

14 June 2017

The Secretary
Australian Securities and Investments Commission
PO Box 4000
GIPPSLAND MAIL CENTRE VIC 3841

Dear Sir/Madam

Willmott Forests Ltd
ACN 063 263 650 (WFL)

Willmott Finance Pty Ltd
ACN 081 274 811 (WFIN)

Willmott Forest Products Pty Ltd
ACN 103 019 094 (WFP)

Willmott Forests Investment Management Pty Ltd
ACN 098 718 837

Willmott Forest Nominees Pty Ltd
ACN 085 588 772

Willmott Energy Pty Ltd
ACN 130 251 759

Willmott Subscriber Pty Ltd
ACN 134 963 027

Bioenergy Australia Pty Ltd
ACN 096 335 901

Bioforest Ltd
ACN 096 335 876 (Bioforest)

Willmott Notes Pty Ltd
ACN 134 963 036

(All Receivers and Managers Appointed) (All In Liquidation)
(The Willmott Group)

An annual general meeting of the Willmott Group and its creditors will not be convened pursuant to Section 508(1)(b)(i) of the *Corporations Act 2001 (the Act)*. In lieu of the annual general meeting, we provide this report in accordance with Section 508(1)(b)(ii) of the Act.

This is our sixth annual report for the Willmott Group and is set out in accordance with Section 508(3) of the Act.

1. Conduct of the liquidation and the Liquidators' acts and dealings

Below is the summary of the key actions completed by the Liquidators over the past 12 months. We provide specific details on these tasks throughout this report.

Section	Summary
1.1	Continued role of Responsible Entity (RE) including distributing funds, party to legal action and liaison with growers
1.2	Liquidation tasks
1.3	Legal actions
1.4	Ongoing investigations
1.5	Distributions to unsecured creditors
1.6	Receipts and Payments summary

The Receivers and Managers (**Receivers**) remain appointed over the Willmott Group.

1.1 RE Related tasks

1.1.1 Distributions

We have distributed all monies to growers of the Registered and Professional Investor schemes (see Schedule 1), where no competing claims exist. All unclaimed distributions which were not subject to competing claims were sent to the Australian Securities and Investments Commission (**ASIC**) Unclaimed Monies Division on 1 July 2015.

We are continuing to hold funds in relation to 941 distributions which are subject to competing claims. To date we have not received directions from these growers in relation to their distributions (either to pay their distributions to the relevant lenders or otherwise).

In the interest of finalising this matter, we are currently investigating the possibility of paying the remaining funds to the relevant lenders, and obtain indemnities from them for any monies that need to be recovered pursuant to a competing claim.

We will finalise the winding up of the registered schemes once these funds have been distributed.

1.1.2 Willmott Forests Premium Timberland Fund No 1 (Timberland)

Timberland is a public trading trust which operated as part of the Willmott Group. All the assets of Timberland have been sold.

We distributed surplus funds to unit holders of the scheme in October 2016 and expect to finalise the winding up of the scheme shortly after 30 June 2017.

1.2 Liquidation tasks

Detailed in this section are key tasks completed by the Liquidators since our last report.

1.2.1 Contractual & Partnership (C&P) Schemes

We distributed net proceeds from the sale of the trees to the growers of the various C&P schemes in May 2016 (see schedule 2 for a list of the C&P schemes).

Following the distribution, we identified a small number of growers who were distributed funds in error. We have recovered these funds and will shortly make an additional small distribution to growers in the relevant C&P schemes.

Any funds that remain unclaimed following the redistribution will be sent to the ASIC Unclaimed Monies Division.

The winding up of the C&P Schemes is expected to be finalised by 31 December 2017.

1.2.2 Willmott Forests 1995-1999 Projects (95-99 Projects)

The 95-99 Projects are conducted on land belonging to WFL and comprise 15 plantations. The Kybeyan plantation land was sold and settled on 8 March 2016.

Several titles on the Delegate 5 plantation became free of 95-99 Project leases (as they were surrendered by the RE) and these titles were sold and settled on 7 April 2017.

