

SUPREME COURT OF QUEENSLAND

REGISTRY: Brisbane
NUMBER: 3383 of 2013

Applicants: **RAYMOND EDWARD BRUCE AND VICKI PATRICIA BRUCE**

AND

First Respondent: **LM INVESTMENT MANAGEMENT LIMITED
(IN LIQUIDATION) ACN 077 208 461 IN ITS
CAPACITY AS RESPONSIBLE ENTITY OF THE LM
FIRST MORTGAGE INCOME FUND**

AND

Second Respondent: **THE MEMBERS OF THE LM FIRST MORTGAGE
INCOME FUND ARSN 089 343 288**

AND

Third Respondent: **ROGER SHOTTON**

AND


Intervener: **AUSTRALIAN SECURITIES & INVESTMENTS
COMMISSION**

**CERTIFICATE OF EXHIBIT
VOLUME 3 OF 3**

Exhibit "DW-102" (pages 487 to 762) to the Affidavit of **DAVID WHYTE** sworn
this 13th day of November 2018



Deponent



Solicitor/A Justice of the Peace

CERTIFICATE OF EXHIBIT:
Form 47, R.435

TUCKER & COWEN
Solicitors
Level 15
15 Adelaide Street
Brisbane, Qld, 4000
Tele: (07) 300 300 00
Fax: (07) 300 300 33

Filed on behalf of the Applicant

SUPREME COURT OF QUEENSLAND

REGISTRY: Brisbane
NUMBER: 3383 of 2013

Applicants: **RAYMOND EDWARD BRUCE AND VICKI PATRICIA BRUCE**

AND

First Respondent: **LM INVESTMENT MANAGEMENT LIMITED
(IN LIQUIDATION) ACN 077 208 461 IN ITS
CAPACITY AS RESPONSIBLE ENTITY OF THE LM
FIRST MORTGAGE INCOME FUND**

AND

Second Respondent: **THE MEMBERS OF THE LM FIRST MORTGAGE
INCOME FUND ARSN 089 343 288**

AND

Third Respondent: **ROGER SHOTTON**

AND

Intervener: **AUSTRALIAN SECURITIES & INVESTMENTS
COMMISSION**

INDEX OF EXHIBITS

Volume 3 of 3

No.	DW-102	Date	Page No.
17.	Notices of Termination in respect of controllership appointments	14.08.2018 21.09.2018	487 – 493
18.	Receipts and payments account for the period 11 July 2013 to 10 January 2014	Various	494 – 506
19.	Receipts and payments account for the period 11 January 2014 to 10 July 2014	Various	507 – 520
20.	Receipts and payments account for the period 11 July 2014 to 10 January 2015	Various	521 – 536

No.	DW-102	Date	Page No.
21.	Receipts and payments account for the period 11 January 2015 to 10 July 2015	Various	537 – 568
22.	Receipts and payments account for the period 11 July 2015 to 10 January 2016	Various	569 – 583
23.	Receipts and payments account for the period 11 January 2016 to 10 July 2016	Various	584 – 597
24.	Receipts and payments account for the period 11 July 2016 to 10 January 2017	Various	598 – 610
25.	Receipts and payments account for the period 11 January 2017 to 10 July 2017	Various	611 – 622
26.	Receipts and payments account for the period 11 July 2017 to 10 January 2018	Various	623 – 632
27.	Receipts and payments account for the period 11 January 2018 to 10 July 2018	Various	633 – 640
28.	Financial statements of the FMIF for the year ending 30 June 2014	Various	641 – 665
29.	Financial statements of the FMIF for the year ending 30 June 2015	Various	666 – 688
30.	Financial statements of the FMIF for the year ending 30 June 2016	Various	689 – 711
31.	Financial statements of the FMIF for the year ending 30 June 2017	Various	712 – 736
32.	Financial statements of the FMIF for the year ending 30 June 2018	Various	737 – 762

14th August 2018

The Trust Company
(PTAL) Limited
ABN 28 008 412 913
Level 18, Angel Place
123 Pitt Street, Sydney
GPO Box 4270
Sydney NSW 2001
Australia
DX 365 Sydney
Telephone 02 9229 9000

By email and post

Mr David Whyte and Mr Andrew Fielding
C/- BDO Australia
Level 10, 12 Creek Street
Brisbane QLD 4000

Dear Sir and Madam

**LM Investment Management Limited ACN 077 208 461 (In Liquidation) (Receivers and Managers Appointed) (the 'Company') as responsible entity of the LM First Mortgage Income Fund ARSN 089 343 288 –
Notice of Termination of controllership appointments**

As you know, The Trust Company (PTAL) Limited ACN 008 412 913 (PTAL) has appointed you both as its agents with respect to securities granted to PTAL by the following entities:

1. Bridgewater Lake Estate Pty Limited ACN 086 203 787 (in Liquidation) (Controller Appointed);
2. Redland Bay Leisure Life Pty Ltd ACN 109 932 916 (in Liquidation) (Controllers Appointed);
3. Redland Bay Leisure Life Development Pty Ltd ACN 112 002 383 (in Liquidation) (Controllers Appointed);
4. OVST Pty Limited ACN 103 216 771 (in Liquidation) (Controllers Appointed); and
5. Cameo Estates Lifestyle Villages (Launceston) Pty Ltd ACN 098 955 296 (Receivers and Manager Appointed) (Controllers Appointed),

(collectively, the **Controllerships**).


Pursuant to clause 4(a) of the Deeds of Appointment (as set out in Schedule 1) ("**Deeds of Appointment**"), PTAL hereby revokes the appointment of each of you (David Whyte and Andrew Fielding) as its agents for each of the Controllerships as and from 15th August 2018.

For the avoidance of any doubt, this termination is without prejudice to and does not affect:

1. Your rights under the Deeds of Appointment or the Deeds of Indemnity set out in Schedule 2 (**Deeds of Indemnity**) to be paid reasonable remuneration in relation to your appointments as agents, including remuneration in relation to work performed prior to termination of your appointment and in relation to work performed that is reasonably necessary in order to finalise your appointment, including lodgement of a final return with the Australian Securities and Investments Commission (**ASIC**) and giving ASIC notice that your appointment has ceased;
2. Your rights to be indemnified in accordance with the terms of the Deeds of Indemnity.

Yours faithfully

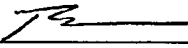
Signed sealed and delivered for and on behalf of **The Trust Company (PTAL) Limited** ACN 008 412 913 by its duly appointed attorney pursuant to Power of Attorney Registered Book 4676 No 134 dated 18/09/2014 in the presence of:



Signature of witness

Senay Sevgi
Custody Administrator

Name of witness (please print)



Signature of attorney (I have no notice of revocation of the power of attorney under which I sign this document)

Trent Franklin
Manager Custody

Name of attorney (please print)

Cc:

Joseph Hayes / Anthony Connelly
McGrathNicol, Level 31, 60 Margaret Street, Sydney NSW 2000
Scott Sharry/Nick Josey
Clayton Utz, Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000

SCHEDULE 1

Deeds of Appointment*

1. Deed of Appointment of Agent with respect to Bridgewater Lake Estate Pty Limited ACN 086 203 787 (in liquidation) between PTAL, Mr Whyte and Mr Fielding 23 September 2014.
2. Deed of Appointment of Agent with respect to Redland Bay Leisure Life Pty Ltd ACN 109 932 916 between PTAL, Mr Whyte and Mr Fielding 23 September 2014.
3. Deed of Appointment of Agent with respect to Redland Bay Leisure Life Development Pty Ltd ACN 112 002 383 between PTAL, Mr Whyte and Mr Fielding 23 September 2014.
4. Deed of Appointment of Agent with respect to OVST Pty Limited ACN 103 216 771 between PTAL, Mr Whyte and Mr Fielding 23 September 2014.
5. Deed of Appointment of Agent with respect to Cameo Estates Lifestyle Villages (Launceston) Pty Ltd ACN 098 955 296 (controller appointed) (in liquidation) between PTAL, Mr Whyte and Mr Fielding dated 23 September 2014.
6. Supplementary Deed to Deed of Appointment of Agents for Chargee with respect to Cameo Estates Lifestyle Villages (Launceston) Pty Ltd ACN 098 955 296 (controller appointed) (in liquidation) between PTAL, Mr Whyte and Mr Fielding dated 23 December 2014.

* a reference to a Deed includes a reference to that Deed as varied or supplemented from time to time.

SCHEDULE 2

Deeds of Indemnity*

1. Deed of Indemnity of agents for mortgagee with respect to Bridgewater Lake Estate Pty Limited ACN 086 203 787 (in liquidation) between PTAL, Mr Whyte and Mr Fielding 23 September 2014.
2. Deed of Indemnity of agents for mortgagee with respect to Redland Bay Leisure Life Pty Ltd ACN 109 932 916 between PTAL, Mr Whyte and Mr Fielding 23 September 2014.
3. Deed of Indemnity of agents for mortgagee with respect to Redland Bay Leisure Life Development Pty Ltd ACN 112 002 383 between PTAL, Mr Whyte and Mr Fielding entered into in 23 September 2014.
4. Deed of Indemnity of agents for mortgagee with respect to OVST Pty Limited ACN 103 216 771 between PTAL, Mr Whyte and Mr Fielding 23 September 2014.
5. Deed of Indemnity of agents for mortgagee with respect to Cameo Estates Lifestyle Villages (Launceston) Pty Ltd ACN 098 955 296 (controller appointed) (in liquidation) between PTAL, Mr Whyte and Mr Fielding dated 23 September 2014.
6. Supplementary Deed to Deed of Indemnity of Agents for Chargee with respect to Cameo Estates Lifestyle Villages (Launceston) Pty Ltd ACN 098 955 296 (controller appointed) (in liquidation) between PTAL, Mr Whyte and Mr Fielding dated 25 June 2015.

* a reference to a Deed includes a reference to that Deed as varied or supplemented from time to time.

21st September 2018

By email and post

Mr David Whyte and Mr Andrew
Fielding
C/- BDO Australia
Level 10, 12 Creek Street
Brisbane QLD 4000

Dear Sir and Madam

**LM Investment Management Limited ACN 077 208 461 (In Liquidation) (Receivers and Managers Appointed) (the 'Company') as responsible entity of the LM First Mortgage Income Fund ARSN 089 343 288 -
Notice of Termination of controllership appointment**


As you know, The Trust Company (PTAL) Limited ACN 008 412 913 (PTAL) has appointed you both as an agent with respect to securities granted to PTAL by Pinevale Villas Morayfield Pty Ltd (In Liquidation) (Controllers Appointed).

Pursuant to clause 4(a) of the Deed of Appointment (as set out in Schedule 1) ("Deed of Appointment"), PTAL hereby revokes the appointment of each of you (David Whyte and Andrew Fielding) as agent for the Controllership as and from 22nd September 2018

For the avoidance of any doubt, this termination is without prejudice to and does not affect:

1. Your rights under the Deed of Appointment or the Deed of Indemnity set out in Schedule 2 (Deed of Indemnity) to be paid reasonable remuneration in relation to your appointment as an agent, including remuneration in relation to work performed prior to termination of your appointment and in relation to work performed that is reasonably necessary in order to finalise your appointment, including lodgement of a final return with the Australian Securities and Investments Commission (ASIC) and giving ASIC notice that your appointment has ceased;
2. Your rights to be indemnified in accordance with the terms of the Deed of Indemnity.

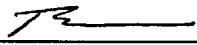
Signed sealed and delivered for and on behalf of The Trust Company (PTAL) Limited ACN 008 412 913 by its duly appointed attorney pursuant to Power of Attorney Registered Book ~~138~~ No 138 dated in the presence of:



Signature of witness

Senay Sevgi
Custody Administrator

Name of witness (please print)



Signature of attorney (I have no notice of revocation of the power of attorney under which I sign this document)

Trent Franklin
Manager Custody

Name of attorney (please print)

Cc:

Joseph Hayes / Anthony Connelly
McGrathNicol, Level 31, 60 Margaret Street, Sydney NSW 2000
Scott Sharry/Nick Josey
Clayton Utz, Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000

SCHEDULE 1

Deed of Appointment*

1. Deed of Appointment of agents with respect to Pinevale Villas Morayfield Pty Ltd ACN 116 192 780 (In Liquidation) between PTAL, Mr Whyte and Mr Fielding 23 September 2014.

SCHEDULE 2

Deeds of Indemnity

1. Deed of Indemnity of agents for mortgagee with respect to Pinevale Villas Morayfield Pty Ltd ACN 116 192 780 (In Liquidation) between PTAL, Mr Whyte and Mr Fielding 23 September 2014.



authority@property.saiglobal.com

**D
o
c
u
m
e
n
t
a
r
y**

Request Number 8509869.

Extracted from ASIC's Database on 1/05/14 at 09:12.

Name: LM INVESTMENT MANAGEMENT LIMITED
ACN : 077 208 461

<i>Document ID</i>	<i>No. of Pages</i>	<i>Date Lodged</i>
7E5824920	12	10/02/14

If this request is for financial accounts it may contain an XBRL version of the accounts in addition to the usual PDF version. To analyse the version of the accounts in XBRL format you will need to use XBRL reader software. Please refer to www.asic.gov.au/SBR for more information.

The total number of pages including this cover page is 13.

If your request was made through an Information Broker and not all pages have been included please contact your Information Broker.

If your request was made direct to ASIC and you require technical assistance please contact us as follows:

DOCIMAGE Technical Enquiries: 03 5177 3001
Facsimile: 03 5177 3999
Ask a question: www.asic.gov.au/question

For all other inquiries contact us on 1300 300 630.

Australian Securities & Investments Commission

Electronic Lodgement
Document No. **7E5824920**
Lodgement date/time: 10-02-2014 15:45:10
Reference Id: 88538017

Form 524
Corporations Act 2001
539(1), s539(7)

Presentation of accounts and statement

Liquidator details

Registered liquidator number
219954

Registered liquidator name
JOSEPH DAVID HAYES

Company details

Company name
LM INVESTMENT MANAGEMENT LIMITED
077 208 461

Appointment details

Date appointment commenced :
11-07-2013
Type of appointment :
Receiver and manager
Are these accounts final?
No

Account & statement details

Period for which the accounts and statement are made up
From
11-07-2013
To
10-01-2014

Form 524 - Presentation of accounts and statement
Liquidator: 219954 - JOSEPH DAVID HAYES

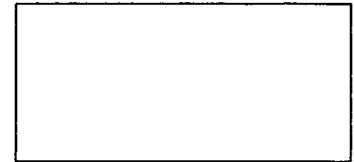
Authentication

This form has been authenticated by
Name JOSEPH DAVID HAYES
This form has been submitted by
Name Graciela NOLAN
Date 10-02-2014

For more help or information

Web www.asic.gov.au
Ask a question? www.asic.gov.au/question
Telephone 1300 300 630

Australian Securities & Investments Commission



Form 524

Corporations Act 2001
539(1), 411(9)(a), 432(1A), 438E and 445J

Presentation of accounts and statement

This form is to be used for the presentation of accounts and statement by an administrator, provisional liquidator, court appointed liquidator, members' voluntary liquidator, creditors' voluntary liquidator, receiver, receiver and manager, managing controller (other than receiver and manager); controller (other than receiver, receiver and manager or managing controller); deed administrator or scheme administrator under Part 5.1.

If there is insufficient space in any section of the form, you may photocopy the relevant page(s) and submit as part of this lodgement

Company details

Company name

LM Investment Management Limited (In Liquidation) (Receivers and Managers Appointed)

ACN / ABN

077 208 461

Lodgement details

Who should ASIC contact if there is a query about this form?

Firm / Organisation

McGrathNicol

Contact name/position description

Joseph David Hayes / Joint & Several Receiver and Manager

ASIC registered agent number (if applicable)

23182

Telephone Number

+61 2 9338 2600

Postal Address or DX Address

GPO Box 9986, Sydney NSW 2001

1 Details of appointment

Date of Commencement

11/07/2013

Type of appointment

Receiver and manager 524N & P

Details of the accounts

Are the accounts final? No.

The period for which the accounts and statements are made up can not be more than 6 months.

If yes, provide date when Joint & Several Receivers and Managers ceased to act .

Date to which the accounts and statements made up

Final accounts and statements must be made up to the date on which the liquidator ceased to act.

From
11/07/2013

To
10/01/2014

1 Continued...Details of appointment**Details of the appointee(s)**

Date of Appointment:	11/07/2013
Liquidator Registration Number:	219954
Name:	Joseph David Hayes
At the office of:	McGrathNicol
Address:	Level 31 60 Margaret Street Sydney NSW 2000
Date of Appointment:	11/07/2013
Liquidator Registration Number:	410893
Name:	Anthony Norman Connelly
At the office of:	McGrathNicol
Address:	Level 14 145 Eagle Street Brisbane QLD 4000

Details of the original appointment

Complete this section only if you are a controller

Appointment by or under Instrument

Date of appointment:	11/07/2013
Date of Instrument:	1/07/2010
Description of Instrument:	
Instrument registered in the Personal Property Securities Register	YES
Security Interest Number:	201112213019561

Creditors' Meeting

Date of the last annual meeting of creditors

N/A

Was a quorum present at this meeting? N/A

OR

The liquidator decided not to convene a meeting of creditors and has lodged a copy of the report with ASIC
Date report lodged with ASIC:

N/A

2 Dividend

Complete this section in full only if you are a court or creditors' voluntary liquidator or deed administrator. This section is not relevant to provisional liquidation appointments. If you are the liquidator of a members' voluntary liquidation, you need only provide information on the dividends paid to contributories.

Your estimate of total creditors in this administration at the date of this account

Category	Estimated Number of Creditors	Estimated Value
Priority		
Secured		
Unsecured		
Deferred		

Dividends paid since your appointment and to the date of this account.

3 Secured lenders

This section for controllers only as required by s432

Amount owing under instrument at the date appointment / control day	\$25 million
Amount owing under instrument at the date of this account	\$4 million plus interest, fees and charges
Estimated value of property subject to the instrument at the date of this account	Withheld

4 Summary of professional fees and completion dates

Complete this section for all appointments except provisional liquidation appointments.

Professional fees and outlays	Remuneration paid to you during the period for which this account is made up (inclusive of GST)	\$350,803.83
	Remuneration paid to you from the date of your appointment to the date to which this account is made up (inclusive of GST)	\$350,803.83
	Amount received by you in respect of expenses during the period for which this account is made up (inclusive of GST)	\$881.01
	Amount received by you in respect of expenses from the date of your appointment to the date to which this account is made up (inclusive of GST).	\$881.01
Estimated completion date	Month and year by which you expect this appointment will be completed	08 2014
	At the date of this account how long have you been appointed? Years / Months.	0 year(s), 6 month(s).

4 Continued... Summary of professional fees and completion dates

Include both operational and abnormal causes of delay, together with a likely date of event which may be the cause of the delay eg. Collection of debtors, terms of Deed to be satisfied, preference action pending – litigation October 200X; awaiting Committee of Inspection October 200X for approval to finalise.

Details of causes which may delay the termination of your appointment:

- + Realisation of security
- + Final repayment to the secured creditor
- + Finalising statutory obligations

5 Account of receipts and payments

This section for all appointments.

Receipts

(Exclude the principal component of matured investments)

Total amounts received by you before the period for which this account has been made up	\$0.00
Total amounts received by you during the period for which this account has been made up (Attach detailed schedule)	\$34,495,717.44

Total Receipts (this total carried forward to next account)	\$34,495,717.44
--	------------------------

Payments

(Exclude principal amounts invested or rolled over)

Total payments made by you before the period for which this account has been made up	\$0.00
Total payments made by you during the period for which this account has been made up (Attach detailed schedule)	\$32,824,933.73

Total Payments (this total carried forward to next account)	\$32,824,933.73
--	------------------------

Reconciliation of money held

Cash in hand	\$0.00
Cash at bank:	
Credits as per bank statement	\$1,670,783.71
Less: Unpresented cheques	\$0.00
Add: Outstanding deposits	\$0.00
	\$1,670,783.71
Amounts invested and not converted to cash	\$0.00
Total balance of money held	\$1,670,783.71

6 Estimated outcome

Complete this section for court and creditors' voluntary liquidations only.

Do you expect that a dividend will be paid to any class of creditor?

If yes, complete the **Statement of financial position and estimated outcome of your appointment.**

Statement of financial position and estimated outcome of your appointment

Details only required for court and creditors' voluntary winding up where it is expected that a dividend will be paid to any class of creditor.

	Total estimated future net realisable value	
	Estimated (High) \$	Estimated (Low) \$
Expected net asset recoveries		
Total money held at the date of this account (amount taken from above)		
Interests in land		
Sundry debtors		
Stock on hand		
Work in progress		
Plant and equipment		
Potential legal recoveries		
Contingent assets		
Other recoveries		
Estimated net asset recoveries at date of this account		
Less estimated future insolvency practitioners remuneration		
Less estimated future other payments or costs incurred		
Estimated net asset recoveries at date of this account available for further dividends to creditors		
Less estimated future dividends to priority creditors		
Less estimated future payments to secured creditors		
Less estimated future dividends to unsecured creditors		
Less estimated future dividends to deferred creditors		
Balance for contributories		

Provide details of any arrangement where assets of the company have been disposed of by you for consideration other than for cash or of any benefit that you have received directly or indirectly resulting from this appointment.

Disclaimer

The Statement of financial position and estimated outcome is an estimate only based on information available at the date of these accounts. The information included in this section should be viewed as a guide only. Many factors affect the estimated outcome to creditors. The data used in this section will change as further information becomes available and after all matters in the insolvency administration are finalised.

7 Your verification of this account and statement

This section for all appointment types

I declare that the statements below are correct.

Statement

The information given in the statement is true to the best of my knowledge and belief at the date of signing.

The account of receipts and payments set out in the annexure marked A of 6 pages, contains a full and true account of my receipts and payments in this period and I have not, nor has any other person by my order or for my use during that period, received or paid any moneys on account of the company other than and except the items mentioned and specified in that account.

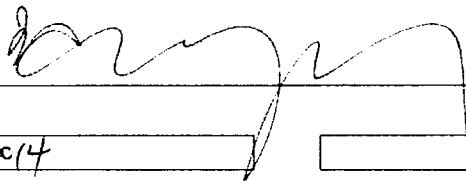
The period
From: 11/07/2013 To: 10/01/2014

Signature

Name

Joseph David Hayes

Signature(s)



Date Signed

10/02/2014

Lodgement

Send completed and signed forms to:

Australian Securities and Investments Commission
PO Box 4000, Gippsland Mail Centre VIC 3841.

Or lodge the form electronically by visiting the ASIC website
www.asic.gov.au

For help or more information

Web www.asic.gov.au
Need help? www.asic.gov.au/question
Telephone 1300 300 630

RECEIPTS			
Date	Receipts From	Nature of Receipts/Explanation	Total
11/07/13	LM Investment Management Limited (Administrators Appointed (Receivers and Managers Appointed)	Equity: Opening Balance	2,291,170.58
11/07/13	LM Investment Management Limited (Administrators Appointed (Receivers and Managers Appointed)	Equity: Opening Balance	3,009,453.04
11/07/13	LM Investment Management Limited (Administrators Appointed (Receivers and Managers Appointed)	Equity: Opening Balance	1 00
11/07/13	LM Investment Management Limited (Administrators Appointed (Receivers and Managers Appointed)	Equity: Opening Balance	53,950.89
31/07/13	Suncorp Bank	Interest Income	5,715.38
31/07/13	Controllership Accounts	Controllership Funds Transfer-Brambleton	150,000.00
31/07/13	Controllership Accounts	Controllership Funds Transfer-Glendenning	676,545.71
31/07/13	Controllership Accounts	Controllership Funds Transfer-Kingopon	154,200.00
31/07/13	Controllership Accounts	Controllership Funds Transfer-Northshore	1,008,510.00
31/07/13	Controllership Accounts	Controllership Funds Transfer-Source Developments	295,000.00
31/07/13	Controllership Accounts	Controllership Funds Transfer-Student Lodge	100,000.00
31/07/13	Controllership Accounts	Controllership Funds Transfer-Townsville Commercial	100,000.00
31/07/13	Suncorp Bank	Interest Income	10,916.29
09/08/13	Various Investors	Capital Distribution-John Boyd	805.69
09/08/13	Various Investors	Capital Distribution-John Ivanovs	987.94
31/08/13	Controllership Accounts	Controllership Funds Transfer-Carrington Management	255,981.59
31/08/13	Controllership Accounts	Controllership Funds Transfer-Keppel Views	160,399.05
31/08/13	Controllership Accounts	Controllership Funds Transfer-Northshore	372,020.08
31/08/13	Suncorp Bank	Interest Income	6,488.65
31/08/13	Suncorp Bank	Interest Income	8,997.79
31/08/13	Suncorp Bank	Interest Income	0.01
16/09/13	Various Investors	Capital Distribution-Flegg Family Trust	625.69
30/09/13	Controllership Accounts	Controllership Funds Transfer-Eden Apartments	68,038.37
30/09/13	Controllership Accounts	Controllership Funds Transfer-Glendenning	196,552.95
30/09/13	Controllership Accounts	Controllership Funds Transfer-Keppel Views	400,000.00
30/09/13	Controllership Accounts	Controllership Funds Transfer-Madlers Properbes	300,000.00
30/09/13	Controllership Accounts	Controllership Funds Transfer-Northshore	2,000,000.00
30/09/13	Various Loans	Loan reduction-Lot 111 Pty Ltd	865,196.29
30/09/13	Suncorp Bank	Interest Income	2,589.23
30/09/13	Suncorp Bank	Interest Income	7,681.11
24/10/13	HIFX	Settlement Proceeds	7,202.52
31/10/13	Controllership Accounts	Controllership Funds Transfer	615,000.00
31/10/13	Controllership Accounts	Controllership Funds Transfer-Coultter	1,200,000.00
31/10/13	Controllership Accounts	Controllership Funds Transfer-Madlers Properbes	114,712.91
31/10/13	Controllership Accounts	Controllership Funds Transfer-Northshore	310,000.00
31/10/13	Controllership Accounts	Controllership Funds Transfer-Seasilver	900,000.00
31/10/13	Suncorp Bank	Interest Income	1,605.60
31/10/13	Suncorp Bank	Interest Income	10,140.60
31/10/13	Various Loans	Loan reduction-Bushland Beach	1,334,840.91
31/10/13	Various Loans	Loan reduction-Green Square	880,091.30
31/10/13	Various Loans	Loan reduction-Seasilver	950,000.00
18/11/13	Investors	Capital Distribution - Rooney & KL Hyatt	270.76
18/11/13	Investors	Capital Distribution-LM Admin RTN 10002324	338.45
18/11/13	Investors	Capital Distribution-LM Admin RTN 10003377	218.90
18/11/13	Investors	Capital Distribution-LM Admin RTN 10006469	314.94
18/11/13	Investors	Capital Distribution-LM Admin RTN 10006701	980.59
18/11/13	Investors	Capital Distribution-LM Admin RTN 10006703	1,366.81
18/11/13	Investors	Capital Distribution-TL Anthony & DJW	72.54
30/11/13	HIFX Ltd	Net settlement proceeds-HIFX Limited	10,358.80
30/11/13	Various Loans	Loan reduction-Lot 111 Pty Ltd	183,889.77
30/11/13	Various Loans	Loan reduction-Seasilver	2,100,000.00
30/11/13	Controllership Accounts	Controllership Funds Transfer-ATO	19,565.42
30/11/13	Controllership Accounts	Controllership Funds Transfer-Northshore	2,500,000.00
30/11/13	Controllership Accounts	Controllership Funds Transfer-Redland Bay Leisure	900.00
30/11/13	Controllership Accounts	Controllership Funds Transfer-Student Lodge	52,007.00
30/11/13	Controllership Accounts	Controllership Funds Transfer-Townsville Commercial	57,678.62
30/11/13	Suncorp Bank	Interest Income	3.83
30/11/13	Suncorp Bank	Interest Income	5,157.39
20/12/13	Investors	Capital Distribution-Alfred Ernest & Caro	1,878.49
20/12/13	Investors	Capital Distribution-Arthur Compton 10001462	1,164.47
23/12/13	Controllership Accounts	Controllership Funds Transfer-Cameo Estate Controller	500,000.00
23/12/13	Controllership Accounts	Controllership Funds Transfer-Northshore Bayview	1,650,000.00
23/12/13	Controllership Accounts	Controllership Funds Transfer-Redland Bay Leisure	2,500,000.00
31/12/13	HIFX Ltd	Net settlement proceeds-HIFX Limited	39,381.87
31/12/13	Various Loans	Loan reduction-AIIS	3,399,834.97
31/12/13	Various Loans	Loan reduction-Lot 111 Pty Ltd-rent payment	30,000.00
31/12/13	Various Loans	Loan reduction-Seasilver Controller	2,800,000.00
31/12/13	Suncorp Bank	Interest Income	3.75
31/12/13	Suncorp Bank	Interest Income	6,523.65
31/12/13	Suncorp Bank	Interest Income	0.01
10/01/14	HIFX	Settlement Proceeds	8,287.96
Total Receipts			34,495,717.44

PAYMENTS			
Date	Payments To	Nature of Payments/Explanation	Total
12/07/13	Keppel Views	Controllership Funds Transfer-Keppel Views Contr	(96,473.45)
12/07/13	Commonwealth Bank of Australia	Controllership Funds Transfer-FMIF Comm	(45,000.00)
24/07/13	Cameo	Controllership Funds Transfer-Cameo	(78,341.00)
25/07/13	Source Developments	Controllership Funds Transfer-Source Developments	(154,033.17)
31/07/13	Deutsche Bank AG - Sydney	Interest Paid to Secured Creditor	(269,863.01)
31/07/13	Suncorp Bank	Bank Charges	(0.60)
31/07/13	Blue Broking	Insurance	(7,487.76)
31/07/13	ML & MS Ayle	Motor Vehicle Expenses	(235.00)
31/07/13	Suncorp Bank	Bank Charges	(1.80)
02/08/13	Various Suppliers	Legal Fees	(317,562.24)
07/08/13	Brambleton Pty Ltd	Controllership Funds Transfer-Brambleton	(180,000.00)
07/08/13	Redland Bay Leisure Life	Controllership Funds Transfer-Redland Bay Leisure	(36,542.46)
07/08/13	St Crispin's	Controllership Funds Transfer-St Crispin's	(140,000.00)
07/08/13	Greystanes Projects Pty Ltd	Controllership Funds Transfer-Greystanes	(15,000.00)
08/08/13	Various Investors	Capital distribution - various investors	(88,989.07)
15/08/13	CORPORATE TRAVELLER	Loan drawdown-Corporate Traveller	(1,904.87)
16/08/13	Cameo	Controllership Funds Transfer-Cameo	(59,620.00)
16/08/13	Landmark White (Gold Coast) Pty Ltd	Loan drawdown-LandMark White	(4,950.00)
18/08/13	Young Project Marketing	Controllership Funds Transfer-Young Project Market	(28,788.00)
21/08/13	Redland Bay Tall Trees	Controllership Funds Transfer-Redland Bay Tall Trees	(180,752.26)
22/08/13	LM Administraton PL (In Liquidation)	Controllership Funds Transfer-LMA PL (In Liquidation)	(140,732.97)
28/08/13	Allens/Clayton Utz	Loan drawdown-Allens/Clayton Utz	(10,745.90)
28/08/13	OVST	Controllership Funds Transfer-OVST	(241,680.94)
28/08/13	Cushman & Wakefield	Loan drawdown-Cushman & Wakefield	(15,400.00)
28/08/13	Hidden Valley	Controllership Funds Transfer-Hidden Valley	(134,814.89)
28/08/13	Ray White/Colliers/Trinity Law	Loan drawdown-Ray White/Colliers/Trinity Law	(46,739.00)
28/08/13	Cameron Kohring	Sundry Expenses	(40.00)
28/08/13	Clayton Utz	Legal Fees	(15,305.95)
28/08/13	Clayton Utz	Loan drawdown-Clayton Utz	(1,503.15)
29/08/13	Pike & Verekers Lawyers	Loan drawdown-Pike & Verekers Lawyers	(18,766.00)
31/08/13	Suncorp Bank	Bank Charges	(2.00)
31/08/13	Suncorp Bank	Bank Charges	(33.45)
31/08/13	Suncorp Bank	Bank Charges	(5.00)
31/08/13	Suncorp Bank	Bank Charges	(0.20)
02/09/13	Deutsche Bank AG - Sydney	Interest Paid to Secured Creditor	(408,849.31)
03/09/13	Deutsche Bank AG - Sydney	Distribution to Secured Creditor	(2,000,000.00)
04/09/13	Various Suppliers	Legal Fees	(88,056.95)
12/09/13	Suncorp Bank	Bank Charges	(8.00)
12/09/13	Suncorp Bank	Bank Charges	0.20
12/09/13	Suncorp Bank	Bank Charges	5.00
12/09/13	FMIF Comm	Restricted Working Account	(56,992.00)
13/09/13	Various	Capital distribution - various investors	(98,088.60)
17/09/13	Allens Linklaters	Loan drawdown-Allens Linklaters	(2,523.40)
17/09/13	Blur Broking	Loan drawdown-Blur Broking	(103.95)
18/09/13	Young Project Marketing	Controllership Funds Transfer-Young Project Market	(8,963.00)
18/09/13	LM Administraton PL (In Liquidation)	Controllership Funds Transfer-LMA PL (In Liquidation)	(316,931.00)
18/09/13	Mercure Townsville	Loan reduction - Mercure Townsville	(522.43)
20/09/13	Redland Bay Tall Trees	Controllership Funds Transfer-Redland Bay Tall Trees	(171,226.42)
20/09/13	Simon Tickner	Sundry Expenses	(189.99)
27/09/13	OVST	Controllership Funds Transfer-OVST	(469,647.81)
27/09/13	Cameo	Controllership Funds Transfer-Cameo	(93,107.00)
27/09/13	Source Developments	Controllership Funds Transfer-Source Developments	(831,513.56)
30/09/13	Suncorp Bank	Bank Charges	(0.20)
30/09/13	Dun & Bradstreet Australia	Loan drawdown-Dun & Bradstreet Australia	(505.00)
30/09/13	LM Administraton	Sundry Expenses	(354,673.42)
30/09/13	Suncorp Bank	Bank Charges	(8.00)
30/09/13	Suncorp Bank	Bank Charges	(4.00)
30/09/13	Suncorp Bank	Bank Charges	(20.60)
30/09/13	Suncorp Bank	Bank Charges	(5.00)
30/09/13	Suncorp Bank	Bank Charges	(0.03)
01/10/13	U-Own Storage (Southbank) Pty Ltd	Controllership Funds Transfer-U-Own Storage	(14,464.94)
01/10/13	LMM Fund	Sundry Expenses	(160,913.67)
03/10/13	Bellpac Pty Ltd (In Liquidation)	Loan drawdown-Bellpac Pty Ltd (In Liquidation)	(45,000.00)
04/10/13	Clayton Utz	Legal Fees	(4,444.39)
18/10/13	OVST	Controllership Funds Transfer-OVST	(472,681.29)
18/10/13	Bridgewater Lakes Estate	Controllership Funds Transfer-Bridgewater Lakes	(96,043.56)
18/10/13	Cameo	Controllership Funds Transfer-Cameo	(24,793.22)
18/10/13	Dun & Bradstreet Australia	Loan drawdown-Dun & Bradstreet Australia	(257.00)
18/10/13	Kingopen	Controllership Funds Transfer-Kingopen	(56,782.57)
18/10/13	LM Administraton	Allowances	(328.69)
18/10/13	Redland Bay Leisure Life	Controllership Funds Transfer-Redland Bay Leisure	(28,192.22)

