Loans

Intercompany loan balances from 30 June 2009 to 6 September 2010 are outlined in the table below.

WN Intercompany Loan Balance	YTD 6 Sep 2010 (\$'000)	FY10 (\$'000)	FY09 (\$'000)
Loan to WFL	119,999	112,999	86,999
Debentures - WS	120,000	113,000	87,000

#### Investigations into Insolvency

The Administrators are required to consider the solvency of each entity in the Willmott Group. The Willmott Group entities are interdependent and reliant on the resources of WFL as:

- loans to and from WFL with subsidiaries are ultimately dependent on WFL's capacity to pay;
- WFL's capacity to pay is dependent on its ability to meet its obligations as and when they fall due. As WFL is the main trading entity in the Willmott Group with substantially all of the Willmott Group liabilities, our comments in respect of the solvency of the Willmott Group in the body of the Report apply to WFL;
- all subsidiaries in the Willmott Group are liable for the debt owed to the Banking Syndicate and accordingly are in default.

Based on our preliminary investigations, we believe that the Willmott Group of entities was insolvent from at least 30 June 2010. Refer to section 11.9 of the Report for a detailed discussion on the solvency of the Willmott Group. From our initial review conducted to date, we have not identified any significant factors which would indicate an alternative date of insolvency for WN, noting that it was incorporated in January 2009. Further investigations shall be conducted

#### Outstanding or previous winding up applications

The Administrators' review of ASIC records did not disclose any winding up applications filed against WN prior to the appointment of the Administrators.

### 2. Books and Records

Books and records are required to be maintained in accordance with s286 of the Act. Refer to section 11.2 of this Report for further background information in this regard. All books and records of the Willmott Group, including WN, are maintained on a collective basis. Based on our preliminary investigations, we have not identified any particular breaches of s286 of the Act by WN or the Willmott Group.

### 3. Potential Liquidator Recoveries – Voidable Transactions

To date, we have only conducted preliminary investigations into the business and affairs of WN. At this point in time we have not identified any voidable transactions that may be pursued with the aim of recovering funds for the benefit of creditors.

#### a. Unfair preferences

We have not identified any unfair preferential payments through our preliminary investigations that may be considered voidable should a Liquidator be appointed to WN. Please refer to section 11.8.1 for further information in respect of identifying unfair preferences.

#### **b. Uncommercial transactions**

We have not identified any uncommercial transactions through our preliminary investigations that may be considered voidable should a liquidator be appointed. Please refer to section 11.8.2 for further information in respect of identifying uncommercial transactions.

#### **c. Unfair loans**

We have not identified any unfair loans through our preliminary investigations that may be considered voidable should a liquidator be appointed. Whilst it may transpire that some intercompany loans within the Willmott Group are uncommercial, the ability for a Liquidator to recover any such loan given the insolvency of the group would appear remote. In any event a material impact on the creditors is not expected if indeed such unfair loans exist. Please refer to section 11.8.3 for further information in respect of identifying unfair loans.

#### **d. Unreasonable director related transactions**

Our preliminary investigations to date in relation to unreasonable director related transactions have not identified any transactions that a Liquidator could pursue for the benefit of creditors. Further investigations will be conducted should a Liquidator be appointed. Please refer to section 11.8.5 for further information in respect of director related transactions.

#### **e. Voidable charges**

Our preliminary investigations have not identified any voidable charges in relation to WN.

### **4. Breach of Directors' Duties**

Refer to section 11.10 of this Report for further information in regards to the various duties imposed on directors and their possible defences to any actions taken by a Liquidator. Whilst we have identified certain concerns regarding potential breaches of these statutory duties in regards to the parent entity WFL, investigations are ongoing as to specific breaches of duties by the directors of WN.

### **5. Report to ASIC**

As Administrators, we are required to complete and lodge a Report with ASIC pursuant to Section 438D of the Act where it appears that a past or present officer of WN may have been guilty of an offence. From preliminary investigations to date, we have not identified evidence of any breaches of the Act that would require a Report to be lodged with the ASIC in respect of WN.

# APPENDIX F8

### WILLMOTT SUBSCRIBER PTY LTD (Administrators Appointed) (Receivers and Managers Appointed) (WS)

WS was involved with the financing activities of the Willmott Group and is the primary borrower of funds from the Banking Syndicate. WS generally then transferred the funds through WN which in turn transferred funds through to WFL or other Willmott Group entities.

#### Statutory Information

WS was incorporated on 16 January 2009 and is 100% owned by WFL.

A historical search of ASIC database as at the date of Administration discloses the following information in relation to WS:

Date of Incorporation	Registered Office	Principal Place of Business
16/01/2009	249 Park Street South Melbourne VIC 3205	249 Park Street South Melbourne VIC 3205

WS' Directors are listed as follows:

Director Name	Role	Date Appointed	Date Resigned
Marcus Derham	Director/Secretary	16/01/2009	Current at 06/09/2010
Tom Kotsimbos	Director/ Secretary	16/01/2009	16/01/2009

Registered charges over WS are as follows:

Charge	Charge Type	Charge No	Date Registered	Date Created
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767722	20/03/2009	16/03/2009

The fixed and floating charges registered to CBA Corporate Services (NSW) Pty Limited relate to the debt facility provided by the Banking Syndicate.

