

14 June 2018

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)**

Our report detailing our actions and dealings during the last 12 months of the liquidations is set out below in accordance with the transitional provisions of Section 1603 (noting Section 508 has been repealed) of the *Corporations Act 2001 (the Act)*.

This is our sixth annual report for the Willmott Group.

## **1. Conduct of the liquidations and the Liquidators' acts and dealings**

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

<b>Section</b>	<b>Summary</b>
<b>1.1</b>	Asset realisations
<b>1.2</b>	Distribution to creditors
<b>1.3</b>	Continued role of Responsible Entity ( <b>RE</b> ) including distributing funds and liaison with growers
<b>1.4</b>	Legal actions
<b>1.5</b>	Receipts and Payments summary

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

## 1.1 Asset realisations

As you may recall from our last report, we reached a settlement with Primary Securities Limited (**Primary**) to purchase the 95 – 99 Projects land for \$4 million (payable in instalments by 15 December 2018).

As part of the settlement, the Liquidators (on behalf of WFL) and Primary entered into a Call Option, whereby Primary was entitled to direct (call) WFL to execute a contract of sale with Primary or a third party of all of the land titles in respect of any plantation, at a price no less than the allocated price for that plantation under the settlement deed.

To date we have:

- received four instalments payable pursuant to the settlement deed from Primary totalling \$1.36 million; and
- settled the sale of Nimmitabel, Craigie 2, Numeralla, Avonleigh and Cabanandra under the Call Option, which resulted in the Liquidators receiving the balance of funds payable by Primary (c.\$2.64 million).

## 1.2 Distribution to creditors

### 1.2.1 Distribution to secured creditors

We recently made a distribution of c.\$1 million to the secured creditors from the audit claim settlement proceeds, which is captured by the lenders' security.

There will be insufficient proceeds from secured asset realisations to satisfy the secured creditors' debt.

### 1.2.2 Distribution to priority creditors

The Receivers have asserted a subrogation claim pursuant to section 560 of the Act for employee entitlements paid by them totalling c.\$2.2 million.

We expect there will be sufficient funds available for priority creditor claims to be paid in full, subject to adjudication on the proof of debt to be lodged by the Receivers and any other priority creditor claims.

### 1.2.3 Distribution to unsecured creditors

We anticipate making a partial distribution to unsecured creditors of between \$650,000 and \$850,000.

## 1.3 RE Related tasks

### 1.3.1 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 930 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 obtaining an indemnity 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.

### **1.3.2 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. The final scheme accounts will shortly be lodged, and we will then be able to finalise the winding up of the scheme.

### **1.3.3 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).

We will shortly make an additional distribution to growers in the relevant C&P schemes.

Any funds that remain unclaimed following the second distribution 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 2018.

### **1.3.4 Willmott Forests 1995-1999 Projects (95-99 Projects)**

The 95-99 Projects are conducted on land belonging to WFL and comprise 15 plantations.

As per paragraph 1.1, the following plantations have sold and settled in the last 12 months:

- Nimmitabel - January 2018
- Craigie 2 - April 2018
- Numeralla - April 2018
- Avonleigh & Cabanandra – June 2018.

The remaining titles will shortly be transferred to Primary, as per the terms of the settlement deed.

## **1.4 Legal Actions**

### **1.4.1 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 Willmott Finance Pty Ltd (**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.

### **1.4.2 Auditor Claim**

We settled WFL's claim against its auditor, Armstrong Dubois Pty Ltd. The settlement sum is confidential. The proceeds realised less costs were recently distributed to the secured creditors (see 1.2.1).

## 1.5 Receipts and payments

Pursuant to Section 1592 of the Act (noting Section 539 has been repealed), details of all receipts and payments since our appointment as Liquidators have been lodged with ASIC for each of the companies in the Willmott Group.

The only entities with receipts and payments are WFL, WFP and Bioforest (i.e. all receipts and payments of the other Willmott Group entities lodged to date have been nil returns). Please find attached a summary of our receipts and payments for the past 12 months (23 March 2017 to 22 March 2018) (Schedule 3).

## 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 1.3.1)
- distribute funds to unsecured creditors of WFP (refer section 2.1.1 below)
- conclude any legal proceedings (refer sections 1.4)
- distribute funds to priority and unsecured creditors of WFL, as funds allow
- the retirement of the Receivers.

### 2.1.1 WFP


The winding up of WFP is largely completed. We will shortly commence the distribution process to WFP's unsecured creditors.

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

## 3. Estimated time to completion of the liquidation

We expect that we will be able to retire as Liquidators in the next 12 to 18 months, subject to retirement of the Receivers.

Yours faithfully



**Craig Crosbie and Ian Carson**  
Liquidators

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Date of appointment:	22 March 2011
Contact name:	Kim Milne
Telephone number:	+61 3 9269 4000
Email:	kmilne@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)

### Schedule 3

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

**Receipts and Payment Summary to 22/03/2018**

	\$
Total receipts for previous 12 months	4,791,453.90
Total payments for previous 12 months	(3,003,337.56)
Net receipts (payments) for previous 12 months	1,788,116.34
Total receipts to date for the liquidation period	43,329,838.65
Total payments to date for the liquidation period	(38,154,638.62)
Net receipts (payments) for the liquidation period	<u>5,175,200.03</u>

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

**Receipts and Payment Summary to 22/03/2018**

	\$
Total receipts for previous 12 months	31,199.98
Total payments for previous 12 months	(28,663.36)
Net receipts (payments) for previous 12 months	<u>2,536.62</u>
Total receipts to date for the liquidation period	1,383,258.50
Total payments to date for the liquidation period	(1,364,587.88)
Net receipts (payments) for the liquidation period	<u>18,670.62</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 22/03/2018**

	\$
Total receipts for previous 12 months	7,805.15
Total payments for previous 12 months	(8,469.43)
Net receipts (payments) for previous 12 months	<u>(664.28)</u>
Total receipts to date for the liquidation period	606,125.36
Total payments to date for the liquidation period	(606,125.36)
Net receipts (payments) for the liquidation period	<u>-</u>

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

**Receipts and Payment Summary to 22/03/2018**

	\$
Total receipts for previous 12 months	3,628.26
Total payments for previous 12 months	<u>(47,613.78)</u>
Net receipts (payments) for previous 12 months	<u>(43,985.52)</u>
Total receipts to date for the liquidation period	252,828.49
Total payments to date for the liquidation period	<u>(163,133.25)</u>
Net receipts (payments) for the liquidation period	<u>89,695.24</u>