Date	Payments To	Nature of Payments/Explanation	Total
18/10/13	Redland Bay Tall Trees	Controllership Funds Transfer-Redland Bay Tall Trees	(150,000.00)
18/10/13	Young Project Marketing	Controllership Funds Transfer-Young Project market	(2,928.75)
18/10/13	Australian Taxation Office	GST Control: GST Paid (Received)	(36,701.00)
18/10/13	LM Administration PL (In Liquidation)	Controllership Funds Transfer-LMA PL (In Liquidation)	(423,891.64)
18/10/13	Suncorp Bank	Bank Charges	(8.00)
18/10/13	Greystanes Controller	Controllership Funds Transfer-Greystanes	(42,634.24)
24/10/13	Hidden Valley	Controllership Funds Transfer-Hidden Valley	(8,858.25)
24/10/13	Mallesons	Legal Fees	(715.00)
24/10/13	LMM Ltd (In Liquidation)	Sundry Expenses	(8,940.87)
25/10/13	Taylor Byrne Pty Ltd	Loan drawdown-Taylor Byrne	(3,960.00)
30/10/13	Deutsche Bank AG - Sydney	Distribution to Secured Creditor	(8,328,931.51)
30/10/13	Deutsche Bank AG - Sydney	Interest Paid to Secured Creditor	(329,917.81)
31/10/13	Suncorp Bank	Bank Charges	(2.20)
31/10/13	Suncorp Bank	Bank Charges	(6.00)
31/10/13	Suncorp Bank	Bank Charges	(5.00)
31/10/13	Suncorp Bank	Bank Charges	(0.06)
07/11/13	Suncorp Bank	Bank Charges	(2.50)
08/11/13	Suncorp Bank	Bank Charges	(2.50)
11/11/13	Clayton Utz	Legal Fees	(308,099.58)
14/11/13	CRS Warner Kugel	Loan drawdown-CRS Warner Kugel	(27,764.00)
14/11/13	LM Administration PL (In Liquidation)	Controllership Funds Transfer-LMA PL (In Liquidation)	(183,493.00)
19/11/13	AIS Controller	Loan drawdown-AIS Controller	(2,317.60)
22/11/13	OVST	Controllership Funds Transfer-OVST	(200,000.00)
22/11/13	Redland Bay Tall Trees	Controllership Funds Transfer-Redland Bay Tall Trees	(493,994.45)
22/11/13	Young Project Marketing	Controllership Funds Transfer-Young Project Market	(9,618.90)
25/11/13	Pike & Verekers Lawyers	Loan drawdown-Pike & Verekers Lawyers	(21,021.27)
25/11/13	LMM Ltd (In Liquidation)	Sundry Expenses	(11,373.97)
25/11/13	Various Suppliers	Legal Fees	(71,206.08)
27/11/13	Cameo	Controllership Funds Transfer-Cameo	(31,720.13)
27/11/13	Redland Bay Leisure Life	Controllership Funds Transfer-Redland Bay Leisure	(50,533.01)
27/11/13	Various	Capital distribution - various investors	(177,757.01)
29/11/13	Deutsche Bank AG - Sydney	Distribution to Secured Creditor	(4,000,000.00)
29/11/13	Deutsche Bank AG - Sydney	Interest Paid to Secured Creditor	(251,506.85)
30/11/13	Suncorp Bank	Bank Charges	(36.60)
30/11/13	Suncorp Bank	Bank Charges	(4.00)
05/12/13	Cameo	Controllership Funds Transfer-Cameo	(25,225.05)
05/12/13	McGrathNicol	Fees: Appointee Fees	(351,684.84)
06/12/13	Sean Heydock / Shelley Chalmers	Allowances	(1,740.12)
10/12/13	Suncorp Bank	Bank Charges	(2.50)
13/12/13	David Clout & Associates	Fees	(417,896.00)
13/12/13	Suncorp Bank	Bank Charges	(2.50)
18/12/13	Suncorp Bank	Bank Charges	(2.50)
18/12/13	Bridgewater Controller	Controllership Funds Transfer-Bridgewater Controller	(98,994.38)
18/12/13	Cameo Estate Controller	Controllership Funds Transfer-Cameo Estate Controller	(12,769.28)
18/12/13	Greystanes Controller	Controllership Funds Transfer-Greystanes Control	(7,665.60)
18/12/13	Hidden Valley	Controllership Funds Transfer-Hidden Valley	(6,890.00)
18/12/13	Hidden Valley Controller	Controllership Funds Transfer-Hidden Valley Cont	(5,285.50)
18/12/13	Keppel Views Controller	Controllership Funds Transfer-Keppel Views Contr	(35,318.38)
18/12/13	Kangopen Controller	Controllership Funds Transfer-Kangopen Controlle	(40,185.50)
18/12/13	OVST Controller	Controllership Funds Transfer-OVST Controller	(131,868.87)
18/12/13	Pnevale (Carrington Management)	Controllership Funds Transfer-Pnevale	(144,341.89)
18/12/13	Redland Bay Leisure Life	Controllership Funds Transfer-Redland Bay Leisure	(77,982.60)
18/12/13	Young Project Controller	Controllership Funds Transfer-Young Project Controller	(26,535.20)
18/12/13	KEPPEL BAY	Controllership Funds Transfer-Keppel Bay	(15,390.00)
19/12/13	David Clout & Associates - actual	Fees	(157,782.87)
19/12/13	King and Wood Melesons	Loan drawdown-King and Wood Melesons	(125.40)
19/12/13	Pike & Verekers Lawyers	Loan drawdown-Pike & Verekers Lawyers	(13,887.88)
19/12/13	Bree Howe	Other Professional Disbursements	(350.00)
19/12/13	Bree Howe	Other Professional Fees	(875.00)
19/12/13	Various	Capital distribution - various investors	(6,295.85)
23/12/13	Source Developments	Controllership Funds Transfer-Source Developments	(684,018.79)
23/12/13	Deutsche Bank AG - Sydney	Distribution to Secured Creditor	(7,433,753.42)
23/12/13	Deutsche Bank AG - Sydney	Interest Paid to Secured Creditor	(1,687,068.49)
31/12/13	Suncorp Bank	Bank Charges	(5.80)
31/12/13	Suncorp Bank	Bank Charges	(4.00)
31/12/13	The Institute of Chartered Accountants	Other Professional Fees	(291.50)
10/01/14	Suncorp Bank	Bank Charges	(2.50)
Total Payments			(32,824,933.73)
Net Receipts (Payments)			1,670,783.71

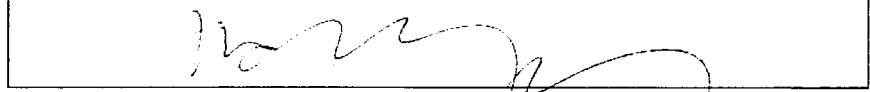
This is the annexure A of 4 page(s) referred to in Form 524 - Presentation of Accounts and Statement from 11/07/2013 to 10/01/2014

Signature

Name

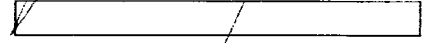
Joseph David Hayes

Signature(s)



Date Signed

10/02/2014





authority@property.saiglobal.com

D

O

C

I

M

A

G

E

Request Number 8600052.

Extracted from ASIC's Database on 26/09/14 at 14:50.

Name: LM INVESTMENT MANAGEMENT LIMITED
ACN : 077 208 461

<i>Document ID</i>	<i>No. of Pages</i>	<i>Date Lodged</i>
7E6278230	13	11/08/14

If this request is for financial accounts it may contain an XBRL version of the accounts in addition to the usual PDF version. To analyse the version of the accounts in XBRL format you will need to use XBRL reader software. Please refer to www.asic.gov.au/SBR for more information.

The total number of pages including this cover page is 14.

If your request was made through an Information Broker and not all pages have been included please contact your Information Broker.

If your request was made direct to ASIC and you require technical assistance please contact us as follows:

DOCIMAGE Technical Enquiries:	03 5177 3001
Facsimile:	03 5177 3999
Ask a question:	www.asic.gov.au/question

For all other inquiries contact us on 1300 300 630.

**Australian Securities &
Investments Commission**

Electronic Lodgement Document No. 7E6278230 Lodgement date/time: 11-08-2014 10:58:38 Reference Id: 89819225

Form 524
Corporations Act 2001
539(1), s539(7)

Presentation of accounts and statement

Liquidator details

Registered liquidator number

219954

Registered liquidator name

JOSEPH DAVID HAYES

Company details

Company name

**LM INVESTMENT MANAGEMENT
LIMITED**

077 208 461

Appointment details

Date appointment commenced :

11-07-2013

Type of appointment :

Receiver and manager

Are these accounts final?

No

Account & statement details

Period for which the accounts and statement are made up

From

11-01-2014

To

10-07-2014

Form 524 - Presentation of accounts and statement
Liquidator: 219954 - JOSEPH DAVID HAYES

Authentication

This form has been authenticated by
Name JOSEPH DAVID HAYES
This form has been submitted by
Name Graciela NOLAN
Date 11-08-2014

For more help or information

Web www.asic.gov.au
Ask a question? www.asic.gov.au/question
Telephone 1300 300 630

Australian Securities & Investments Commission



Form 524

Corporations Act 2001
539(1), 411(9)(a), 432(1A), 438E and 445J

Presentation of accounts and statement

This form is to be used for the presentation of accounts and statement by an administrator, provisional liquidator; court appointed liquidator; members' voluntary liquidator; creditors' voluntary liquidator; receiver; receiver and manager; managing controller (other than receiver and manager); controller (other than receiver, receiver and manager or managing controller); deed administrator or scheme administrator under Part 5.1.

If there is insufficient space in any section of the form, you may photocopy the relevant page(s) and submit as part of this lodgement

Company details

Company name

LM Investment Management Limited (In Liquidation) (Receivers and Managers Appointed)

ACN / ABN

077 208 461

Lodgement details

Who should ASIC contact if there is a query about this form?

Firm / Organisation

McGrathNicol

Contact name/position description

Joseph David Hayes / Joint & Several Receiver and Manager

ASIC registered agent number (if applicable)

23182

Telephone Number

+61 2 9338 2600

Postal Address or DX Address

GPO Box 9986, Sydney NSW 2001

1 Details of appointment

Date of Commencement

11/07/2013

Type of appointment

Receiver and manager 524N & P

Details of the accounts

Are the accounts final? No.

The period for which the accounts and statements are made up can not be more than 6 months.

If yes, provide date when Joint & Several Receivers and Managers ceased to act .

Date to which the accounts and statements made up

Final accounts and statements must be made up to the date on which the liquidator ceased to act.

From 11/01/2014 To 10/07/2014

1 Continued...Details of appointment**Details of the appointee(s)**

Date of Appointment:	11/07/2013
Liquidator Registration Number:	219954
Name:	Joseph David Hayes
At the office of:	McGrathNicol
Address:	Level 31 60 Margaret Street Sydney NSW 2000
Date of Appointment:	11/07/2013
Liquidator Registration Number:	410893
Name:	Anthony Norman Connelly
At the office of:	McGrathNicol
Address:	Level 14 145 Eagle Street Brisbane QLD 4000

Details of the original appointment

Complete this section only if you are a controller

Appointment by or under Instrument

Date of appointment:	11/07/2013
Date of Instrument:	1/07/2010
Description of Instrument:	
Instrument registered in the Personal Property Securities Register	YES
Security Interest Number:	201112213019561

Creditors' Meeting

Date of the last annual meeting of creditors

N/A

Was a quorum present at this meeting? N/A

OR

The liquidator decided not to convene a meeting of creditors and has lodged a copy of the report with ASIC
Date report lodged with ASIC:

N/A

2 Dividend

Complete this section in full only if you are a court or creditors' voluntary liquidator or deed administrator. This section is not relevant to provisional liquidation appointments. If you are the liquidator of a members' voluntary liquidation, you need only provide information on the dividends paid to contributories.

Your estimate of total creditors in this administration at the date of this account

Category	Estimated Number of Creditors	Estimated Value
Priority		
Secured		
Unsecured		
Deferred		

Dividends paid since your appointment and to the date of this account.

3 Secured lenders

This section for controllers only as required by s432

Amount owing under instrument at the date appointment / control day	\$25 million
Amount owing under instrument at the date of this account	Nil
Estimated value of property subject to the instrument at the date of this account	Withheld

4 Summary of professional fees and completion dates

Complete this section for all appointments except provisional liquidation appointments.

Professional fees and outlays	Remuneration paid to you during the period for which this account is made up (inclusive of GST)	\$397,816.50
	Remuneration paid to you from the date of your appointment to the date to which this account is made up (inclusive of GST)	\$748,619.83
	Amount received by you in respect of expenses during the period for which this account is made up (inclusive of GST)	\$14,841.87
	Amount received by you in respect of expenses from the date of your appointment to the date to which this account is made up (inclusive of GST).	\$15,722.88
Estimated completion date	Month and year by which you expect this appointment will be completed	12 2014
	At the date of this account how long have you been appointed? Years / Months.	1 year(s), 0 month(s).

4 Continued... Summary of professional fees and completion dates

Include both operational and abnormal causes of delay, together with a likely date of event which may be the cause of the delay eg. Collection of debtors, terms of Deed to be satisfied, preference action pending – litigation October 200X; awaiting Committee of Inspection October 200X for approval to finalise.

Details of causes which may delay the termination of your appointment:

- Realisation of security
- Final repayment to the secured creditor
- Finalising statutory charges
- Retirement of Receivers and Managers

5 Account of receipts and payments

This section for all appointments.

Receipts

(Exclude the principal component of matured investments)

Total amounts received by you before the period for which this account has been made up \$34,495,717.44

Total amounts received by you during the period for which this account has been made up \$18,102,721.64
(Attach detailed schedule)

Total Receipts (this total carried forward to next account) **\$52,598,439.08**

Payments

(Exclude principal amounts invested or rolled over)

Total payments made by you before the period for which this account has been made up \$32,824,933.73

Total payments made by you during the period for which this account has been made up \$13,134,339.91
(Attach detailed schedule)

Total Payments (this total carried forward to next account) **\$45,959,273.64**

Reconciliation of money held

Cash in hand \$0.00

Cash at bank:

 Credits as per bank statement \$6,639,165.44

 Less: Unpresented cheques \$0.00

 Add: Outstanding deposits \$0.00

\$6,639,165.44

Amounts invested and not converted to cash \$0.00

Total balance of money held **\$6,639,165.44**

6 Estimated outcome

Complete this section for court and creditors' voluntary liquidations only.
Do you expect that a dividend will be paid to any class of creditor?

If yes, complete the **Statement of financial position and estimated outcome of your appointment**.

Statement of financial position and estimated outcome of your appointment

Details only required for court and creditors' voluntary winding up where it is expected that a dividend will be paid to any class of creditor.

	Total estimated future net realisable value	
	Estimated (High) \$	Estimated (Low) \$
Expected net asset recoveries		
Total money held at the date of this account (amount taken from above)		
Interests in land		
Sundry debtors		
Stock on hand		
Work in progress		
Plant and equipment		
Potential legal recoveries		
Contingent assets		
Other recoveries		
Estimated net asset recoveries at date of this account		
Less estimated future insolvency practitioners remuneration		
Less estimated future other payments or costs incurred		
Estimated net asset recoveries at date of this account available for further dividends to creditors		
Less estimated future dividends to priority creditors		
Less estimated future payments to secured creditors		
Less estimated future dividends to unsecured creditors		
Less estimated future dividends to deferred creditors		
Balance for contributories		

Provide details of any arrangement where assets of the company have been disposed of by you for consideration other than for cash or of any benefit that you have received directly or indirectly resulting from this appointment.

Disclaimer

The Statement of financial position and estimated outcome is an estimate only based on information available at the date of these accounts. The information included in this section should be viewed as a guide only. Many factors affect the estimated outcome to creditors. The data used in this section will change as further information becomes available and after all matters in the insolvency administration are finalised.

7 Your verification of this account and statement

This section for all appointment types

I declare that the statements below are correct.

Statement

The information given in the statement is true to the best of my knowledge and belief at the date of signing.

The account of receipts and payments set out in the annexure marked A of 6 pages, contains a full and true account of my receipts and payments in this period and I have not, nor has any other person by my order or for my use during that period, received or paid any moneys on account of the company other than and except the items mentioned and specified in that account.

The period

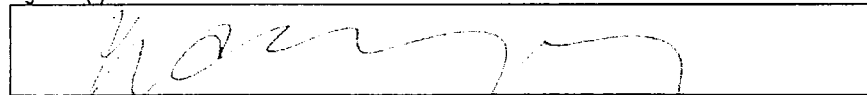
From: 11/01/2014 To: 10/07/2014

Signature

Name

Joseph David Hayes

Signature(s)



Date Signed

10/05/2014

Lodgement

Send completed and signed forms to:

Australian Securities and Investments Commission
PO Box 4000, Gippsland Mail Centre VIC 3841.

For help or more information

Web www.asic.gov.au
Need help? www.asic.gov.au/question
Telephone 1300 300 630

Or lodge the form electronically by visiting the ASIC website
www.asic.gov.au

Account of receipts and payments for the period**RECEIPTS**

Date	Receipts From	Nature of Receipts/ Explanation	Total
13/01/14	Various Loans	Loan reduction-Seasilver Controller	1,000,000.00
31/01/14	Controllership Accounts	Controllership Funds Transfer-OVST	2,250,000.00
31/01/14	Controllership Accounts	Controllership Funds Transfer-Redland Bay	2,000,000.00
31/01/14	Controllership Accounts	Controllership Funds Transfer-Redland Bay Leisure	1,000,000.00
31/01/14	Suncorp Bank	Interest Income	4,979.32
31/01/14	Suncorp Bank	Interest Income	3.77
24/02/14	Various Loans	Loan reduction - Tall Trees Tenah Merah	3,000.00
24/02/14	Various Loans	Loan reduction-AIIS	300,000.00
24/02/14	Various Loans	Loan reduction-Lot 111 Pty Ltd	563,159.02
24/02/14	Various Loans	Loan reduction-Seasilver Controller	880,000.00
28/02/14	Controllership Accounts	Controllership Funds Transfer-Brambleton	350,000.00
28/02/14	Controllership Accounts	Controllership Funds Transfer-Bridgewater	750,000.00
28/02/14	Controllership Accounts	Controllership Funds Transfer-Keppel Views	370,000.00
28/02/14	Controllership Accounts	Controllership Funds Transfer-Kingopen	850,000.00
28/02/14	Controllership Accounts	Controllership Funds Transfer-Northshore	1,500,000.00
28/02/14	Controllership Accounts	Controllership Funds Transfer-OVST	1,800,000.00
28/02/14	Various Investors	Capital Distribution-Returned credit fr LM & MS	79.38
28/02/14	Various Investors	Capital Distribution-Returned credit from Brendan	987.82
28/02/14	Various Investors	Capital Distribution-Returned credit from Ikuo Kam	1,069.60
28/02/14	Multiple parties	Net settlement proceeds-HIFX Limited	29,015.51
28/02/14	Suncorp Bank	Interest Income	3.41
28/02/14	Suncorp Bank	Interest Income	11,132.60
27/03/14	Multiple parties	Net settlement proceeds-HIFX Limited	13,238.24
31/03/14	Multiple parties	Net settlement proceeds-HIFX Limited	35,536.32
31/03/14	Suncorp Bank	Interest Income	3.79
31/03/14	Suncorp Bank	Interest Income	9,033.06
31/03/14	Suncorp Bank	Interest Income	10,171.23
09/04/14	Multiple parties	Net settlement proceeds-HIFX Limited	47,458.12
09/04/14	Northshore Bayview	Loan reduction-Northshore Bayview	850,000.00
09/04/14	Australian Taxation Office	GST Control: GST Paid (Received)	95,206.00
09/04/14	Bridgewater Controller	Loan reduction-Bridgewater Contoller	300,000.00
09/04/14	Coulter & Rocola	Loan reduction-Coulter & Rocola	650,000.00
09/04/14	Kingopen	Loan reduction-Kingopen	100,000.00
09/04/14	Seasilver Controller	Loan reduction-Seasilver Controller	439,000.00
10/04/14	Staunton Thompson	Refunds	350.00
30/04/14	Suncorp Bank	Interest Income	3,181.72
30/04/14	Suncorp Bank	Interest Income	3.67
30/04/14	Suncorp Bank	Interest Income	0.01
30/04/14	Suncorp Bank	Interest Income	16,428.81
22/05/14	Keppel Views	Controllership Funds Transfer-Keppel Views	400,000.00
22/05/14	Source Developments	Controllership Funds Transfer-Source Developments	1,100,000.00
29/05/14	Brambleton Controller	Controllership Funds Transfer-Brambleton	80,000.00
29/05/14	Seasilver Controller	Controllership Funds Transfer-Seasilver	250,000.00
31/05/14	Suncorp Bank	Interest Income	3.80
31/05/14	Suncorp Bank	Interest Income	15,789.87
31/05/14	Suncorp Bank	Interest Income	2,892.41
19/06/14	Blacktown City Council	Refund (Glendenning closure)	1,278.65
30/06/14	Suncorp Bank	Interest Income	5,234.10
30/06/14	Suncorp Bank	Interest Income	3.69
30/06/14	Suncorp Bank	Interest Income	14,222.52
04/07/14	Various Investors	Capital Distribution-Various Investors	255.20
Total Receipts			18,102,721.64

LM Investment Management Limited (In Liquidation) (Receivers and Managers Appointed) A.C.N. 077 208 461

Annexure A Page 1

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
13/01/14	Deutsche Bank AG - Sydney Branch	Distribution to Secured Creditor	(4,047,342.47)
14/01/14	Bridgewater Controller	Controllership Funds Transfer-Bridgewater Cntrlr	(66,397.61)
14/01/14	St Crispin's	Controllership Funds Transfer-St Crispin's	(36,635.07)
14/01/14	Greystanes Controller	Controllership Funds Transfer-Greystanes	(34,453.92)
16/01/14	U-Own Storage (Southbank) Pty Ltd	Controllership Funds Transfer-U-Own Storage	(22,922.50)
20/01/14	Kingopen	Controllership Funds Transfer-Kingopen Cntrlr	(8,351.27)
20/01/14	Greystanes Controller	Controllership Funds Transfer-Greystanes	(13,917.56)
21/01/14	Bellpac Pty Ltd (In Liquidation) - security deposit	Loan drawdown-Bellpac Pty Ltd (In Liquidation)	(3,836.80)
21/01/14	Sean Haydock / Shelley Chalmers	Allowances	(1,619.84)
21/01/14	Bree Howe	Other Professional Fees	(500.00)
21/01/14	Australian Taxation Office	Controllership Funds Transfer-ATO	(175,985.00)
21/01/14	LM Administration PL (In Liquidation)	Sundry Expenses	(131,149.00)
21/01/14	Various Suppliers	Legal Fees	(23,215.14)
21/01/14	LMIM Ltd (In Liquidation)	Sundry Expenses	(8,031.66)
21/01/14	Bree Howe	Other Professional Fees	(725.00)
28/01/14	McGrathNicol	Fees: Appointee Fees	(453,903.78)
29/01/14	Clayton Utz	Legal Fees	(37,167.12)
30/01/14	The Trust Company Limited	Other Professional Fees	(16,295.80)
30/01/14	Source Developments	Controllership Funds Transfer-Source Developments	(171,958.15)
31/01/14	Suncorp Bank	Bank Charges	(2.80)
31/01/14	Suncorp Bank	Bank Charges	(2.00)
04/02/14	LM Administration PL (In Liquidation)	Sundry Expenses	(163,099.00)
04/02/14	Sean Haydock	Allowances	(1,857.09)
05/02/14	Pinevale (Carrington management)	Controllership Funds Transfer-Pinevale	(225,309.78)
07/02/14	Suncorp Bank	Bank Charges	(2.50)
10/02/14	U-Own Storage (Southbank) Pty Ltd	Controllership Funds Transfer-U-Own Storage	(9,105.41)
12/02/14	David Clout & Associates - actual fees	Other Professional Fees	(60,682.50)
12/02/14	Bree Howe	Other Professional Fees	(1,875.00)
14/02/14	Redland Bay Leisure Life	Controllership Funds Transfer-Redland Bay	(27,613.42)
14/02/14	Suncorp Bank	Bank Charges	(2.50)
18/02/14	Tucker and Cowan Solicitors	Legal Fees	(206,514.52)
18/02/14	Tucker and Cowan Solicitors	Loan drawdown-Bellpac Pty Ltd (In Liquidation)	(6,840.90)
20/02/14	Various Investors	Capital distribution - various investors	(34,262.70)
20/02/14	Redland Bay Tall Trees	Controllership Funds Transfer-Redland Bay	(71,388.97)
20/02/14	Source Developments	Controllership Funds Transfer-Source Developments	(270,504.20)
20/02/14	Pinevale ANZ Account	Controllership Funds Transfer-Pinevale	(4,999.19)
21/02/14	Hidden Valley	Controllership Funds Transfer-Hidden Valley	(5,193.80)
21/02/14	KEPPEL BAY	Controllership Funds Transfer-Keppel Bay	(7,542.50)
21/02/14	Young Project Marketing	Controllership Funds Transfer-Young Project	(6,768.40)
21/02/14	Concise Business Solution	Other Professional Fees	(8,140.00)
21/02/14	St Crispin's	Controllership Funds Transfer-St Crispin's	(168,787.00)
25/02/14	Suncorp Bank	Bank Charges	(2.50)
26/02/14	OVST	Controllership Funds Transfer-OVST	(34,425.56)
28/02/14	Suncorp Bank	Bank Charges	(12.20)
28/02/14	Suncorp Bank	Bank Charges	(4.00)
04/03/14	Greystanes Controller	Controllership Funds Transfer-Greystanes	(75,160.79)
04/03/14	Pinevale Controller	Controllership Funds Transfer-Pinevale	(77,500.00)
05/03/14	Suncorp Bank	Bank Charges	(2.50)
07/03/14	Suncorp Bank	Bank Charges	(2.50)

LM Investment Management Limited (In Liquidation) (Receivers and Managers Appointed) A.C.N. 077 208 461

Annexure A Page 2

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
10/03/14	Suncorp Bank	Bank Charges	(2.50)
12/03/14	OVST	Controllership Funds Transfer-OVST	(71,983.79)
12/03/14	Redland Bay Leisure Life	Controllership Funds Transfer-Redland Bay	(11,456.05)
13/03/14	Bellpac Pty Ltd (In Liquidation) - Allens Fees	Loan drawdown-Allens Linklaters	(369.60)
13/03/14	LM Administration PL (In Liquidation)	Sundry Expenses	(277,664.00)
13/03/14	Bellpac Pty Ltd (In Liquidation) - Pikes & Verekers Lawyers	Loan drawdown-LandMark White	(9,245.19)
13/03/14	Clayton Utz	Legal Fees	(15,492.06)
13/03/14	Bree Howe	Other Professional Fees	(2,399.00)
13/03/14	Pinevale (Carrington management)	Controllership Funds Transfer-Pinevale	(69,494.31)
17/03/14	Hidden Valley	Controllership Funds Transfer-Hidden Valley	(7,408.50)
20/03/14	Suncorp Bank	Bank Charges	(5.00)
21/03/14	Concise Business Solution	Other Professional Fees	(2,970.00)
21/03/14	St Crispin's	Controllership Funds Transfer-St Crispin's	(248,214.22)
24/03/14	Bree Howe	Other Professional Fees	(775.00)
24/03/14	Allens Linklaters	Legal Fees	(184.80)
24/03/14	Cameron Kohring/Sean Haydock	Other Professional Disbursements	(1,453.57)
24/03/14	LM Administration PL (In Liquidation)	Controllership Funds Transfer-LMA PL (In Lqdn)	(29,974.43)
26/03/14	OVST	Controllership Funds Transfer-OVST	(99,274.53)
26/03/14	Various Investors	Capital distribution – various investors	(29,741.97)
27/03/14	Pinevale (Carrington management)	Controllership Funds Transfer-Pinevale	(72,797.08)
27/03/14	Suncorp Bank	Bank Charges	(2.50)
31/03/14	Suncorp Bank	Bank Charges	(7.00)
31/03/14	Suncorp Bank	Bank Charges	(2.00)
02/04/14	OVST	Controllership Funds Transfer-OVST	(72,798.27)
02/04/14	Pinevale (Carrington management)	Controllership Funds Transfer-Pinevale	(241,522.08)
02/04/14	Lot 111 Pty Ltd	Controllership Funds Transfer	(59,728.70)
02/04/14	Redland Bay Leisure Life	Controllership Funds Transfer-Redland Bay	(118,125.87)
02/04/14	Green Square	Controllership Funds Transfer	(3,600.00)
07/04/14	Willis Australia Limited	Insurance	(11,082.50)
09/04/14	Bree Howe	Other Professional Fees	(3,000.00)
09/04/14	LM Administration PL (In Liquidation)	Controllership Funds Transfer-LMA PL (In Lqdn)	(297,746.00)
09/04/14	Suncorp Bank	Bank Charges	(10.50)
10/04/14	Australian Tax Office	GST Control: BAS/IAS truncation	(69,746.63)
10/04/14	Cameo Estate Contoller	Controllership Funds Transfer-Cameo	(170,135.74)
11/04/14	Source Developments	Controllership Funds Transfer-Source Developments	(100,000.00)
14/04/14	LM Administration PL (In Liquidation)	Controllership Funds Transfer-LMA PL (In Lqdn)	(32,307.53)
16/04/14	Various	Controllership Funds Transfer-FMIF Comm	(21,000.00)
17/04/14	Hidden Valley	Controllership Funds Transfer-Hidden Valley	(7,529.39)
17/04/14	Young Project Marketing	Controllership Funds Transfer-Young Project Mktng	(6,718.53)
23/04/14	Various Investors	Capital distribution – various investors	(4,117.48)
28/04/14	LM Administration PL (In Liquidation)	Controllership Funds Transfer-LMA PL (In Lqdn)	(20,459.42)
01/05/14	LMIM Ltd (In Liquidation)	Sundry Expenses	(159,456.55)
01/05/14	Redland Bay Leisure Life	Controllership Funds Transfer-Redland Bay	(31,410.27)
01/05/14	Northshore Bayview	Controllership Funds Transfer-Northshore Bayview	(480,786.00)
01/05/14	Pikes & Verekers	Other Professional Fees	(16,604.49)
01/05/14	Source Developments	Controllership Funds Transfer-Source Developments	(116,034.39)

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
01/05/14	Russell Solicitors	Other Professional Fees	(43,488.42)
01/05/14	Pikes & Verekers	Legal Fees	(1,090.73)
05/05/14	Pinevale (Carrington management)	Controllership Funds Transfer-Pinevale	(55,262.35)
06/05/14	Bree Howe	Other Professional Fees	(1,787.50)
06/05/14	Breene and Breene	Legal Fees	(200,923.96)
06/05/14	Sean Haydock	Allowances	(1,959.33)
08/05/14	Allens Linklaters	Legal Fees	(7,111.50)
08/05/14	Clayton Utz	Legal Fees	(48,505.13)
08/05/14	David Clout & Associates - actual fees	Other Professional Fees	(34,204.09)
08/05/14	LM Administration PL (In Liquidation)	Controllership Funds Transfer-LMA PL (In Lqdtm)	(203,195.00)
08/05/14	Greystanes Controller	Controllership Funds Transfer-Greystanes	(77,436.00)
08/05/14	Lot 111 Pty Ltd	Controllership Funds Transfer	(80,889.65)
08/05/14	Pinevale (Carrington management)	Controllership Funds Transfer-Pinevale	(40,466.10)
15/05/14	U-Own Storage (Southbank) Pty Ltd	Controllership Funds Transfer-U-Own Storage	(17,458.13)
16/05/14	Pinevale (Carrington management)	Controllership Funds Transfer-Pinevale	(26,681.89)
16/05/14	Green Square	Controllership Funds Transfer	(13,968.40)
16/05/14	St Crispin's	Controllership Funds Transfer-St Crispin's	(53,121.49)
16/05/14	Sean Haydock	Allowances	(1,008.50)
03/06/14	Bree Howe	Other Professional Fees	(2,875.00)
04/06/14	LMIM Ltd (In Liquidation)	Sundry Expenses	(135,791.40)
10/06/14	Greystanes Controller	Controllership Funds Transfer-Greystanes	(5,122.90)
10/06/14	Hidden Valley	Controllership Funds Transfer-Hidden Valley	(21,417.00)
10/06/14	Redland Bay Leisure Life	Controllership Funds Transfer-Redland Bay	(11,092.95)
10/06/14	St Crispin's	Controllership Funds Transfer-St Crispin's	(18,077.76)
10/06/14	Cameo Estate Conttoller	Controllership Funds Transfer-Cameo	(22,604.45)
12/06/14	Platinum Business Strategies	Other Professional Fees	(825.00)
12/06/14	LM Administration PL (In Liquidation)	Controllership Funds Transfer-LMA PL (In Lqdtm)	(24,347.66)
12/06/14	Redland Bay Tall Trees	Controllership Funds Transfer-Redland Bay	(103,606.66)
19/06/14	OVST	Controllership Funds Transfer-OVST	(458,458.67)
23/06/14	HIFX Ltd	Foreign Currency Gain (Loss)	(10,583.05)
26/06/14	LM Administration PL (In Liquidation)	Controllership Funds Transfer-LMA PL (In Lqdtm)	(331,230.00)
26/06/14	LM Administration PL (In Liquidation)	Controllership Funds Transfer-LMA PL (In Lqdtm)	(260.77)
26/06/14	Pacific Coast Projects	Sundry Expense	(2,062.50)
26/06/14	Sean Haydock	Allowances	(3,865.91)
27/06/14	Bridgewater Controller	Controllership Funds Transfer-Bridgewater Lakes	(320,819.20)
27/06/14	Bridgewater Controller	Controllership Funds Transfer-Bridgewater Cntrlr	(320,819.20)
30/06/14	Suncorp Bank	Bank Charges	(7.20)
02/07/14	St Crispin's	Controllership Funds Transfer-St Crispin's	(53,121.49)
02/07/14	U-Own Storage (Southbank) Pty Ltd	Controllership Funds Transfer-U-Own Storage	(17,458.13)
02/07/14	Various Creditors	Legal Fees	(380,794.65)
02/07/14	Green Square	Controllership Funds Transfer	(13,968.40)
02/07/14	Pinevale (Carrington management)	Controllership Funds Transfer-Pinevale	(26,681.89)
03/07/14	Various Investors	Capital distribution - various investors	(17,177.29)
04/07/14	Cameo Estate Conttoller	Controllership Funds Transfer-Cameo	(24,395.73)
10/07/14	Simon Tickner	Sundry Expense	(196.35)
10/07/14	Sean Haydock/Bree Howe	Sundry Expense	(1,073.00)
10/07/14	Redland Bay Tall Trees	Controllership Funds Transfer-Redland Bay	(150,000.00)
10/07/14	LM Administration PL (In Liquidation)	Other Professional Fees	(30,198.17)
		Total Payments	(13,134,339.91)

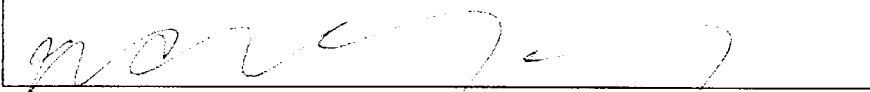
This is the annexure A of 5 page(s) referred to in Form 524 - Presentation of Accounts and Statement from 11/01/2014 to 10/07/2014

Signature

Name

Joseph David Hayes

Signature(s)



Date Signed

10/05/2014



authority@property.saiglobal.com

**D
o
c
u
m
e
n
t
a
r
y**

Request Number 8859272.