We sold the remaining 95-99 Projects land in December 2016, conditional on the outcome of the legal proceedings (see comments in section 1.3.1). A settlement was reached in May 2017 whereby the remaining 95-99 Projects land was sold to Primary Securities Ltd (**Primary**) (refer section 1.3.1 of this report for the details).

1.2.3 WFP

The winding up of WFP is largely completed. There will be insufficient funds to allow a distribution to WFP's unsecured creditors.

We will commence finalisation of the liquidation upon retirement of the Receivers, which is not expected to occur until December 2018.

1.3 Legal Actions

1.3.1 95-99 Projects

Lien claim

In April 2015, the Court held that the costs incurred by WFL, whilst RE of the 95-99 Projects, are scheme liabilities and should be met from the assets of the 95-99 Projects (**Lien Claim**).

In December 2016 Primary's appeal against the Court's decision was dismissed. We estimate that the value of the Lien Claim (including costs) is \$490k.

Disclaimer and breach notices

In December 2015, we served:

- breach notices in relation to leases held by growers in the 95-99 Projects who had 'opted out' and were no longer taking part in the projects
- disclaimer notices in relation to the leases of all other 95-99 Projects growers.

Primary issued proceedings to challenge the breach notices and set aside the disclaimer notices. These proceedings were scheduled to go to trial in May 2017.

We recently reached a settlement with Primary whereby:

- Primary have agreed to purchase the 95-99 Projects land for \$4m (payable in instalments to 15 December 2018); and
- we have agreed to forgive the Lien Claim.

This settlement was approved by the court on 8 June 2017.

1.3.2 Class Actions

The growers in the 2007 to 2010 schemes operated by WFL alleged that the schemes' product disclosure statements were misleading and deceptive and sought damages and other orders.

A settlement was reached in December 2014, subject to approval by the Federal Court.

In April 2016, the Federal Court rejected the settlement for a number of reasons. Revised settlement terms were negotiated and the settlement was approved by the court in December 2016.

1.3.3 Joinder Actions

A number of growers financed their investment. The financiers include the Commonwealth Bank of Australia Limited, MIS Funding No 1 Pty Ltd and WFIN. WFIN's loan book is in the control of the Receivers.

In some instances, the financiers have commenced proceedings against growers to recover these loans. WFL is occasionally joined as a party to these proceedings. We take a passive role in these actions to preserve the funds available to unsecured creditors.

1.4 Ongoing investigations

Our investigations into the Willmott Group have identified a commercial claim against WFL's former auditor, Armstrong Partners (**the Auditor**).

Proceedings were commenced against the Auditor in August 2014 (**the Auditor Claim**).

On two occasions the Auditor's solicitors unsuccessfully applied to the Court to have our Auditor Claim struck out. The Court has ruled that the Auditor Claim can proceed and mediation is expected to occur in the near future.

1.5 Distribution to unsecured creditors

Considering the recent settlement of the proceedings issued by Primary, we anticipate making a small distribution to unsecured creditors of WFL. The quantum of this distribution will depend on the outcome of the Auditor Claim.

1.6 Receipts and payments

Pursuant to Section 539 of the Act, details of all receipts and payments since the appointment of Liquidators have been lodged with ASIC for each of the companies in the Willmott Group.

For convenience please find attached a summary of our receipts and payments for the past 12 months (23 March 2016 to 22 March 2017) for each entity of the Willmott Group.

2. Actions to be carried out

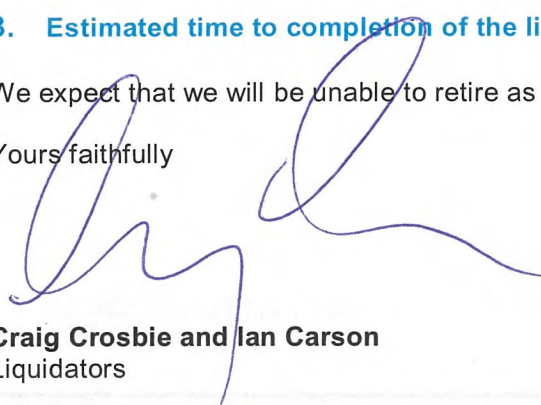
The following tasks are required to be completed prior to the finalisation of the liquidation:

- distribute the remaining grower funds on hand (refer section 1.1.1)
- await payments from the settlement agreed with Primary (refer section 1.3.1)
- conclude any legal proceedings (refer sections 1.3.2 and 1.3.3)
- pursue the Auditor Claim (refer section 1.4)
- distribute funds to unsecured creditors of WFL
- the retirement of the Receivers

3. Estimated time to completion of the liquidation

We expect that we will be unable to retire as Liquidators for at least a further two years.