#### Historical Profit and Loss

Summarised below are the Income Statements for WS for the FYs ended 30 June 2009, 30 June 2010 and for the period 1 July 2010 to 6 September 2010.

#### Profit and Loss / Income statement - WS

	6 September10 (Unaudited) (\$'000)	30 June 2010 (Unaudited) (\$'000)	30 June 2009 (Audited) (\$'000)
Revenue from ordinary activities	-	-	-
Finance cost expense	(0)	(0)	(0)
Filing cost	-	(0)	-
<b>Loss attributable to members of the company</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>

WS Accounts indicate that it does not actively trade, employ or earn revenue. However, we note that WS holds significant assets and liabilities which would, on a commercial basis, earn interest income and incur interest expense. Potentially these items should be reflected in WS' Accounts. As they are not, the Accounts may be incorrect or the underlying assets/liabilities are held on an uncommercial basis.



## Historical Balance Sheet

Summarised below are WS's Financial Position/Balance Sheet as at 30 June 2009, 30 June 2010 and 6 September 2010.

### Balance Sheet / Financial Position - WS

	Notes	YTD 6 Sep10 (Unaudited) (\$'000)	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)
<b>Current assets</b>				
Cash and cash equivalents		1	1	-
Trade and other receivables	a)	(2)	-	-
<b>Total current assets</b>		<b>(1)</b>	<b>1</b>	<b>-</b>
<b>Non-current assets</b>				
Investment	b)	120,000	113,000	87,000
Formation expenses		1	1	1
<b>Total non-current assets</b>		<b>120,001</b>	<b>113,001</b>	<b>87,001</b>
<b>Total assets</b>		<b>120,000</b>	<b>113,002</b>	<b>87,001</b>
<b>Current liabilities</b>				
Borrowings		-	33,000	-
<b>Total non-current liabilities</b>				
liabilities		-	33,000	-
<b>Non-current liabilities</b>				
Borrowings	c)	120,000	80,002	87,001
<b>Total non-current liabilities</b>		<b>120,000</b>	<b>80,002</b>	<b>87,001</b>
<b>Total liabilities</b>		<b>120,000</b>	<b>113,002</b>	<b>87,001</b>
<b>Net assets</b>		<b>(0)</b>	<b>(0)</b>	<b>0</b>
<b>Equity</b>				
Contributed equity		0	0	0
Accumulated Losses		(0)	(0)	(0)
<b>Total equity</b>		<b>(0)</b>	<b>(0)</b>	<b>0</b>

### Notes

- a) Trade and other receivables as at 6 September 2010 comprise of a \$1,714 intercompany loan from WFL.
- b) Investment represents WN debentures (essentially an intercompany loan to WN).
- c) Borrowings represent loans from the Banking Syndicate under the syndicated debt facilities and a loan from WFL of \$1,714 and \$650 in FY10 and FY09 respectively.

## Cash Flow

Summarised below are WS's Cashflow Statements for the FYs ended 30 June 2009 and 30 June 2010.

### Cash Flow - WS

	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)
<b>Cash Flows From Operating Activities</b>		
Payments to suppliers	-	1
<b>Net cash provided by/(used in) operating activities</b>	-	1
<b>Cash Flows From Investing Activities</b>		
Payments for property, plant & equipment	-	-
<b>Net cash provided by/(used in) investing activities</b>	-	-
<b>Cash Flows From Financing Activities</b>		
Proceeds from issue of shares	-	-
Proceeds from borrowings	26,000	87,000
Loan – Parent Company	1	1
Loan to fellow subsidiary	(26,000)	(87,000)
<b>Net cash provided by/(used in) financing activities</b>	<b>1</b>	<b>1</b>
<b>Net increase/(decrease) in cash held</b>	<b>1</b>	<b>0</b>
Cash at beginning of year	0	-
<b>Cash at end of year</b>	<b>1</b>	<b>0</b>

### Directors Report as to Affairs

Upon the appointment of an Administrator, s438B of the Act requires the directors to provide a RATA outlining the financial circumstances of the company concerned, including net book values, estimated realisable values and all known assets and liabilities. A RATA was provided by the directors on 24 November 2010.

Directors Report as to Affairs	Net Book Value Amount (\$)
<i>Assets not specifically charged</i>	
Interests in land	-
Sundry debtors	-
Cash on hand	957
Cash at bank	-
Plant and Equipment	-
Other assets	120,000,550
<b>Total Assets</b>	<b>120,001,507</b>
Partly owing to secured creditors	120,000,000
Creditors	1,714
Contingent liabilities	-
<b>Total Liabilities</b>	<b>120,001,714</b>
<b>Estimated Surplus (deficit)</b>	<b>(207)</b>

The directors have advised that WS has an intercompany loan described as deferred debentures with WN to the amount of \$120,000,000. The remaining \$550 represents a loan in relation to WS's formation expenses.

The Banking Syndicate holds security for the loan over WS and the Willmott Group entities.

Aside from the Banking Syndicate, WS's only other creditor is WFL for an intercompany loan amount of \$1,714.

