

TO INVESTORS AS ADDRESSED

29 September 2023

**EQUITITRUST INCOME FUND
(RECEIVER APPOINTED) (the Fund or EIF)
ARSN 089 079 854**

1. INTRODUCTION

I refer to my previous reports and now provide my 38th and final update to Investors since my appointment as Court appointed Receiver and person responsible for winding up the EIF on 21 November 2011. This report should be read in conjunction with my previous reports to Investors.

On 13 August 2021, and as previously advised to members, I made an application to court seeking to:

- Resolve any outstanding claims by the Liquidators of Equititrust Ltd (In Liquidation) (**EL Liquidators**) (refer Section 2.2);
- Seek authority from the Court to pay an equalisation payment to Investors who did not receive a return of capital in the 2011 financial year and pay a final distribution (including the equalisation payment) to Investors to finalise the winding up of the Fund;
- Approve my outstanding remuneration from 1 May 2020 to 30 June 2021 and further remuneration to finalise the receivership;
- Other ancillary orders.

As the claims by the Liquidators of EL have been resolved (see Section 2.2), I amended my Winding up application on 6 June 2023 to:

- Seek authority from the Court to pay an equalisation payment to Investors who did not receive a return of capital in the 2011 financial year and pay a final distribution (including the equalisation payment) to Investors to finalise the winding up of the Fund;
- Approve my outstanding remuneration from 1 May 2020 to 30 June 2021, 1 July 2021 to 30 April 2023 and further remuneration from 1 May 2023 to finalise the receivership; and
- Other ancillary orders.

On 21 June 2023, the Honourable Justice Crowley ordered and directed the following (**Court Orders**):

- I am to make an equalisation payment to Investors who did not receive the correct return of capital in the 2011 financial year;
- Within 60 days of the equalisation payment, to pay a final distribution to Investors;
- Within 30 days of the final distribution, prepare the final accounts and have the final accounts audited by a registered company auditor and provide an auditor's report regarding the audited

final accounts. I am required to place an advertisement of the audit report and final accounts in several newspapers, the Fund's websites, and in a notice to Investors;

- My outstanding remuneration from 1 May 2020 to 30 June 2021, 1 July 2021 to 30 April 2023 and further remuneration from 1 May 2023 to finalise the receivership is approved; and
- Within 60 days of providing notice of the final accounts and audit of the Fund, I am to retire as receiver.

I paid the equalisation payment to certain Investors of the Fund on 31 August 2023. I am now required to pay the final distribution to Investors by 30 October 2023 in accordance with the Court Orders.

Copies of the application and supporting affidavits can be found on the websites www.equitrust.com.au and www.equitrustincomefund.com.au

2. CREDITOR CLAIMS

2.1. Other Creditors

There are several creditors that are required to be paid before the final distribution can be made to Investors, which include:

- Trade creditors, which relate to liabilities necessarily incurred in the winding up of the Fund (IT expenses, legal expenses, mail out costs etc).
- Creditor Indemnity Claims against the Fund made by the EL Liquidators (refer Section 2.2 below).
- Receiver's remuneration and outlays.

2.2. Claims by the Liquidators of EL and Claims by Creditors

The EL Liquidators' claim has now been resolved. A deed of settlement was entered into, and the terms of the settlement are confidential. The settlement has been concluded, the proceedings have been discontinued and the matter is at an end.

A final amount of \$23,988.40 for accepted creditor indemnity claims made by the Liquidators of EL and not captured by the deed of settlement will be paid during the finalisation process.

3. RECEIPTS AND PAYMENTS

I provide below a summary of the Receipts and Payments of the Fund for the period from 1 May 2021 to 30 June 2023.