Yours faithfully



Craig Crosbie and Ian Carson
Liquidators

Enc.

Date of appointment:	22 March 2011
Contact name:	Kimberley Milne
Telephone number:	+61 3 9269 4000
Email:	willmott@ppbadvisory.com

Schedule 1

Registered and Professional Investor Schemes

- 1 Willmott Forests – Professional Investor 2001 Scheme
- 2 Willmott Forests – Professional Investor 2002 Scheme
- 3 Willmott Forests – Professional Investor 2003 Scheme
- 4 Willmott Forests – Professional Investor 2004 Scheme
- 5 Willmott Forests – Professional Investor 2006 Scheme
- 6 2005 BioForest Wholesale Project No 2
- 7 Willmott Forests Project – 1999 Prospectus
- 8 Willmott Forests Project – 2000 Prospectus
- 9 Willmott Forests Project – 2001 Prospectus
- 10 Willmott Forests Project – 2002 Prospectus
- 11 Willmott Forests Project – 2003 Prospectus
- 12 Willmott Forests Project – 2004 PDS
- 13 Willmott Forests Project – 2006 PDS
- 14 Willmott Forests Project – 2007 PDS
- 15 Willmott Forests 1989-1991 Project – 1989 Prospectus
- 16 Willmott Forests 1989-1991 Project – 1990 Information Memorandum
- 17 Willmott Forests 1989-1991 Project – 1990 Prospectus
- 18 Willmott Forests 1989-1991 Project – 1991 Prospectus
- 19 BioForest Dual Income Project 2006 PDS
- 20 BioForest Sustainable Timber and Biofuel Project 2007 PDS
- 21 Willmott Forests Premium Forestry Blend Project 2009 PDS
- 22 Willmott Forests Premium Forestry Blend Project 2010 PDS
- 23 Willmott Forests Premium Timberland Fund No 1

Schedule 2

Contractual Schemes

- 1 1983 (No Project)
- 2 1984 (No Project)
- 3 1985 (No Project)
- 4 1986 (No Project)
- 5 1987 (No Project)
- 6 1989 (No Project)
- 7 1990 (No Project) Interest Only Offer
- 8 1991 (No Project)
- 9 1995 (No Project) (Custom)
- 10 Sharp/Reed Plantation Project -1998 Information Memorandum

Partnership Schemes

- 11 McKenzie & Partners - Forestry Partnership No.1 (1993)
- 12 Grimsey & Associates Pty Ltd - Forestry Partnership No. 1 (1994)
- 13 Grimsey & Associates Pty Ltd - Forestry Partnership No. 2 (1994)
- 14 Grimsey & Associates Pty Ltd - Forestry Partnership No. 3 (1994)
- 15 McKenzie & Partners - Forestry Partnership No. 2 (1994)

Bioforest Ltd
(Receivers and Managers Appointed) (In Liquidation)

Receipts and Payment Summary to 22/03/2017

	\$
Total receipts for previous 12 months	14,982.43
Total payments for previous 12 months	(14,616.25)
Net receipts (payments) for previous 12 months	<u>366.18</u>
Total receipts to date for the liquidation period	1,352,058.52
Total payments to date for the liquidation period	(1,335,924.52)
Net receipts (payments) for the liquidation period	<u>16,134.00</u>

Willmott Forests Ltd as RE for the Willmott Forests Premium Timberland Fund No 1
(Receivers and Managers Appointed) (In Liquidation)

Receipts and Payment Summary to 22/03/2017

	\$
Total receipts for previous 12 months	2,745.41
Total payments for previous 12 months	(478,538.92)
Net receipts (payments) for previous 12 months	<u>(475,793.51)</u>
Total receipts to date for the liquidation period	598,320.21
Total payments to date for the liquidation period	(597,655.93)
Net receipts (payments) for the liquidation period	<u>664.28</u>