## Statutory Investigations

### 1. Solvency Assessment

#### Intercompany Loans

Intercompany loan balances from 30 June 2009 to September 2010 are as follows:

WS Intercompany Loan Balance	6 September10 (\$'000)	30 June 2010 (\$'000)	30 June 2009 (\$'000)
Loan from WFL	2	2	0
Loan to WN	120,000	113,000	87,000

#### Investigations into Insolvency

The Administrators are required to consider the solvency of each entity in the Willmott Group. The Willmott Group entities are interdependent and reliant on the resources of WFL as:

- loans to and from WFL with subsidiaries are ultimately dependent on WFL's capacity to pay;
- WFL's capacity to pay is dependent on its ability to meet its obligations as and when they fall due. As WFL is the main trading entity in the Willmott Group with substantially all of the Willmott Group liabilities, our comments in respect of the solvency of the Willmott Group in the body of the Report apply to WFL;
- all subsidiaries in the Willmott Group are liable for the debt owed to the Banking Syndicate and accordingly are in default.

Based on our preliminary investigations, we believe that the Willmott Group of entities was insolvent from at least 30 June 2010. Refer to section 11.9 of the Report for a detailed discussion on the solvency of the Willmott Group. From our initial review conducted to date, we have not identified any significant factors which would indicate an alternative date of insolvency for WS, noting that it was incorporated in January 2009. Further investigations shall be conducted should a Liquidator be appointed.

#### Outstanding or previous winding up applications

The Administrators' review of ASIC records did not disclose any winding up applications filed against WS prior to the appointment of the Administrators.

### 2. Books and Records

Books and records are required to be maintained in accordance with s286 of the Act. Refer to section 11.2 of this Report for further background information in this regard. All books and records of the Willmott Group, including WS, are maintained on a collective basis. Based on our preliminary investigations, we have not identified any particular breaches of s286 of the Act by the WS or the Willmott Group.

### 3. Potential Liquidator Recoveries – Voidable Transactions

To date, we have only conducted preliminary investigations into the business and affairs of WS. At this point in time we have not identified any voidable transactions that may be pursued with the aim of recovering funds for the benefit of creditors.

#### a. Unfair preferences

We have not identified any unfair preferential payments through our preliminary investigations that may be considered voidable should a Liquidator be appointed to WS. Please refer to section 11.8.1 for further information in respect of identifying unfair preferences.

#### **b. Uncommercial transactions**

We have not identified any uncommercial transactions through our preliminary investigations that may be considered voidable should a liquidator be appointed. Please refer to section 11.8.2 for further information in respect of identifying uncommercial transactions.

#### **c. Unfair loans**

We have not identified any unfair loans through our preliminary investigations that may be considered voidable should a liquidator be appointed. Whilst it may transpire that some intercompany loans within the Willmott Group are uncommercial, the ability for a Liquidator to recover any such loan given the insolvency of the group would appear remote. In any event a material impact on the creditors is not expected if indeed such unfair loans exist. Please refer to section 11.8.3 for further information in respect of identifying unfair loans.

#### **d. Unreasonable director related transactions**

Our preliminary investigations to date in relation to unreasonable director related transactions have not identified any transactions that a Liquidator could pursue for the benefit of creditors. Further investigations will be conducted should a Liquidator be appointed. Please refer to section 11.8.5 for further information in respect of director related transactions.

#### **e. Voidable charges**

Our preliminary investigations have not identified any voidable charges in relation to WS.

### **4. Breach of Directors' Duties**

Refer to section 11.10 of this Report for further information in regards to the various duties imposed on directors and their possible defences to any actions taken by a Liquidator. Whilst we have identified certain concerns regarding potential breaches of these statutory duties in regards to the parent entity WFL, investigations are ongoing as to specific breaches of duties by the directors of WS.

### **5. Report to ASIC**

As Administrators, we are required to complete and lodge a Report with ASIC pursuant to Section 438D of the Act where it appears that a past or present officer of WS may have been guilty of an offence. From preliminary investigations to date, we have not identified evidence of any breaches of the Act that would require a Report to be lodged with the ASIC in respect of WS.

# APPENDIX F9

### **BIOENERGY AUSTRALIA PTY LTD (Administrators Appointed) (Receivers and Managers Appointed) (BEA)**

BEA was acquired by WFL in April 2008 and dealt in the marketing, development and management of a number of forestry plantation assets. Prior to acquisition, BEA previously acted as RE / Manager / Trustee over a number of Schemes. This role was subsequently taken over by WFL following acquisition.

#### **Statutory Information**

BEA was incorporated as a public company known as Bioforest Limited on 27 March 2001. On 1 February 2002, the company changed its name to Bioenergy Australia Limited. On 28 June 2008 the company changed to a proprietary company known as BEA.

BEA is 100% owned by WFL.