Extracted from ASIC's Database on 15/12/15 at 11:11.

Name: LM INVESTMENT MANAGEMENT LIMITED
ACN : 077 208 461

<i>Document ID</i>	<i>No. of Pages</i>	<i>Date Lodged</i>
7E6712227	15	10/02/15

If this request is for financial accounts it may contain an XBRL version of the accounts in addition to the usual PDF version. To analyse the version of the accounts in XBRL format you will need to use XBRL reader software. Please refer to www.asic.gov.au/SBR for more information.

The total number of pages including this cover page is 16.

If your request was made through an Information Broker and not all pages have been included please contact your Information Broker.

If your request was made direct to ASIC and you require technical assistance please contact us as follows:

DOCIMAGE Technical Enquiries:	03 5177 3001
Facsimile:	03 5177 3999
Ask a question:	www.asic.gov.au/question

For all other inquiries contact us on 1300 300 630.

**Australian Securities &
Investments Commission**

Electronic Lodgement Document No. 7E6712227 Lodgement date/time: 10-02-2015 11:23:47 Reference Id: 91032345

Form 524
Corporations Act 2001
539(1), s539(7)

Presentation of accounts and statement

Liquidator details

Registered liquidator number

219954

Registered liquidator name

JOSEPH DAVID HAYES

Company details

Company name

**LM INVESTMENT MANAGEMENT
LIMITED**

077 208 461

Appointment details

Date appointment commenced :

11-07-2013

Type of appointment :

Receiver and manager

Are these accounts final?

No

Account & statement details

Period for which the accounts and statement are made up

From

11-07-2014

To

10-01-2015

Form 524 - Presentation of accounts and statement
Liquidator: 219954 - JOSEPH DAVID HAYES

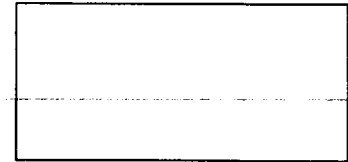
Authentication

This form has been authenticated by
Name JOSEPH DAVID HAYES
This form has been submitted by
Name Dira BENAVIDES
Date 10-02-2015

For more help or information

Web www.asic.gov.au
Ask a question? www.asic.gov.au/question
Telephone 1300 300 630

Australian Securities & Investments Commission



Form 524

Corporations Act 2001
539(1), 411(9)(a), 432(1A), 438E and 445J

Presentation of accounts and statement

This form is to be used for the presentation of accounts and statement by an administrator, provisional liquidator; court appointed liquidator; members' voluntary liquidator; creditors' voluntary liquidator; receiver; receiver and manager; managing controller (other than receiver and manager); controller (other than receiver, receiver and manager or managing controller); deed administrator or scheme administrator under Part 5.1.

If there is insufficient space in any section of the form, you may photocopy the relevant page(s) and submit as part of this lodgement

Company details

Company name

LM Investment Management Limited (In Liquidation) (Receivers and Managers Appointed)

ACN / ABN

077 208 461

Lodgement details

Who should ASIC contact if there is a query about this form?

Firm / Organisation

McGrathNicol

Contact name/position description

Joseph David Hayes / Joint & Several Receiver and Manager

ASIC registered agent number (if applicable)

23182

Telephone Number

+61 2 9338 2600

Postal Address or DX Address

GPO Box 9986, Sydney NSW 2001

1 Details of appointment

Date of Commencement

11/07/2013

Type of appointment

Receiver and manager 524N & P

Details of the accounts

Are the accounts final?

No.

The period for which the accounts and statements are made up can not be more than 6 months.

If yes, provide date when Joint & Several Receivers and Managers ceased to act .

Date to which the accounts and statements made up

Final accounts and statements must be made up to the date on which the liquidator ceased to act.

From

11/07/2014

To

10/01/2015

1 Continued...Details of appointment**Details of the appointee(s)**

Date of Appointment:	11/07/2013
Liquidator Registration Number:	219954
Name:	Joseph David Hayes
At the office of:	McGrathNicol
Address:	Level 31 60 Margaret Street Sydney NSW 2000
Date of Appointment:	11/07/2013
Liquidator Registration Number:	410893
Name:	Anthony Norman Connelly
At the office of:	McGrathNicol
Address:	Level 7 175 Eagle Street Brisbane QLD 4000

Details of the original appointment
Complete this section only if you are a controller

Appointment by or under Instrument

Date of appointment:	11/07/2013
Date of Instrument:	1/07/2010
Description of Instrument:	
Instrument registered in the Personal Property Securities Register	YES
Security Interest Number:	201112213019561

Creditors' Meeting

Date of the last annual meeting of creditors

N/A

Was a quorum present at this meeting? N/A

OR

The liquidator decided not to convene a meeting of creditors and has lodged a copy of the report with ASIC
Date report lodged with ASIC:

N/A

2 Dividend

Complete this section in full only if you are a court or creditors' voluntary liquidator or deed administrator. This section is not relevant to provisional liquidation appointments. If you are the liquidator of a members' voluntary liquidation, you need only provide information on the dividends paid to contributories.

Your estimate of total creditors in this administration at the date of this account

Category	Estimated Number of Creditors	Estimated Value
Priority		
Secured		
Unsecured		
Deferred		

Dividends paid since your appointment and to the date of this account.

3 Secured lenders

This section for controllers only as required by s432

Amount owing under instrument at the date appointment / control day	Withheld
Amount owing under instrument at the date of this account	\$0.00
Estimated value of property subject to the instrument at the date of this account	\$0.00

4 Summary of professional fees and completion dates

Complete this section for all appointments except provisional liquidation appointments.

Professional fees and outlays	Remuneration paid to you during the period for which this account is made up (inclusive of GST)	\$635,377.05
	Remuneration paid to you from the date of your appointment to the date to which this account is made up (inclusive of GST)	\$1,396,188.20
	Amount received by you in respect of expenses during the period for which this account is made up (inclusive of GST)	\$17,348.61
	Amount received by you in respect of expenses from the date of your appointment to the date to which this account is made up (inclusive of GST).	\$33,654.24
Estimated completion date	Month and year by which you expect this appointment will be completed	06 2015
	At the date of this account how long have you been appointed? Years / Months.	1 year(s), 6 month(s).

4 Continued... Summary of professional fees and completion dates

Include both operational and abnormal causes of delay, together with a likely date of event which may be the cause of the delay eg. Collection of debtors, terms of Deed to be satisfied, preference action pending – litigation October 200X; awaiting Committee of Inspection October 200X for approval to finalise.

Details of causes which may delay the termination of your appointment:

- Realisation of security
- Finalising statutory charges
- Retirement of Receivers and Managers

5 Account of receipts and payments

This section for all appointments.

Receipts

(Exclude the principal component of matured investments)

Total amounts received by you before the period for which this account has been made up \$52,598,439.08

Total amounts received by you during the period for which this account has been made up (Attach detailed schedule) \$17,928,102.61

Total Receipts (this total carried forward to next account) \$70,526,541.69

Payments

(Exclude principal amounts invested or rolled over)

Total payments made by you before the period for which this account has been made up \$45,959,273.64

Total payments made by you during the period for which this account has been made up (Attach detailed schedule) \$7,904,937.38

Total Payments (this total carried forward to next account) \$53,864,211.02

Reconciliation of money held

Cash in hand \$0.00

Cash at bank:

Credits as per bank statement	\$16,662,330.67	
Less: Unpresented cheques	\$0.00	
Add: Outstanding deposits	\$0.00	
		\$16,662,330.67

Amounts invested and not converted to cash \$0.00

Total balance of money held \$16,662,330.67

6 Estimated outcome

Complete this section for court and creditors' voluntary liquidations only.

Do you expect that a dividend will be paid to any class of creditor?

If yes, complete the Statement of financial position and estimated outcome of your appointment.

Statement of financial position and estimated outcome of your appointment

Details only required for court and creditors' voluntary winding up where it is expected that a dividend will be paid to any class of creditor.

	Total estimated future net realisable value	
	Estimated (High) \$	Estimated (Low) \$
Expected net asset recoveries		
Total money held at the date of this account (amount taken from above)		
Interests in land		
Sundry debtors		
Stock on hand		
Work in progress		
Plant and equipment		
Potential legal recoveries		
Contingent assets		
Other recoveries		
Estimated net asset recoveries at date of this account		
Less estimated future insolvency practitioners remuneration		
Less estimated future other payments or costs incurred		
Estimated net asset recoveries at date of this account available for further dividends to creditors		
Less estimated future dividends to priority creditors		
Less estimated future payments to secured creditors		
Less estimated future dividends to unsecured creditors		
Less estimated future dividends to deferred creditors		
Balance for contributories		

Provide details of any arrangement where assets of the company have been disposed of by you for consideration other than for cash or of any benefit that you have received directly or indirectly resulting from this appointment.

Disclaimer

The Statement of financial position and estimated outcome is an estimate only based on information available at the date of these accounts. The information included in this section should be viewed as a guide only. Many factors affect the estimated outcome to creditors. The data used in this section will change as further information becomes available and after all matters in the insolvency administration are finalised.

7 Your verification of this account and statement

This section for all appointment types

I declare that the statements below are correct.

Statement

The information given in the statement is true to the best of my knowledge and belief at the date of signing.

The account of receipts and payments set out in the annexure marked A of 7 pages, contains a full and true account of my receipts and payments in this period and I have not, nor has any other person by my order or for my use during that period, received or paid any moneys on account of the company other than and except the items mentioned and specified in that account.

The period

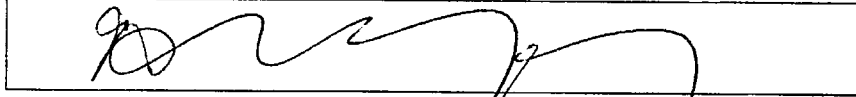
From: 11/07/2014 To: 10/01/2015

Signature

Name

Joseph David Hayes

Signature(s)



Date Signed

Lodgement

Send completed and signed forms to:

Australian Securities and Investments Commission
PO Box 4000, Gippsland Mail Centre VIC 3841.

For help or more information

Web www.asic.gov.au
Need help? www.asic.gov.au/question
Telephone 1300 300 630

Or lodge the form electronically by visiting the ASIC website
www.asic.gov.au

Account of receipts and payments for the period**RECEIPTS**

Date	Receipts From	Nature of Receipts/Explanation	Total
30/07/14	Various Loans	Loan reduction-Greystanes	7,400,000.00
30/07/14	Various Loans	Loan reduction-Kingopen	1,000,000.00
30/07/14	Various Loans	Loan reduction-Source developments	500,000.00
30/07/14	Various Loans	Loan reduction-U-Own	550,000.00
30/07/14	Australian Taxation Office	GST Control: GST Paid (Received)	109,896.91
31/07/14	Various Loans	Loan reduction-Tall Trees Tenah Merah	1,100,000.00
31/07/14	Suncorp Bank	Interest Income	4,257.88
31/07/14	Suncorp Bank	Interest Income	3.82
31/07/14	Suncorp Bank	Interest Income	12,469.56
06/08/14	Various Loans	Loan reduction-Pinevale	600,000.00
11/08/14	Various Loans	Loan reduction-Keppel Views	1,100,000.00
11/08/14	Various Loans	Loan reduction-Seasilver	600,000.00
11/08/14	Various Loans	Loan reduction-Source developments	600,000.00
31/08/14	Suncorp Bank	Interest Income	3.82
31/08/14	Suncorp Bank	Interest Income	7,224.70
31/08/14	Suncorp Bank	Interest Income	8,354.76
03/09/14	Australian Taxation Office	GST Control: GST Paid (Received)	51,792.00
08/09/14	Various Loans	Loan reduction-Cameo Estate	220,000.00
08/09/14	Various Loans	Loan reduction-Seasilver Controller	450,000.00
08/09/14	Source Developments	Controllership Funds Transfer-Source Developments	300,000.00
09/09/14	Various Loans	Loan reduction-AIIS	22,399.35
09/09/14	Various Loans	Loan reduction-Greystanes	2,062.16
09/09/14	Various Loans	Loan reduction-Northshore Bayview	158,266.32
09/09/14	Various Loans	Loan reduction-U-Own	92,489.34
17/09/14	Tall Trees Tenah Merah	Refunds	22,820.00
18/09/14	Various Loans	Loan reduction-Source developments	850,000.00
18/09/14	Various Loans	Loan reduction-St Crispin's	1,650,000.00
18/09/14	Various Loans	Loan reduction-Tall Trees Tenah Merah	3,150.00
30/09/14	Suncorp Bank	Interest Income	1,867.68
30/09/14	Suncorp Bank	Interest Income	4,560.77
30/09/14	Suncorp Bank	Interest Income	3.72
30/09/14	Suncorp Bank	Interest Income	0.01
15/10/14	Australian Taxation Office	GST Control: GST Paid (Received)	36,859.14
16/10/14	Australian Taxation Office	GST Control: GST Paid (Received)	34,438.00
31/10/14	Suncorp Bank	Interest Income	1,934.30
31/10/14	Suncorp Bank	Interest Income	6,242.00
31/10/14	Suncorp Bank	Interest Income	3.84
11/11/14	Suncorp Bank	Interest Income	131,194.50
17/11/14	MPF Deposit	Interest Income	27,407.60
18/11/14	Share of bankrupt estate of Gntor, Josephine Barillo from Armstrong Willy	Controllership Funds Transfer-Glendenning	16,155.00
18/11/14	Tall Trees Tenah Merah	Investment Income	750.00
27/11/14	Australian Taxation Office	GST Control: GST Paid (Received)	910.00
30/11/14	Suncorp Bank	Interest Income	3.73
30/11/14	Suncorp Bank	Interest Income	1,876.27
30/11/14	Suncorp Bank	Interest Income	27,141.71
04/12/14	Tanah Merah	Loan reduction-Tall Trees Tenah Merah	150.00
04/12/14	Australian Taxation Office	GST Control: GST Paid (Received)	1,048.00
07/12/14	Australian Taxation Office	GST Control: GST Paid (Received)	64,504.00
11/12/14	Australian Taxation Office	GST Control: GST Paid (Received)	9,053.61
19/12/14	Multiple Parties	Net settlement proceeds	106,871.81
31/12/14	Suncorp Bank	Interest Income	3.87
31/12/14	Suncorp Bank	Interest Income	1,943.20
31/12/14	Suncorp Bank	Interest Income	37,989.23

LM Investment Management Limited (In Liquidation) (Receivers and Managers Appointed) A.C.N. 077 208 461

Annexure A Page 1

Total Receipts 17,928,102.61

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
25/07/14	Bridgewater Controller	Controllership Funds Transfer-Bridgwater Cntrlr	(200,000.00)
25/07/14	LM Administration PL (In Liquidation)	Controllership Funds Transfer-LMA PL (In Lqdn)	(142,508.00)
25/07/14	Cameo	Controllership Funds Transfer-Cameo	(8,827.80)
25/07/14	Bree Howe	Other Professional Fees	(375.00)
25/07/14	Sean Haydock/Bree Howe	Other Professional Disbursements	(3,031.54)
25/07/14	Platinum Business Strategies	Other Professional Fees	(1,980.00)
28/07/14	McGrathNicol	Appointee Disbursements	(4,040.29)
28/07/14	McGrathNicol	Fees: Appointee Fees	(164,055.10)
28/07/14	Tucker and Cowan Solicitors	Other Professional Fees	(154,986.78)
28/07/14	Bree Howe	Other Professional Fees	(462.50)
28/07/14	Simon Tickner	Other Professional Disbursements	(304.70)
30/07/14	Bridgewater Controller	Controllership Funds Transfer-Bridgwater Cntrlr	(1,090,565.92)
31/07/14	Suncorp Bank	Bank Charges	(2.00)
31/07/14	Suncorp Bank	Bank Charges	(14.00)
01/08/14	Cameo	Controllership Funds Transfer-Cameo	(39,785.65)
01/08/14	McGrathNicol	Appointee Disbursements	(6,313.69)
01/08/14	McGrathNicol	Fees: Appointee Fees	(211,227.50)
01/08/14	Bree Howe	Other Professional Fees	(512.50)
01/08/14	Russell Solicitors	Other Professional Fees	(2,825.60)
06/08/14	LM Administration PL (In Liquidation)	Other Professional Fees	(24,449.70)
06/08/14	Hidden Valley	Controllership Funds Transfer-Hidden Valley	(5,753.00)
06/08/14	Telstra Corporation Limited	Sundry Expense	(1,290.96)
06/08/14	Suncorp Bank	Bank Charges	(8.00)
07/08/14	Various Investors	Capital distribution - various investors	(1,501.65)
08/08/14	LM Administration PL (In Liquidation)	Controllership Funds Transfer-LMA PL (In Lqdn)	(157,867.00)
08/08/14	LMIM Ltd (In Liquidation)	Other Professional Fees	(39,766.65)
12/08/14	Greystanes Controller	Controllership Funds Transfer-Greystanes	(60,000.00)
12/08/14	OVST	Controllership Funds Transfer-OVST	(46,233.80)
12/08/14	Tucker and Cowan Solicitors	Other Professional Fees	(210,571.61)
12/08/14	OVST	Controllership Funds Transfer-OVST	(39,751.52)
14/08/14	Bree Howe	Other Professional Fees	(425.00)
14/08/14	Sean Haydock/Bree Howe	Other Professional Disbursements	(1,630.50)
14/08/14	Coulter & Rocola	Loan drawdown-Coulter & Roccola	(28,000.00)
15/08/14	St Crispin's	Controllership Funds Transfer-St Crispin's	(9,415.50)
15/08/14	Cameo Estate Contoller	Controllership Funds Transfer-Cameo	(21,819.30)
27/08/14	LM Administration PL (In Liquidation)	Controllership Funds Transfer-LMA PL (In Lqdn)	(40,894.70)
27/08/14	St Crispin's	Controllership Funds Transfer-St Crispin's	(4,041.65)
27/08/14	Bellpac Pty Ltd (In Liquidation)	Loan drawdown-Bellpac Pty Ltd (In Liquidation)	(15,623.61)
27/08/14	Tucker and Cowan Solicitors	Legal Fees	(61,635.48)
28/08/14	Clayton Utz	Legal Fees	(132,476.69)
28/08/14	Cybernet Evolution Pty Ltd	Sundry Expense	(2,333.70)
28/08/14	Bree Howe	Other Professional Fees	(1,037.50)
28/08/14	Sean Haydock	Other Professional Disbursements	(2,376.24)
28/08/14	OVST	Controllership Funds Transfer-OVST	(46,374.30)
28/08/14	Redland Bay Tall Trees	Controllership Funds Transfer-Pinevale	(50,274.30)
28/08/14	St Crispin's	Controllership Funds Transfer-St Crispin's	(63,176.96)
28/08/14	Hidden Valley	Controllership Funds Transfer-Hidden Valley	(23,806.75)
31/08/14	Suncorp Bank	Bank Charges	(11.00)
02/09/14	Bridgewater Controller	Controllership Funds Transfer-Bridgwater Cntrlr	(362,718.81)
02/09/14	Redland Bay Leisure Life	Controllership Funds Transfer-Redland Bay	(12,694.55)
02/09/14	Redland Bay Tall Trees	Controllership Funds Transfer-Redland Bay	(48,831.39)
02/09/14	Redland Bay Tall Trees	Controllership Funds Transfer-Redland Bay	(24,493.82)
08/09/14	David Clout & Associates - actual fees	Other Professional Fees	(23,129.72)
08/09/14	Redland Bay Leisure Life	Controllership Funds Transfer-Redland Bay	(181,816.62)

LM Investment Management Limited (In Liquidation) (Receivers and Managers Appointed) A.C.N. 077 208 461

Annexure A Page 3

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
08/09/14	LM Administration PL (In Liquidation)	Controllership Funds Transfer-LMA PL (In Lqdt)	(141,603.00)
11/09/14	Simon Tickner	Other Professional Disbursements	(422.38)
11/09/14	Bree Howe	Other Professional Fees	(725.00)
11/09/14	The Trust Company Limited	Other Professional Fees	(32,113.86)
11/09/14	BDO Pty Ltd	Other Professional Fees	(760,243.55)
11/09/14	Coulter & Rocola	Loan drawdown-Coulter & Roccola	(1,887.20)
15/09/14	Sean Haydock	Other Professional Disbursements	(2,518.39)
17/09/14	Hidden Valley	Loan drawdown - Keppel Bay Holdings	(8,470.00)
18/09/14	Kappel Bay Holdings	Loan drawdown - Keppel Bay Holdings	(15,390.00)
18/09/14	Coulter Developments	Loan drawdown-Coulter & Roccola	(9,180.95)
22/09/14	Redland Bay Leisure Life	Loan drawdown - Redland Bay Leisure Life	(10,420.00)
22/09/14	Cameo Estate Conttoller	Loan drawdown-Cameo Estate	(53,482.40)
23/09/14	McGrathNicol	Appointee Disbursements	(6,994.63)
23/09/14	McGrathNicol	Fees: Appointee Fees	(260,094.45)
23/09/14	Bree Howe	Other Professional Fees	(525.00)
23/09/14	Platinum Business Strategies	Other Professional Fees	(440.00)
30/09/14	Pinevale (Carrington management)	Controllership Funds Transfer-Pinevale	(101,137.12)
30/09/14	Redland Bay Tall Trees	Controllership Funds Transfer-Redland Bay	(90,909.68)
30/09/14	Suncorp Bank	Bank Charges	(2.20)
30/09/14	Suncorp Bank	Bank Charges	(2.00)
08/10/14	OVST	Controllership Funds Transfer-OVST	(80,000.00)
09/10/14	Various Investors	Capital distribution - various investors	(398.09)
10/10/14	Simon Tickner & Sean Haydock	Other Professional Disbursements	(3,048.05)
13/10/14	LM Administration PL (In Liquidation)	Other Professional Fees	(146,478.00)
13/10/14	Bree Howe	Other Professional Fees	(1,564.00)
13/10/14	Hidden Valley	Controllership Funds Transfer-Hidden Valley	(15,470.74)
13/10/14	Keppel Views	Controllership Funds Transfer-Keppel Views Cont	(65,039.20)
13/10/14	Coulter & Rocola	Controllership Funds Transfer	(746.23)
15/10/14	Bellpac Pty Ltd (In Liquidation)	Loan drawdown-Bellpac Pty Ltd (In Liquidation)	(75,100.09)
20/10/14	David Clout & Associates - actual fees	Other Professional Fees	(20,964.92)
20/10/14	Bree Howe	Other Professional Fees	(600.00)
20/10/14	Gadens Lawyers	Loan drawdown - various	(90,000.00)
23/10/14	Redland Bay Tall Trees	Other Professional Fees	(20,298.59)
23/10/14	Bree Howe	Other Professional Fees	(1,050.00)
23/10/14	Pinevale (Carrington management)	Controllership Funds Transfer-Pinevale	(24,634.25)
24/10/14	Young Project Marketing	Controllership Funds Transfer-Young Project Mrktng	(7,222.90)
24/10/14	Keppel Bay Holdings	Controllership Funds Transfer-Keppel Bay	(8,751.15)
24/10/14	Pinevale (Carrington management)	Controllership Funds Transfer-Pinevale	(8,635.00)
24/10/14	Hidden Valley	Controllership Funds Transfer-Hidden Valley	(5,981.80)
27/10/14	Suncorp Bank	Bank Charges	(8.00)
27/10/14	Northshore Bayview	Controllership Funds Transfer-Northshore Bayview	(11,506.29)
28/10/14	Redland Bay Leisure Life	Controllership Funds Transfer-Redland Bay	(4,766.30)
30/10/14	LM Administration PL (In Liquidation)	Other Professional Fees	(24,453.73)
31/10/14	Suncorp Bank	Bank Charges	(7.20)
31/10/14	Bree Howe	Other Professional Fees	(750.00)
03/11/14	LMA Pty Ltd (In Liquidation)	Sundry Expense	(168,962.00)
03/11/14	Lucy Bloomfield	Other Professional Fees	(357.50)
03/11/14	Clayton Utz	Legal Fees	(6,360.20)
03/11/14	Cameo Estate Conttoller	Loan drawdown-Cameo Estate	(63,300.00)
03/11/14	Pinevale (Carrington)	Loan reduction-Pinevale	(150,000.00)

LM Investment Management Limited (In Liquidation) (Receivers and Managers Appointed) A.C.N. 077 208 461

Annexure A Page 4

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
	management)		
03/11/14	Redland Bay Leisure Life	Loan drawdown - Redland Bay Leisure Life	(60,288.07)
05/11/14	David Clout Associate	Other Professional Fees	(26,697.67)
07/11/14	Bree J Howe	Other Professional Fees	(1,075.00)
07/11/14	Redland Bay Leisure Life	Controllership Funds Transfer-Redland Bay	(12,229.80)
07/11/14	Cameron Kohring/Sean Haydock	Other Professional Disbursements	(2,105.01)
11/11/14	Hidden Valley	Loan drawdown - Hidden Valley	(990.00)
12/11/14	Redland Bay Tall Trees	Loan drawdown - Redland Bay Leisure Life	(20,193.99)
13/11/14	Pinevale (Carrington management)	Loan reduction-Pinevale	(29,930.33)
18/11/14	Sean Haydock	Other Professional Disbursements	(1,526.50)
18/11/14	Jones Lang LaSalle Australia Pty Limited	Other Professional Fees	(24,519.96)
18/11/14	Bree J Howe	Other Professional Fees	(462.50)
18/11/14	Bree Howe	Other Professional Fees	(575.00)
20/11/14	Hidden Valley	Loan drawdown - Hidden Valley	(11,741.13)
26/11/14	Redland Bay Leisure Life	Controllership Funds Transfer-Redland Bay	(25,713.00)
27/11/14	Redland Bay Leisure Life	Loan drawdown - Redland Bay Leisure Life	(16,971.76)
30/11/14	Suncorp Bank	Bank Charges	(2.40)
30/11/14	Suncorp Bank	Bank Charges	(2.00)
03/12/14	Tucker & Cowen Solicitors	Legal Fees	(213,741.00)
03/12/14	Tucker & Cowen Solicitors	Legal Fees	(56,087.90)
03/12/14	LM Investment Management Limited (Administrators Appointed) (Receivers and Managers Appointed)	Other Professional Disbursements	(1,817.60)
03/12/14	Bree Howe	Other Professional Fees	(550.00)
04/12/14	Bree Howe	Other Professional Fees	(900.00)
05/12/14	Pikes & Verekers	Legal Fees	(13,309.14)
05/12/14	Redland Bay Leisure Life	Controllership Funds Transfer	(84,263.11)
05/12/14	Cameo	Controllership Funds Transfer	(50,458.00)
11/12/14	David Clout & Associates - actual fees	Legal Fees	(18,322.58)
11/12/14	LM Administration PL (In Liquidation)	Other Professional Fees	(305,988.00)
11/12/14	Clayton Utz	Other Professional Fees	(6,410.80)
11/12/14	Clayton Utz	Legal Fees	(26,796.79)
11/12/14	Greystanes Controller	Controllership Funds Transfer	(27,728.79)
11/12/14	Redland Bay Leisure Life	Controllership Funds Transfer	(44,069.97)
11/12/14	Simon Tickner	Other Professional Disbursements	(119.77)
16/12/14	Cameron Kohring	Other Professional Disbursements	(415.00)
16/12/14	Clayton Utz	Legal Fees	(9,604.82)
16/12/14	LM Administration PL (In Liquidation)	Controllership Funds Transfer	(16,899.33)
16/12/14	Bridgewater Controller	Controllership Funds Transfer	(23,451.00)
17/12/14	Bridgewater Controller	Controllership Funds Transfer	(36,098.85)
18/12/14	Various Investors	Capital distribution - various investors	(224.98)
18/12/14	Bree Howe	Other Professional Fees	(637.50)
19/12/14	Suncorp Bank	Bank Charges	(2.50)
22/12/14	Redland Bay Leisure Life	Controllership Funds Transfer	(9,900.00)
22/12/14	Redland Bay Tall Trees	Controllership Funds Transfer	(3,848.00)
22/12/14	Redland Bay Leisure Life	Controllership Funds Transfer	(6,948.75)
23/12/14	Cameo	Controllership Funds Transfer	(100,000.00)
23/12/14	Redland Bay Tall Trees	Controllership Funds Transfer	(100,000.00)
23/12/14	Bridgewater Controller	Controllership Funds Transfer	(100,000.00)
23/12/14	Redland Bay Leisure Life	Controllership Funds Transfer	(50,740.79)
31/12/14	Suncorp Bank	Bank Charges	(9.20)
05/01/15	LM Administration PL (In Liquidation)	Sundry Receipts	(79,502.50)

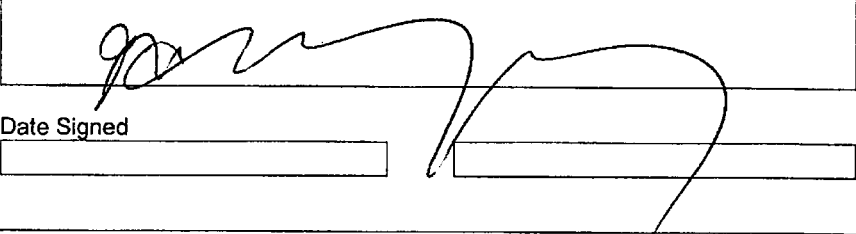
LM Investment Management Limited (In Liquidation) (Receivers and Managers Appointed) A.C.N. 077 208 461

Annexure A Page 5

Total Payments (7,904,937.38)

This is the annexure A of 7 page(s) referred to in Form 524 - Presentation of Accounts and Statement from 11/07/2014 to 10/01/2015

Signature

Name	
Joseph David Hayes	
Signature(s)	
	
Date Signed	



authority@property.saiglobal.com

**D
O
C
I
M
A
G
E**

Request Number 8859271.

