

EQUITITRUST INCOME FUND
(RECEIVER APPOINTED)
ABN: 34 246 006 109

Report for the period 1 July 2023 to 24 November 2023

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Financial Statements for the period 1 July 2023 to 24 November 2023

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EQUITRUST INCOME FUND (RECEIVER APPOINTED)

STATEMENT OF COMPREHENSIVE INCOME

For the period 1 July 2023 to 24 November 2023

	Note	For the period 1 July 2023 to 24 November 2023 \$
<i>Income</i>		<hr/> <hr/>
		-
<i>Expenses</i>		
Legal Fees		59,742
Court Appointed Receiver's fees & outlays (BDO)	5	249,505
Other expenses	6	56,255
<i>Total expenses</i>		<hr/> 365,502 <hr/>
<i>Net loss before income tax</i>		(365,502)
Income tax expense		-
<i>Changes in net assets attributable to unitholders after income tax expense</i>		<hr/> (365,502) <hr/> <hr/>

The Statement of Comprehensive Income is to be read in conjunction with the notes to the financial statements.

EQUITITRUST INCOME FUND (RECEIVER APPOINTED)

STATEMENT OF FINANCIAL POSITION

As at 24 November 2023

	Note	24 November 2023
ASSETS		\$
Cash and cash equivalents		1,116,353
TOTAL ASSETS		1,116,353
LIABILITIES		
Distributions payable	4	(1,116,353)
Total liabilities excluding net assets attributable to unitholders		(1,116,353)
NET ASSETS		-
Net assets attributable to unitholders	7	-

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

EQUITRUST INCOME FUND (RECEIVER APPOINTED)
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
For the period 1 July 2023 to 24 November 2023

	Note	For the period 1 July 2023 to 24 November 2023 \$
TOTAL		
Opening balance		5,607,110
Units issued during the period		-
Units redeemed during the period		-
Units issued on reinvestment of distributions		-
Changes in net assets attributable to unitholders	7	(5,607,110)
Closing Balance		-

The Statement of Changes in Net Assets Attributable to Unitholders is to be read in conjunction with the notes to the financial statements.

EQUITRUST INCOME FUND (RECEIVER APPOINTED)

STATEMENT OF CASH FLOWS

For the period 1 July 2023 to 24 November 2023

	Note	For the period 1 July 2023 to 24 November 2023 \$
Cash and cash equivalents at beginning of period		5,607,110
Cash flows from operating activities		
GST and withholding tax (paid)/received	3	56,134
Payments for other operating expenses		(425,951)
Net cash inflow/(outflow) from operating activities	8	(369,817)
Cash flows from financing activities		
Equalisation payment	4	(2,392,960)
Distributions paid	4	(1,727,980)
Net cash flows from financing activities		(4,120,940)
Net increase/(decrease) in cash and cash equivalents		(4,490,757)
Cash and cash equivalents at end of period	8	1,116,353

The Statement of Cashflows is to be read in conjunction with the notes to the financial statements.

EQUITITRUST INCOME FUND (RECEIVER APPOINTED)

Notes to the financial statements for the period 1 July 2023 to 24 November 2023

1. CORPORATE INFORMATION

During the period October 2008 to 29 February 2012, a series of insolvency events occurred in respect of both Equititrust Income Fund and its Responsible Entity, these are detailed in the table below:

Date	Event
October 2008	Since October 2008, no redemption of units by members was permitted unless approved under a hardship redemption request.
28 February 2011 and 30 March 2011	The Fund ceased making distribution payments to members on or about 28 February 2011 for monthly members and on or about 30 March 2011 for annual members.
Financial year ended 30 June 2011	Prior to my appointment, Equititrust Limited (EL), the Fund's responsible entity, paid distributions to members who were entitled to monthly or annual payments up to and including February or March 2011, respectively. After these payments, EL reclassified them as capital returns on 20 June 2011 because the unit price fell below \$1. Members received a letter regarding this change, which reduced the number of units in the Fund according to the capital returns.
21 November 2011 and 23 November 2011	By orders of the Supreme Court of Queensland made on 21 November 2011 and 23 November 2011, David Whyte was appointed: a) Pursuant to sections 1101B(1) and 601NF(2) of the <i>Corporations Act 2001</i> (Cth) (the Act) as the receiver of the property of the Equititrust Income Fund ARSN 089 079 854 and the property of the Equititrust Priority Class Income Fund ARSN 089 079 729 (collectively, the Funds); and b) Pursuant to section 601NF(1) of the Act, to take responsibility for ensuring that the Funds are wound up in accordance with the Funds' respective constitutions.
15 February 2012	Blair Pleash, Richard Albarran and Glen Oldham of the firm Hall Chadwick (the administrators) were appointed administrators of Equititrust Limited (EL)
16 February 2012	The National Australia Bank Ltd (NAB) appointed William Colwell (Mr Colwell) and Greg Moloney (Mr Moloney) of the firm Ferrier Hodgson (the receivers) receivers and managers of EL. This appointment was in respect of EL only, not in respect of the EIF or the EPCIF. Mr Moloney ceased being a receiver and manager of EL on 11 May 2018 and Mr Colwell ceased being a receiver and manager of EL on 29 November 2021. Blair Alexander Pleash and Richard Albarran are the current liquidators of EL.
29 February 2012	Following the appointment of administrators and receivers to EL, David Whyte sought and obtained an order from the Supreme Court of Queensland dated 29 February 2012 (with the consent of the then administrators and the receivers) which (without derogating from his appointment or his powers pursuant to the Orders of Justice Applegarth of 21 November 2011 and 23 November 2011) authorised David Whyte to <i>inter alia</i> : (a) take all steps necessary to ensure the realisation of property of the EIF held by EL as RE of the EIF, by exercising any legal right of EL as RE of the EIF in relation to the property of the EIF; and