A historical search of ASIC database as at the date of Administration discloses the following information in relation to BEA:

<b>Date of Incorporation</b>	<b>Registered Office</b>	<b>Principal Place of Business</b>
27/03/2001	249 Park Street South Melbourne VIC 3205	249 Park Street South Melbourne VIC 3205

BEA's Directors are listed as follows:

<b>Director Name</b>	<b>Role</b>	<b>Date Appointed</b>	<b>Date Resigned</b>
Jonathan David Madgwick	Director	13/03/2007	Current at 06/09/2010
Marcus Derham	Director	18/04/2007	Current at 06/09/2010
David Alan Smith	Director	13/03/2007	1/09/2009
Ian Richard Bond	Director	23/10/2007	12/03/2009
Simon Mark Ackland	Director	17/01/2003	30/04/2008
Clifford Anthony Peiffer	Director	26/03/2001	5/09/2007
Richard Finlay-Jones	Director	1/01/2006	13/03/2007
Dennis Leslie Wilkie	Director	1/10/2005	21/11/2006
Harold Thomas Weir	Director	16/07/2002	1/08/2005
Richard Jonathan Beresford	Director	16/01/2002	26/11/2004
Michael Alexander Grant	Director	7/06/2001	9/09/2002
Christopher John Borough	Director	26/03/2001	12/07/2002
Didier Marcel Murcia	Director	26/03/2001	4/06/2002
John Hugh Rutledge	Secretary	02/11/2009	09/09/2010
Betty Warner-Lehman	Secretary	20/06/2007	02/11/2009
Colin Sargent	Secretary	12/04/2006	20/06/2007
Simon Mark Ackland	Secretary	20/09/2004	12/04/2006
Stephen Wayne Randell	Secretary	29/01/2003	20/09/2004
Emma Jane Elizabeth Pugsley	Secretary	12/03/2002	30/01/2003
Clifford Anthony Peiffer	Secretary	26/03/2001	12/03/2002

Registered charges over BEA are as follows:

<b>Charge</b>	<b>Charge Type</b>	<b>Charge No</b>	<b>Date Registered</b>	<b>Date Created</b>
Willmott Forests Limited	Fixed & Floating	1409020	24/01/2007	13/12/2006
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767713	20/03/2009	17/03/2009
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767726	20/03/2009	17/03/2009
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767746	20/03/2009	17/03/2009
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767765	20/03/2009	17/03/2009

The fixed and floating charges registered to CBA Corporate Services (NSW) Pty Limited relate to the debt facility provided by the Banking Syndicate.

### Historical Profit and Loss

Summarised below are the Income Statements for BEA for the FYs ended 30 June 2008, 30 June 2009, 30 June 2010 and for the period 1 July 2010 to 6 September 2010.

#### Profit and Loss / Income statement – BEA

	YTD 6 Sep10 (Unaudited) (\$'000)	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)	FY08 (Audited) (\$'000)
Continuing operations				
Revenue from ordinary activities	-	-	24,068	7,162
Personnel expenses	-	(1)	(131)	(459)
Consultancy expenses	-	-	-	(178)
Borrowing costs	-	-	-	(736)
Timberlot marketing expenses	-	-	-	(2)
Depreciation and amortisation	-	-	(7)	(7)
Property expense	-	-	-	(35)
Impairment on investment in subsidiary	-	(131)	-	-
Insurance expense	-	-	-	(37)
Forest management expense	-	-	(26,721)	(14)
Other expenses from ordinary activities	(0)	(0)	(12)	(147)
<b>Profit before income tax expense</b>	<b>(0)</b>	<b>(132)</b>	<b>(2,802)</b>	<b>5,547</b>
Income tax (expense)/revenue	-	4	833	(1,760)
<b>Profit attributable to members of the Company</b>	<b>(0)</b>	<b>(128)</b>	<b>(1,969)</b>	<b>3,786</b>

Revenue from ordinary activities represents management and licence fees, plantation and establishment fees, maintenance fees, interest and other revenue.

BEA became a non-trading entity when WFL took control of BEA's operations in FY09.

## Historical Balance Sheet

Summarised below are BEA's Financial Position/Balance Sheet as at 30 June 2008, 30 June 2009, 30 June 2010 and 6 September 2010.

### Balance Sheet / Financial Position - BEA

	YTD 6 Sep10 (Unaudited) (\$'000)	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)	FY08 (Audited) (\$'000)
<b>Current assets</b>				
Cash and cash equivalents	2	2	1	79
Trade and other receivables	2,041	2,041	2,029	15,575
Deferred tax asset	-	-	1	-
Prepayments	-	-	-	-
<b>Total current assets</b>	<b>2,043</b>	<b>2,043</b>	<b>2,031</b>	<b>15,654</b>
<b>Non-current assets</b>				
Shares in subsidiary	-	3,369	3,500	-
Financial Assets	3,500	-	-	3,500
Property Plant and Equipment	-	-	-	42
Biological assets	-	-	-	30
Deferred tax assets	-	-	9	-
<b>Total non-current assets</b>	<b>3,500</b>	<b>3,369</b>	<b>3,509</b>	<b>3,572</b>
<b>Total assets</b>	<b>5,543</b>	<b>5,412</b>	<b>5,540</b>	<b>19,226</b>
<b>Current liabilities</b>				
Payables	-	-	-	859
Borrowings	-	-	-	9,526
Provisions	-	-	-	1,332
<b>Total current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,717</b>
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,717</b>
<b>Net assets</b>	<b>5,543</b>	<b>5,412</b>	<b>5,540</b>	<b>7,509</b>
<b>Equity</b>				
Contributed equity	5,540	5,540	5,540	5,540
Accumulated Losses	3	(128)	-	1,969
<b>Total equity</b>	<b>5,543</b>	<b>5,412</b>	<b>5,540</b>	<b>7,509</b>

Trade and other receivables represent an inter-company loan to WFL.