Extracted from ASIC's Database on 15/12/15 at 11:11.

Name: LM INVESTMENT MANAGEMENT LIMITED
ACN : 077 208 461

<i>Document ID</i>	<i>No. of Pages</i>	<i>Date Lodged</i>
7E7202909	16	10/08/15
029296876	15	17/08/15

If this request is for financial accounts it may contain an XBRL version of the accounts in addition to the usual PDF version. To analyse the version of the accounts in XBRL format you will need to use XBRL reader software. Please refer to www.asic.gov.au/SBR for more information.

The total number of pages including this cover page is 32.

If your request was made through an Information Broker and not all pages have been included please contact your Information Broker.

If your request was made direct to ASIC and you require technical assistance please contact us as follows:

DOCIMAGE Technical Enquiries:	03 5177 3001
Facsimile:	03 5177 3999
Ask a question:	www.asic.gov.au/question

For all other inquiries contact us on 1300 300 630.

Australian Securities & Investments Commission

Electronic Lodgement
Document No. **7E7202909**
Lodgement date/time: 10-08-2015 15:19:02
Reference Id: 92406700

Form 524
Corporations Act 2001
539(1), s539(7)

Presentation of accounts and statement

Liquidator details

Registered liquidator number
219954

Registered liquidator name
JOSEPH DAVID HAYES

Company details

Company name
LM INVESTMENT MANAGEMENT LIMITED
077 208 461

Appointment details

Date appointment commenced :
11-07-2013
Type of appointment :
Receiver and manager
Are these accounts final?
No

Account & statement details

Period for which the accounts and statement are made up
From
11-01-2015
To
10-07-2015

Form 524 - Presentation of accounts and statement
Liquidator: 219954 - JOSEPH DAVID HAYES

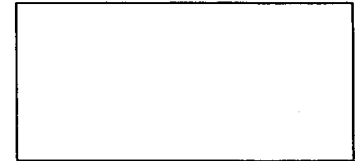
Authentication

This form has been authenticated by
Name JOSEPH DAVID HAYES
This form has been submitted by
Name Dira BENAVIDES
Date 10-08-2015

For more help or information

Web www.asic.gov.au
Ask a question? www.asic.gov.au/question
Telephone 1300 300 630

Australian Securities & Investments Commission



Form 524

Corporations Act 2001
539(1), 411(9)(a), 432(1A), 438E and 445J

Presentation of accounts and statement

This form is to be used for the presentation of accounts and statement by an administrator, provisional liquidator, court appointed liquidator; members' voluntary liquidator; creditors' voluntary liquidator; receiver; receiver and manager; managing controller (other than receiver and manager); controller (other than receiver, receiver and manager or managing controller); deed administrator or scheme administrator under Part 5.1.

If there is insufficient space in any section of the form, you may photocopy the relevant page(s) and submit as part of this lodgement

Company details

Company name

LM Investment Management Limited (In Liquidation) (Receivers and Managers Appointed)

ACN / ABN

077 208 461

Lodgement details

Who should ASIC contact if there is a query about this form?

Firm / Organisation

McGrathNicol

Contact name/position description

Joseph David Hayes / Joint & Several Receiver and Manager

ASIC registered agent number (if applicable)

Telephone Number

+61 2 9338 2600

Postal Address or DX Address

GPO Box 9986, Sydney NSW 2001

1 Details of appointment

Date of Commencement

11/07/2013

Type of appointment

Receiver and manager 524N & P

Details of the accounts

Are the accounts final? No.

The period for which the accounts and statements are made up can not be more than 6 months.

If yes, provide date when Joint & Several Receivers and Managers ceased to act .

Date to which the accounts and statements made up

Final accounts and statements must be made up to the date on which the liquidator ceased to act.

From
11/01/2015

To
10/07/2015

1 Continued...Details of appointment**Details of the appointee(s)**

Date of Appointment:	11/07/2013
Liquidator Registration Number:	219954
Name:	Joseph David Hayes
At the office of:	McGrathNicol
Address:	Level 31 60 Margaret Street Sydney NSW 2000
Date of Appointment:	11/07/2013
Liquidator Registration Number:	410893
Name:	Anthony Norman Connelly
At the office of:	McGrathNicol
Address:	Level 7 175 Eagle Street Brisbane QLD 4000

Details of the original appointment

Complete this section only if you are a controller

Appointment by or under Instrument

Date of appointment:	11/07/2013
Date of Instrument:	1/07/2010
Description of Instrument:	
Instrument registered in the Personal Property Securities Register	YES
Security Interest Number:	201112213019561

Creditors' Meeting

Date of the last annual meeting of creditors

N/A

Was a quorum present at this meeting? N/A

OR

The liquidator decided not to convene a meeting of creditors and has lodged a copy of the report with ASIC
Date report lodged with ASIC:

N/A

2 Dividend

Complete this section in full only if you are a **court or creditors' voluntary liquidator or deed administrator**. This section is not relevant to provisional liquidation appointments. If you are the **liquidator of a members' voluntary liquidation**, you need only provide information on the dividends paid to contributories.

Your estimate of total creditors in this administration at the date of this account

Category	Estimated Number of Creditors	Estimated Value
Priority		
Secured		
Unsecured		
Deferred		

Dividends paid since your appointment and to the date of this account.

3 Secured lenders

This section for controllers only as required by s432

Amount owing under instrument at the date appointment / control day	Withheld
Amount owing under instrument at the date of this account	\$0.00
Estimated value of property subject to the instrument at the date of this account	\$0.00

4 Summary of professional fees and completion dates

Complete this section for all appointments except provisional liquidation appointments.

Professional fees and outlays	Remuneration paid to you during the period for which this account is made up (inclusive of GST)	\$704,893.47
	Remuneration paid to you from the date of your appointment to the date to which this account is made up (inclusive of GST)	\$2,128,672.50
	Amount received by you in respect of expenses during the period for which this account is made up (inclusive of GST)	\$1,084.80
	Amount received by you in respect of expenses from the date of your appointment to the date to which this account is made up (inclusive of GST).	\$35,620.05
Estimated completion date	Month and year by which you expect this appointment will be completed	01 2016
	At the date of this account how long have you been appointed? Years / Months.	2 year(s), 0 month(s).

4 Continued... Summary of professional fees and completion dates

Include both operational and abnormal causes of delay, together with a likely date of event which may be the cause of the delay eg. Collection of debtors, terms of Deed to be satisfied, preference action pending – litigation October 200X; awaiting Committee of Inspection October 200X for approval to finalise.

Details of causes which may delay the termination of your appointment:

- Realisation of security
 - Finalising statutory charges
 - Retirement of Receivers and Managers
-

5 Account of receipts and payments

This section for all appointments.

Receipts

(Exclude the principal component of matured investments)

Total amounts received by you before the period for which this account has been made up \$70,526,541.69

Total amounts received by you during the period for which this account has been made up (Attach detailed schedule) \$36,691,495.14

Total Receipts (this total carried forward to next account) \$107,218,036.83

Payments

(Exclude principal amounts invested or rolled over)

Total payments made by you before the period for which this account has been made up \$53,864,211.02

Total payments made by you during the period for which this account has been made up (Attach detailed schedule) \$9,378,595.28

Total Payments (this total carried forward to next account) \$63,242,806.30

Reconciliation of money held

Cash in hand \$0.00

Cash at bank:

Credits as per bank statement	\$43,975,230.53	
Less: Unpresented cheques	\$0.00	
Add: Outstanding deposits	\$0.00	
		\$43,975,230.53

Amounts invested and not converted to cash \$0.00

Total balance of money held \$43,975,230.53

6 Estimated outcome

Complete this section for court and creditors' voluntary liquidations only.
Do you expect that a dividend will be paid to any class of creditor?

If yes, complete the **Statement of financial position and estimated outcome of your appointment**.

Statement of financial position and estimated outcome of your appointment

Details only required for court and creditors' voluntary winding up where it is expected that a dividend will be paid to any class of creditor.

	Total estimated future net realisable value	
	Estimated (High)	Estimated (Low)
	\$	\$
Expected net asset recoveries		
Total money held at the date of this account (amount taken from above)		
Interests in land		
Sundry debtors		
Stock on hand		
Work in progress		
Plant and equipment		
Potential legal recoveries		
Contingent assets		
Other recoveries		
Estimated net asset recoveries at date of this account		
Less estimated future insolvency practitioners remuneration		
Less estimated future other payments or costs incurred		
Estimated net asset recoveries at date of this account available for further dividends to creditors		
Less estimated future dividends to priority creditors		
Less estimated future payments to secured creditors		
Less estimated future dividends to unsecured creditors		
Less estimated future dividends to deferred creditors		
Balance for contributories		

Provide details of any arrangement where assets of the company have been disposed of by you for consideration other than for cash or of any benefit that you have received directly or indirectly resulting from this appointment.

Disclaimer

The Statement of financial position and estimated outcome is an estimate only based on information available at the date of these accounts. The information included in this section should be viewed as a guide only. Many factors affect the estimated outcome to creditors. The data used in this section will change as further information becomes available and after all matters in the insolvency administration are finalised.

7 Your verification of this account and statement

This section for all appointment types

I declare that the statements below are correct.

Statement

The information given in the statement is true to the best of my knowledge and belief at the date of signing.

The account of receipts and payments set out in the annexure marked A of 7 pages, contains a full and true account of my receipts and payments in this period and I have not, nor has any other person by my order or for my use during that period, received or paid any moneys on account of the company other than and except the items mentioned and specified in that account.

The period

From: 11/01/2015 To: 10/07/2015

Signature

Name

Joseph David Hayes

Signature(s)

Date Signed

Lodgement


Send completed and signed forms to:

Australian Securities and Investments Commission
PO Box 4000, Gippsland Mail Centre VIC 3841.

Or lodge the form electronically by visiting the ASIC website
www.asic.gov.au

For help or more information

Web www.asic.gov.au
Need help? www.asic.gov.au/question
Telephone 1300 300 630

 10/5/15

Account of receipts and payments for the period**RECEIPTS**

Date	Receipts From	Nature of Receipts/Explanation	Total
27/01/15	Government Authorities	Other Professional Fees	948.75
27/01/15	ATO	GST Control: GST Paid (Received)	88.00
31/01/15	Suncorp Bank	Interest Income	3.87
31/01/15	Suncorp Bank	Interest Income	0.01
31/01/15	Suncorp Bank	Interest Income	1,947.73
31/01/15	Suncorp Bank	Interest Income	35,102.64
22/02/15	Australian Taxation Office	GST Control: GST Paid (Received)	24,596.95
23/02/15	Queen St	Other Income	50,450.00
23/02/15	LM Administration	Other Professional Fees	142,000.42
28/02/15	Suncorp Bank	Interest Income	3.18
28/02/15	Suncorp Bank	Interest Income	1,598.47
28/02/15	Suncorp Bank	Interest Income	24,381.71
24/03/15	Group Books and Records	Refunds	31,736.10
31/03/15	Suncorp Bank	Interest Income	3.46
31/03/15	Suncorp Bank	Interest Income	1,742.64
31/03/15	Suncorp Bank	Interest Income	24,973.94
21/04/15	Suncorp Bank	Interest Income	2.24
21/04/15	Suncorp Bank	Interest Income	1,126.62
22/04/15	Coulter & Rocola	Loan drawdown	44,000.00
22/04/15	Green Square	Loan drawdown	770,000.00
22/04/15	Seasilver Controller	Loan drawdown	560,000.00
22/04/15	Lot 111 Pty Ltd	Loan drawdown	500,000.00
22/04/15	St Crispins Supplier	Loan drawdown	2,500,000.00
22/04/15	Source Developments	Loan drawdown	4,500,000.00
24/04/15	Queen St	Other Income	300.00
30/04/15	Suncorp Bank	Interest Income	29,028.73
06/05/15	Lot 111 Pty Ltd	Loan reduction (transfer to LM)	5,000,000.00
06/05/15	Suncorp Bank	Interest Income	3,020.54
15/05/15	Blue Broking	Insurance	105.76
19/05/15	Lot 111 Pty Ltd	Loan from Lot 111 Pty Ltd	2,500,000.00
31/05/15	Suncorp Bank	Interest Income	30,939.58
09/06/15	Redland Bay Leisure Life	Loan reduction (transfer to LM)	7,000,000.00
09/06/15	Pinevale (Carrington management)	Loan reduction (transfer to LM)	1,000,000.00
09/06/15	OVST	Loan reduction (transfer to LM)	2,750,000.00
09/06/15	Cameo	Loan reduction (transfer to LM)	850,000.00
10/06/15	Pinevale Pty Ltd	Loan reduction (transfer to LM)	1,000,000.00
10/06/15	Redland Bay Leisure Life	Loan reduction (transfer to LM)	7,250,000.00
18/06/15	Bellpac Pty Ltd (In Liquidation)	Legal Fees	20,706.09
22/06/15	Clayton Utz	Legal Fees	13,536.60
30/06/15	Suncorp Bank	Interest Income	28,701.10
30/06/15	Suncorp Bank	Interest Income	0.01
09/07/15	Various	Other Income	450.00
		Total Receipts	36,691,495.14

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
14/01/15	Redland Bay Leisure Life	Loan drawdown - Redland Bay Leisure Life	(44,069.97)
15/01/15	Gadens Lawyers	Legal Fees	(11,013.64)
15/01/15	Gadens Lawyers	Legal Fees	(3,956.70)
15/01/15	Gadens Lawyers	Legal Fees	(1,184.70)
15/01/15	Gadens Lawyers	Legal Fees	(1,184.70)
15/01/15	Gadens Lawyers	Legal Fees	(3,537.57)
15/01/15	Gadens Lawyers	Legal Fees	(39,667.07)
15/01/15	Gadens Lawyers	Legal Fees	(1,565.85)
15/01/15	Gadens Lawyers	Legal Fees	(8,586.60)
15/01/15	Gadens Lawyers	Legal Fees	(5,720.55)
15/01/15	Gadens Lawyers	Legal Fees	(440.55)
15/01/15	Gadens Lawyers	Legal Fees	(13,471.15)
15/01/15	Gadens Lawyers	Legal Fees	(4,974.20)
15/01/15	Gadens Lawyers	Legal Fees	(9,350.00)
15/01/15	Gadens Lawyers	Legal Fees	(10,457.33)
15/01/15	Gadens Lawyers	Legal Fees	(17,629.30)
15/01/15	Gadens Lawyers	Legal Fees	(20,218.20)
15/01/15	Gadens Lawyers	Legal Fees	(3,044.25)
20/01/15	Bree Howe	Other Professional Fees	(750.00)
20/01/15	Cameron Kohring	Other Professional Fees	(1,559.75)
20/01/15	Cameron Kohring	Other Professional Fees	(2,291.38)
20/01/15	Bree Howe	Other Professional Fees	(637.50)
20/01/15	OVST	Loan drawdown - various	(50,000.00)
20/01/15	Redland Bay Leisure Life	Loan drawdown - Redland Bay Leisure Life	(150,000.00)
20/01/15	OVST	Loan drawdown - various	(200,000.00)
20/01/15	Cameo	Loan drawdown-Cameo Estate	(100,000.00)
20/01/15	Elva Ann McCallum	Other Professional Fees	(3,187.50)
22/01/15	BDO (QLD) Pty Ltd	Other Professional Fees	(1,076,006.88)
22/01/15	Carolyn Hodge	Other Professional Fees	(948.75)
22/01/15	Tucker & Cowen Solicitors	Legal Fees	(30,948.24)
22/01/15	Tucker & Cowen Solicitors	Legal Fees	(66,124.59)
22/01/15	Tucker & Cowen Solicitors	Legal Fees	(26,122.01)
22/01/15	Tucker & Cowen Solicitors	Legal Fees	(3,962.28)
22/01/15	Tucker & Cowen Solicitors	Legal Fees	(29,842.65)
22/01/15	Tucker & Cowen Solicitors	Legal Fees	(51,460.92)
22/01/15	Tucker & Cowen Solicitors	Legal Fees	(53,731.13)
22/01/15	Tucker & Cowen Solicitors	Legal Fees	(16,960.95)
22/01/15	Tucker & Cowen Solicitors	Legal Fees	(26,354.83)
23/01/15	Pinevale (Carrington management)	Loan drawdown - various	(43,218.45)
23/01/15	OVST	Loan drawdown - various	(200,000.00)
27/01/15	Pinevale (Carrington management)	Loan drawdown - various	(43,218.45)
27/01/15	OVST	Loan drawdown - various	(200,000.00)
28/01/15	CyberThread Pty Ltd	Other Professional Fees	(432.05)
28/01/15	Grant Thornton Services (NSW) Pty Ltd	Other Professional Fees	(36,664.79)
28/01/15	DLA Piper	Legal Fees	(83,514.56)
28/01/15	LM Administration PL (In Liquidation)	Other Professional Fees	(38,940.68)
28/01/15	Clayton Utz	Legal Fees	(2,041.60)
28/01/15	Clayton Utz	Legal Fees	(3,971.55)
28/01/15	Pikes & Verekers	Legal Fees	(13,310.11)
28/01/15	Pikes & Verekers	Legal Fees	(22,087.35)
28/01/15	St Business Trust	Other Professional Fees	(5,187.99)
30/01/15	Fraser Lawyers	Other Professional Fees	(1,800.00)
30/01/15	Steve Hannan	Other Professional Fees	(89.10)
30/01/15	OVST	Loan drawdown - various	(60,000.00)
30/01/15	Simon Tickner	Other Professional Fees	(4,707.16)

LM Investment Management Limited (In Liquidation) (Receivers and Managers Appointed) A.C.N. 077 208 461

Annexure A Page 2

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
31/01/15	Suncorp Bank	Bank Charges	(9.20)
04/02/15	Cameron Kohring	Other Professional Fees	(1,602.25)
04/02/15	Heron Management Services	Other Professional Fees	(23,487.62)
04/02/15	LM Investment Management Limited (In Liquidation)	Other Professional Disbursements	(62,162.85)
04/02/15	Cameron Kohring	Other Professional Disbursements	(657.24)
04/02/15	Cameron Kohring	Other Professional Fees	(2,673.25)
04/02/15	Elva Ann McCallum	Other Professional Fees	(3,187.50)
04/02/15	Bridgewater Controller	Loan drawdown - various	(42,856.00)
04/02/15	BlueBroking	Legal Fees	(605.63)
04/02/15	Simon Tickner	Registrar's Fees	(5,191.73)
05/02/15	Elva Ann McCallum	Other Professional Fees	(3,187.50)
12/02/15	Reciever of LM account Books	Other Professional Fees	(100,444.11)
13/02/15	Elva Ann McCallum	Other Professional Fees	(2,550.00)
13/02/15	Gadens Lawyers	Legal Fees	(40,920.55)
13/02/15	Elva Ann McCallum	Other Professional Fees	(1,941.38)
13/02/15	Simon Tickner	Other Professional Fees	(236.37)
20/02/15	Carolyn Hodge	Other Professional Fees	(948.75)
20/02/15	Cameron Kohring	Other Professional Fees	(1,899.75)
20/02/15	Cameron Kohring	Other Professional Disbursements	(2,313.10)
23/02/15	William James Law Pty Ltd	Legal Fees	(8,557.63)
23/02/15	293 Queen st	Loan drawdown - various	(50,000.00)
23/02/15	Tucker & Cowen Solicitors	Legal Fees	(72,237.33)
23/02/15	Gadens Lawyers	Legal Fees	(20,428.10)
23/02/15	Gadens Lawyers	Other Professional Disbursements	(4,421.95)
24/02/15	Redland Bay Leisure Life	Loan drawdown - Redland Bay Leisure Life	(50,000.00)
24/02/15	Elva Ann McCallum	Other Professional Fees	(3,243.36)
25/02/15	Clayton Utz	Legal Fees	(3,397.46)
25/02/15	Clayton Utz	Legal Fees	(29,503.25)
25/02/15	Clayton Utz	Legal Fees	(22,623.84)
25/02/15	Clayton Utz	Legal Fees	(10,664.61)
25/02/15	Clayton Utz	Legal Fees	(11,951.94)
25/02/15	Clayton Utz	Legal Fees	(13,971.01)
25/02/15	Clayton Utz	Legal Fees	(9,689.35)
25/02/15	Clayton Utz	Legal Fees	(12,063.98)
25/02/15	Clayton Utz	Legal Fees	(4,175.60)
25/02/15	Elva Ann McCallum	Other Professional Fees	(3,233.48)
26/02/15	Clayton Utz	Other Professional Disbursements	(41.15)
26/02/15	Clayton Utz	Other Professional Fees	(72,836.50)
26/02/15	Clayton Utz	Other Professional Fees	(24,345.20)
26/02/15	Clayton Utz	Other Professional Fees	(2,688.40)
26/02/15	Clayton Utz	Other Professional Fees	(19,188.40)
26/02/15	Cameron Kohring	Other Professional Fees	(2,139.83)
26/02/15	Gadens Lawyers	Legal Fees	(600.60)
26/02/15	Gadens Lawyers	Legal Fees	(4,417.05)
26/02/15	Gadens Lawyers	Legal Fees	(4,859.25)
26/02/15	Gadens Lawyers	Other Professional Disbursements	(23,056.75)
27/02/15	McGrathNicol	Appointee Disbursements	(1,084.80)
27/02/15	McGrathNicol	Fees: Appointee Fees	(146,437.50)
27/02/15	Russells Solicitors	Legal Fees	(1,221.73)
27/02/15	Russells Solicitors	Legal Fees	(427.85)
27/02/15	Mills Oakley Lawyers	Other Professional Fees	(298.95)
27/02/15	Redland Bay Leisure Life	Loan drawdown - Redland Bay Leisure Life	(13,117.50)
27/02/15	Fraser Lawyers	Other Professional Fees	(1,800.00)
27/02/15	Tucker & Cowen Solicitors	Legal Fees	(123,523.30)
28/02/15	Suncorp Bank	Bank Charges	(11.40)
04/03/15	Cameron Kohring	Other Professional Fees	(3,424.10)
04/03/15	Elva Ann McCallum	Other Professional Fees	(3,188.90)

LM Investment Management Limited (In Liquidation) (Receivers and Managers Appointed) A.C.N. 077 208 461

Annexure A Page 3

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
06/03/15	Breene & Breene Solicitors	Other Professional Disbursements	(19,226.09)
06/03/15	Breene & Breene Solicitors	Other Professional Fees	(79,276.55)
06/03/15	Fraser Lawyers	Other Professional Fees	(1,800.00)
06/03/15	Pikes & Verekers	Other Professional Fees	(6,699.65)
06/03/15	WorkCover Queensland	Fees	(19.63)
06/03/15	WorkCover Queensland	Insurance	(373.89)
06/03/15	WorkCover Queensland	Insurance (Stamp Duty)	(18.69)
10/03/15	Clayton Utz	Other Professional Fees	(6,257.90)
10/03/15	ATO-Australian Taxation Office	GST Control	(493.74)
10/03/15	Cameron Kohring	Other Professional Fees	(4,281.48)
10/03/15	ASIC	Sundry Expense	(10,705.00)
10/03/15	Mills Oakley Lawyers	Other Professional Disbursements	(685.02)
10/03/15	Mills Oakley Lawyers	Other Professional Fees	(233.20)
13/03/15	Elva Ann McCallum	Other Professional Fees	(3,200.14)
16/03/15	Cameron Kohring	Other Professional Fees	(4,975.37)
18/03/15	Elva Ann McCallum	Other Professional Fees	(3,242.04)
20/03/15	Fraser Lawyers	Other Professional Fees	(1,800.00)
24/03/15	Cameron Kohring	Other Professional Fees	(2,754.00)
25/03/15	Gadens Lawyers	Legal Fees	(86,407.75)
25/03/15	Gadens Lawyers	Other Professional Disbursements	(6,296.30)
25/03/15	Cameo	Loan drawdown-Cameo Estate	(50,000.00)
25/03/15	Tucker & Cowen Solicitors	Legal Fees	(104,174.50)
25/03/15	Simon Tickner	Other Professional Fees	(31,531.10)
25/03/15	Hickey Lawyers	Legal Fees	(1,201.20)
25/03/15	Hickey Lawyers	Other Professional Disbursements	(11.00)
25/03/15	Elva Ann McCallum	Other Professional Fees	(3,232.11)
25/03/15	Redland Bay Leisure Life	Loan drawdown - Redland Bay Leisure Life	(14,443.23)
31/03/15	Suncorp Bank	Bank Charges	(6.20)
01/04/15	Cameron Kohring	Other Professional Fees	(2,424.15)
02/04/15	Surely IT	Other Professional Fees	(12,529.50)
02/04/15	Blue Broking	Insurance	(574.59)
02/04/15	Blue Broking	Insurance (Stamp Duty)	(36.86)
02/04/15	Elva Ann McCallum	Other Professional Fees	(3,252.70)
02/04/15	Fraser Lawyers	Other Professional Fees	(1,800.00)
08/04/15	Cameron Kohring	Other Professional Fees	(3,178.63)
08/04/15	Clayton Utz	Legal Fees	(7,994.25)
08/04/15	Clayton Utz	Other Professional Disbursements	(35.42)
10/04/15	Elva Ann McCallum	Other Professional Fees	(2,550.00)
14/04/15	Herron Todd White (Central Queensland) Pty Ltd	Other Professional Fees	(9,140.00)
14/04/15	Cameron Kohring	Other Professional Fees	(756.50)
16/04/15	Surely IT	Other Professional Fees	(825.00)
16/04/15	Elva Ann McCallum	Other Professional Fees	(2,616.29)
16/04/15	Redland Bay Leisure Life	Loan drawdown - Redland Bay Leisure Life	(34,520.16)
16/04/15	Simon Tickner	Other Professional Fees	(13,429.26)
16/04/15	William James Law Pty Ltd	Other Professional Fees	(841.50)
16/04/15	Tucker & Cowen Solicitors	Other Professional Fees	(82,516.87)
16/04/15	Pikes & Verekers	Other Professional Fees	(11,383.58)
16/04/15	Gadens Lawyers	Other Professional Fees	(117,350.95)
16/04/15	Cloud Plus	Other Professional Fees	(15,151.40)
16/04/15	Gadens Lawyers	Legal Fees	(18,210.50)
16/04/15	Lloyds Auctioneers and Valuers Pty Ltd	Other Professional Fees	(19,250.00)
22/04/15	Kingopen	Controllership Funds Transfer-Kingopen Cntrlr	(300,000.00)
22/04/15	Youngland	Controllership Funds Transfer-Young Project Mrktng	(20,000.00)
22/04/15	Hidden Valley	Controllership Funds Transfer-Hidden Valley	(16,000.00)
22/04/15	KEPPEL BAY	Controllership Funds Transfer-Keppel Bay	(50,000.00)

LM Investment Management Limited (In Liquidation) (Receivers and Managers Appointed) A.C.N. 077 208 461

Annexure A Page 4

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
24/04/15	Redland Bay Leisure Life	Loan drawdown - Redland Bay Leisure Life	(35,000.00)
27/04/15	Cameron Kohring	Other Professional Fees	(2,227.00)
27/04/15	Redland Bay Leisure Life	Loan drawdown - Redland Bay Leisure Life	(20,886.25)
27/04/15	Cyber Thread	Other Professional Fees	(4,168.75)
27/04/15	Elva Ann McCallum	Other Professional Fees	(3,219.71)
30/04/15	Cameron Kohring	Other Professional Fees	(2,120.75)
30/04/15	Elva Ann McCallum	Other Professional Fees	(3,187.50)
30/04/15	Suncorp Bank	Bank Charges	(7.40)
06/05/15	Cameron Kohring	Other Professional Fees	(3,600.10)
06/05/15	Grace Records Management	Other Professional Fees	(1,965.16)
06/05/15	Bellpac Pty Ltd (In Liquidation)	Legal Fees	(63,691.10)
06/05/15	Bellpac Pty Ltd (In Liquidation)	Other Professional Disbursements	(106,267.96)
06/05/15	Elva Ann McCallum	Other Professional Fees	(2,516.00)
06/05/15	Lot 111 Pty Ltd	Loan drawdown - various	(500,000.00)
06/05/15	Suncorp Bank	Interest Income	(302.05)
13/05/15	Clayton Utz	Other Professional Fees	(731.50)
13/05/15	Cameron Kohring	Other Professional Fees	(973.25)
13/05/15	Hidden Valley Controller	Controllership Funds Transfer-Hidden Valley Cont	(50,000.00)
15/05/15	Tucker & Cowen Solicitors	Legal Fees	(46,020.81)
15/05/15	Surely IT	Other Professional Fees	(825.00)
15/05/15	Browns Advertising	Other Professional Fees	(3,776.30)
15/05/15	Grace Records Management	Other Professional Fees	(1,152.73)
15/05/15	Alchemy Health & Wellbeing	Other Professional Fees	(360.00)
21/05/15	Cameron Kohring	Other Professional Disbursements	(401.48)
21/05/15	Cameron Kohring	Other Professional Fees	(2,898.50)
31/05/15	Suncorp Bank	Bank Charges	(3.40)
01/06/15	Tucker & Cowen Solicitors	Legal Fees	(92,771.14)
04/06/15	Cameron Kohring	Other Professional Fees	(3,891.44)
09/06/15	St Business Trust	Other Professional Fees	(15,125.24)
09/06/15	Pikes & Verekers	Legal Fees	(3,879.27)
09/06/15	Surely IT	Other Professional Fees	(880.00)
15/06/15	Clayton Utz	Legal Fees	(34,769.28)
15/06/15	Clayton Utz	Legal Fees	(16,422.83)
15/06/15	Clayton Utz	Legal Fees	(1,376.21)
15/06/15	Holding Redlich Lawyers	Legal Fees	(1,125.89)
15/06/15	Clayton Utz	Legal Fees	(12,098.82)
15/06/15	Clayton Utz	Other Professional Disbursements	(1,052.07)
17/06/15	Surely IT	Other Professional Fees	(825.00)
17/06/15	Australia Post	Other Professional Fees	(120.00)
17/06/15	Johnston & Company	Other Professional Fees	(7,287.50)
17/06/15	Tucker & Cowen Solicitors	Legal Fees	(105,522.76)
17/06/15	Gadens Lawyers	Legal Fees	(22,457.60)
17/06/15	Cloud Plus	Other Professional Fees	(6,035.70)
17/06/15	Grace Records Management	Other Professional Fees	(1,098.58)
17/06/15	Tucker & Cowen Solicitors	Legal Fees	(46,020.81)
19/06/15	Cameron Kohring	Other Professional Fees	(2,962.25)
22/06/15	Cameron Kohring	Other Professional Fees	(1,678.75)
23/06/15	McGrathNicol	Fees: Appointee Fees	(546,400.80)
30/06/15	BDO Business Recovery & Insolvency (NSW-VIC) Pty Ltd Trust Account	Fees	(453,550.78)
30/06/15	BDO Business Recovery & Insolvency (NSW-VIC) Pty Ltd Trust Account	Fees	(1,809,281.22)
30/06/15	Simon Tickner	Other Professional Disbursements	(366.00)
30/06/15	Kevin Lingren	Legal Fees	(5,940.00)
30/06/15	William James Law Pty Ltd	Legal Fees	(3,459.59)
30/06/15	William James Law Pty Ltd	Other Professional Disbursements	(303.82)
30/06/15	Gadens Lawyers	Legal Fees	(69,774.10)

LM Investment Management Limited (In Liquidation) (Receivers and Managers Appointed) A.C.N. 077 208 461

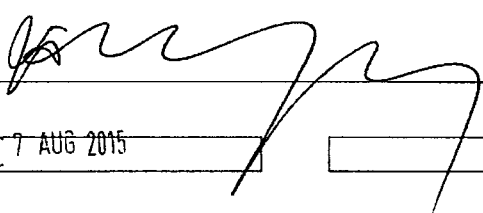
Annexure A Page 5

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
30/06/15	Gadens Lawyers	Other Professional Disbursements	(49,740.49)
30/06/15	Cloud Plus	Other Professional Fees	(8,227.74)
30/06/15	Worldwide printing solutions	Other Professional Fees	(2,081.71)
30/06/15	Suncorp Bank	Bank Charges	(8.40)
30/06/15	Recall Information Management Pty Ltd	Other Professional Fees	(1,261.38)
08/07/15	McGrathNicol	Fees: Appointee Fees	(12,055.17)
08/07/15	Cameron Kohring	Other Professional Fees	(2,290.75)
08/07/15	Bellpac Pty Ltd (In Liquidation)	Legal Fees	(16,535.13)
08/07/15	Bellpac Pty Ltd (In Liquidation)	Legal Fees	(47,568.11)
08/07/15	Surely IT	Other Professional Fees	(440.00)
Total Payments			(9,378,595.28)

This is the annexure A of 7 page(s) referred to in Form 524 - Presentation of Accounts and Statement from 11/01/2015 to 10/07/2015

Signature

Name	
Joseph David Hayes	
Signature(s)	
	
Date Signed	
7 AUG 2015	

(

(

Australian Securities & Investments Commission



SIC

RECEIVED
17 AUG 2015
ASIC - Sydney

Form 492
Corporations Act 2001

Request for correction

Use this form to notify ASIC of corrections to a previously lodged document.