Summary of Receipts and Payments for the period	
1 May 2021 to 30 June 2023	
	(\$)
Opening Cashbook Balance	7,151,339.51
Receipts	
Interest Income	4,355.37

Summary of Receipts and Payments for the period	
GST Received	48,171.00
Legal Fees Refund	4,906.00
Total Receipts	57,432.37
Payments	
Advertising	(6,881.00)
Appointee Fees	(555,803.60)
Appointee Disbursements	(3,195.92)
Bank Charges	(260.00)
IT Expenses	(38,741.14)
Legal Fees	(648,404.75)
Printing & Stationery Expenses	(2,751.24)
Liquidators of Equititrust Ltd (In Liquidation)	(425,000.00)
Total Payments	(1,681,037.65)
Closing Cashbook Balance	5,527,734.23

I note the following in relation to the above receipts and payments of the Fund:

- IT expenses include the cost of hosting and maintaining the Equititrust server and licence fees for the Investor management database
- Legal fees primarily relate to:
 - dealing with the claims by the Liquidators of EL (see Section 2.2)
 - preparation of the 11th remuneration application
 - preparation of the application to seek appropriate orders from the Court to progress the finalisation of the winding up of the EIF including paying the equalisation payment and a final distribution to Investors
- Printing and stationery expenses relate to the external cost of copying and issuing correspondence and notices to Investors

4. ESTIMATED RETURN TO INVESTORS

The following distributions have been paid to Investors as at 30 June 2023:

- First interim distribution of 5 cents per unit paid in June 2014 totalling \$9.696 million
- Second interim distribution of 3 cents per unit paid in June 2015 totalling \$5.526 million
- Third interim distribution of 3 cents per unit paid in September 2015 totalling \$5.36 million

As previously advised, the Fund recorded an accounting and tax loss for the year ended 30 June 2011. Accordingly, the Fund had no surplus income available to distribute to Investors in the 2011 financial

year. All payments to Investors other than payments of interest accrued as at 30 June 2010 were deemed by the Fund as a partial repayment of capital.

Prior to my appointment, the Fund accounted for this partial repayment of capital as a corresponding reduction in the unit balance of the Fund. The accounting treatment for the first, second and third interim distributions paid by me in June 2014, June 2015 and September 2015, respectively, has remained the same (i.e. as distributions are made, the number of units in the Fund continue to decrease in accordance with the amount distributed to Investors). Therefore, the cents per unit return for each distribution is calculated based on the units in the Fund at that point in time.

In light of the above, I provide below the overall estimated return to Investors of 11.8 cents per unit as at 30 June 2023, as follows:

Estimated Return to Investors	\$000's
Cash at Bank as at 30 June 2023	5,528
<i>Add:</i>	
Outstanding GST Refunds	39
Estimated Value of Fund Assets as at 30 June 2023	5,567
<i>Less:</i>	
Receiver's Remuneration and Disbursements (1 May 2023 to end of receivership)	(200)
Estimated Receiver's Costs (e.g. legal fees, IT fees etc.)	(126)
Equalisation Payment	(3,007)
Estimated Net Amount Available to Investors as at 30 June 2023	2,234
<i>Add:</i>	
3 cent Interim Distribution paid September 2015	5,360
3 cent Interim Distribution paid June 2015	5,526
5 cent Interim Distribution paid June 2014	9,696
Total Funds Available for Distribution to Investors	22,816
Total Investor Units as at 21 November 2011	193,912
Overall Estimated Return to Investors per Unit (cents per unit)	11.8
Total Investor Units for Final Distribution	170,323
Final Distribution to Investors per Unit	1.3

Please note the above amounts exclude GST unless stated otherwise.

The above estimate is prepared on the following basis:

- It includes all estimated future recoveries, Receiver's remuneration and costs.
- That the winding up of the Fund will be finalised in accordance with the timeline ordered by the court.

In accordance with the Court Orders, the final distribution to Investors of approximately 1.3 cents per unit held on a reducing basis will be paid by 30 October 2023.

Please note the following cut-off dates in relation to updates to the investor database and payment of future distributions:

- We will not be accepting any requests for changes of details or transfers of units where received after **23 October 2023**. The final distribution and Receiver's correspondence will be issued using the details held in the Investor database as at this date. Investors will be notified if insufficient information or documentation has been provided to effect the requested update where provided prior to the cut-off date; and
- Any returned distributions or equalisation payments will be remitted to ASIC unclaimed monies within **7 days** of the final distribution on **30 October 2023**.