BEA is the parent entity of BIO (refer to Appendix F10). The Financial Asset in the unaudited management accounts as at 6 September 2010 represents BEA's investment of \$3.5m in BIO. Given the current external administration of the Willmott Group this amount is likely to be materially overstated.



## Cash Flow

Summarised below are BEA's Cashflow Statements for the FYs ended 30 June 2008, 30 June 2009, and 30 June 2010.

### Cash Flow - BEA

	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)	FY08 (Audited) (\$'000)
<b>Cash Flows From Operating Activities</b>			
Receipts from customers	-	31,955	2,345
Interest received	-	-	4
Payments to suppliers & employees	(1)	(27,715)	(1,025)
Borrowing costs expense	-	-	(736)
Income tax refund / (paid)	13	(508)	(497)
<b>Net cash provided by/(used in) operating activities</b>	<b>13</b>	<b>3,733</b>	<b>91</b>
<b>Cash Flows From Investing Activities</b>			
Proceeds from sales of non-current assets	-	26	-
Payments for property, plant & equipment	-	-	-
Realisation from/(payment for) investments	-	30	(3,500)
<b>Net cash provided by/(used in) operating activities</b>	<b>-</b>	<b>57</b>	<b>(3,500)</b>
<b>Cash Flows From Financing Activities</b>			
Proceeds from/(repayment of) borrowings	(12)	(3,867)	3,456
<b>Net cash provided by/(used in) financing activities</b>	<b>(11)</b>	<b>(3,867)</b>	<b>3,456</b>
<b>Net increase/(decrease) in cash held</b>	<b>1</b>	<b>(78)</b>	<b>48</b>
Cash at beginning of year	1	79	31
<b>Cash at end of year</b>	<b>2</b>	<b>1</b>	<b>79</b>

### Directors Report as to Affairs

Upon the appointment of an Administrator, s438B of the Act requires the directors to provide a RATA outlining the financial circumstances of the company concerned, including net book values, estimated realisable values and all known assets and liabilities. A RATA was provided by the directors on 24 November 2010, however estimated realisable values were not provided.

Directors Report as to Affairs	Net Book Value Amount (\$)
<i>Assets not specifically charged</i>	
Interests in land	-
Sundry debtors	2,041,141
Cash on hand	-
Cash at bank	1,813
Plant and Equipment	-
Other assets	3,500,001
<b>Total Assets</b>	<b>5,542,955</b>
Partly owing to secured creditors	-
Creditors	-
Contingent liabilities	-
<b>Total Liabilities</b>	<b>-</b>
<b>Estimated Surplus (deficit)</b>	<b>5,542,955</b>

The Sundry Debtors represents an intercompany loan with WFL. Other Assets relate to shares held in BEA's subsidiary BIO. Given the external administration of the Willmott Group the estimated realisable value of these shares is likely to be nil.

## Statutory Investigations

### 1. Solvency Assessment

#### Intercompany Loans

Intercompany loan balances from 30 June 2008 to September 2010 are as follows:

<b>BEA Intercompany Loan Balance</b>	<b>YTD 6 Sep10 (\$'000)</b>	<b>FY10 (\$'000)</b>	<b>FY09 (\$'000)</b>	<b>FY08 (\$'000)</b>
Loan to BEA	2,041	2,041	2,029	7,688
Loan from WFL	-	-	-	9,526

#### Investigations into Insolvency

The Administrators are required to consider the solvency of each entity in the Willmott Group. The Willmott Group entities are interdependent and reliant on the resources of WFL as:

- loans to and from WFL with subsidiaries are ultimately dependent on WFL's capacity to pay;
- WFL's capacity to pay is dependent on its ability to meet its obligations as and when they fall due. As WFL is the main trading entity in the Willmott Group with substantially all of the Willmott Group liabilities, our comments in respect of the solvency of the Willmott Group in the body of the Report apply to WFL;
- all subsidiaries in the Willmott Group are liable for the debt owed to the Banking Syndicate and accordingly are in default.

Based on our preliminary investigations, we believe that the Willmott Group of entities was insolvent from at least 30 June 2010. Refer to section 11.9 of the Report for a detailed discussion on the solvency of the Willmott Group. From our initial review conducted to date, we have not identified any significant factors which would indicate an alternative date of insolvency for BEA. Further investigations shall be conducted should a Liquidator be appointed.

#### Outstanding or previous winding up applications

The Administrators' review of ASIC records did not disclose any winding up applications filed against BEA prior to the appointment of the Administrators.

### 2. Books and Records

Books and records are required to be maintained in accordance with s286 of the Act. Refer to section 11.2 of this Report for further background information in this regard. All books and records of the Willmott Group, including BEA, are maintained on a collective basis. Based on our preliminary investigations, we have not identified any particular breaches of s286 of the Act by the BEA or the Willmott Group.

### 3. Potential Liquidator Recoveries – Voidable Transactions

To date, we have only conducted preliminary investigations into the business and affairs of BEA. At this point in time we have not identified any voidable transactions that may be pursued with the aim of recovering funds for the benefit of creditors.