If there is insufficient space in any section of the form, you may photocopy the relevant page(s) and submit as part of this lodgement

Company/scheme details

Company/scheme/pooled group name/credit licensee or representative name

LM Investments Management Limited (In Liquidation) (Receivers and Managers Appointed)

ACN/ARBN/ARSN/ABN/ credit licence or representative number (if applicable)

077 208 461

(See guide for information on pooled group)

Lodgement details

An image of this form will be available as part of the public register.

Who should ASIC contact if there is a query about this form?

ASIC registered agent number (if applicable)

Firm/organisation

McGrathNicol

Contact name/position description

Telephone number (during business hours)

+61 2 9338 2600

Email address (optional)

Postal address

GPO Box 9986

Suburb/City

Sydney

State/Territory

NSW

Postcode

2001

1 Details of original documents

The document number can be obtained from a search at ASIC Connect at www.asic.gov.au.

Document number (Number allocated by ASIC)

767202909

Date of lodgement

10/08/15
(D D) (M M) (Y Y)

2 Details of correction

If correcting a date of change, supporting documentation must also be attached.

See guide for further details

Section 7 - 'Your verification of this account and statement' page 6

The signature block under this section has been missed.

Please see updated 524 with the signature block for this section executed.

Signature

This form must be signed by a current director or secretary of the company, Australian credit licensee or body corporate credit representative, the local agent of a foreign company or the external administrator of a company or pooled group of companies in external administration.

I certify that the information in this form is true and complete.

Name

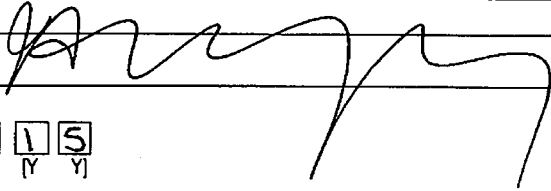
Joseph David Hayes

Capacity

- Director
- Company secretary
- Local agent (foreign companies only)
- External administrator
- Other, please specify

Joint & Several Receiver and Manager

Signature



Date signed

11/08/15
[D] [D] [M] [M] [Y] [Y]

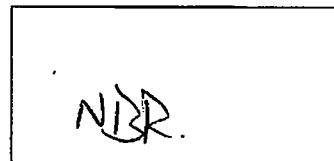
Lodgement

Send completed and signed forms to:
Australian Securities and Investments Commission,
PO Box 4000, Gippsland Mail Centre VIC 3841.

For more information

Web www.asic.gov.au
Need help? www.asic.gov.au/question
Telephone 1300 300 630

Australian Securities & Investments Commission



Form 524

Corporations Act 2001
539(1), 411(9)(a), 432(1A), 438E and 445J

Presentation of accounts and statement

This form is to be used for the presentation of accounts and statement by an administrator, provisional liquidator, court appointed liquidator, members' voluntary liquidator, creditors' voluntary liquidator, receiver, receiver and manager, managing controller (other than receiver and manager); controller (other than receiver, receiver and manager or managing controller); deed administrator or scheme administrator under Part 5.1.

If there is insufficient space in any section of the form, you may photocopy the relevant page(s) and submit as part of this lodgement

Company details

Company name
LM Investment Management Limited (In Liquidation) (Receivers and Managers Appointed)

ACN / ABN
077 208 461

Lodgement details

TRA
17 AUG 2015

Who should ASIC contact if there is a query about this form?

Firm / Organisation
McGrathNicol

Contact name/position description
Joseph David Hayes / Joint & Several Receiver and Manager

ASIC registered agent number (if applicable)

Telephone Number
+61 2 9338 2600

Postal Address or DX Address
GPO Box 9986, Sydney NSW 2001

1 Details of appointment

Date of Commencement
11/07/2013

Type of appointment
Receiver and manager 524N & P

Details of the accounts

The period for which the accounts and statements are made up can not be more than 6 months.

Final accounts and statements must be made up to the date on which the liquidator ceased to act.

Are the accounts final? No.

If yes, provide date when Joint & Several Receivers and Managers ceased to act .

Date to which the accounts and statements made up

From	To
11/01/2015	10/07/2015

1 Continued...Details of appointment**Details of the appointee(s)**

Date of Appointment:	11/07/2013
Liquidator Registration Number:	219954
Name:	Joseph David Hayes
At the office of:	McGrathNicol
Address:	Level 31 60 Margaret Street Sydney NSW 2000
Date of Appointment:	11/07/2013
Liquidator Registration Number:	410893
Name:	Anthony Norman Connelly
At the office of:	McGrathNicol
Address:	Level 7 175 Eagle Street Brisbane QLD 4000

Details of the original appointment
Complete this section only if you are a controller

Appointment by or under Instrument

Date of appointment:	11/07/2013
Date of Instrument:	1/07/2010
Description of Instrument:	
Instrument registered in the Personal Property Securities Register	YES
Security Interest Number:	201112213019561

Creditors' Meeting

Date of the last annual meeting of creditors

N/A

Was a quorum present at this meeting? N/A

OR

The liquidator decided not to convene a meeting of creditors and has lodged a copy of the report with ASIC
Date report lodged with ASIC:

N/A

2 Dividend

Complete this section in full only if you are a court or creditors' voluntary liquidator or deed administrator. This section is not relevant to provisional liquidation appointments. If you are the liquidator of a members' voluntary liquidation, you need only provide information on the dividends paid to contributories.

Your estimate of total creditors in this administration at the date of this account

Category	Estimated Number of Creditors	Estimated Value
Priority		
Secured		
Unsecured		
Deferred		

Dividends paid since your appointment and to the date of this account.

3 Secured lenders

This section for controllers only as required by s432

Amount owing under instrument at the date appointment / control day	Withheld
Amount owing under instrument at the date of this account	\$0.00
Estimated value of property subject to the instrument at the date of this account	\$0.00

4 Summary of professional fees and completion dates

Complete this section for all appointments except provisional liquidation appointments.

Professional fees and outlays	Remuneration paid to you during the period for which this account is made up (inclusive of GST)	\$704,893.47
	Remuneration paid to you from the date of your appointment to the date to which this account is made up (inclusive of GST)	\$2,128,672.50
	Amount received by you in respect of expenses during the period for which this account is made up (inclusive of GST)	\$1,084.80
	Amount received by you in respect of expenses from the date of your appointment to the date to which this account is made up (inclusive of GST).	\$35,620.05
Estimated completion date	Month and year by which you expect this appointment will be completed	01 2016
	At the date of this account how long have you been appointed? Years / Months.	2 year(s), 0 month(s).

4 Continued... Summary of professional fees and completion dates

Include both operational and abnormal causes of delay, together with a likely date of event which may be the cause of the delay eg. Collection of debtors, terms of Deed to be satisfied, preference action pending – litigation October 200X; awaiting Committee of Inspection October 200X for approval to finalise.

Details of causes which may delay the termination of your appointment:

- Realisation of security
- Finalising statutory charges
- Retirement of Receivers and Managers

5 Account of receipts and payments

This section for all appointments.

Receipts

(Exclude the principal component of matured investments)

Total amounts received by you before the period for which this account has been made up \$70,526,541.69

Total amounts received by you during the period for which this account has been made up \$36,691,495.14
(Attach detailed schedule)

Total Receipts (this total carried forward to next account) \$107,218,036.83

Payments

(Exclude principal amounts invested or rolled over)

Total payments made by you before the period for which this account has been made up \$53,864,211.02

Total payments made by you during the period for which this account has been made up \$9,378,595.28
(Attach detailed schedule)

Total Payments (this total carried forward to next account) \$63,242,806.30

Reconciliation of money held

Cash in hand \$0.00

Cash at bank:

Credits as per bank statement	\$43,975,230.53	
Less: Unpresented cheques	\$0.00	
Add: Outstanding deposits	\$0.00	
		\$43,975,230.53

Amounts invested and not converted to cash \$0.00

Total balance of money held \$43,975,230.53

6 Estimated outcome

Complete this section for court and creditors' voluntary liquidations only.
Do you expect that a dividend will be paid to any class of creditor?

If yes, complete the **Statement of financial position and estimated outcome of your appointment.**

Statement of financial position and estimated outcome of your appointment

Details only required for court and creditors' voluntary winding up where it is expected that a dividend will be paid to any class of creditor.

	Total estimated future net realisable value	
	Estimated (High) \$	Estimated (Low) \$
Expected net asset recoveries		
Total money held at the date of this account (amount taken from above)		
Interests in land		
Sundry debtors		
Stock on hand		
Work in progress		
Plant and equipment		
Potential legal recoveries		
Contingent assets		
Other recoveries		
Estimated net asset recoveries at date of this account		
Less estimated future insolvency practitioners remuneration		
Less estimated future other payments or costs incurred		
Estimated net asset recoveries at date of this account available for further dividends to creditors		
Less estimated future dividends to priority creditors		
Less estimated future payments to secured creditors		
Less estimated future dividends to unsecured creditors		
Less estimated future dividends to deferred creditors		
Balance for contributories		

Provide details of any arrangement where assets of the company have been disposed of by you for consideration other than for cash or of any benefit that you have received directly or indirectly resulting from this appointment.

Disclaimer

The Statement of financial position and estimated outcome is an estimate only based on information available at the date of these accounts. The information included in this section should be viewed as a guide only. Many factors affect the estimated outcome to creditors. The data used in this section will change as further information becomes available and after all matters in the insolvency administration are finalised.

7 Your verification of this account and statement

This section for all appointment types

I declare that the statements below are correct.

Statement

The information given in the statement is true to the best of my knowledge and belief at the date of signing.

The account of receipts and payments set out in the annexure marked A of 7 pages, contains a full and true account of my receipts and payments in this period and I have not, nor has any other person by my order or for my use during that period, received or paid any moneys on account of the company other than and except the items mentioned and specified in that account.

The period

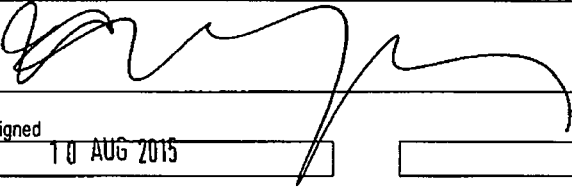
From: 11/01/2015 To: 10/07/2015

Signature

Name

Joseph David Hayes

Signature(s)



Date Signed

10 AUG 2015

Lodgement


Send completed and signed forms to:

Australian Securities and Investments Commission
PO Box 4000, Gippsland Mail Centre VIC 3841.

For help or more information

Web www.asic.gov.au
Need help? www.asic.gov.au/question
Telephone 1300 300 630

Or lodge the form electronically by visiting the ASIC website
www.asic.gov.au

 10/8/15

Account of receipts and payments for the period**RECEIPTS**

Date	Receipts From	Nature of Receipts/Explanation	Total
27/01/15	Government Authorities	Other Professional Fees	948.75
27/01/15	ATO	GST Control: GST Paid (Received)	88.00
31/01/15	Suncorp Bank	Interest Income	3.87
31/01/15	Suncorp Bank	Interest Income	0.01
31/01/15	Suncorp Bank	Interest Income	1,947.73
31/01/15	Suncorp Bank	Interest Income	35,102.64
22/02/15	Australian Taxation Office	GST Control: GST Paid (Received)	24,596.95
23/02/15	Queen St	Other Income	50,450.00
23/02/15	LM Administration	Other Professional Fees	142,000.42
28/02/15	Suncorp Bank	Interest Income	3.18
28/02/15	Suncorp Bank	Interest Income	1,598.47
28/02/15	Suncorp Bank	Interest Income	24,381.71
24/03/15	Group Books and Records	Refunds	31,736.10
31/03/15	Suncorp Bank	Interest Income	3.46
31/03/15	Suncorp Bank	Interest Income	1,742.64
31/03/15	Suncorp Bank	Interest Income	24,973.94
21/04/15	Suncorp Bank	Interest Income	2.24
21/04/15	Suncorp Bank	Interest Income	1,126.62
22/04/15	Coulter & Rocola	Loan drawdown	44,000.00
22/04/15	Green Square	Loan drawdown	770,000.00
22/04/15	Seasilver Controller	Loan drawdown	560,000.00
22/04/15	Lot 111 Pty Ltd	Loan drawdown	500,000.00
22/04/15	St Crispins Supplier	Loan drawdown	2,500,000.00
22/04/15	Source Developments	Loan drawdown	4,500,000.00
24/04/15	Queen St	Other Income	300.00
30/04/15	Suncorp Bank	Interest Income	29,028.73
06/05/15	Lot 111 Pty Ltd	Loan reduction (transfer to LM)	5,000,000.00
06/05/15	Suncorp Bank	Interest Income	3,020.54
15/05/15	Blue Broking	Insurance	105.76
19/05/15	Lot 111 Pty Ltd	Loan from Lot 111 Pty Ltd	2,500,000.00
31/05/15	Suncorp Bank	Interest Income	30,939.58
09/06/15	Redland Bay Leisure Life	Loan reduction (transfer to LM)	7,000,000.00
09/06/15	Pinevale (Carrington management)	Loan reduction (transfer to LM)	1,000,000.00
09/06/15	OVST	Loan reduction (transfer to LM)	2,750,000.00
09/06/15	Cameo	Loan reduction (transfer to LM)	850,000.00
10/06/15	Pinevale Pty Ltd	Loan reduction (transfer to LM)	1,000,000.00
10/06/15	Redland Bay Leisure Life	Loan reduction (transfer to LM)	7,250,000.00
18/06/15	Bellpac Pty Ltd (In Liquidation)	Legal Fees	20,706.09
22/06/15	Clayton Utz	Legal Fees	13,536.60
30/06/15	Suncorp Bank	Interest Income	28,701.10
30/06/15	Suncorp Bank	Interest Income	0.01
09/07/15	Various	Other Income	450.00
		Total Receipts	36,691,495.14

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
14/01/15	Redland Bay Leisure Life	Loan drawdown - Redland Bay Leisure Life	(44,069.97)
15/01/15	Gadens Lawyers	Legal Fees	(11,013.64)
15/01/15	Gadens Lawyers	Legal Fees	(3,956.70)
15/01/15	Gadens Lawyers	Legal Fees	(1,184.70)
15/01/15	Gadens Lawyers	Legal Fees	(1,184.70)
15/01/15	Gadens Lawyers	Legal Fees	(3,537.57)
15/01/15	Gadens Lawyers	Legal Fees	(39,667.07)
15/01/15	Gadens Lawyers	Legal Fees	(1,565.85)
15/01/15	Gadens Lawyers	Legal Fees	(8,586.60)
15/01/15	Gadens Lawyers	Legal Fees	(5,720.55)
15/01/15	Gadens Lawyers	Legal Fees	(440.55)
15/01/15	Gadens Lawyers	Legal Fees	(13,471.15)
15/01/15	Gadens Lawyers	Legal Fees	(4,974.20)
15/01/15	Gadens Lawyers	Legal Fees	(9,350.00)
15/01/15	Gadens Lawyers	Legal Fees	(10,457.33)
15/01/15	Gadens Lawyers	Legal Fees	(17,629.30)
15/01/15	Gadens Lawyers	Legal Fees	(20,218.20)
15/01/15	Gadens Lawyers	Legal Fees	(3,044.25)
20/01/15	Bree Howe	Other Professional Fees	(750.00)
20/01/15	Cameron Kohring	Other Professional Fees	(1,559.75)
20/01/15	Cameron Kohring	Other Professional Fees	(2,291.38)
20/01/15	Bree Howe	Other Professional Fees	(637.50)
20/01/15	OVST	Loan drawdown - various	(50,000.00)
20/01/15	Redland Bay Leisure Life	Loan drawdown - Redland Bay Leisure Life	(150,000.00)
20/01/15	OVST	Loan drawdown - various	(200,000.00)
20/01/15	Cameo	Loan drawdown-Cameo Estate	(100,000.00)
20/01/15	Elva Ann McCallum	Other Professional Fees	(3,187.50)
22/01/15	BDO (QLD) Pty Ltd	Other Professional Fees	(1,076,006.88)
22/01/15	Carolyn Hodge	Other Professional Fees	(948.75)
22/01/15	Tucker & Cowen Solicitors	Legal Fees	(30,948.24)
22/01/15	Tucker & Cowen Solicitors	Legal Fees	(66,124.59)
22/01/15	Tucker & Cowen Solicitors	Legal Fees	(26,122.01)
22/01/15	Tucker & Cowen Solicitors	Legal Fees	(3,962.28)
22/01/15	Tucker & Cowen Solicitors	Legal Fees	(29,842.65)
22/01/15	Tucker & Cowen Solicitors	Legal Fees	(51,460.92)
22/01/15	Tucker & Cowen Solicitors	Legal Fees	(53,731.13)
22/01/15	Tucker & Cowen Solicitors	Legal Fees	(16,960.95)
22/01/15	Tucker & Cowen Solicitors	Legal Fees	(26,354.83)
23/01/15	Pinevale (Carrington management)	Loan drawdown - various	(43,218.45)
23/01/15	OVST	Loan drawdown - various	(200,000.00)
27/01/15	Pinevale (Carrington management)	Loan drawdown - various	(43,218.45)
27/01/15	OVST	Loan drawdown - various	(200,000.00)
28/01/15	CyberThread Pty Ltd	Other Professional Fees	(432.05)
28/01/15	Grant Thornton Services (NSW) Pty Ltd	Other Professional Fees	(36,664.79)
28/01/15	DLA Piper	Legal Fees	(83,514.56)
28/01/15	LM Administration PL (In Liquidation)	Other Professional Fees	(38,940.68)
28/01/15	Clayton Utz	Legal Fees	(2,041.60)
28/01/15	Clayton Utz	Legal Fees	(3,971.55)
28/01/15	Pikes & Verekers	Legal Fees	(13,310.11)
28/01/15	Pikes & Verekers	Legal Fees	(22,087.35)
28/01/15	St Business Trust	Other Professional Fees	(5,187.99)
30/01/15	Fraser Lawyers	Other Professional Fees	(1,800.00)
30/01/15	Steve Hannan	Other Professional Fees	(89.10)
30/01/15	OVST	Loan drawdown - various	(60,000.00)
30/01/15	Simon Tickner	Other Professional Fees	(4,707.16)

LM Investment Management Limited (In Liquidation) (Receivers and Managers Appointed) A.C.N. 077 208 461

Annexure A Page 2

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
31/01/15	Suncorp Bank	Bank Charges	(9.20)
04/02/15	Cameron Kohring	Other Professional Fees	(1,602.25)
04/02/15	Heron Management Services	Other Professional Fees	(23,487.62)
04/02/15	LM Investment Management Limited (In Liquidation)	Other Professional Disbursements	(62,162.85)
04/02/15	Cameron Kohring	Other Professional Disbursements	(657.24)
04/02/15	Cameron Kohring	Other Professional Fees	(2,673.25)
04/02/15	Elva Ann McCallum	Other Professional Fees	(3,187.50)
04/02/15	Bridgewater Contoller	Loan drawdown - various	(42,856.00)
04/02/15	BlueBroking	Legal Fees	(605.63)
04/02/15	Simon Tickner	Registrar's Fees	(5,191.73)
05/02/15	Elva Ann McCallum	Other Professional Fees	(3,187.50)
12/02/15	Reciever of LM account Books	Other Professional Fees	(100,444.11)
13/02/15	Elva Ann McCallum	Other Professional Fees	(2,550.00)
13/02/15	Gadens Lawyers	Legal Fees	(40,920.55)
13/02/15	Elva Ann McCallum	Other Professional Fees	(1,941.38)
13/02/15	Simon Tickner	Other Professional Fees	(236.37)
20/02/15	Carolyn Hodge	Other Professional Fees	(948.75)
20/02/15	Cameron Kohring	Other Professional Fees	(1,899.75)
20/02/15	Cameron Kohring	Other Professional Disbursements	(2,313.10)
23/02/15	William James Law Pty Ltd	Legal Fees	(8,557.63)
23/02/15	293 Queen st	Loan drawdown - various	(50,000.00)
23/02/15	Tucker & Cowen Solicitors	Legal Fees	(72,237.33)
23/02/15	Gadens Lawyers	Legal Fees	(20,428.10)
23/02/15	Gadens Lawyers	Other Professional Disbursements	(4,421.95)
24/02/15	Redland Bay Leisure Life	Loan drawdown - Redland Bay Leisure Life	(50,000.00)
24/02/15	Elva Ann McCallum	Other Professional Fees	(3,243.36)
25/02/15	Clayton Utz	Legal Fees	(3,397.46)
25/02/15	Clayton Utz	Legal Fees	(29,503.25)
25/02/15	Clayton Utz	Legal Fees	(22,623.84)
25/02/15	Clayton Utz	Legal Fees	(10,664.61)
25/02/15	Clayton Utz	Legal Fees	(11,951.94)
25/02/15	Clayton Utz	Legal Fees	(13,971.01)
25/02/15	Clayton Utz	Legal Fees	(9,689.35)
25/02/15	Clayton Utz	Legal Fees	(12,063.98)
25/02/15	Clayton Utz	Legal Fees	(4,175.60)
25/02/15	Elva Ann McCallum	Other Professional Fees	(3,233.48)
26/02/15	Clayton Utz	Other Professional Disbursements	(41.15)
26/02/15	Clayton Utz	Other Professional Fees	(72,836.50)
26/02/15	Clayton Utz	Other Professional Fees	(24,345.20)
26/02/15	Clayton Utz	Other Professional Fees	(2,688.40)
26/02/15	Clayton Utz	Other Professional Fees	(19,188.40)
26/02/15	Cameron Kohring	Other Professional Fees	(2,139.83)
26/02/15	Gadens Lawyers	Legal Fees	(600.60)
26/02/15	Gadens Lawyers	Legal Fees	(4,417.05)
26/02/15	Gadens Lawyers	Legal Fees	(4,859.25)
26/02/15	Gadens Lawyers	Other Professional Disbursements	(23,056.75)
27/02/15	McGrathNicol	Appointee Disbursements	(1,084.80)
27/02/15	McGrathNicol	Fees: Appointee Fees	(146,437.50)
27/02/15	Russells Solicitors	Legal Fees	(1,221.73)
27/02/15	Russells Solicitors	Legal Fees	(427.85)
27/02/15	Mills Oakley Lawyers	Other Professional Fees	(298.95)
27/02/15	Redland Bay Leisure Life	Loan drawdown - Redland Bay Leisure Life	(13,117.50)
27/02/15	Fraser Lawyers	Other Professional Fees	(1,800.00)
27/02/15	Tucker & Cowen Solicitors	Legal Fees	(123,523.30)
28/02/15	Suncorp Bank	Bank Charges	(11.40)
04/03/15	Cameron Kohring	Other Professional Fees	(3,424.10)
04/03/15	Elva Ann McCallum	Other Professional Fees	(3,188.90)

LM Investment Management Limited (In Liquidation) (Receivers and Managers Appointed) A.C.N. 077 208 461

Annexure A Page 3

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
06/03/15	Breene & Breene Solicitors	Other Professional Disbursements	(19,226.09)
06/03/15	Breene & Breene Solicitors	Other Professional Fees	(79,276.55)
06/03/15	Fraser Lawyers	Other Professional Fees	(1,800.00)
06/03/15	Pikes & Verekers	Other Professional Fees	(6,699.65)
06/03/15	WorkCover Queensland	Fees	(19.63)
06/03/15	WorkCover Queensland	Insurance	(373.89)
06/03/15	WorkCover Queensland	Insurance (Stamp Duty)	(18.69)
10/03/15	Clayton Utz	Other Professional Fees	(6,257.90)
10/03/15	ATO-Australian Taxation Office	GST Control	(493.74)
10/03/15	Cameron Kohring	Other Professional Fees	(4,281.48)
10/03/15	ASIC	Sundry Expense	(10,705.00)
10/03/15	Mills Oakley Lawyers	Other Professional Disbursements	(685.02)
10/03/15	Mills Oakley Lawyers	Other Professional Fees	(233.20)
13/03/15	Elva Ann McCallum	Other Professional Fees	(3,200.14)
16/03/15	Cameron Kohring	Other Professional Fees	(4,975.37)
18/03/15	Elva Ann McCallum	Other Professional Fees	(3,242.04)
20/03/15	Fraser Lawyers	Other Professional Fees	(1,800.00)
24/03/15	Cameron Kohring	Other Professional Fees	(2,754.00)
25/03/15	Gadens Lawyers	Legal Fees	(86,407.75)
25/03/15	Gadens Lawyers	Other Professional Disbursements	(6,296.30)
25/03/15	Cameo	Loan drawdown-Cameo Estate	(50,000.00)
25/03/15	Tucker & Cowen Solicitors	Legal Fees	(104,174.50)
25/03/15	Simon Tickner	Other Professional Fees	(31,531.10)
25/03/15	Hickey Lawyers	Legal Fees	(1,201.20)
25/03/15	Hickey Lawyers	Other Professional Disbursements	(11.00)
25/03/15	Elva Ann McCallum	Other Professional Fees	(3,232.11)
25/03/15	Redland Bay Leisure Life	Loan drawdown - Redland Bay Leisure Life	(14,443.23)
31/03/15	Suncorp Bank	Bank Charges	(6.20)
01/04/15	Cameron Kohring	Other Professional Fees	(2,424.15)
02/04/15	Surely IT	Other Professional Fees	(12,529.50)
02/04/15	Blue Broking	Insurance	(574.59)
02/04/15	Blue Broking	Insurance (Stamp Duty)	(36.86)
02/04/15	Elva Ann McCallum	Other Professional Fees	(3,252.70)
02/04/15	Fraser Lawyers	Other Professional Fees	(1,800.00)
08/04/15	Cameron Kohring	Other Professional Fees	(3,178.63)
08/04/15	Clayton Utz	Legal Fees	(7,994.25)
08/04/15	Clayton Utz	Other Professional Disbursements	(35.42)
10/04/15	Elva Ann McCallum	Other Professional Fees	(2,550.00)
14/04/15	Herron Todd White (Central Queensland) Pty Ltd	Other Professional Fees	(9,140.00)
14/04/15	Cameron Kohring	Other Professional Fees	(756.50)
16/04/15	Surely IT	Other Professional Fees	(825.00)
16/04/15	Elva Ann McCallum	Other Professional Fees	(2,616.29)
16/04/15	Redland Bay Leisure Life	Loan drawdown - Redland Bay Leisure Life	(34,520.16)
16/04/15	Simon Tickner	Other Professional Fees	(13,429.26)
16/04/15	William James Law Pty Ltd	Other Professional Fees	(841.50)
16/04/15	Tucker & Cowen Solicitors	Other Professional Fees	(82,516.87)
16/04/15	Pikes & Verekers	Other Professional Fees	(11,383.58)
16/04/15	Gadens Lawyers	Other Professional Fees	(117,350.95)
16/04/15	Cloud Plus	Other Professional Fees	(15,151.40)
16/04/15	Gadens Lawyers	Legal Fees	(18,210.50)
16/04/15	Lloyds Auctioneers and Valuers Pty Ltd	Other Professional Fees	(19,250.00)
22/04/15	Kingopen	Controllership Funds Transfer-Kingopen Cntrlr	(300,000.00)
22/04/15	Youngland	Controllership Funds Transfer-Young Project Mktng	(20,000.00)
22/04/15	Hidden Valley	Controllership Funds Transfer-Hidden Valley	(16,000.00)
22/04/15	KEPPEL BAY	Controllership Funds Transfer-Keppel Bay	(50,000.00)

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
24/04/15	Redland Bay Leisure Life	Loan drawdown - Redland Bay Leisure Life	(35,000.00)
27/04/15	Cameron Kohring	Other Professional Fees	(2,227.00)
27/04/15	Redland Bay Leisure Life	Loan drawdown - Redland Bay Leisure Life	(20,886.25)
27/04/15	Cyber Thread	Other Professional Fees	(4,168.75)
27/04/15	Elva Ann McCallum	Other Professional Fees	(3,219.71)
30/04/15	Cameron Kohring	Other Professional Fees	(2,120.75)
30/04/15	Elva Ann McCallum	Other Professional Fees	(3,187.50)
30/04/15	Suncorp Bank	Bank Charges	(7.40)
06/05/15	Cameron Kohring	Other Professional Fees	(3,600.10)
06/05/15	Grace Records Management	Other Professional Fees	(1,965.16)
06/05/15	Bellpac Pty Ltd (In Liquidation)	Legal Fees	(63,691.10)
06/05/15	Bellpac Pty Ltd (In Liquidation)	Other Professional Disbursements	(106,267.96)
06/05/15	Elva Ann McCallum	Other Professional Fees	(2,516.00)
06/05/15	Lot 111 Pty Ltd	Loan drawdown - various	(500,000.00)
06/05/15	Suncorp Bank	Interest Income	(302.05)
13/05/15	Clayton Utz	Other Professional Fees	(731.50)
13/05/15	Cameron Kohring	Other Professional Fees	(973.25)
13/05/15	Hidden Valley Controller	Controllership Funds Transfer-Hidden Valley Cont	(50,000.00)
15/05/15	Tucker & Cowen Solicitors	Legal Fees	(46,020.81)
15/05/15	Surely IT	Other Professional Fees	(825.00)
15/05/15	Browns Advertising	Other Professional Fees	(3,776.30)
15/05/15	Grace Records Management	Other Professional Fees	(1,152.73)
15/05/15	Alchemy Health & Wellbeing	Other Professional Fees	(360.00)
21/05/15	Cameron Kohring	Other Professional Disbursements	(401.48)
21/05/15	Cameron Kohring	Other Professional Fees	(2,898.50)
31/05/15	Suncorp Bank	Bank Charges	(3.40)
01/06/15	Tucker & Cowen Solicitors	Legal Fees	(92,771.14)
04/06/15	Cameron Kohring	Other Professional Fees	(3,891.44)
09/06/15	St Business Trust	Other Professional Fees	(15,125.24)
09/06/15	Pikes & Verekers	Legal Fees	(3,879.27)
09/06/15	Surely IT	Other Professional Fees	(880.00)
15/06/15	Clayton Utz	Legal Fees	(34,769.28)
15/06/15	Clayton Utz	Legal Fees	(16,422.83)
15/06/15	Clayton Utz	Legal Fees	(1,376.21)
15/06/15	Holding Redlich Lawyers	Legal Fees	(1,125.89)
15/06/15	Clayton Utz	Legal Fees	(12,098.82)
15/06/15	Clayton Utz	Other Professional Disbursements	(1,052.07)
17/06/15	Surely IT	Other Professional Fees	(825.00)
17/06/15	Australia Post	Other Professional Fees	(120.00)
17/06/15	Johnston & Company	Other Professional Fees	(7,287.50)
17/06/15	Tucker & Cowen Solicitors	Legal Fees	(105,522.76)
17/06/15	Gadens Lawyers	Legal Fees	(22,457.60)
17/06/15	Cloud Plus	Other Professional Fees	(6,035.70)
17/06/15	Grace Records Management	Other Professional Fees	(1,098.58)
17/06/15	Tucker & Cowen Solicitors	Legal Fees	(46,020.81)
19/06/15	Cameron Kohring	Other Professional Fees	(2,962.25)
22/06/15	Cameron Kohring	Other Professional Fees	(1,678.75)
23/06/15	McGrathNicol	Fees: Appointee Fees	(546,400.80)
30/06/15	BDO Business Recovery & Insolvency (NSW-VIC) Pty Ltd Trust Account	Fees	(453,550.78)
30/06/15	BDO Business Recovery & Insolvency (NSW-VIC) Pty Ltd Trust Account	Fees	(1,809,281.22)
30/06/15	Simon Tickner	Other Professional Disbursements	(366.00)
30/06/15	Kevin Lingren	Legal Fees	(5,940.00)
30/06/15	William James Law Pty Ltd	Legal Fees	(3,459.59)
30/06/15	William James Law Pty Ltd	Other Professional Disbursements	(303.82)
30/06/15	Gadens Lawyers	Legal Fees	(69,774.10)

LM Investment Management Limited (In Liquidation) (Receivers and Managers Appointed) A.C.N. 077 208 461

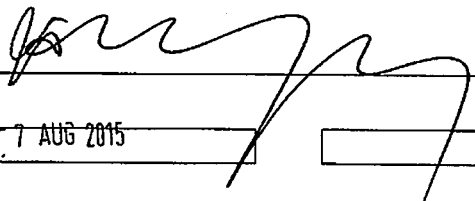
Annexure A Page 5

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
30/06/15	Gadens Lawyers	Other Professional Disbursements	(49,740.49)
30/06/15	Cloud Plus	Other Professional Fees	(8,227.74)
30/06/15	Worldwide printing solutions	Other Professional Fees	(2,081.71)
30/06/15	Suncorp Bank	Bank Charges	(8.40)
30/06/15	Recall Information Management Pty Ltd	Other Professional Fees	(1,261.38)
08/07/15	McGrathNicol	Fees: Appointee Fees	(12,055.17)
08/07/15	Cameron Kohring	Other Professional Fees	(2,290.75)
08/07/15	Bellpac Pty Ltd (In Liquidation)	Legal Fees	(16,535.13)
08/07/15	Bellpac Pty Ltd (In Liquidation)	Legal Fees	(47,568.11)
08/07/15	Surely IT	Other Professional Fees	(440.00)
		Total Payments	(9,378,595.28)

This is the annexure A of 7 page(s) referred to in Form 524 - Presentation of Accounts and Statement from 11/01/2015 to 10/07/2015

Signature

Name	
Joseph David Hayes	
Signature(s)	
	
Date Signed	
7 AUG 2015	



authority@property.saiglobal.com

D

Request Number 8962547.