EQUITITRUST INCOME FUND (RECEIVER APPOINTED)

Notes to the financial statements for the period 1 July 2023 to 24 November 2023

(b) bring, defend or maintain any proceedings on behalf of the EIF in the name of EL as is necessary for the winding up of the EIF in accordance with clause 9 of EIF Constitution

1. CORPORATE INFORMATION (Continued)

The Scheme is an unregistered managed investment scheme, incorporated on 7 September 1999.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Basis of accounting

The financial statements are special purpose financial statements prepared pursuant to the affidavit submitted to the court by David Whyte for the finalisation of the winding up of Equititrust Income Fund (the Scheme or the Fund).

The financial statements have been prepared in accordance with the disclosed significant accounting policies, which David Whyte has determined are appropriate to meet the purpose the special purpose financial statements are prepared for.

The financial report is presented in Australian Dollars (\$).

Status of investment in fund

During the 2008 year, the Responsible Entity closed the Scheme to new investors and suspended withdrawals subject to certain exceptions. Redemptions were suspended at this time, per the Constitution, as the Responsible Entity considered the suspension of the withdrawals to be in the best interest of the members of the Scheme.

The Scheme has been formally wound up with redemptions and hardship provisions remaining suspended throughout the winding up period.

Liquidation Basis

The financial statements have not been prepared on a going concern basis due to the appointment of Administrators to the Responsible Entity for the Fund on 15 February 2012 and subsequently Liquidators on 20 April 2012 and the appointment of a Court Appointed Receiver and person responsible for ensuring it is wound up in accordance with its Constitution as detailed in Note 1. Accordingly, the financial statements have been prepared on a liquidation basis.

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(c) Distributions

The overall return to investors is approximately 11.72 cents per unit.

Interim Distributions to Investors

The following interim distributions have been paid to Investors as at 24 November 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

\$20.582 million was returned to investors in these three interim distributions, equating to 11 cents per unit on a reducing unitholding basis.

EQUITITUST INCOME FUND (RECEIVER APPOINTED)

Notes to the financial statements for the period 1 July 2023 to 24 November 2023

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equalisation Payment

On 31 August 2023, certain investors received an equalisation payment totalling \$3.007 million to ensure an equitable return of capital was paid to all investors given the differing interest rates and payment profiles used for calculating the partial return of capital paid to investors between 1 July 2010 up until the cessation of distribution payments in March 2011.

To ensure equitable treatment in returning capital for FY2011, the decision was made to adopt the highest return received by an investor, i.e., 6.33425%, and apply it uniformly across all unit holdings. Consequently, equalisation payments covering the period from 1 July 2010 to 30 March 2011 were calculated based on this rate for all investors, aiming to rectify the identified disparities in the historical distribution of returns.

A copy of the Orders and supporting application material which provides details regarding the calculation of the equalisation payment can be found under the heading "EIF Receiver's Court Application for Directions - Hearing Dates 1 October 2021 and 21 June 2023" on the following website: <http://equititrustincomefund.com.au/Updates.html>.

Final Distribution

On 30 October 2023, investors received a final distribution of 1.26 cents per unit, totalling \$2.151 million. This payment followed the same accounting method as the previous interim distributions, which reduced the number of units in the Fund as distributions were made. After three interim distributions and an equalisation payment to investors, the number of units decreased from 193.912 million at the time of my appointment to 170.323 million prior to the final distribution (193.912 million – 23.589 million).