#### a. Unfair preferences

We have not identified any unfair preferential payments through our preliminary investigations that may be considered voidable should a Liquidator be appointed to BEA. Please refer to section 11.8.1 for further information in respect of identifying unfair preferences.

#### **b. Uncommercial transactions**

We have not identified any uncommercial transactions through our preliminary investigations that may be considered voidable should a liquidator be appointed. Please refer to section 11.8.2 for further information in respect of identifying uncommercial transactions.

#### **c. Unfair loans**

We have not identified any unfair loans through our preliminary investigations that may be considered voidable should a liquidator be appointed. Whilst it may transpire that some intercompany loans within the Willmott Group are uncommercial, the ability for a Liquidator to recover any such loan given the insolvency of the group would appear remote. In any event a material impact on the creditors is not expected if indeed such unfair loans exist. Please refer to section 11.8.3 for further information in respect of identifying unfair loans.

#### **d. Unreasonable Director related transactions**

Our preliminary investigations to date in relation to unreasonable director related transactions have not identified any transactions that a Liquidator could pursue for the benefit of creditors. Further investigations will be conducted should a Liquidator be appointed. Please refer to section 11.8.5 for further information in respect of director related transactions.

#### **e. Voidable charges**

Our preliminary investigations have not identified any voidable charges in relation to BEA.

### **4. Breach of Directors' Duties**

Refer to section 11.10 of this Report for further information in regards to the various duties imposed on directors and their possible defences to any actions taken by a Liquidator. Whilst we have identified certain concerns regarding potential breaches of these statutory duties in regards to the parent entity WFL, investigations are ongoing as to specific breaches of duties by the directors of BEA.

### **5. Report to ASIC**

As Administrators, we are required to complete and lodge a Report with ASIC pursuant to Section 438D of the Act where it appears that a past or present officer of BEA may have been guilty of an offence. From preliminary investigations to date, we have not identified evidence of any breaches of the Act that would require a Report to be lodged with the ASIC in respect of BEA.

# APPENDIX F10

### **BIOFOREST LTD (Administrators Appointed) (Receivers and Managers Appointed) (BIO)**

BIO is a wholly owned subsidiary of BEA. It was the RE of the BioForest Dual Income Project 2006 dealing with Silky Oak and She Oak plantations until this role was replaced by WFL upon acquisition of BIO. The principal activity of the company in its current form is the marketing, development and management of a limited number of dual species forestry plantations.

### **Statutory Information**

BIO was incorporated on 26 March 2001 and is 100% owned by BEA.

A historical search of ASIC database as at the date of Administration discloses the following information in relation to BIO:

<b>Date of Incorporation</b>	<b>Registered Office</b>	<b>Principal Place of Business</b>
26/03/2001	249 Park Street South Melbourne VIC 3205	249 Park Street South Melbourne VIC 3205

BIO's Directors are listed as follows:

<b>Director Name</b>	<b>Role</b>	<b>Date Appointed</b>	<b>Date Resigned</b>
Marcus Derham	Director	5/09/2007	Current at 06/09/2010
Jonathan David Madgwick	Director	28/02/2008	Current at 06/09/2010
Hugh Thomas Davies	Director	1/09/2009	Current at 06/09/2010
David Alan Smith	Director	27/02/2008	1/09/2009
Simon Mark Ackland	Director	17/01/2003	30/04/2008
Richard Finlay-Jones	Director	1/01/2006	20/02/2008
Clifford Anthony Peiffer	Director	26/03/2001	5/09/2007
Dennis Leslie Wilkie	Director	1/10/2005	28/11/2006
Richard Jonathan Beresford	Director	16/01/2002	31/12/2005
Harold Thomas Weir	Director	9/09/2002	1/08/2005
Michael Alexander Grant	Director	10/01/2002	9/09/2002
Christopher John Borough	Director	26/03/2001	21/08/2002
Didier Marcel Murcia	Director	26/03/2001	6/06/2002
John Hugh Rutledge	Secretary	02/11/2009	9/09/2010
Betty Warner-Lehman	Secretary	29/06/2006	2/11/2009
Colin Sargent	Secretary	12/04/2006	20/06/2007
Simon Mark Ackland	Secretary	20/09/2004	12/04/2006
Stephen Wayne Randell	Secretary	29/01/2003	20/09/2004
Emma Jane Elizabeth Pugsley	Secretary	28/03/2002	30/01/2003
Clifford Anthony Peiffer	Secretary	26/03/2001	28/03/2002

Registered charges over BIO are as follows:

<b>Charge</b>	<b>Charge Type</b>	<b>Charge No</b>	<b>Date Registered</b>	<b>Date Created</b>
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767716	20/03/2009	17/03/2009
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767735	20/03/2009	17/03/2009
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767751	20/03/2009	17/03/2009
CBA Corporate Services (NSW) Pty Limited	Fixed & Floating	1767781	20/03/2009	17/03/2009

The fixed and floating charges registered to CBA Corporate Services (NSW) Pty Limited relate to the debt facility provided by the Banking Syndicate.

## Historical Financial Information

### Historical Profit and Loss

Summarised below are the Income Statements for BIO for the FYs ended 30 June 2008, 30 June 2009, 30 June 2010 and for the period 1 July 2010 to 6 September 2010.