Extracted from ASIC's Database on 10/06/16 at 09:22.

Name: LM INVESTMENT MANAGEMENT LIMITED
ACN : 077 208 461

O

<i>Document ID</i>	<i>No. of Pages</i>	<i>Date Lodged</i>
7E7680279	14	8/02/16

C

I

m

If this request is for financial accounts it may contain an XBRL version of the accounts in addition to the usual PDF version. To analyse the version of the accounts in XBRL format you will need to use XBRL reader software. Please refer to www.asic.gov.au/SBR for more information.

The total number of pages including this cover page is 15.

If your request was made through an Information Broker and not all pages have been included please contact your Information Broker.

If your request was made direct to ASIC and you require technical assistance please contact us as follows:

DOCIMAGE Technical Enquiries: 03 5177 3001
Facsimile: 03 5177 3999
Ask a question: www.asic.gov.au/question

For all other inquiries contact us on 1300 300 630.

a

g

e

Australian Securities & Investments Commission

Electronic Lodgement
Document No. **7E7680279**
Lodgement date/time: 08-02-2016 17:31:15
Reference Id: 93806238

Form 524
Corporations Act 2001
539(1), s539(7)

Presentation of accounts and statement

Liquidator details

Registered liquidator number

219954

Registered liquidator name

JOSEPH DAVID HAYES

Company details

Company name

LM INVESTMENT MANAGEMENT LIMITED

077 208 461

Appointment details

Date appointment commenced :

11-07-2013

Type of appointment :

Receiver and manager

Are these accounts final?

No

Account & statement details

Period for which the accounts and statement are made up

From

11-07-2015

To

10-01-2016

Form 524 - Presentation of accounts and statement
Liquidator: 219954 - JOSEPH DAVID HAYES

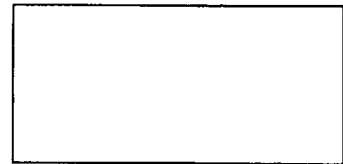
Authentication

This form has been authenticated by
Name JOSEPH DAVID HAYES
This form has been submitted by
Name Graciela NOLAN
Date 08-02-2016

For more help or information

Web www.asic.gov.au
Ask a question? www.asic.gov.au/question
Telephone 1300 300 630

Australian Securities & Investments Commission



Form 524

Corporations Act 2001
539(1), 411(9)(a), 432(1A), 438E and 445J

Presentation of accounts and statement

This form is to be used for the presentation of accounts and statement by an administrator, provisional liquidator; court appointed liquidator; members' voluntary liquidator; creditors' voluntary liquidator; receiver; receiver and manager; managing controller (other than receiver and manager); controller (other than receiver, receiver and manager or managing controller); deed administrator or scheme administrator under Part 5.1.

If there is insufficient space in any section of the form, you may photocopy the relevant page(s) and submit as part of this lodgement

Company details

Company name

LM Investment Management Limited (In Liquidation) (Receivers and Managers Appointed)

ACN / ABN

077 208 461

Lodgement details

Who should ASIC contact if there is a query about this form?

Firm / Organisation

McGrathNicol

Contact name/position description

Joseph David Hayes / Joint & Several Receiver and Manager

ASIC registered agent number (if applicable)

Telephone Number

+61 2 9338 2600

Postal Address or DX Address

GPO Box 9986, Sydney NSW 2001

1 Details of appointment

Date of Commencement

11/07/2013

Type of appointment

Receiver and manager 524N & P

Details of the accounts

Are the accounts final? No.

The period for which the accounts and statements are made up can not be more than 6 months.

If yes, provide date when Joint & Several Receivers and Managers ceased to act .

Date to which the accounts and statements made up

Final accounts and statements must be made up to the date on which the liquidator ceased to act.

From 11/07/2015 To 10/01/2016

1 Continued...Details of appointment**Details of the appointee(s)**

Date of Appointment:	11/07/2013
Liquidator Registration Number:	219954
Name:	Joseph David Hayes
At the office of:	McGrathNicol
Address:	Level 31 60 Margaret Street Sydney NSW 2000
Date of Appointment:	11/07/2013
Liquidator Registration Number:	410893
Name:	Anthony Norman Connelly
At the office of:	McGrathNicol
Address:	Level 7 175 Eagle Street Brisbane QLD 4000

Details of the original appointment

Complete this section only if you are a controller

Appointment by or under Instrument

Date of appointment:	11/07/2013
Date of Instrument:	1/07/2010
Description of Instrument:	
Instrument registered in the Personal Property Securities Register	YES
Security Interest Number:	201112213019561

Creditors' Meeting

Date of the last annual meeting of creditors

N/A

Was a quorum present at this meeting? N/A

OR

The liquidator decided not to convene a meeting of creditors and has lodged a copy of the report with ASIC
Date report lodged with ASIC:

N/A

2 Dividend

Complete this section in full only if you are a court or creditors' voluntary liquidator or deed administrator. This section is not relevant to provisional liquidation appointments. If you are the liquidator of a members' voluntary liquidation, you need only provide information on the dividends paid to contributories.

Your estimate of total creditors in this administration at the date of this account

Category	Estimated Number of Creditors	Estimated Value
Priority		
Secured		
Unsecured		
Deferred		

Dividends paid since your appointment and to the date of this account.

3 Secured lenders

This section for controllers only as required by s432

Amount owing under instrument at the date appointment / control day	Withheld
Amount owing under instrument at the date of this account	Nil
Estimated value of property subject to the instrument at the date of this account	\$22,827,000

4 Summary of professional fees and completion dates

Complete this section for all appointments except provisional liquidation appointments.

Professional fees and outlays	Remuneration paid to you during the period for which this account is made up (inclusive of GST)	\$636,055.20
	Remuneration paid to you from the date of your appointment to the date to which this account is made up (inclusive of GST)	\$2,764,727.70
	Amount received by you in respect of expenses during the period for which this account is made up (inclusive of GST)	\$5,104.45
	Amount received by you in respect of expenses from the date of your appointment to the date to which this account is made up (inclusive of GST).	\$40,724.50
Estimated completion date	Month and year by which you expect this appointment will be completed	04 2016
	At the date of this account how long have you been appointed? Years / Months.	2 year(s), 9 month(s).

4 Continued... Summary of professional fees and completion dates

Include both operational and abnormal causes of delay, together with a likely date of event which may be the cause of the delay eg. Collection of debtors, terms of Deed to be satisfied, preference action pending – litigation October 200X; awaiting Committee of Inspection October 200X for approval to finalise.

Details of causes which may delay the termination of your appointment:

- Realisation of security
- Finalising statutory matters
- Retirement of Receivers and Managers

5 Account of receipts and payments

This section for all appointments.

Receipts

(Exclude the principal component of matured investments)

Total amounts received by you before the period for which this account has been made up \$107,218,036.83

Total amounts received by you during the period for which this account has been made up \$23,743,229.64
(Attach detailed schedule)

Total Receipts (this total carried forward to next account) \$130,961,266.47

Payments

(Exclude principal amounts invested or rolled over)

Total payments made by you before the period for which this account has been made up \$63,242,806.30

Total payments made by you during the period for which this account has been made up \$11,308,439.59
(Attach detailed schedule)

Total Payments (this total carried forward to next account) \$74,551,245.89

Reconciliation of money held

Cash in hand \$0.00

Cash at bank:

Credits as per bank statement \$56,410,020.58

Less: Unpresented cheques \$0.00

Add: Outstanding deposits \$0.00

\$56,410,020.58

Amounts invested and not converted to cash \$0.00

Total balance of money held \$56,410,020.58

6 Estimated outcome

Complete this section for court and creditors' voluntary liquidations only.
Do you expect that a dividend will be paid to any class of creditor?

If yes, complete the **Statement of financial position and estimated outcome of your appointment.**

Statement of financial position and estimated outcome of your appointment

Details only required for court and creditors' voluntary winding up where it is expected that a dividend will be paid to any class of creditor.

	Total estimated future net realisable value	
	Estimated (High) \$	Estimated (Low) \$
Expected net asset recoveries		
Total money held at the date of this account (amount taken from above)		
Interests in land		
Sundry debtors		
Stock on hand		
Work in progress		
Plant and equipment		
Potential legal recoveries		
Contingent assets		
Other recoveries		
Estimated net asset recoveries at date of this account		
Less estimated future insolvency practitioners remuneration		
Less estimated future other payments or costs incurred		
Estimated net asset recoveries at date of this account available for further dividends to creditors		
Less estimated future dividends to priority creditors		
Less estimated future payments to secured creditors		
Less estimated future dividends to unsecured creditors		
Less estimated future dividends to deferred creditors		
Balance for contributories		

Provide details of any arrangement where assets of the company have been disposed of by you for consideration other than for cash or of any benefit that you have received directly or indirectly resulting from this appointment.

Disclaimer

The Statement of financial position and estimated outcome is an estimate only based on information available at the date of these accounts. The information included in this section should be viewed as a guide only. Many factors affect the estimated outcome to creditors. The data used in this section will change as further information becomes available and after all matters in the insolvency administration are finalised.

7 Your verification of this account and statement

This section for all appointment types

I declare that the statements below are correct.

Statement

The information given in the statement is true to the best of my knowledge and belief at the date of signing.

The account of receipts and payments set out in the annexure marked A of 6 pages, contains a full and true account of my receipts and payments in this period and I have not, nor has any other person by my order or for my use during that period, received or paid any moneys on account of the company other than and except the items mentioned and specified in that account.

The period

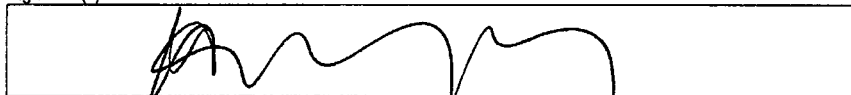
From: 11/07/2015 To: 10/01/2016

Signature

Name

Joseph David Hayes

Signature(s)



Date Signed

08/02/2016

Lodgement

Send completed and signed forms to:

Australian Securities and Investments Commission
PO Box 4000, Gippsland Mail Centre VIC 3841.

For help or more information

Web www.asic.gov.au
Need help? www.asic.gov.au/question
Telephone 1300 300 630

Or lodge the form electronically by visiting the ASIC website
www.asic.gov.au

Account of receipts and payments for the period**RECEIPTS**

Date	Receipts From	Nature of Receipts/ Explanation	Total
31/07/15	Suncorp Bank	Interest Income	34,136.08
31/07/15	Gold Coast City Council	Refunds	10,950.00
31/07/15	Various	Other Professional Fees	300.00
13/08/15	ATO	GST Control: GST Paid (Received)	518,475.01
13/08/15	Gadens Lawyers	Refunds	14,918.96
19/08/15	Term Deposit	Interest Income	156,825.46
19/08/15	Suncorp	Interest Income	17,013.69
21/08/15	Pery Lawyers	Refunds	954.35
24/08/15	Lot 111 Pty Ltd	Loan from Lot 111 Pty Ltd	2,517,013.69
31/08/15	Suncorp Bank	Interest Income	39,133.75
07/09/15	Willis Australia Limited	Refunds	175.08
14/09/15	Cameo	Controllership Funds Transfer-Cameo Estate	70,000.00
14/09/15	Bridgewater Controller	Controllership Funds Transfer-Bridgewater	6,500,000.00
30/09/15	Suncorp Bank	Interest Income	35,034.35
12/10/15	Tall trees purchaser	Loan reduction (transfer to LM)	7,500,000.00
16/10/15	Morgagee	Other Income	300.00
16/10/15	Gadens Lawyers	Refunds	39,342.07
21/10/15	Coulter & Rocola	Controllership Funds Transfer	4,916.00
21/10/15	Seasilver Controller	Controllership Funds Transfer	423,247.00
21/10/15	Lot 111 Pty Ltd	Controllership Funds Transfer	57,417.00
21/10/15	Kingopen	Controllership Funds Transfer-Kingopen	1,725,668.00
21/10/15	Keppel Views	Controllership Funds Transfer-Keppel Views	217,407.00
21/10/15	KEPPEL BAY	Controllership Funds Transfer	18,370.00
21/10/15	Hidden Valley	Controllership Funds Transfer	46,836.00
21/10/15	Source Developments	Controllership Funds Transfer-Source Developments	15,001.00
21/10/15	St Crispins Property Pty Ltd 37139	Controllership Funds Transfer	778,389.00
22/10/15	ATO	Other Income	88,842.73
31/10/15	Suncorp Bank	Interest Income	30,315.92
16/11/15	Suncorp Bank	Interest Income	11.10
16/11/15	Lot 111 Pty Ltd	Controllership Funds Transfer	16,749.00
17/11/15	ATO	GST Control: GST Paid (Received)	61,396.94
24/11/15	Suncorp Bank	Interest Income	154,968.80
24/11/15	Suncorp	Interest Income	16,812.27
25/11/15	Lot 111 Pty Ltd	Loan from Lot 111 Pty Ltd	2,533,825.96
27/11/15	Korda Mentha	Other Income	85,000.00
30/11/15	Suncorp Bank	Interest Income	0.01
30/11/15	Suncorp Bank	Interest Income	3,347.07
21/12/15	Australian Taxation Office	GST Control: GST Paid (Received)	6,756.00
31/12/15	Suncorp Bank	Interest Income	3,380.35
		Total Receipts	23,743,229.64

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
13/07/15	Cameron Kohring	Other Professional Fees	(2,117.78)
13/07/15	Clayton Utz	Legal Fees	(16,533.00)
13/07/15	ASIC	Sundry Expenses	(1,891.00)
13/07/15	Clayton Utz	Legal Fees	(12,038.40)
13/07/15	Clayton Utz	Other Professional Disbursements	(161.81)
13/07/15	Clayton Utz	Other Professional Fees	(172.26)
13/07/15	Clayton Utz	Legal Fees	(7,605.95)
13/07/15	Clayton Utz	Legal Fees	(3,398.45)
13/07/15	Clayton Utz	Legal Fees	(31,706.40)
13/07/15	Clayton Utz	Other Professional Disbursements	(93.28)
13/07/15	Clayton Utz	Other Professional Fees	(554.11)
13/07/15	Gadens Lawyers	Legal Fees	(101,584.17)
14/07/15	Bellpac Pty Ltd (In Liquidation)	Legal Fees	(47,568.11)
15/07/15	Cameron Kohring	Other Professional Fees	(1,823.25)
21/07/15	Pikes & Verekers	Legal Fees	(22,390.16)
21/07/15	Grace Records Management	Other Professional Fees	(1,338.31)
21/07/15	Cloud Plus	Other Professional Fees	(8,056.40)
23/07/15	ATO-Australian Taxation Office	Loan drawdown - various	(279,143.88)
23/07/15	Cameron Kohring	Other Professional Disbursements	(1,414.56)
23/07/15	Cameron Kohring	Other Professional Fees	(3,529.63)
29/07/15	Cameron Kohring	Other Professional Fees	(3,398.73)
29/07/15	Gadens Lawyers	Legal Fees	(151,877.97)
31/07/15	Suncorp Bank	Bank Charges	(8.60)
31/07/15	Gadens Lawyers	Legal Fees	(240,395.39)
31/07/15	Worldwide printing solutions	Other Professional Fees	(10,445.95)
31/07/15	Surely IT	Other Professional Fees	(825.00)
31/07/15	Recall Information Management P/L	Other Professional Fees	(1,302.13)
13/08/15	Clayton Utz	Legal Fees	(13,760.75)
13/08/15	Cameron Kohring	Other Professional Fees	(2,688.13)
13/08/15	Tucker & Cowen Solicitors	Legal Fees	(95,502.51)
13/08/15	CyberThread Pty Ltd	Other Professional Fees	(2,132.40)
13/08/15	Johnstone and Company	Other Professional Fees	(3,575.00)
13/08/15	William James Law Pty Ltd	Other Professional Disbursements	(261.25)
13/08/15	William James Law Pty Ltd	Other Professional Fees	(539.00)
18/08/15	Redland Bay Tall Trees	Loan drawdown - Redland Bay Leisure Life	(1,100,000.00)
19/08/15	Lot 111 Pty Ltd	Loan from Lot 111 Pty Ltd	(2,517,013.69)
25/08/15	Gadens Lawyers	Legal Fees	(255,110.00)
25/08/15	Worldwide Printing Systems Pty Ltd	Other Professional Fees	(8,917.57)
25/08/15	Pikes & Verekers	Legal Fees	(5,830.00)
25/08/15	Pikes & Verekers	Other Professional Disbursements	(2,313.96)
25/08/15	Grace Records Management	Other Professional Fees	(1,126.40)
25/08/15	William James Law Pty Ltd	Legal Fees	(3,110.80)
27/08/15	Cameron Kohring	Other Professional Fees	(2,510.48)
27/08/15	Clayton Utz	Legal Fees	(552.75)
27/08/15	Clayton Utz	Other Professional Disbursements	(173.25)
27/08/15	Clayton Utz	Legal Fees	(10,650.20)
27/08/15	Clayton Utz	Legal Fees	(3,287.35)
27/08/15	Clayton Utz	Other Professional Disbursements	(23.76)
27/08/15	Tucker and Cowen	Legal Fees	(208,743.16)
27/08/15	Surely IT	Other Professional Fees	(935.00)
31/08/15	Suncorp Bank	Bank Charges	(6.20)
01/09/15	Cloud Plus	Other Professional Fees	(7,705.50)
08/09/15	Cameron Kohring	Other Professional Disbursements	(1,188.73)
08/09/15	Cameron Kohring	Other Professional Fees	(2,688.13)
14/09/15	Perpetual Services Pty Ltd	Other Professional Fees	(16,003.13)
14/09/15	Perpetual Services Pty Ltd	Other Professional Fees	(15,982.41)

LM Investment Management Limited (In Liquidation) (Receivers and Managers Appointed) A.C.N. 077 208 461

Annexure A Page 2

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
14/09/15	Cameron Kohring	Other Professional Fees	(1,608.20)
14/09/15	Cameron Kohring	Other Professional Fees	(1,832.60)
14/09/15	William James Law Pty Ltd	Legal Fees	(772.20)
14/09/15	Pinevale (Carrington management)	Loan drawdown - various	(26,383.57)
14/09/15	Cloud Plus	Other Professional Fees	(7,705.50)
14/09/15	Gadens Lawyers	Legal Fees	(1,000,000.00)
14/09/15	Surely IT	Other Professional Fees	(935.00)
14/09/15	DIALOG INFORMATION TECHNOLOGY	Other Professional Fees	(2,750.00)
14/09/15	William James Law Pty Ltd	Legal Fees	(6,054.35)
14/09/15	Grace Records Management	Document Storage	(1,029.88)
24/09/15	Heron Management Services	Other Professional Fees	(10,000.00)
24/09/15	Clayton Utz	Legal Fees	(31,808.15)
24/09/15	Clayton Utz	Other Professional Disbursements	(134.42)
24/09/15	Clayton Utz	Other Professional Fees	(2,445.30)
24/09/15	Cameron Kohring	Other Professional Fees	(2,566.58)
24/09/15	Cameron Kohring	Other Professional Fees	(2,982.65)
24/09/15	Cameron Kohring	Other Professional Disbursements	(888.71)
24/09/15	Gadens Lawyers	Legal Fees	(70,952.13)
24/09/15	Gadens Lawyers	Legal Fees	(10,557.80)
24/09/15	Gadens Lawyers	Other Professional Disbursements	(2,200.00)
24/09/15	Pikes & Verekers	Legal Fees	(787.03)
24/09/15	Tucker & Cowen Solicitors	Legal Fees	(129,171.40)
24/09/15	Surely IT	Other Professional Fees	(10,073.94)
28/09/15	Cameron Kohring	Other Professional Fees	(2,412.30)
28/09/15	OSR Queensland	Loan drawdown - various	(20,206.10)
28/09/15	McGrathNicol	Fees: Appointee Fees	(359,958.50)
28/09/15	McGrathNicol	Appointee Disbursements	(2,307.27)
30/09/15	Suncorp Bank	Bank Charges	(6.40)
06/10/15	Tucker & Cowen Solicitors	Legal Fees	(110,991.89)
19/10/15	Cameron Kohring	Other Professional Fees	(3,777.40)
21/10/15	Cameron Kohring	Other Professional Fees	(3,412.75)
21/10/15	Cameron Kohring- Expenses	Other Professional Disbursements	(719.78)
21/10/15	Cameron Kohring- Expenses	Other Professional Disbursements	(1,199.54)
21/10/15	William James Law Pty Ltd	Legal Fees	(3,448.50)
21/10/15	Cloud Plus	Other Professional Fees	(1,760.00)
21/10/15	Johnstone and Company	Other Professional Fees	(6,215.00)
21/10/15	Grace Records Management	Other Professional Fees	(1,094.22)
30/10/15	Cameron Kohring	Other Professional Fees	(2,524.50)
31/10/15	Suncorp Bank	Bank Charges	(3.20)
05/11/15	Cameron Kohring	Other Professional Fees	(3,197.70)
05/11/15	Clayton Utz	Legal Fees	(11,254.65)
05/11/15	Clayton Utz	Legal Fees	(30,805.23)
05/11/15	Cameron Kohring- Expenses	Other Professional Disbursements	(1,331.35)
05/11/15	Cameron Kohring	Other Professional Fees	(3,842.85)
05/11/15	Cloud Plus	Other Professional Fees	(8,790.83)
05/11/15	Russells Solicitors	Legal Fees	(25,000.00)
05/11/15	Gadens Lawyers	Legal Fees	(5,140.30)
05/11/15	Gadens Lawyers	Legal Fees	(88,888.80)
05/11/15	Gadens Lawyers	Other Professional Disbursements	(1,618.09)
05/11/15	DIALOG INFORMATION TECHNOLOGY	Other Professional Fees	(3,683.63)
05/11/15	Worldwide printing solutions	Other Professional Fees	(2,081.71)
05/11/15	CyberThread Pty Ltd	Other Professional Fees	(414.45)
05/11/15	Johnston & Company	Other Professional Fees	(5,225.00)
17/11/15	Clayton Utz	Legal Fees	(21,227.25)
17/11/15	Clayton Utz	Other Professional Disbursements	(67.32)

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
17/11/15	Cameron Kohring- Expenses	Other Professional Disbursements	(310.03)
17/11/15	Cameron Kohring	Other Professional Fees	(1,150.05)
17/11/15	Cameron Kohring	Other Professional Fees	(3,342.63)
17/11/15	Australian Taxation Office	Loan drawdown - various	(148,279.00)
17/11/15	Clayton Utz	Loan drawdown - various	(6,503.75)
17/11/15	Karen Heron Pool Resort Account	Loan drawdown - various	(27,806.20)
17/11/15	Clayton Utz	Legal Fees	(15,285.05)
17/11/15	Pikes & Verekers	Legal Fees	(15,019.95)
17/11/15	Pikes & Verekers	Other Professional Disbursements	(15,837.92)
24/11/15	Lot 111 Pty Ltd	Loan from Lot 111 Pty Ltd	(2,533,825.96)
25/11/15	Dave Neal: Pro Keys	Loan drawdown - Hidden Valley	(2,202.00)
25/11/15	Cameron Kohring- Expenses	Other Professional Disbursements	(747.61)
25/11/15	Cameron Kohring	Other Professional Fees	(2,781.63)
25/11/15	McGrathNicol	Fees: Appointee Fees	(188,751.75)
25/11/15	Cameron Kohring	Other Professional Fees	(4,114.00)
25/11/15	DIALOG INFORMATION TECHNOLOGY	Other Professional Fees	(581.63)
25/11/15	Surety IT Pty Ltd	Other Professional Fees	(935.00)
25/11/15	Surety IT Pty Ltd	Other Professional Fees	(935.00)
25/11/15	Browns Advertising	Other Professional Fees	(2,516.95)
25/11/15	Gadens Lawyers	Legal Fees	(25,314.85)
25/11/15	Gadens Lawyers	Other Professional Disbursements	(12.50)
25/11/15	Worldwide printing solutions	Other Professional Fees	(11,475.06)
25/11/15	William James Law Pty Ltd	Legal Fees	(1,530.10)
25/11/15	William James Law Pty Ltd	Other Professional Disbursements	(560.45)
25/11/15	Pikes & Verekers	Legal Fees	(5,329.50)
25/11/15	Pikes & Verekers	Other Professional Disbursements	(5,641.61)
25/11/15	Coulter & Rocola	Loan drawdown - various	(2,000.00)
25/11/15	Gadens Lawyers	Legal Fees	(22,121.00)
25/11/15	Gadens Lawyers	Other Professional Disbursements	(213.66)
25/11/15	Tucker & Cowen Solicitors	Legal Fees	(97,238.12)
25/11/15	Tucker & Cowen Solicitors	Other Professional Disbursements	(27,021.65)
25/11/15	Gadens Lawyers	Legal Fees	(98,436.80)
25/11/15	Gadens Lawyers	Other Professional Disbursements	(24,316.97)
25/11/15	DIALOG INFORMATION TECHNOLOGY	Other Professional Fees	(7,496.50)
30/11/15	Suncorp Bank	Bank Charges	(10.00)
02/12/15	Bob the handyman	Loan drawdown - various	(3,664.00)
02/12/15	OSR Queensland	Loan drawdown - Keppel Bay Holdings	(11,182.50)
02/12/15	Clayton Utz	Loan drawdown - various	(11,495.00)
02/12/15	McGrathNicol	Appointee Disbursements	(1,957.69)
08/12/15	Surely IT	Other Professional Fees	(935.00)
08/12/15	Grace Records Management	Other Professional Fees	(1,021.84)
08/12/15	Pikes & Verekers	Legal Fees	(126,606.77)
08/12/15	Pikes & Verekers	Legal Fees	(103,675.00)
08/12/15	DLA Piper	Legal Fees	(3,927.00)
16/12/15	Cloud Plus	Other Professional Fees	(8,585.50)
16/12/15	Russells Solicitors	Legal Fees	(18,000.00)
16/12/15	Pikes & Verekers	Legal Fees	(14,486.60)
16/12/15	Law in Order	Legal Fees	(54,914.06)
17/12/15	Cameron Kohring	Other Professional Fees	(210.38)
17/12/15	Cameron Kohring	Other Professional Fees	(841.50)
17/12/15	McGrathNicol	Appointee Disbursements	(839.49)
17/12/15	Cameron Kohring- Expenses	Other Professional Fees	(275.00)
17/12/15	Cameron Kohring	Other Professional Fees	(2,758.25)
17/12/15	Cameron Kohring	Other Professional Fees	(2,431.00)
17/12/15	Cameron Kohring	Other Professional Fees	(32.45)
17/12/15	Cameron Kohring	Other Professional Fees	(2,244.00)

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
17/12/15	Mills Oakley	Legal Fees	(345.59)
17/12/15	Cameron Kohring- Expenses	Other Professional Disbursements	(850.00)
17/12/15	Clayton Utz	Legal Fees	(11,196.90)
17/12/15	Clayton Utz	Legal Fees	(30,516.32)
18/12/15	McGrathNicol	Fees: Appointee Fees	(87,344.95)
22/12/15	Grace Records Manangement	Other Professional Fees	(1,045.96)
22/12/15	Cloud Plus	Other Professional Fees	(8,585.50)
22/12/15	BDO Business Recovery & Insolvency (NSW-VIC) Pty Ltd Trust Account	Fees	(196,349.68)
31/12/15	Suncorp Bank	Bank Charges	(6.80)
06/01/16	Pikes & Verekers	Other Professional Disbursements	(8,655.00)
06/01/16	Clayton Utz	Legal Fees	(3,443.77)
06/01/16	CyberThread Pty Ltd	Other Professional Fees	(419.10)
Total Payments			(11,308,439.59)

This is the annexure A of 6 page(s) referred to in Form 524 - Presentation of Accounts and Statement from 11/07/2015 to 10/01/2016

Signature

Name

Joseph David Hayes

Signature(s)



Date Signed

08/02/2016



authority@property.saiglobal.com

**D
o
c
u
m
e
n
t
I
m
a
g
e**

Request Number 9000066.

Extracted from ASIC's Database on 12/08/16 at 11:52.

Name: LM INVESTMENT MANAGEMENT LIMITED
ACN : 077 208 461

<i>Document ID</i>	<i>No. of Pages</i>	<i>Date Lodged</i>
7E8208403	13	1/08/16

If this request is for financial accounts it may contain an XBRL version of the accounts in addition to the usual PDF version. To analyse the version of the accounts in XBRL format you will need to use XBRL reader software. Please refer to www.asic.gov.au/SBR for more information.

The total number of pages including this cover page is 14.

If your request was made through an Information Broker and not all pages have been included please contact your Information Broker.

If your request was made direct to ASIC and you require technical assistance please contact us as follows:

DOCIMAGE Technical Enquiries: 03 5177 3001
Facsimile: 03 5177 3999
Ask a question: www.asic.gov.au/question

For all other inquiries contact us on 1300 300 630.

**Australian Securities &
Investments Commission**

Electronic Lodgement Document No. 7E8208403 Lodgement date/time: 01-08-2016 15:59:13 Reference Id: 95428358

Form 524
Corporations Act 2001
539(1), s539(7)

Presentation of accounts and statement

Liquidator details

Registered liquidator number

219954

Registered liquidator name

JOSEPH DAVID HAYES

Company details

Company name

**LM INVESTMENT MANAGEMENT
LIMITED**

077 208 461

Appointment details

Date appointment commenced :

11-07-2013

Type of appointment :

Receiver and manager

Are these accounts final?

No

Account & statement details

Period for which the accounts and statement are made up

From

11-01-2016

To

10-07-2016

Form 524 - Presentation of accounts and statement
Liquidator: 219954 - JOSEPH DAVID HAYES

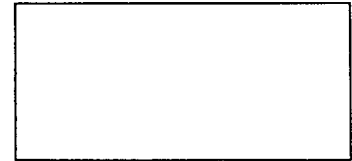
Authentication

This form has been authenticated by
Name JOSEPH DAVID HAYES
This form has been submitted by
Name Graciela NOLAN
Date 01-08-2016

For more help or information

Web www.asic.gov.au
Ask a question? www.asic.gov.au/question
Telephone 1300 300 630

Australian Securities & Investments Commission



Form 524
 Corporations Act 2001
 539(1), 411(9)(a), 432(1A), 438E and 445J

Presentation of accounts and statement

This form is to be used for the presentation of accounts and statement by an administrator, provisional liquidator, court appointed liquidator; members' voluntary liquidator; creditors' voluntary liquidator; receiver; receiver and manager; managing controller (other than receiver and manager); controller (other than receiver, receiver and manager or managing controller); deed administrator or scheme administrator under Part 5.1.

If there is insufficient space in any section of the form, you may photocopy the relevant page(s) and submit as part of this lodgement

Company details

Company name
 LM Investment Management Limited (In Liquidation) (Receivers and Managers Appointed)

ACN / ABN
 077 208 461

Lodgement details

Who should ASIC contact if there is a query about this form?
 Firm / Organisation
 McGrathNicol

Contact name/position description
 Joseph David Hayes / Joint & Several Receiver and Manager

ASIC registered agent number (if applicable)

Telephone Number
 +61 2 9338 2600

Postal Address or DX Address
 GPO Box 9986, Sydney NSW 2001

1 Details of appointment

Date of Commencement
 11/07/2013

Type of appointment
 Receiver and manager 524N & P

Details of the accounts

The period for which the accounts and statements are made up can not be more than 6 months.

Final accounts and statements must be made up to the date on which the liquidator ceased to act.

Are the accounts final? No.

If yes, provide date when Joint & Several Receivers and Managers ceased to act .

Date to which the accounts and statements made up

From	To
11/01/2016	10/07/2016

1 Continued...Details of appointment**Details of the appointee(s)**

Date of Appointment:	11/07/2013
Liquidator Registration Number:	219954
Name:	Joseph David Hayes
At the office of:	McGrathNicol
Address:	Level 12 20 Martin Place Sydney NSW 2000
Date of Appointment:	11/07/2013
Liquidator Registration Number:	410893
Name:	Anthony Norman Connelly
At the office of:	McGrathNicol
Address:	Level 7 175 Eagle Street Brisbane QLD 4000

Details of the original appointment
Complete this section only if you are a controller

Appointment by or under Instrument

Date of appointment:	11/07/2013
Date of Instrument:	1/07/2010
Description of Instrument:	
Instrument registered in the Personal Property Securities Register	YES
Security Interest Number:	201112213019561

Creditors' Meeting

Date of the last annual meeting of creditors

N/A

Was a quorum present at this meeting? N/A

OR

The liquidator decided not to convene a meeting of creditors and has lodged a copy of the report with ASIC
Date report lodged with ASIC:

N/A

2 Dividend

Complete this section in full only if you are a court or creditors' voluntary liquidator or deed administrator. This section is not relevant to provisional liquidation appointments. If you are the liquidator of a members' voluntary liquidation, you need only provide information on the dividends paid to contributories.

Your estimate of total creditors in this administration at the date of this account

Category	Estimated Number of Creditors	Estimated Value
Priority		
Secured		
Unsecured		
Deferred		

Dividends paid since your appointment and to the date of this account.

3 Secured lenders

This section for controllers only as required by s432

Amount owing under instrument at the date appointment / control day	Withheld
Amount owing under instrument at the date of this account	Nil
Estimated value of property subject to the instrument at the date of this account	\$2,970,000

4 Summary of professional fees and completion dates

Complete this section for all appointments except provisional liquidation appointments.