The remaining net assets of \$2.151 million were distributed equally among 170.323 million units, resulting in 1.26 cents per unit. Therefore, a total of approximately \$22.733 million has been returned to investors over these four distributions (excluding the equalisation payment). The total capital returned to investors during the receivership was 11.72 cents per unit (excluding the equalisation payment).

(d) Goods and services tax (GST)

The Scheme qualifies for Reduced Input Tax Credits (RITC's) at a rate of 75%.

The type of expenses that the Scheme has claimed RITC's for include legal fees, IT expenses, Court Appointed Receiver's fees & outlays, and printing and storage.

(e) Taxation

Under current legislation, the Scheme is not subject to income tax provided the distributable income of the Scheme is fully distributed either by way of cash or reinvestment (i.e. unitholders are presently entitled to the income of the Scheme).

3. GST AND WITHHOLDING TAX (PAID)/RECEIVED

RITC at a rate of 75% claimed and received for the period 1 May 2023 to 30 September 2023.

4. DISTRIBUTIONS PAID/PAYABLE TO INVESTORS

The following distributions have been paid to investors during the period 1 July 2023 to 24 November 2023:

- Equalisation payment - \$3,006,596
- Final distribution to investors - \$2,151,321

The amount outstanding from returned distributions to investors from the First, Second and Third Interim distributions which is payable to ASIC is \$79,376. Below is a table to reconcile all distributions paid and payable to the Fund's investors.

EQUITUST INCOME FUND (RECEIVER APPOINTED)

Notes to the financial statements for the period 1 July 2023 to 24 November 2023

	For the period 1 July 2023 to 24 November 2023
Distributions Paid/Payable	\$
Equalisation payment	3,006,596
Distributions paid	2,151,321
Returned distributions payable from 1 st ,2 nd & 3 rd interim distributions	79,376
Total distributions payable	5,237,293
Less: Returned Equalisation payments	(613,636)
Less: Returned Final distributions	(423,341)
Less: Returned distributions payable from First, Second and Third Interim distributions	(79,376)
Total distributions paid	4,120,940
Total returned distributions payable to ASIC unclaimed monies	1,116,353

In relation to the distributions to members during the course of the winding up, there remains a total amount of \$1,116,353 outstanding to members in respect of failed payments/returned payments due to up to date banking details not being advised by members to the Court Appointed Receiver. Pursuant to section 601NG of the Corporations Act 2001, these funds will be remitted to ASIC as unclaimed monies on completion of the winding up and after lodgement of Form 5138 with ASIC. The Form 5138 is expected to be lodged with ASIC by no later than 8 December 2023.

5. COURT APPOINTED RECEIVER'S FEES & OUTLAYS (BDO)

	For the period 1 July 2023 to 24 November 2023
The Court Appointed Receiver's fees & outlays are represented by the following amounts:	\$
Professional fees approved by the Court for the period 1 May 2023 to finalisation	200,000
Outlays including postage, historical and future record storage & destruction	49,505
Total	249,505

6. OTHER EXPENSES

	For the period 1 July 2023 to 24 November 2023
Other Expenses	\$
Agent's Fees	805
Advertising	5,763
Auditor's Fees	23,000

EQUITITUST INCOME FUND (RECEIVER APPOINTED)

Notes to the financial statements for the period 1 July 2023 to 24 November 2023

Bank Charges	99
IT Expenses	19,113
Printing & Stationery	7,475
Total	56,255

7. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Movements in the net assets attributable to unitholders during the period 1 July 2023 to 24 November 2023 were as follows:

Net assets attributable to unitholders	24 November 2023
	\$
Opening balance	5,607,110
Total distributions payable	(5,237,293)
Changes in net assets attributable to unitholders after income tax expense for current period	(369,817)
Net assets attributable to unitholders	-
Equalisation payment	3,006,596
Final Distribution of 1.26 cents per unit for Unit Holders	2,151,321
Adjustment: Returned distributions payable from First, Second and Third Interim distributions	79,376
Net distributions payable	5,237,293
Distributions	
Net capital distributions payable	5,237,293
Less amounts unable to be credited to unitholders' bank accounts payable to ASIC unclaimed monies	(1,116,353)
Distributions paid to investors in cash	4,120,940

Please refer to note 2(c) for further detail regarding the distributions I have paid to investors over the course of the Receivership.