#### Profit and Loss / Income statement – BIO

	YTD 6 Sep10 (Unaudited) (\$'000)	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)	FY08 (Audited) (\$'000)
<b>Continuing operations</b>				
Revenue from ordinary activities	-	-	38,631	14,067
Personnel expenses	-	-	(1,273)	(590)
Depreciation and amortisation	-	(5)	(8)	(6)
Borrowing costs	(0)	-	(3)	(3)
Plantation expenses	-	-	(5,917)	(5,354)
Management and License fees	-	-	(24,052)	(7,146)
Commission expense	-	-	(4,455)	(2,244)
Other expenses from ordinary activities	(0)	(182)	(248)	(219)
<b>Profit before income tax expense</b>	<b>(0)</b>	<b>(187)</b>	<b>2,676</b>	<b>(1,496)</b>
Income tax (expense)/revenue	-	56	(834)	448
<b>Profit attributable to members of the Company</b>	<b>(0)</b>	<b>(131)</b>	<b>1,842</b>	<b>(1,047)</b>

BIO's Revenue from ordinary activities in FY08 and FY09 comprised of plantation establishment income, lease and maintenance income, interest income and other income.

Personnel expenses relate to wages and staffing costs which increased due to the plantation establishment of BIO's 2007 scheme.

From FY09, the activities of BIO were assumed by the Willmott Group after WFL acquired 100% of BIO's parent entity BEA. WFL replaced BIO as the RE of the BioForest Dual Income Project 2006 on 8 September 2008, and the BioForest Sustainable Timber and Biofuel Project 2007 on 4 December 2008.

## Historical Balance Sheet

Summarised below are BIO's Financial Position/Balance Sheet as at 30 June 2008, 30 June 2009, 30 June 2010 and 6 September 2010.

### Balance Sheet / Financial Position – BIO

	YTD 6 Sep10 (Unaudited) (\$'000)	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)	FY08 (Audited) (\$'000)
<b>Current assets</b>				
Cash and cash equivalents	1	1	1	28,929
Trade and other receivables	3,368	3,368	3,759	11,721
Inventories	-	-	-	31
Deferred tax asset	-	-	1,101	10,212
Prepayments	-	-	-	5,466
Assets held for sale	-	-	3,863	-
<b>Total current assets</b>	<b>3,369</b>	<b>3,369</b>	<b>8,724</b>	<b>56,358</b>
<b>Non-current assets</b>				
Property Plant and Equipment	-	-	1,136	12,279
<b>Total non-current assets</b>	<b>-</b>	<b>-</b>	<b>1,136</b>	<b>12,279</b>
<b>Total assets</b>	<b>3,369</b>	<b>3,369</b>	<b>9,860</b>	<b>68,637</b>
<b>Current liabilities</b>				
Payables	-	-	2,690	12,941
Borrowings	-	-	-	13,066
Deferred tax liability	-	-	-	1,658
Provisions	-	-	3,670	39,313
<b>Total current liabilities</b>	<b>-</b>	<b>-</b>	<b>6,360</b>	<b>66,978</b>
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>6,360</b>	<b>66,978</b>
<b>Net assets</b>	<b>3,369</b>	<b>3,369</b>	<b>3,500</b>	<b>1,659</b>
<b>Equity</b>				
Contributed equity	3,500	3,500	3,500	3,500
Accumulated Losses	(131)	(131)	-	(1,841)
<b>Total equity</b>	<b>3,369</b>	<b>3,369</b>	<b>3,500</b>	<b>1,658</b>

As discussed above, following WFL's replacement of BIO's as RE, the trading activities of BIO were assumed by the Willmott Group.

BIO's main asset since FY09 has been an intercompany loan to WFL.

## Cash Flow

Summarised below are BIO's Cashflow Statements for the FYs ended 30 June 2008, 30 June 2009, and 30 June 2010.

### Cash Flow - BIO

	FY10 (Unaudited) (\$'000)	FY09 (Audited) (\$'000)	FY08 (Audited) (\$'000)
<b>Cash Flows From Operating Activities</b>			
Receipts from customers	-	14,014	31,094
Interest received	-	115	337
Payments to suppliers & employees	(6,360)	(34,835)	(12,843)
Borrowing costs paid	0	(3)	(3)
Income tax received	1,157	1,340	(1,834)
<b>Net cash provided by/(used in) operating activities</b>	<b>(5,203)</b>	<b>(19,369)</b>	<b>16,752</b>
<b>Cash Flows From Investing Activities</b>			
Proceeds from sales of non-current assets	4,812	8,430	-
Payments for property, plant & equipment	-	(1,164)	(9,552)
<b>Net cash provided by/(used in) investing activities</b>	<b>4,812</b>	<b>7,266</b>	<b>(9,552)</b>
<b>Cash Flows From Financing Activities</b>			
Proceeds from issue of shares	-	-	3,500
Proceeds from/(repayment of) borrowings	391	(16,825)	10,747
<b>Net cash provided by/(used in) financing activities</b>	<b>391</b>	<b>(16,825)</b>	<b>14,247</b>
<b>Net increase/(decrease) in cash held</b>	<b>0</b>	<b>(28,928)</b>	<b>21,447</b>
Cash at beginning of year	1	28,929	7,482
<b>Cash at end of year</b>	<b>1</b>	<b>1</b>	<b>28,929</b>



## Directors Report as to Affairs

Upon the appointment of an Administrator, s438B of the Act requires the directors to provide a RATA outlining the financial circumstances of the company concerned, including net book values, estimated realisable values and all known assets and liabilities. A RATA was provided by the directors on 24 November 2010.