Professional fees and outlays	Remuneration paid to you during the period for which this account is made up (inclusive of GST)	\$194,150.00
	Remuneration paid to you from the date of your appointment to the date to which this account is made up (inclusive of GST)	\$2,958,877.70
	Amount received by you in respect of expenses during the period for which this account is made up (inclusive of GST)	\$5,193.47
	Amount received by you in respect of expenses from the date of your appointment to the date to which this account is made up (inclusive of GST).	\$45,917.97
Estimated completion date	Month and year by which you expect this appointment will be completed	12 2016
	At the date of this account how long have you been appointed? Years / Months.	3 year(s), 0 month(s).

4 Continued... Summary of professional fees and completion dates

Include both operational and abnormal causes of delay, together with a likely date of event which may be the cause of the delay eg. Collection of debtors, terms of Deed to be satisfied, preference action pending – litigation October 200X; awaiting Committee of Inspection October 200X for approval to finalise.

Details of causes which may delay the termination of your appointment:

- Realisation of security
- Finalising statutory charges
- Retirement of Receivers and Managers

5 Account of receipts and payments

This section for all appointments.

Receipts

(Exclude the principal component of matured investments)

Total amounts received by you before the period for which this account has been made up	\$130,961,266.47
---	------------------

Total amounts received by you during the period for which this account has been made up (Attach detailed schedule)	\$25,253,414.71
---	-----------------

Total Receipts (this total carried forward to next account)	\$156,214,681.18
--	-------------------------

Payments

(Exclude principal amounts invested or rolled over)

Total payments made by you before the period for which this account has been made up	\$74,551,245.89
--	-----------------

Total payments made by you during the period for which this account has been made up (Attach detailed schedule)	\$7,652,363.25
--	----------------

Total Payments (this total carried forward to next account)	\$82,203,609.14
--	------------------------

Reconciliation of money held

Cash in hand	\$0.00
--------------	--------

Cash at bank:

Credits as per bank statement	\$74,011,072.04
-------------------------------	-----------------

Less: Unpresented cheques	\$0.00
---------------------------	--------

Add: Outstanding deposits	\$0.00
---------------------------	--------

\$74,011,072.04

Amounts invested and not converted to cash	\$0.00
--	--------

Total balance of money held	\$74,011,072.04
------------------------------------	------------------------

6 Estimated outcome

Complete this section for court and creditors' voluntary liquidations only.

Do you expect that a dividend will be paid to any class of creditor?

If yes, complete the **Statement of financial position and estimated outcome of your appointment.**

Statement of financial position and estimated outcome of your appointment

Details only required for court and creditors' voluntary winding up where it is expected that a dividend will be paid to any class of creditor.

	Total estimated future net realisable value	
	Estimated (High) \$	Estimated (Low) \$
Expected net asset recoveries		
Total money held at the date of this account (amount taken from above)		
Interests in land		
Sundry debtors		
Stock on hand		
Work in progress		
Plant and equipment		
Potential legal recoveries		
Contingent assets		
Other recoveries		
Estimated net asset recoveries at date of this account		
Less estimated future insolvency practitioners remuneration		
Less estimated future other payments or costs incurred		
Estimated net asset recoveries at date of this account available for further dividends to creditors		
Less estimated future dividends to priority creditors		
Less estimated future payments to secured creditors		
Less estimated future dividends to unsecured creditors		
Less estimated future dividends to deferred creditors		
Balance for contributories		

Provide details of any arrangement where assets of the company have been disposed of by you for consideration other than for cash or of any benefit that you have received directly or indirectly resulting from this appointment.

Disclaimer

The Statement of financial position and estimated outcome is an estimate only based on information available at the date of these accounts. The information included in this section should be viewed as a guide only. Many factors affect the estimated outcome to creditors. The data used in this section will change as further information becomes available and after all matters in the insolvency administration are finalised.

7 Your verification of this account and statement

This section for all appointment types

I declare that the statements below are correct.

Statement

The information given in the statement is true to the best of my knowledge and belief at the date of signing.

The account of receipts and payments set out in the annexure marked A of 5 pages, contains a full and true account of my receipts and payments in this period and I have not, nor has any other person by my order or for my use during that period, received or paid any moneys on account of the company other than and except the items mentioned and specified in that account.

The period

From: 11/01/2016 To: 10/07/2016

Signature

Name

Joseph David Hayes

Signature(s)



Date Signed

01/08/2016

Lodgement

Send completed and signed forms to:

Australian Securities and Investments Commission
PO Box 4000, Gippsland Mail Centre VIC 3841.

Or lodge the form electronically by visiting the ASIC website
www.asic.gov.au

For help or more information

Web www.asic.gov.au
Need help? www.asic.gov.au/question
Telephone 1300 300 630

Account of receipts and payments for the period**RECEIPTS**

Date	Receipts From	Nature of Receipts/Explanation	Total
21/01/16	Suncorp Bank	Interest Income	211,984.04
22/01/16	Suncorp	Interest Income	6,299.43
22/01/16	Lot 111 Pty Ltd	Loan reduction-Lot 111 Pty Ltd	2,533,825.96
31/01/16	Suncorp Bank	Interest Income	4,979.84
25/02/16	Suncorp Bank	Interest Income	141,030.15
25/02/16	ATO	GST Control: GST Paid (Received)	72,023.42
29/02/16	Suncorp Bank	Interest Income	7,982.34
14/03/16	Pinevale (Carrington management)	Loan reduction-Pinevale	3,055,000.00
14/03/16	OVST	Loan reduction (transfer to LM)	3,340,000.00
14/03/16	Bridgewater Lakes Estate	Loan reduction-Bridgewater Contorller	320,000.00
14/03/16	Cameo	Loan reduction-Cameo Estate	665,000.00
17/03/16	ATO	GST Control: GST Paid (Received)	148,283.97
24/03/16	Seasilver Controller	Loan reduction-Seasilver	9,647.96
24/03/16	Green Square	Loan reduction-Green Square	32,132.51
24/03/16	Lot 111 Pty Ltd	Loan reduction-Lot 111 Pty Ltd	26,300.28
24/03/16	Coulter & Rocola	Loan reduction-Coulter & Rocola	7,000.74
29/03/16	Redland Bay Tall Trees	Loan reduction (transfer to LM)	50,000.00
29/03/16	Redland Bay Leisure Life	Loan reduction (transfer to LM)	9,285,000.00
29/03/16	City of Goldcoast	Refunds	17,600.00
31/03/16	Suncorp Bank	Interest Income	19,426.95
12/04/16	ATO	GST Control: GST Paid (Received)	7,607.00
20/04/16	ATO	GST Control: GST Paid (Received)	1,264.00
22/04/16	Suncorp	Interest Income	206,438.06
30/04/16	Suncorp Bank	Interest Income	41,276.57
25/05/16	Allianz Australia Insurance Ltd	Refunds	2,408,903.58
31/05/16	Suncorp Bank	Interest Income	0.01
31/05/16	Suncorp Bank	Interest Income	28,568.93
31/05/16	St Crispins Property Pty Ltd 37139	Loan reduction-St Crispin's	2,000,000.00
01/06/16	Suncorp Bank	Interest Income	(780.82)
07/06/16	Suncorp Bank	Interest Income	152,745.24
08/06/16	Allianz Australia	Potential Legal Recoveries	417,393.89
30/06/16	Suncorp Bank	Interest Income	36,480.66
		Total Receipts	25,253,414.71

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
15/01/16	Clayton Utz	Loan drawdown - various	(5,561.60)
15/01/16	RPS Australia East Pty Ltd	Loan drawdown - various	(3,190.00)
15/01/16	Plantability Constructions Pty Ltd	Loan drawdown - various	(1,859.00)
15/01/16	Clayton Utz	Legal Fees	(14,536.50)
15/01/16	Clayton Utz	Other Professional Disbursements	(11.55)
15/01/16	Cameron Kohring	Other Professional Fees	(2,758.25)
15/01/16	Cameron Kohring- Expenses	Other Professional Disbursements	(497.32)
19/01/16	Worldwide printing solutions	Other Professional Fees	(1,002.47)
19/01/16	Surety IT Pty Ltd	Other Professional Fees	(935.00)
19/01/16	William James Law Pty Ltd	Legal Fees	(984.50)
19/01/16	Pikes & Verekers	Legal Fees	(88,539.42)
19/01/16	Grace Records Manangement	Other Professional Fees	(1,054.02)
19/01/16	Cloud Plus	Other Professional Fees	(8,585.50)
19/01/16	Gadens Lawyers	Legal Fees	(47,966.87)
19/01/16	Pikes & Verekers	Legal Fees	(3,273.94)
19/01/16	Tucker & Cowen Solicitors	Legal Fees	(183,504.14)
19/01/16	Tucker & Cowen Solicitors	Legal Fees	(98,437.42)
19/01/16	Gadens Lawyers	Legal Fees	(210,691.43)
22/01/16	Lot 111 Pty Ltd	Controllership Funds Transfer	(2,540,125.39)
25/01/16	Cameron Kohring	Other Professional Fees	(15,000.00)
25/01/16	Heron Management Services	Other Professional Fees	(30,000.00)
25/01/16	Cameron Kohring	Other Professional Fees	(2,173.88)
28/01/16	BDO Business Recovery & Insolvency (NSW-VIC) Pty Ltd Trust Account	Fees	(2,309,626.56)
31/01/16	Suncorp Bank	Bank Charges	(7.20)
22/02/16	Cameron Kohring	Other Professional Fees	(1,916.75)
22/02/16	Cameron Kohring	Other Professional Disbursements	(1,355.75)
22/02/16	Cameron Kohring	Other Professional Fees	(1,309.00)
22/02/16	PWC	Other Professional Fees	(20,757.00)
22/02/16	Cloud Plus	Other Professional Fees	(8,585.50)
22/02/16	Tucker and Cowen	Legal Fees	(95,330.16)
22/02/16	Tucker and Cowen	Other Professional Disbursements	(1,991.26)
22/02/16	DIALOG INFORMATION TECHNOLOGY	Other Professional Fees	(904.75)
22/02/16	Surely IT	Other Professional Fees	(935.00)
22/02/16	Worldwide printing solutions	Other Professional Fees	(1,556.83)
22/02/16	Worldwide printing solutions	Other Professional Fees	(11,308.34)
22/02/16	Grace Records Manangement	Other Professional Fees	(1,054.02)
29/02/16	Cameron Kohring- Expenses	Other Professional Disbursements	(312.12)
29/02/16	Cameron Kohring	Other Professional Fees	(2,945.25)
29/02/16	Cameron Kohring	Other Professional Fees	(2,229.98)
29/02/16	Cameron Kohring- Expenses	Other Professional Disbursements	(1,225.32)
29/02/16	Suncorp Bank	Bank Charges	(4.60)
14/03/16	Clayton Utz	Legal Fees	(60,577.00)
14/03/16	Clayton Utz	Other Professional Disbursements	(1,149.79)
14/03/16	Clayton Utz	Other Professional Fees	(19.30)
14/03/16	Hickey Lawyers	Loan drawdown	(110.53)
14/03/16	Redland Bay Leisure Life	Loan drawdown - Redland Bay Leisure Life	(25,000.00)
14/03/16	Bellpac Pty Ltd (In Liquidation)	Legal Fees	(11,138.25)
14/03/16	Gadens Lawyers	Legal Fees	(3,774.65)
14/03/16	William James Law Pty Ltd	Legal Fees	(1,126.40)
14/03/16	Gadens Lawyers	Legal Fees	(84,649.40)
14/03/16	Gadens Lawyers	Other Professional Disbursements	(89,818.58)
14/03/16	Gadens Lawyers	Legal Fees	(72,383.85)
14/03/16	Gadens Lawyers	Other Professional Disbursements	(56,146.87)
14/03/16	Clayton Utz	Legal Fees	(20,816.40)
14/03/16	Clayton Utz	Other Professional Disbursements	(564.52)

LM Investment Management Limited (In Liquidation) (Receivers and Managers Appointed) A.C.N. 077 208 461

Annexure A Page 2

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
14/03/16	Pikes & Verekers	Legal Fees	(1,933.25)
14/03/16	Pikes & Verekers	Other Professional Disbursements	(5,585.04)
14/03/16	Clayton Utz	Legal Fees	(13,071.04)
14/03/16	BDO (QLD) Pty Ltd	Other Professional Fees	(1,267.29)
14/03/16	Clayton Utz	Legal Fees	(7,969.81)
22/03/16	Cameron Kohring	Other Professional Fees	(1,542.75)
22/03/16	Cameron Kohring- Expenses	Other Professional Disbursements	(569.87)
22/03/16	Cameron Kohring	Other Professional Fees	(1,243.55)
22/03/16	Cameron Kohring	Other Professional Fees	(2,875.13)
22/03/16	Clayton Utz	Legal Fees	(34,651.65)
22/03/16	Clayton Utz	Other Professional Disbursements	(381.37)
22/03/16	Clayton Utz	Other Professional Fees	(10,560.00)
29/03/16	Surely IT	Other Professional Fees	(935.00)
29/03/16	Grace Records Management	Other Professional Fees	(1,102.28)
29/03/16	Gadens Lawyers	Legal Fees	(168,894.55)
29/03/16	Clayton Utz	Legal Fees	(9,289.50)
29/03/16	Tucker & Cowen Solicitors	Legal Fees	(99,699.68)
29/03/16	Cloud Plus	Other Professional Fees	(8,585.50)
31/03/16	Suncorp Bank	Bank Charges	(5.60)
21/04/16	Clayton Utz	Legal Fees	(10,264.65)
21/04/16	Clayton Utz	Other Professional Disbursements	(570.00)
21/04/16	Cameron Kohring	Other Professional Fees	(1,402.50)
21/04/16	Cameron Kohring- Expenses	Other Professional Disbursements	(533.89)
21/04/16	Cameron Kohring	Other Professional Fees	(1,402.50)
21/04/16	Cameron Kohring	Other Professional Fees	(1,566.13)
21/04/16	Cameron Kohring	Other Professional Fees	(2,828.38)
21/04/16	Cameron Kohring	Other Professional Fees	(1,496.00)
27/04/16	McGrathNicol	Fees: Appointee Fees	(194,150.00)
27/04/16	McGrathNicol	Appointee Disbursements	(5,193.47)
28/04/16	Gadens Lawyers	Legal Fees	(31,642.60)
28/04/16	Pikes & Verekers	Legal Fees	(14,865.13)
28/04/16	Pikes & Verekers	Other Professional Disbursements	(13,544.94)
28/04/16	Grace Records Management (Australia) Pty Ltd	Other Professional Fees	(1,021.84)
28/04/16	Surely IT	Other Professional Fees	(935.00)
28/04/16	Cloud Plus	Other Professional Fees	(8,585.50)
28/04/16	William James Law Pty Ltd	Legal Fees	(4,711.70)
28/04/16	CyberThread Pty Ltd	Other Professional Disbursements	(1,042.80)
30/04/16	Suncorp Bank	Bank Charges	(3.20)
20/05/16	Clayton Utz	Legal Fees	(1,822.15)
20/05/16	Cameron Kohring	Other Professional Fees	(748.00)
20/05/16	Cameron Kohring	Other Professional Fees	(1,870.00)
20/05/16	Cameron Kohring- Expenses	Other Professional Disbursements	(525.49)
23/05/16	Pikes & Verekers	Legal Fees	(2,481.88)
23/05/16	Pikes & Verekers	Other Professional Disbursements	(6,430.46)
23/05/16	Tucker & Cowen Solicitors	Legal Fees	(150,504.42)
23/05/16	Tucker & Cowen Solicitors	Other Professional Disbursements	(98,894.34)
23/05/16	Grace Records Management	Other Professional Fees	(1,423.98)
23/05/16	Clayton Utz	Legal Fees	(7,107.10)
23/05/16	William James Law Pty Ltd	Legal Fees	(442.20)
23/05/16	Bridgewater Lake Retirement Village	Refunds	(86,111.11)
30/05/16	Russells Solicitors	Legal Fees	(84,954.41)
30/05/16	TCS Solicitors	Legal Fees	(88,000.98)
31/05/16	Suncorp Bank	Bank Charges	(4.40)
27/06/16	Clayton Utz	Legal Fees	(10,635.46)
27/06/16	Australian Taxation Office	GST Control: GST Paid (Received)	(212,638.73)
27/06/16	Cameron Kohring	Other Professional Fees	(748.00)

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
27/06/16	Cameron Kohring	Other Professional Fees	(748.00)
28/06/16	Worldwide printing solutions	Other Professional Fees	(8,072.69)
28/06/16	Clayton Utz	Legal Fees	(11,624.25)
28/06/16	Surely IT	Other Professional Fees	(935.00)
28/06/16	Gadens Lawyers	Legal Fees	(49,810.68)
28/06/16	Cloud Plus	Other Professional Fees	(8,585.50)
30/06/16	Suncorp Bank	Bank Charges	(1.80)
Total Payments			(7,652,363.25)

This is the annexure A of 5 page(s) referred to in Form 524 - Presentation of Accounts and Statement from 11/01/2016 to 10/07/2016

Signature

Name

Joseph David Hayes

Signature(s)



Date Signed

01/08/2016

Presentation of accounts and statement

Liquidator details

Registered liquidator number

219954

Registered liquidator name

JOSEPH DAVID HAYES

Company details

Company name

**LM INVESTMENT MANAGEMENT
LIMITED**

077 208 461

Appointment details

Date appointment commenced :

11-07-2013

Type of appointment :

Receiver and manager

Are these accounts final?

No

Account & statement details

Period for which the accounts and statement are made up

From

11-07-2016

To

10-01-2017

Authentication

This form has been authenticated by
Name JOSEPH DAVID HAYES
This form has been submitted by
Name Graciela NOLAN
Date 10-02-2017

For more help or information
Web www.asic.gov.au
Ask a question? www.asic.gov.au/question
Telephone 1300 300 630



Presentation of accounts and statement

This form is to be used for the presentation of accounts and statement by an administrator, provisional liquidator, court appointed liquidator, members' voluntary liquidator, creditors' voluntary liquidator; receiver; receiver and manager; managing controller (other than receiver and manager); controller (other than receiver, receiver and manager or managing controller); deed administrator or scheme administrator under Part 5.1.

If there is insufficient space in any section of the form, you may photocopy the relevant page(s) and submit as part of this lodgement

Company details

Company name

LM Investment Management Limited (In Liquidation) (Receivers and Managers Appointed)

ACN / ABN

077 208 461

Lodgement details

Who should ASIC contact if there is a query about this form?

Firm / Organisation

McGrathNicol

Contact name/position description

Joseph David Hayes / Joint & Several Receiver and Manager

ASIC registered agent number (if applicable)

Telephone Number

+61 2 9338 2600

Postal Address or DX Address

GPO Box 9986, Sydney NSW 2001

1 Details of appointment

Date of Commencement

11/07/2013

Type of appointment

Receiver and manager 524N & P

Details of the accounts

Are the accounts final?

No.

The period for which the accounts and statements are made up can not be more than 6 months.

If yes, provide date when Joint & Several Receivers and Managers ceased to act.

Date to which the accounts and statements made up

Final accounts and statements must be made up to the date on which the liquidator ceased to act.

From
11/07/2016

To
10/01/2017

1 Continued...Details of appointment

Details of the appointee(s)

Date of Appointment:	11/07/2013
Liquidator Registration Number:	219954
Name:	Joseph David Hayes
At the office of:	McGrathNicol
Address:	Level 12 20 Martin Place Sydney NSW 2000
Date of Appointment:	11/07/2013
Liquidator Registration Number:	410893
Name:	Anthony Norman Connelly
At the office of:	McGrathNicol
Address:	Level 7 175 Eagle Street Brisbane QLD 4000

Details of the original appointment

Complete this section only if you are a controller

Appointment by or under Instrument

Date of appointment:	11/07/2013
Date of Instrument:	1/07/2010
Description of Instrument:	
Instrument registered in the Personal Property Securities Register	YES
Security Interest Number:	201112213019561

Creditors' Meeting

Date of the last annual meeting of creditors

N/A

Was a quorum present at this meeting? N/A

OR

The liquidator decided not to convene a meeting of creditors and has lodged a copy of the report with ASIC
Date report lodged with ASIC:

N/A

2 Dividend

Complete this section in full only if you are a court or creditors' voluntary liquidator or deed administrator. This section is not relevant to provisional liquidation appointments. If you are the liquidator of a members' voluntary liquidation, you need only provide information on the dividends paid to contributories.

Your estimate of total creditors in this administration at the date of this account

Category	Estimated Number of Creditors	Estimated Value
Priority		
Secured		
Unsecured		
Deferred		

Dividends paid since your appointment and to the date of this account.

3 Secured lenders

This section for controllers only as required by s432

Amount owing under instrument at the date appointment / control day	N/A
Amount owing under instrument at the date of this account	Nil
Estimated value of property subject to the instrument at the date of this account	Nil

4 Summary of professional fees and completion dates

Complete this section for all appointments except provisional liquidation appointments.

Professional fees and outlays	Remuneration paid to you during the period for which this account is made up (inclusive of GST)	\$148,357.55
	Remuneration paid to you from the date of your appointment to the date to which this account is made up (inclusive of GST)	\$3,107,235.25
	Amount received by you in respect of expenses during the period for which this account is made up (inclusive of GST)	\$0.00
	Amount received by you in respect of expenses from the date of your appointment to the date to which this account is made up (inclusive of GST).	\$45,917.97
Estimated completion date	Month and year by which you expect this appointment will be completed	12 2017
	At the date of this account how long have you been appointed? Years / Months.	3 year(s), 6 month(s).

4 Continued... Summary of professional fees and completion dates

Include both operational and abnormal causes of delay, together with a likely date of event which may be the cause of the delay eg. Collection of debtors, terms of Deed to be satisfied, preference action pending – litigation October 200X; awaiting Committee of Inspection October 200X for approval to finalise.

Details of causes which may delay the termination of your appointment:

- Realisation of security
 - Finalising statutory charges
 - Retirement of Receivers and Managers
-

5 Account of receipts and payments

This section for all appointments.

Receipts

(Exclude the principal component of matured investments)

Total amounts received by you before the period for which this account has been made up \$156,214,681.18

Total amounts received by you during the period for which this account has been made up \$1,161,566.80
(Attach detailed schedule)

Total Receipts (this total carried forward to next account) **\$157,376,247.98**

Payments

(Exclude principal amounts invested or rolled over)

Total payments made by you before the period for which this account has been made up \$82,203,609.14

Total payments made by you during the period for which this account has been made up \$4,595,905.39
(Attach detailed schedule)

Total Payments (this total carried forward to next account) **\$86,799,514.53**

Reconciliation of money held

Cash in hand \$0.00

Cash at bank:

Credits as per bank statement \$70,576,733.45

Less: Unpresented cheques \$0.00

Add: Outstanding deposits \$0.00

\$70,576,733.45

Amounts invested and not converted to cash \$0.00

Total balance of money held **\$70,576,733.45**

6 Estimated outcome

Complete this section for court and creditors' voluntary liquidations only.

Do you expect that a dividend will be paid to any class of creditor?

If yes, complete the **Statement of financial position and estimated outcome of your appointment**.

Statement of financial position and estimated outcome of your appointment

Details only required for court and creditors' voluntary winding up where it is expected that a dividend will be paid to any class of creditor.

	Total estimated future net realisable value	
	Estimated (High) \$	Estimated (Low) \$
Expected net asset recoveries		
Total money held at the date of this account (amount taken from above)		
Interests in land		
Sundry debtors		
Stock on hand		
Work in progress		
Plant and equipment		
Potential legal recoveries		
Contingent assets		
Other recoveries		
Estimated net asset recoveries at date of this account		
Less estimated future insolvency practitioners remuneration		
Less estimated future other payments or costs incurred		
Estimated net asset recoveries at date of this account available for further dividends to creditors		
Less estimated future dividends to priority creditors		
Less estimated future payments to secured creditors		
Less estimated future dividends to unsecured creditors		
Less estimated future dividends to deferred creditors		
Balance for contributories		

Provide details of any arrangement where assets of the company have been disposed of by you for consideration other than for cash or of any benefit that you have received directly or indirectly resulting from this appointment.

Disclaimer

The Statement of financial position and estimated outcome is an estimate only based on information available at the date of these accounts. The information included in this section should be viewed as a guide only. Many factors affect the estimated outcome to creditors. The data used in this section will change as further information becomes available and after all matters in the insolvency administration are finalised.

7 Your verification of this account and statement

This section for all appointment types

I declare that the statements below are correct.

Statement

The information given in the statement is true to the best of my knowledge and belief at the date of signing.

The account of receipts and payments set out in the annexure marked A of 5 pages, contains a full and true account of my receipts and payments in this period and I have not, nor has any other person by my order or for my use during that period, received or paid any moneys on account of the company other than and except the items mentioned and specified in that account.

The period

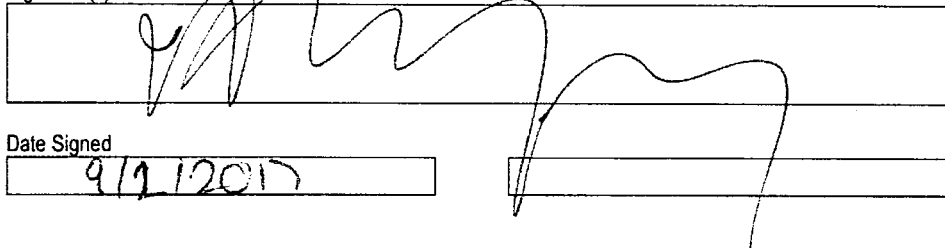
From: 11/07/2016 To: 10/01/2017

Signature

Name

Joseph David Hayes

Signature(s)



Date Signed

9/9/2017

Lodgement

Send completed and signed forms to:

Australian Securities and Investments Commission
PO Box 4000, Gippsland Mail Centre VIC 3841.

Or lodge the form electronically by visiting the ASIC website
www.asic.gov.au

For help or more information

Web www.asic.gov.au
Need help? www.asic.gov.au/question
Telephone 1300 300 630

Account of receipts and payments for the period

RECEIPTS

Date	Receipts From	Nature of Receipts/Explanation	Total
24/07/16	Australian Taxation Office	GST Control: GST Paid (Received)	40,101.78
28/07/16	Suncorp	Interest Income	227,405.92
31/07/16	Suncorp Bank	Interest Income	11,029.69
21/08/16	Australian Taxation Office	GST Control: GST Paid (Received)	7,869.75
31/08/16	Suncorp Bank	Interest Income	33,709.02
31/08/16	Suncorp	Interest Income	105,106.84
08/09/16	Young Project Marketing	Loan reduction (transfer to LM)	1.00
11/09/16	ATO	GST Control: GST Paid (Received)	2,947.64
13/09/16	ATO	GST Control: GST Paid (Received)	175,677.00
29/09/16	Suncorp	Interest Income	142,619.17
30/09/16	Suncorp Bank	Interest Income	13,913.25
31/10/16	Suncorp Bank	Interest Income	35,393.35
22/11/16	LM Investment Management Limited (Administrators Appointed) (Receivers and Managers Appointed)	Interest Income	187,768.21
30/11/16	Suncorp Bank	Interest Income	32,887.07
02/12/16	ROss lamb	Other Income	9,096.00
07/12/16	ATO	Other Income	26,235.00
16/12/16	Suncorp Bank	Interest Income	86,616.40
31/12/16	Suncorp Bank	Interest Income	0.01
31/12/16	Suncorp Bank	Interest Income	23,189.70
Total Receipts			1,161,566.80

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
19/07/16	Cameron Kohring	Other Professional Fees	(748.00)
19/07/16	Cameron Kohring	Other Professional Fees	(748.00)
19/07/16	Cameron Kohring	Other Professional Fees	(748.00)
19/07/16	Cameron Kohring	Other Professional Fees	(748.00)
19/07/16	Heron Management Services	Other Professional Fees	(10,000.00)
19/07/16	Grace Records Management (Australia) Pty Ltd	Other Professional Fees	(1,021.84)
19/07/16	Gadens Lawyers	Legal Fees	(40,724.20)
19/07/16	Gadens Lawyers	Other Professional Disbursements	(32,780.00)
19/07/16	Gadens Lawyers	Legal Fees	(20,824.10)
19/07/16	Gadens Lawyers	Other Professional Disbursements	(5,953.39)
19/07/16	Cloud Plus	Other Professional Fees	(8,585.50)
19/07/16	Surely IT	Other Professional Fees	(935.00)
19/07/16	Clayton Utz	Legal Fees	(7,908.45)
19/07/16	Clayton Utz	Other Professional Disbursements	(71.45)
19/07/16	Russells Solicitors	Legal Fees	(205,000.00)
19/07/16	Tucker & Cowen Solicitors	Legal Fees	(93,731.92)
19/07/16	Tucker & Cowen Solicitors	Other Professional Disbursements	(1,171.26)
19/07/16	BDO Business Recovery & Insolvency (NSW-VIC) Pty Ltd Trust Account	Other Professional Fees	(1,434,428.49)
19/07/16	BDO Business Recovery & Insolvency (NSW-VIC) Pty Ltd Trust Account	Other Professional Fees	(36,612.96)
29/07/16	Grace Records Management (Australia) Pty Ltd	Other Professional Fees	(1,045.96)
29/07/16	Surely IT	Other Professional Fees	(935.00)
29/07/16	Tucker & Cowen Solicitors	Legal Fees	(98,198.60)
29/07/16	Tucker & Cowen Solicitors	Other Professional Disbursements	(67,547.73)
29/07/16	William James Law Pty Ltd	Legal Fees	(1,617.00)
29/07/16	William James Law Pty Ltd	Other Professional Disbursements	(929.30)
29/07/16	Gadens Lawyers	Legal Fees	(14,444.65)
29/07/16	Gadens Lawyers	Legal Fees	(47,350.05)
29/07/16	Gadens Lawyers	Other Professional Disbursements	(6,225.08)
29/07/16	Pikes & Verekers	Legal Fees	(1,854.88)
29/07/16	Pikes & Verekers	Other Professional Disbursements	(111.33)
29/07/16	Pikes & Verekers	Legal Fees	(4,449.50)
29/07/16	Pikes & Verekers	Other Professional Disbursements	(2.82)
31/07/16	Suncorp Bank	Bank Charges	(7.80)
01/09/16	McGrathNicol	Fees: Appointee Fees	(148,357.55)
01/09/16	Clayton Utz	Legal Fees	(10,787.70)
01/09/16	Clayton Utz	Other Professional Disbursements	(549.01)
01/09/16	Cameron Kohring	Other Professional Fees	(748.00)
01/09/16	Cameron Kohring	Other Professional Fees	(748.00)
01/09/16	Cameron Kohring	Other Professional Fees	(748.00)
01/09/16	Cameron Kohring	Other Professional Fees	(748.00)
01/09/16	Cameron Kohring	Other Professional Fees	(748.00)
01/09/16	Cameron Kohring	Other Professional Fees	(748.00)
01/09/16	Cameron Kohring	Other Professional Fees	(748.00)
01/09/16	Perpetual Services Pty Ltd	Other Professional Fees	(5,500.00)
01/09/16	Perpetual Services Pty Ltd	Other Professional Fees	(5,500.00)
01/09/16	Perpetual Services Pty Ltd	Other Professional Fees	(5,500.00)
01/09/16	Perpetual Services Pty Ltd	Other Professional Fees	(5,500.00)
01/09/16	Tucker & Cowen Solicitors	Legal Fees	(34,248.44)
01/09/16	Clayton Utz	Legal Fees	(9,463.30)
01/09/16	Cloud Plus	Other Professional Fees	(8,585.50)
01/09/16	CyberThread Pty Ltd	Other Professional Fees	(961.84)
01/09/16	Clayton Utz	Legal Fees	(4,589.20)

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
01/09/16	Gadens Lawyers	Legal Fees	(54,388.40)
01/09/16	Surely IT	Other Professional Fees	(935.00)
01/09/16	Grace Records Management	Other Professional Fees	(1,079.44)
01/09/16	Gadens Lawyers	Legal Fees	(81,673.35)
01/09/16	Cloud Plus	Other Professional Fees	(8,585.50)
08/09/16	Tucker & Cowen Solicitors	Legal Fees	(7,812.10)
08/09/16	Clayton Utz	Legal Fees	(4,781.70)
08/09/16	Cloud Plus	Other Professional Fees	(8,585.50)
08/09/16	Gadens Lawyers	Legal Fees	(84,737.79)
08/09/16	Grace Records Management	Other Professional Disbursements	(1,062.71)
08/09/16	William James Law Pty Ltd	Legal Fees	(5,073.20)
08/09/16	William James Law Pty Ltd	Other Professional Disbursements	(91.05)
08/09/16	Worldwide printing solutions	Other Professional Fees	(1,637.05)
08/09/16	Surely IT	Other Professional Fees	(935.00)
08/09/16	Gadens Lawyers	Legal Fees	(10,749.75)
08/09/16	Gadens Lawyers	Other Professional Disbursements	(7,194.00)
30/09/16	Suncorp Bank	Bank Charges	(8.80)
21/10/16	Office of State Revenue	Loan drawdown - Keppel Bay Holdings	(20,206.10)
21/10/16	Australian Taxation Office	Loan drawdown	(2,446.32)
21/10/16	Clayton Utz	Legal Fees	(2,257.20)
21/10/16	Cameron Kohring	Other Professional Fees	(748.00)
21/10/16	William James Law Pty Ltd	Legal Fees	(3,392.00)
21/10/16	DIALOG INFORMATION TECHNOLOGY	Other Professional Fees	(1,809.50)
21/10/16	Pikes & Verekers	Legal Fees	(3,304.82)
26/10/16	Gadens Lawyers	Legal Fees	(19,959.50)
26/10/16	William James Law Pty Ltd	Legal Fees	(4,646.40)
26/10/16	William James Law Pty Ltd	Other Professional Disbursements	(1,179.45)
26/10/16	Bellpac Pty Ltd (In Liquidation)	Legal Fees	(8,635.20)
26/10/16	Pikes & Verekers	Legal Fees	(25,567.92)
26/10/16	Pikes & Verekers	Legal Fees	(5,575.03)
26/10/16	Law in Order	Legal Fees	(20,361.00)
27/10/16	Cloud Plus	Other Professional Fees	(8,585.50)
27/10/16	Clayton Utz	Legal Fees	(5,148.22)
27/10/16	Tucker & Cowen Solicitors	Legal Fees	(21,291.60)
27/10/16	Surely IT	Other Professional Fees	(935.00)
27/10/16	Grace Records Management (Australia) Pty Ltd	Other Professional Fees	(1,079.44)
27/10/16	Gadens Lawyers	Legal Fees	(18,900.20)
31/10/16	Suncorp Bank	Bank Charges	(5.40)
18/11/16	Cameron Kohring- Expenses	Sundry Expense	(666.66)
18/11/16	Cameron Kohring	Other Professional Fees	(3,740.00)
18/11/16	Cameron Kohring	Other Professional Fees	(1,309.00)
18/11/16	Cameron Kohring	Other Professional Fees	(1,496.00)
21/11/16	Pikes & Verekers	Legal Fees	(1,329.89)
21/11/16	Pikes & Verekers	Legal Fees	(4,483.62)
21/11/16	Worldwide printing solutions	Other Professional Fees	(8,372.08)
30/11/16	Suncorp Bank	Bank Charges	(1.40)
07/12/16	Gadens Lawyers	Legal Fees	(11,905.85)
07/12/16	Cloud Plus	Other Professional Fees	(8,585.50)
07/12/16	Surely IT	Other Professional Fees	(935.00)
07/12/16	Gadens Lawyers	Legal Fees	(38,495.05)
07/12/16	Grace Records Management (Australia) Pty Ltd	Other Professional Fees	(1,171.47)
07/12/16	Clayton Utz	Legal Fees	(1,599.40)
07/12/16	William James Law Pty Ltd	Legal Fees	(2,578.40)
07/12/16	Worldwide printing solutions	Other Professional Fees	(7,398.74)
16/12/16	William James Law Pty Ltd	Legal Fees	(9,112.50)

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
16/12/16	BDO (QLD) Pty Ltd	Other Professional Fees	(1,143,239.03)
16/12/16	TCS Solicitors	Legal Fees	(26,198.04)
16/12/16	Surety IT Pty Ltd	Other Professional Fees	(935.00)
16/12/16	Minter Ellison	Other Professional Fees	(444,724.90)
20/12/16	Clayton Utz	Legal Fees	(1,269.95)
20/12/16	Clayton Utz	Legal Fees	(12,744.82)
20/12/16	Clayton Utz	Legal Fees	(4,253.15)
20/12/16	Perpetual Services Pty Ltd	Other Professional Fees	(5,500.00)
20/12/16	Perpetual Services Pty Ltd	Other Professional Fees	(5,500.00)
31/12/16	Suncorp Bank	Bank Charges	(9.00)
		Total Payments	(4,595,905.39)

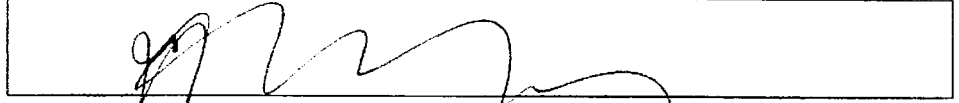
This is the annexure A of 5 page(s) referred to in Form 524 - Presentation of Accounts and Statement from 11/07/2016 to 10/01/2017

Signature

Name

Joseph David Hayes

Signature(s)



Date Signed

9/2/2017

11

Presentation of accounts and statement

Liquidator details

Registered liquidator number

410893

Registered liquidator name

ANTHONY NORMAN CONNELLY

Company details

Company name

**LM INVESTMENT MANAGEMENT
LIMITED**

077 208 461

Appointment details

Date appointment commenced :

11-07-2013

Type of appointment :

Receiver and manager

Are these accounts final?