The above cut-off dates have been set to provide sufficient time to process the final distribution and obtain the final audit of the Fund's accounts as required by the Court Orders.

Please visit the following website for details on how to claim funds paid to ASIC unclaimed monies: <https://asic.gov.au/for-consumers/unclaimed-money/>.

5. RECEIVER'S REMUNERATION AND EXPENSES

There have been eleven applications to Court to approve my remuneration since the date of my appointment on 21 November 2011. My eleventh application was included in the Winding Up application filed on 13 August 2021, which was amended on 6 June 2023, where I have sought orders fixing my remuneration, as follows:

- For the period 1 May 2020 to 30 June 2021 (14 months) in the amount of \$211,274.25 (incl GST) (approximately \$15,091.02 per month);
- For the period 1 July 2021 to 30 April 2023 (22 months) in the amount of \$344,529.35 (incl GST) (approximately \$15,660.43 per month); and
- For the period from 1 May 2023 to the end of the receivership in the amount of \$220,000.00 (incl GST).

On 21 June 2023, the Honourable Justice Crowley approved the abovementioned remuneration amounts.

6. FINALISATION TIMING

As the claims by the Liquidators of EL have been resolved (see Section 2.2), and I have now paid the equalisation payment to Investors, I will proceed with paying a final distribution to Investors by 30 October 2023.

I anticipate that the winding up of the Fund will take a further two to three months to finalise in accordance with the timelines ordered by the court.

7. UPDATING YOUR CONTACT DETAILS

If Investors wish to update contact or bank details, a request should be submitted in writing using the attached Change of Details form and returned via the following email or postal address.

Email (preferred method): equititrust@bdo.com.au
Post: Equititrust Income Fund (Receiver Appointed)
C/- BDO
GPO Box 457
Brisbane QLD 4001

If you have already completed and submitted a change of details form, there is no need to submit a new form.

8. QUERIES

All queries should be directed to this office, as follows:

Phone: (07) 3237 5999
Email: equititrust@bdo.com.au

All updates to Investors are posted to the websites; www.equititrustincomefund.com.au and www.equititrust.com.au.

Yours faithfully



David Whyte
Receiver

Encl.

CHANGE OF DETAILS

(Please complete relevant sections only)

1. Investor/s Details (Must be completed)

First Name/s		Surname	
First Name/s		Surname	
First Name/s		Surname	
Company / Trust Name (If applicable)			
Client Number	Investment Number	Date Effective	

2. New Address Details

Postal Address			
Suburb		State	Postcode
Phone No.	Mobile	Email	
Mailing Method	Email <input type="checkbox"/>	Mail <input type="checkbox"/>	

3. New Bank Account Details

Bank Account details are to be changed for all Investments (tick if relevant)

OR

Change the bank account for the following Investments only:

Investment No.	Investment No.	Investment No.	Investment No.
----------------	----------------	----------------	----------------

Financial Institution:	BSB: _ _ _ / _ _ _
Account Name:	Account Number:

4. Investor's signature(s) (must be completed)

Please sign this form where indicated below. This form must be signed as per the current signing instructions we have on record for your investments.

- If you have not made any amendments, the current signatory/s for the account are the individuals who signed the initial investment application form.
- If signed under Power of Attorney, the Attorney certifies that he or she has not received notice of revocation of the Power of Attorney. Please include a certified copy of the Power of Attorney document with this form, if it has not previously been provided to Equititrust.

Signature of Investor No. 1 or company officer

X

Date

--

Signature of Investor No. 2 or company officer

X

Date

--

Signature of Investor No. 3 or company officer

X

Date

--

5. Submitting the Form

By Post:

C/- BDO
GPO Box 457
BRISBANE QLD 4001

Office Use Only

Equititrust Limited AFSL No. 230 471 ARSN 089 079 854

Signature checked against PDS / POA

Completed by: _____

Date: _____