<b>Directors Report as to Affairs</b>	<b>Net Book Value Amount (\$)</b>
<i>Assets not specifically charged</i>	
Interests in land	-
Sundry debtors	3,368,101
Cash on hand	-
Cash at bank	771
Plant and Equipment	-
Other assets	-
<b>Total Assets</b>	<b>3,368,872</b>
Partly owing to secured creditors	-
Creditors	-
Contingent liabilities	-
<b>Total Liabilities</b>	<b>-</b>
<b>Estimated Surplus (deficit)</b>	<b>3,368,872</b>

The asset class identified as Sundry debtors relates to an intercompany loan to WFL for the amount of \$3.37m.

## Statutory Investigations

### 1. Solvency Assessment

#### Intercompany Loans

Intercompany loan balances from 30 June 2008 to September 2010 are as follows:

<b>BIO Intercompany Loan Balance</b>	<b>YTD 6 Sep 10 (\$'000)</b>	<b>FY10 (\$'000)</b>	<b>FY09 (\$'000)</b>	<b>FY08 (\$'000)</b>
Loan to WFL	3,368	3,368	3,759	-
Loan from WFL	-	-	-	13,066

The intercompany loan balance to WFL was \$3.37m as at 6 September 2010 and reflects the Sundry Debtors amount outlined in the directors RATA.

## Investigations into Insolvency

The Administrators are required to consider the solvency of each entity in the Willmott Group. The Willmott Group entities are interdependent and reliant on the resources of WFL as:

- loans to and from WFL with subsidiaries are ultimately dependent on WFL's capacity to pay;
- WFL's capacity to pay is dependent on its ability to meet its obligations as and when they fall due. As WFL is the main trading entity in the Willmott Group with substantially all of the Willmott Group liabilities, our comments in respect of the solvency of the Willmott Group in the body of the Report apply to WFL;
- all subsidiaries in the Willmott Group are liable for the debt owed to the Banking Syndicate and accordingly are in default.

Based on our preliminary investigations, we believe that the Willmott Group of entities was insolvent from at least 30 June 2010. Refer to section 11.9 of the Report for a detailed discussion on the solvency of the Willmott Group. From our initial review conducted to date, we have not identified any significant factors which would indicate an alternative date of insolvency for BIO. Further investigations shall be conducted should a Liquidator be appointed.

### **Outstanding or previous winding up applications**

The Administrators' review of ASIC records did not disclose any winding up applications filed against BIO prior to the appointment of the Administrators.

## **2. Books and Records**

Books and records are required to be maintained in accordance with s286 of the Act. Refer to section 11.2 of this Report for further background information in this regard. All books and records of the Willmott Group, including BIO, are maintained on a collective basis. Based on our preliminary investigations, we have not identified any particular breaches of s286 of the Act by the BIO or the Willmott Group.

## **3. Potential Liquidator Recoveries – Voidable Transactions**

To date, we have only conducted preliminary investigations into the business and affairs of BIO. At this point in time we have not identified any voidable transactions that may be pursued with the aim of recovering funds for the benefit of creditors.

### **a. Unfair preferences**

We have not identified any unfair preferential payments through our preliminary investigations that may be considered voidable should a Liquidator be appointed to BIO. Please refer to section 11.8.1 for further information in respect of identifying unfair preferences.

### **b. Uncommercial transactions**

We have not identified any uncommercial transactions through our preliminary investigations that may be considered voidable should a liquidator be appointed. Please refer to section 11.8.2 for further information in respect of identifying uncommercial transactions.

### **c. Unfair loans**

We have not identified any unfair loans through our preliminary investigations that may be considered voidable should a liquidator be appointed. Whilst it may transpire that some intercompany loans within the Willmott Group are uncommercial, the ability for a Liquidator to recover any such loan given the insolvency of the group would appear remote. In any event a material impact on the creditors is not expected if indeed such unfair loans exist. Please refer to section 11.8.3 for further information in respect of identifying unfair loans.

### **d. Voidable charges**

Our preliminary investigations have not identified any voidable charges in relation to BIO.

#### **4. Breach of Directors' Duties**

Refer to section 11.10 of this Report for further information in regards to the various duties imposed on directors and their possible defences to any actions taken by a Liquidator. Whilst we have identified certain concerns regarding potential breaches of these statutory duties in regards to the parent entity WFL, investigations are ongoing as to specific breaches of duties by the directors of BIO.

#### **5. Report to ASIC**

As Administrators, we are required to complete and lodge a Report with ASIC pursuant to Section 438D of the Act where it appears that a past or present officer of BIO may have been guilty of an offence. From preliminary investigations to date, we have not identified evidence of any breaches of the Act that would require a Report to be lodged with the ASIC in respect of BIO.