8. CASH AND CASH EQUIVALENTS

Reconciliation of change in net assets attributable to unitholders to net cash flows from operating activities

	For the period 1 July 2023 to 24 November 2023
	\$
Change in net assets attributable to unitholders	(5,607,110)
<i>Adjustments for:</i>	
BDO Distributions to Investors	4,120,940
Distributions payable to ASIC unclaimed monies	1,116,353

EQUITITUST INCOME FUND (RECEIVER APPOINTED)

Notes to the financial statements for the period 1 July 2023 to 24 November 2023

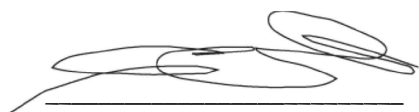
Net cash flows from/(used in) operating activities

(369,817)

EQUITITUST INCOME FUND (RECEIVER APPOINTED)
RECEIVER'S DECLARATION
FOR THE PERIOD 1 JULY 2023 TO 24 NOVEMBER 2023

In my opinion:

- the Scheme is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 2 to the financial statements, the attached special purpose financial statements have been prepared pursuant to the affidavit submitted to the court by me for the finalisation of the winding up of Equititrust Income Fund;
- the attached financial statements and notes comply with the basis of accounting as described in note 2 to the financial statements, which I determined are appropriate to meet the purpose the special purpose financial statements are prepared for.



David Whyte
Court Appointed Receiver

27 November 2023
Brisbane

INDEPENDENT AUDITOR'S REPORT

To the Court Appointed Receiver

Opinion

I have audited the financial report of Equititrust Income Fund (Receiver appointed), which comprises the balance sheet as at 24 November 2023, and the income statement, statement of changes in net assets attributable to unitholders and a statement of cash flows for the period then ended, and notes to the financial report, including a summary of significant accounting policies and the receiver's declaration.

In my opinion, the accompanying financial report of Equititrust Income Fund (Receiver appointed) for the period ended 24 November 2023 is prepared, in all material respects, in accordance with the affidavit submitted to the court by David Whyte for the finalisation of the winding up of Equititrust Income Fund.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial report* section of my report. I am independent of the Fund in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter – Going concern

The financial statements have not been prepared on a going concern basis due to the appointment of Administrators to the Responsible Entity for the fund on 15 February 2012 and subsequently Liquidators on 20 April 2012 and the appointment of a Court Appointed Receiver and person responsible for ensuring it is wound up in accordance with its Constitution as detailed in Notes 1 and 2 to the financial report. Accordingly, the financial statements have been prepared on a liquidation basis.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

I draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report is prepared to assist the Fund in complying with the affidavit submitted to the court by David Whyte for the finalisation of the winding up of Equititrust Income Fund. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other matters – ASIC unclaimed monies

I draw attention to Note 4 to the financial report, which states that in relation to the distributions to members during the course of the winding up, there remains a total amount of \$1,116,353 outstanding to members in respect of failed payments/returned payments due to up to date banking details not being advised by members to the Court Appointed Receiver. Pursuant to section 601NG of the Corporations Act 2001, these funds will be remitted to ASIC as unclaimed monies on completion of the winding up and after lodgement of Form 5138 with ASIC. The Form 5138 is expected to be lodged with ASIC by no later than 8 December 2023.

Responsibilities of the Court Appointed Receiver

The Court Appointed Receiver is responsible for the preparation of the financial report in accordance with the affidavit submitted to the court for the finalisation of the winding up of Equititrust Income Fund and for such internal control as the appointed receiver determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

The financial statements have not been prepared on a going concern basis due to the appointment of Administrators to the Responsible Entity for the fund on 15 February 2012 and subsequently Liquidators on 20 April 2012 and the appointment of a Court Appointed Receiver and person responsible for ensuring it is wound up in accordance with its Constitution as detailed in Note 1 to the financial report. Accordingly, the financial statements have been prepared on a liquidation basis.

The Court Appointed Receiver is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

Paragraph 41(b) of ASA 700 explains that the shaded material below can be located in an Appendix to the auditor's report.

Paragraph 41(c) of ASA 700 explains that when law, regulation or national auditing standards expressly permit, reference can be made to a website of an appropriate authority that contains the description of the auditor's responsibilities, rather than including this material in the auditor's report, provided that the description on the website addresses, and is not inconsistent with, the description of the auditor's responsibilities below. When the auditor refers to a description of the auditor's responsibilities on a website, the appropriate authority is the Auditing and Assurance Standards Board and the website address is <http://www.auasb.gov.au/Home.aspx>

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Court Appointed Receiver.
- Conclude on the appropriateness of the Court Appointed Receivers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

I communicate with the Court Appointed Receiver regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

1300 372 786
info@fsa.com.au
fsa.com.au

Ground Floor, 139 Coronation Dr
Milton QLD 4064
PO Box 1128, Milton QLD 4064

FSA Audit Pty Ltd



Mark du Plessis
Partner
Registered Company Auditor - 471680
Brisbane
Dated this 28th November 2023

1300 372 786
info@fsa.com.au
fsa.com.au

Ground Floor, 139 Coronation Dr
Milton QLD 4064
PO Box 1128, Milton QLD 4064