Willmott Forests Products Pty Ltd
(Receivers and Managers Appointed) (In Liquidation)

Receipts and Payment Summary to 22/03/2017

	\$
Total receipts for previous 12 months	1,200.31
Total payments for previous 12 months	(2,100.63)
Net receipts (payments) for previous 12 months	<u>(900.32)</u>
Total receipts to date for the liquidation period	249,200.23
Total payments to date for the liquidation period	(115,519.47)
Net receipts (payments) for the liquidation period	<u>133,680.76</u>

Willmott Forests Ltd
(Receivers and Managers Appointed) (In Liquidation)

Receipts and Payment Summary to 22/03/2017

	\$
Total receipts for previous 12 months	592,832.45
Total payments for previous 12 months	(2,600,498.25)
Net receipts (payments) for previous 12 months	(2,007,665.80)
Total receipts to date for the liquidation period	38,538,384.75
Total payments to date for the liquidation period	<u>(35,151,301.06)</u>
Net receipts (payments) for the liquidation period	<u><u>3,387,083.69</u></u>

Willmott Forests Investment Management Pty Ltd
(Receivers and Managers Appointed) (In Liquidation)

Receipts and Payment Summary to 22/03/2017

	\$
Total receipts for previous 12 months	-
Total payments for previous 12 months	<u>-</u>
Net receipts (payments) for previous 12 months	<u><u>-</u></u>
Total receipts to date for the liquidation period	-
Total payments to date for the liquidation period	<u>-</u>
Net receipts (payments) for the liquidation period	<u><u>-</u></u>

Willmott Forests Nominees Pty Ltd
(Receivers and Managers Appointed) (In Liquidation)

Receipts and Payment Summary to 22/03/2017

	\$
Total receipts for previous 12 months	-
Total payments for previous 12 months	<u>-</u>
Net receipts (payments) for previous 12 months	<u><u>-</u></u>
Total receipts to date for the liquidation period	-
Total payments to date for the liquidation period	<u>-</u>
Net receipts (payments) for the liquidation period	<u><u>-</u></u>

Willmott Energy Pty Ltd
(Receivers and Managers Appointed) (In Liquidation)

Receipts and Payment Summary to 22/03/2017

		\$
Total receipts for previous 12 months		-
Total payments for previous 12 months		-
Net receipts (payments) for previous 12 months		-
Total receipts to date for the liquidation period		-
Total payments to date for the liquidation period		-
Net receipts (payments) for the liquidation period		-

Willmott Finance Pty Ltd
(Receivers and Managers Appointed) (In Liquidation)

Receipts and Payment Summary to 22/03/2017

		\$
Total receipts for previous 12 months		-
Total payments for previous 12 months		-
Net receipts (payments) for previous 12 months		-
Total receipts to date for the liquidation period		-
Total payments to date for the liquidation period		-
Net receipts (payments) for the liquidation period		-

Willmott Notes Pty Ltd
(Receivers and Managers Appointed) (In Liquidation)

Receipts and Payment Summary to 22/03/2017

		\$
Total receipts for previous 12 months		-
Total payments for previous 12 months		-
Net receipts (payments) for previous 12 months		-
Total receipts to date for the liquidation period		-
Total payments to date for the liquidation period		-
Net receipts (payments) for the liquidation period		-

Willmott Subscriber Pty Ltd
(Receivers and Managers Appointed) (In Liquidation)

Receipts and Payment Summary to 22/03/2017

		\$
Total receipts for previous 12 months		-
Total payments for previous 12 months		-
Net receipts (payments) for previous 12 months		-
Total receipts to date for the liquidation period		-
Total payments to date for the liquidation period		-
Net receipts (payments) for the liquidation period		-

Bioenergy Australia Pty Ltd
(Receivers and Managers Appointed) (In Liquidation)

Receipts and Payment Summary to 22/03/2017

		\$
Total receipts for previous 12 months		-
Total payments for previous 12 months		-
Net receipts (payments) for previous 12 months		-
Total receipts to date for the liquidation period		-
Total payments to date for the liquidation period		-
Net receipts (payments) for the liquidation period		-