No

Account & statement details

Period for which the accounts and statement are made up

From

11-01-2017

To

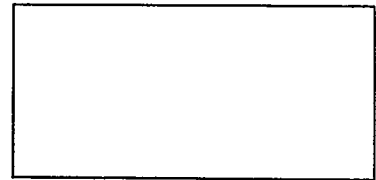
10-07-2017

Authentication

This form has been authenticated by
Name ANTHONY NORMAN CONNELLY
This form has been submitted by
Name Andrea Susan PALMER
Date 04-08-2017

For more help or information

Web www.asic.gov.au
Ask a question? www.asic.gov.au/question
Telephone 1300 300 630



Presentation of accounts and statement

This form is to be used for the presentation of accounts and statement by an administrator, provisional liquidator, court appointed liquidator; members' voluntary liquidator; creditors' voluntary liquidator; receiver; receiver and manager; managing controller (other than receiver and manager); controller (other than receiver, receiver and manager or managing controller); deed administrator or scheme administrator under Part 5.1.

If there is insufficient space in any section of the form, you may photocopy the relevant page(s) and submit as part of this lodgement

Company details

Company name

LM Investment Management Limited (In Liquidation) (Receivers and Managers Appointed)

ACN / ABN

077 208 461

Lodgement details

Who should ASIC contact if there is a query about this form?

Firm / Organisation

McGrathNicol

Contact name/position description

Anthony Connelly / Joint & Several Receiver and Manager

ASIC registered agent number (if applicable)

Telephone Number

+61 2 9338 2600

Postal Address or DX Address

GPO Box 9986, Sydney NSW 2001

1 Details of appointment

Date of Commencement

11/07/2013

Type of appointment

Receiver and manager 524N & P

Details of the accounts

Are the accounts final? No.

The period for which the accounts and statements are made up can not be more than 6 months.

If yes, provide date when Joint & Several Receivers and Managers ceased to act .

Date to which the accounts and statements made up

Final accounts and statements must be made up to the date on which the liquidator ceased to act.

From
11/01/2017

To
10/07/2017

1 Continued...Details of appointment

Details of the appointee(s)

Date of Appointment:	11/07/2013
Liquidator Registration Number:	219954
Name:	Joseph David Hayes
At the office of:	McGrathNicol
Address:	Level 12 20 Martin Place Sydney NSW 2000
Date of Appointment:	11/07/2013
Liquidator Registration Number:	410893
Name:	Anthony Connelly
At the office of:	McGrathNicol
Address:	Level 7 175 Eagle Street Brisbane QLD 4000

Details of the original appointment

Complete this section only if you are a controller

Appointment by or under Instrument

Date of appointment:	11/07/2013
Date of Instrument:	1/07/2010
Description of Instrument:	
Instrument registered in the Personal Property Securities Register	YES
Security Interest Number:	201112213019561

Creditors' Meeting

Date of the last annual meeting of creditors

N/A

Was a quorum present at this meeting? N/A

OR

The liquidator decided not to convene a meeting of creditors and has lodged a copy of the report with ASIC
Date report lodged with ASIC:

N/A

2 Dividend

Complete this section in full only if you are a **court or creditors' voluntary liquidator or deed administrator**. This section is not relevant to provisional liquidation appointments. If you are the **liquidator of a members' voluntary liquidation**, you need only provide information on the dividends paid to contributories.

Your estimate of total creditors in this administration at the date of this account

Category	Estimated Number of Creditors	Estimated Value
Priority		
Secured		
Unsecured		
Deferred		

Dividends paid since your appointment and to the date of this account.

3 Secured lenders

This section for controllers only as required by s432

Amount owing under instrument at the date appointment / control day	N/A
Amount owing under instrument at the date of this account	\$0.00
Estimated value of property subject to the instrument at the date of this account	\$0.00

4 Summary of professional fees and completion dates

Complete this section for all appointments except provisional liquidation appointments.

Professional fees and outlays

Remuneration paid to you during the period for which this account is made up (inclusive of GST)

\$0.00

Remuneration paid to you from the date of your appointment to the date to which this account is made up (inclusive of GST)

\$3,107,235.25

Amount received by you in respect of expenses during the period for which this account is made up (inclusive of GST)

\$0.00

Amount received by you in respect of expenses from the date of your appointment to the date to which this account is made up (inclusive of GST).

\$45,917.97

Estimated completion date

Month and year by which you expect this appointment will be completed

12 2017

At the date of this account how long have you been appointed? Years / Months.

4 year(s), 0 month(s).

4 Continued... Summary of professional fees and completion dates

Include both operational and abnormal causes of delay, together with a likely date of event which may be the cause of the delay eg. Collection of debtors, terms of Deed to be satisfied, preference action pending – litigation October 200X; awaiting Committee of Inspection October 200X for approval to finalise.

Details of causes which may delay the termination of your appointment:

- Realisation of security
 - Finalising statutory charges
 - Retirement of Receivers and Managers
-

5 Account of receipts and payments

This section for all appointments.

Receipts

(Exclude the principal component of matured investments)

Total amounts received by you before the period for which this account has been made up	\$157,376,247.98
Total amounts received by you during the period for which this account has been made up (Attach detailed schedule)	\$2,607,387.86
Total Receipts (this total carried forward to next account)	\$159,983,635.84

Payments

(Exclude principal amounts invested or rolled over)

Total payments made by you before the period for which this account has been made up	\$86,799,514.53
Total payments made by you during the period for which this account has been made up (Attach detailed schedule)	\$1,332,100.74
Total Payments (this total carried forward to next account)	\$88,131,615.27

Reconciliation of money held

Cash in hand		\$0.00
Cash at bank:		
Credits as per bank statement	\$71,852,020.57	
Less: Unpresented cheques	\$0.00	
Add: Outstanding deposits	\$0.00	
		\$71,852,020.57
Amounts invested and not converted to cash		\$0.00
Total balance of money held		\$71,852,020.57

6 Estimated outcome

Complete this section for court and creditors' voluntary liquidations only.

Do you expect that a dividend will be paid to any class of creditor?

If yes, complete the **Statement of financial position and estimated outcome of your appointment**.

Statement of financial position and estimated outcome of your appointment

Details only required for court and creditors' voluntary winding up where it is expected that a dividend will be paid to any class of creditor.

	Total estimated future net realisable value	
	Estimated (High) \$	Estimated (Low) \$
Expected net asset recoveries		
Total money held at the date of this account (amount taken from above)		
Interests in land		
Sundry debtors		
Stock on hand		
Work in progress		
Plant and equipment		
Potential legal recoveries		
Contingent assets		
Other recoveries		
Estimated net asset recoveries at date of this account		
Less estimated future insolvency practitioners remuneration		
Less estimated future other payments or costs incurred		
Estimated net asset recoveries at date of this account available for further dividends to creditors		
Less estimated future dividends to priority creditors		
Less estimated future payments to secured creditors		
Less estimated future dividends to unsecured creditors		
Less estimated future dividends to deferred creditors		
Balance for contributories		

Provide details of any arrangement where assets of the company have been disposed of by you for consideration other than for cash or of any benefit that you have received directly or indirectly resulting from this appointment.

Disclaimer

The Statement of financial position and estimated outcome is an estimate only based on information available at the date of these accounts. The information included in this section should be viewed as a guide only. Many factors affect the estimated outcome to creditors. The data used in this section will change as further information becomes available and after all matters in the insolvency administration are finalised.

7 Your verification of this account and statement

This section for all appointment types

I declare that the statements below are correct.

Statement

The information given in the statement is true to the best of my knowledge and belief at the date of signing.

The account of receipts and payments set out in the annexure marked A of 4 pages, contains a full and true account of my receipts and payments in this period and I have not, nor has any other person by my order or for my use during that period, received or paid any moneys on account of the company other than and except the items mentioned and specified in that account.

The period

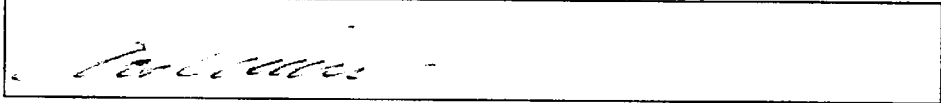
From: 11/01/2017 To: 10/07/2017

Signature

Name

Anthony Connelly

Signature(s)



Date Signed

4.8.17

Lodgement

Send completed and signed forms to:

Australian Securities and Investments Commission
PO Box 4000, Gippsland Mail Centre VIC 3841.

Or lodge the form electronically by visiting the ASIC website
www.asic.gov.au

For help or more information

Web www.asic.gov.au
Need help? www.asic.gov.au/question
Telephone 1300 300 630

Account of receipts and payments for the period

RECEIPTS

Date	Receipts From	Nature of Receipts/Explanation	Total
31/01/17	Suncorp Bank	Interest Income	1,741.05
03/02/17	Various	Refunds	389.52
08/02/17	ATO	GST Control: GST Paid (Received)	7,623.00
20/02/17	Suncorp	Interest Income	143,003.67
22/02/17	ATO	GST Control: GST Paid (Received)	921.00
28/02/17	Suncorp Bank	Interest Income	11,388.40
16/03/17	Suncorp	Interest Income	71,172.18
16/03/17	Suncorp	Interest Income	140,547.94
20/03/17	Source Developments	Loan reduction-Source developments	18,850.72
20/03/17	Kingopen Controller	Loan reduction-Kingopen	494,946.40
31/03/17	Pinevale (Carrington management)	Controllership Funds Transfer	101,230.15
31/03/17	Suncorp Bank	Interest Income	68,098.54
05/04/17	Australian Taxation Office	GST Control: GST Paid (Received)	98,034.94
20/04/17	Tucker & Cowen Solicitors	Legal Fees	331.27
30/04/17	Suncorp Bank	Interest Income	80,403.51
10/05/17	Australian Taxation Office	GST Control: GST Paid (Received)	13,960.68
15/05/17	Grant Thornton Services (NSW) Pty Ltd	Refunds	2,021.91
31/05/17	Suncorp Bank	Interest Income	1,091.83
15/06/17	Australian Taxation Office	GST Control: GST Paid (Received)	7,158.00
28/06/17	Apotel	Controllership Funds Transfer	1,343,329.43
30/06/17	Suncorp Bank	Interest Income	1,143.72
Total Receipts			2,607,387.86

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
23/02/17	Clayton Utz	Legal Fees	(8,225.25)
23/02/17	Perpetual Services Pty Ltd	Other Professional Fees	(5,500.00)
23/02/17	Clayton Utz	Legal Fees	(3,600.30)
23/02/17	Gadens Lawyers	Legal Fees	(4,959.35)
23/02/17	Surety IT Pty Ltd	Other Professional Fees	(935.00)
23/02/17	Worldwide printing solutions	Other Professional Fees	(2,127.84)
23/02/17	Worldwide printing solutions	Other Professional Fees	(7,266.78)
23/02/17	Tucker & Cowen Solicitors	Legal Fees	(26,627.50)
23/02/17	Tucker & Cowen Solicitors	Other Professional Disbursements	(5,897.10)
23/02/17	Gadens Lawyers	Legal Fees	(54,219.55)
23/02/17	Gadens Lawyers	Other Professional Disbursements	(33,465.43)
23/02/17	Tucker & Cowen Solicitors	Legal Fees	(92,131.34)
23/02/17	Tucker & Cowen Solicitors	Other Professional Disbursements	(28,487.92)
23/02/17	Cloud Plus	Other Professional Fees	(8,585.50)
28/02/17	Suncorp Bank	Bank Charges	(5.40)
01/03/17	Cameron Kohring	Other Professional Fees	(5,236.00)
01/03/17	Cameron Kohring	Other Professional Fees	(2,244.00)
01/03/17	Gadens Lawyers	Legal Fees	(29,917.25)
01/03/17	Gadens Lawyers	Other Professional Disbursements	(55,825.34)
01/03/17	Gadens Lawyers	Legal Fees	(29,167.05)
01/03/17	Gadens Lawyers	Other Professional Disbursements	(22,649.83)
01/03/17	Grace Records Management Pty Ltd	Other Professional Fees	(1,163.46)
01/03/17	Cloud Plus	Other Professional Fees	(8,585.50)
01/03/17	DIALOG INFORMATION TECHNOLOGY	Other Professional Fees	(440.00)
01/03/17	Livingstone Shire Council	Loan drawdown - Keppel Bay Holdings	(47,526.05)
02/03/17	Pikes & Verekers	Legal Fees	(5,197.50)
02/03/17	Pikes & Verekers	Other Professional Disbursements	(2,031.69)
02/03/17	Gadens Lawyers	Legal Fees	(14,884.65)
02/03/17	Gadens Lawyers	Other Professional Disbursements	(14,570.23)
02/03/17	Grace Records Management Pty Ltd	Other Professional Fees	(1,188.20)
02/03/17	SURETY IT	Other Professional Fees	(935.00)
02/03/17	Clayton Utz	Legal Fees	(8,547.00)
02/03/17	Tucker & Cowen Solicitors	Legal Fees	(27,229.33)
02/03/17	Grace Records Management Pty Ltd	Other Professional Fees	(1,062.71)
02/03/17	Cloud Plus	Other Professional Fees	(8,585.50)
21/03/17	Gadens Lawyers	Legal Fees	(14,590.40)
21/03/17	Gadens Lawyers	Other Professional Disbursements	(2,881.55)
21/03/17	DIALOG INFORMATION TECHNOLOGY	Other Professional Fees	(1,034.00)
21/03/17	Clayton Utz	Legal Fees	(4,032.60)
21/03/17	Surety IT Pty Ltd	Other Professional Fees	(935.00)
21/03/17	Grace Records Management	Other Professional Fees	(1,062.71)
21/03/17	William James Law Pty Ltd	Legal Fees	(1,536.70)
24/03/17	Perpetual Services Pty Ltd	Other Professional Fees	(5,500.00)
24/03/17	Tucker & Cowen Solicitors	Legal Fees	(49,005.00)
24/03/17	Tucker & Cowen Solicitors	Other Professional Disbursements	(3,815.60)
30/03/17	Bellpac Pty Ltd (In Liquidation)	Legal Fees	(7,500.00)
30/03/17	Clayton Utz	Legal Fees	(5,500.00)
30/03/17	Cloud Plus	Other Professional Fees	(8,585.50)
31/03/17	Suncorp Bank	Bank Charges	(8.20)
20/04/17	Cameron Kohring	Other Professional Fees	(3,740.00)
20/04/17	Clayton Utz	Legal Fees	(2,402.40)
20/04/17	Clayton Utz	Other Professional Disbursements	(49.70)
20/04/17	Grace Records Management	Other Professional Fees	(1,301.67)
20/04/17	Tucker & Cowen Solicitors	Legal Fees	(101,568.94)

LM Investment Management Limited (In Liquidation) (Receivers and Managers Appointed) A.C.N. 077 208 461

Annexure A Page 2

PAYMENTS

Date	Payments To	Nature of Payments/Explanation	Total
20/04/17	Tucker & Cowen Solicitors	Other Professional Disbursements	(77,279.95)
20/04/17	Tucker & Cowen Solicitors	Legal Fees	(413.16)
20/04/17	Gadens Lawyers	Legal Fees	(21,311.95)
20/04/17	Gadens Lawyers	Other Professional Disbursements	(31,526.64)
20/04/17	Clayton Utz	Legal Fees	(11,947.65)
20/04/17	Clayton Utz	Other Professional Disbursements	(118.80)
20/04/17	Surety IT Pty Ltd	Other Professional Fees	(935.00)
30/04/17	Suncorp Bank	Bank Charges	(2.20)
10/05/17	Clayton Utz	Legal Fees	(2,473.35)
10/05/17	Cameron Kohring	Other Professional Fees	(2,992.00)
10/05/17	Clayton Utz	Legal Fees	(4,611.20)
10/05/17	Clayton Utz	Other Professional Disbursements	(43.12)
10/05/17	Cloud Plus	Other Professional Fees	(17,171.00)
10/05/17	Grace Records Manangement	Other Professional Fees	(1,062.71)
10/05/17	Tucker & Cowen Solicitors	Legal Fees	(61,808.55)
10/05/17	Tucker & Cowen Solicitors	Other Professional Disbursements	(75,078.90)
24/05/17	DIALOG INFORMATION TECHNOLOGY	Other Professional Fees	(330.00)
24/05/17	Surety IT Pty Ltd	Other Professional Fees	(1,314.50)
24/05/17	Worldwide printing solutions	Other Professional Fees	(7,815.39)
31/05/17	Suncorp Bank	Bank Charges	(3.20)
08/06/17	Cameron Kohring	Other Professional Fees	(4,581.50)
08/06/17	Cameron Kohring- Expenses	Other Professional Disbursements	(828.44)
09/06/17	Cloud Plus	Other Professional Fees	(8,585.50)
09/06/17	Russells Solicitors	Legal Fees	(3,500.00)
09/06/17	Surety IT Pty Ltd	Other Professional Fees	(935.00)
09/06/17	Grace Records Management (Australia) Pty Ltd	Other Professional Fees	(1,156.92)
09/06/17	Clayton Utz	Legal Fees	(4,077.70)
09/06/17	Clayton Utz	Other Professional Disbursements	(1,082.17)
30/06/17	Clayton Utz	Legal Fees	(12,483.35)
30/06/17	Clayton Utz	Other Professional Disbursements	(1,307.08)
30/06/17	Perpetual Services Pty Ltd	Other Professional Fees	(5,500.00)
30/06/17	Clayton Utz	Legal Fees	(5,674.90)
30/06/17	Clayton Utz	Other Professional Disbursements	(85.70)
30/06/17	Gadens Lawyers	Legal Fees	(10,969.20)
30/06/17	Gadens Lawyers	Other Professional Disbursements	(5,548.21)
30/06/17	Worldwide printing solutions	Other Professional Fees	(2,106.47)
30/06/17	Tucker & Cowen Solicitors	Legal Fees	(107,845.83)
30/06/17	Tucker & Cowen Solicitors	Other Professional Disbursements	(53,519.58)
30/06/17	Suncorp Bank	Bank Charges	(3.40)
Total Payments			(1,332,100.74)

Signature

Name

Anthony Connelly

Signature(s)



Date Signed

4.8.17

Presentation of accounts and statement

Liquidator details

Registered liquidator number

410893

Registered liquidator name

ANTHONY NORMAN CONNELLY

Company details

Company name

LM Investment Management Limited

ACN/ABN

077 208 461

1 Details of appointment

Date of commencement

11-07-2013

Type of appointment

Receiver and manager

Are the accounts final?

No

Accounts and statements made up from

11-07-2017

To

10-01-2018

Details of the appointee(s)

Date of appointment

11-07-2013

Firm name

McGrathNicol

Name

HAYES JOSEPH DAVID

Address

**'WEXTED ADVISORS' LEVEL 12 28-34
O'CONNELL STREET SYDNEY NSW 2000
AUSTRALIA**

Liquidator number

219954

Date of appointment

11-07-2013

Firm name

McGrathNicol

Name

CONNELLY ANTHONY NORMAN

Address

**LEVEL 7 175 EAGLE STREET BRISBANE
QLD 4000 AUSTRALIA**

Liquidator number

410893

Details of the original appointment

Appointment by instrument

Date of instrument **01-07-2010**

Description of instrument **Fixed and floatng charge**

Instrument is registered in

Personal Property Securities Register

Security Interest

201112213019561

Creditors' meeting or report

Not applicable or no details of the meeting have been provided

2 Dividend

Not applicable for this type of appointment

3 Secured lenders

Amount owing under instrument at the date of appointment/control day	28,000,000.00
Amount owing under instrument at date of this account	28,000,000.00
Estimated value of property subject to the instrument at the date of this account	68,878,834.97

4 Summary of professional fees and completion dates

Professional fees and outlays

Remuneration paid to you during the period for which this account is made up (inclusive of GST)

\$137,899.85

Remuneration paid to you from the date of your appointment to the date to which this account is made up (inclusive of GST)

\$3,245,135.10

Amount received by you in respect of expenses during the period for which this account is made up (inclusive of GST)

\$1,035.89

Amount received by you in respect of expenses from the date of your appointment to the date to which this account is made up (inclusive of GST)

\$46,953.86

Estimated completion date

Month and year by which you expect this appointment will be completed

07/2018

At the date of this account how long have you been appointed?

4 years 6 months

Details of causes which may delay the termination of your appointment

Related party litigation

5 Account of receipts and payments

Receipts

Total amounts received by you before the period for which this account has been made up	\$159,983,635.84
Total amounts received by you during the period for which this account has been made up	\$2,573,770.40

Total receipts **\$162,557,406.24**

Payments

Total payments made by you before the period for which this account has been made up	\$88,131,615.27
Payments made by you during the period for which this account has been made up	\$5,546,956.00

Total payments **\$93,678,571.27**

Reconciliation of money held

Cash in hand		\$0.00
Cash at bank - Credit as per bank statement	\$68,878,834.97	
Cash at bank - Less: unrepresented cheques	\$0.00	
Cash at bank - Add: outstanding deposits	\$0.00	
		\$68,878,834.97
Amounts invested and not converted to cash		\$0.00
Total balance of money held		\$68,878,834.97

6 Estimated outcome

Not applicable for this type of appointment

Account of receipts and payments for the period

Receipts

Date	Receipts from	Explanation	Amount \$
18-07-2017	Australian Taxation Office	GST Control: GST Paid (Received)	4,191.00
26-07-2017	Australian Taxation Office	GST Control: GST Paid (Received)	9,322.00
31-07-2017	Suncorp Bank	Interest Income	0.01
31-07-2017	Suncorp Bank	Interest Income	1,945.46
31-08-2017	Suncorp Bank	Interest Income	532.81
29-09-2017	St Crispins Property Pty Ltd 37139	Loan reduction-St Crispin's	1,334,215.01
30-09-2017	Suncorp Bank	Interest Income	440.19
02-10-2017	Australian Tax Office	GST Control: GST Paid (Received)	60,098.00
02-10-2017	Australian Tax Office	Interest Income	10.33
17-10-2017	Perpetual Trustee Company Ltd	Refunds	150,000.00
18-10-2017	Hickey Lawyers	Controllership Funds Transfer-OVST	255.00
20-10-2017	Clayton Utz	Settlement Proceeds	20,000.00
24-10-2017	Hickey Lawyers	Controllership Funds Transfer-OVST	255.00
26-10-2017	Suncorp Bank	Interest Income	701,917.80
31-10-2017	Suncorp Bank	Interest Income	2,133.43
13-11-2017	Australian Taxation Office	GST Control: GST Paid (Received)	6,679.24
30-11-2017	Suncorp Bank	Interest Income	1,983.88
20-12-2017	Suncorp Bank	Interest Income	213,044.27
28-12-2017	Western Union	Proceeds from Litigation	10,281.75
28-12-2017	Western Union	Proceeds from Litigation	2,394.56
28-12-2017	Western Union	Proceeds from Litigation	112.72
28-12-2017	Western Union	Proceeds from Litigation	2,760.72
29-12-2017	Western Union	Proceeds from Litigation	255.94
29-12-2017	Western Union	Proceeds from Litigation	9,531.79
29-12-2017	Western Union	Proceeds from Litigation	39,551.14
31-12-2017	Suncorp Bank	Interest Income	1,446.14
02-01-2018	Western Union	Proceeds from Litigation	412.21
Total receipts			\$2,573,770.40

Payments

Date	Payments to	Explanation	Amount \$
14-07-2017	Cameron Kohring	Other Professional Fees	1,496.00
21-07-2017	BDO (QLD) Pty Ltd	Other Professional Fees	897,580.20
21-07-2017	BDO (QLD) Pty Ltd	Other Professional Disbursements	8,982.81
21-07-2017	BDO (QLD) Pty Ltd	Other Professional Fees	607.20
21-07-2017	BDO (QLD) Pty Ltd	Other Professional Fees	3,399.00
21-07-2017	BDO (QLD) Pty Ltd	Other Professional Disbursements	139.62
21-07-2017	BDO (QLD) Pty Ltd	Other Professional Fees	5,872.35
21-07-2017	BDO (QLD) Pty Ltd	Other Professional Fees	924.55
21-07-2017	BDO (QLD) Pty Ltd	Other Professional Fees	635.80
21-07-2017	BDO (QLD) Pty Ltd	Other Professional Fees	875.60
21-07-2017	DIALOG INFORMATION TECHNOLOGY	Other Professional Fees	330.00
21-07-2017	Grace Records Manangement	Other Professional Fees	1,062.71
21-07-2017	Worldwide printing solutions	Other Professional Fees	8,078.77
21-07-2017	McGrathNicol	Appointee Disbursements	117.91
21-07-2017	McGrathNicol	Fees: Appointee Fees	83,356.90
21-07-2017	McGrathNicol	Appointee Disbursements	23.00
21-07-2017	McGrathNicol	Fees: Appointee Fees	54,542.95
21-07-2017	Gadens Lawyers	Legal Fees	24,134.55
21-07-2017	Gadens Lawyers	Other Professional Disbursements	23,543.03

21-07-2017	Gadens Lawyers	Legal Fees	18,068.05
21-07-2017	Gadens Lawyers	Other Professional Disbursements	2,849.83
21-07-2017	Gadens Lawyers	Legal Fees	1,981.65
21-07-2017	Clayton Utz	Legal Fees	2,995.30
21-07-2017	CyberThread Pty Ltd	Other Professional Fees	1,442.20
21-07-2017	DIALOG INFORMATION TECHNOLOGY	Other Professional Fees	55.00
25-07-2017	Surety IT Pty Ltd	Other Professional Fees	935.00
25-07-2017	Gadens Lawyers	Legal Fees	4,485.25
25-07-2017	Gadens Lawyers	Other Professional Disbursements	16,623.75
25-07-2017	Gadens Lawyers	Legal Fees	33,077.00
25-07-2017	Gadens Lawyers	Other Professional Disbursements	2,849.83
25-07-2017	Tucker & Cowen Solicitors	Legal Fees	734.25
25-07-2017	Tucker & Cowen Solicitors	Legal Fees	138.42
25-07-2017	Tucker & Cowen Solicitors	Legal Fees	2,574.00
25-07-2017	Tucker & Cowen Solicitors	Legal Fees	7,202.25
25-07-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	19.14
25-07-2017	Tucker & Cowen Solicitors	Legal Fees	742.50
25-07-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	8.80
25-07-2017	Tucker & Cowen Solicitors	Legal Fees	22,685.34
25-07-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	2,085.78
25-07-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	292.38
25-07-2017	Tucker & Cowen Solicitors	Legal Fees	10,644.34
25-07-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	21.12
25-07-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	157.08
25-07-2017	Tucker & Cowen Solicitors	Legal Fees	71,500.00
25-07-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	4,435.42
25-07-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	84,949.42
25-07-2017	Cloud Plus	Other Professional Fees	8,585.50
31-07-2017	Suncorp Bank	Bank Charges	6.00
10-08-2017	Perpetual Services Pty Ltd	Other Professional Fees	5,500.00
10-08-2017	Cameron Kohring	Other Professional Fees	2,711.50
10-08-2017	Cameron Kohring- Expenses	Other Professional Disbursements	55.66
10-08-2017	Cameron Kohring- Expenses	Other Professional Disbursements	466.99
10-08-2017	Cameron Kohring- Expenses	Other Professional Disbursements	55.00
10-08-2017	Clayton Utz	Legal Fees	1,657.70
10-08-2017	Clayton Utz	Other Professional Disbursements	11.36
10-08-2017	Clayton Utz	Legal Fees	20,983.60
10-08-2017	Clayton Utz	Other Professional Disbursements	1,052.47
10-08-2017	Clayton Utz	Other Professional Disbursements	95.30
10-08-2017	MGI North Queensland	Other Professional Fees	2,035.00
11-08-2017	Surety IT Pty Ltd	Other Professional Fees	935.00
11-08-2017	Grace Records Management (Australia) Pty Ltd	Other Professional Fees	1,062.71
11-08-2017	Tucker & Cowen Solicitors	Legal Fees	8,943.06
11-08-2017	Tucker & Cowen Solicitors	Legal Fees	550.66
11-08-2017	Tucker & Cowen Solicitors	Legal Fees	156.92
11-08-2017	Tucker & Cowen Solicitors	Legal Fees	9,225.63
11-08-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	962.50
11-08-2017	Tucker & Cowen Solicitors	Legal Fees	2,077.27
11-08-2017	Tucker & Cowen Solicitors	Legal Fees	2,894.34
11-08-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	5,914.26
11-08-2017	Tucker & Cowen Solicitors	Legal Fees	4,857.44
11-08-2017	Tucker & Cowen Solicitors	Legal Fees	4,959.16
11-08-2017	DIALOG INFORMATION TECHNOLOGY	Other Professional Fees	55.00
24-08-2017	Clayton Utz	Legal Fees	16,814.60
24-08-2017	Clayton Utz	Other Professional Disbursements	162.02
24-08-2017	Cloud Plus	Other Professional Fees	8,585.50
24-08-2017	Gadens Lawyers	Legal Fees	1,441.00
24-08-2017	Gadens Lawyers	Legal Fees	10,435.15
24-08-2017	Gadens Lawyers	Other Professional Disbursements	2,849.83
24-08-2017	Gadens Lawyers	Legal Fees	19,659.75
24-08-2017	Gadens Lawyers	Other Professional Disbursements	5,087.50

24-08-2017	Surety IT Pty Ltd	Other Professional Fees	495.00
25-08-2017	McGrathNicol	Appointee Disbursements	894.98
31-08-2017	Suncorp Bank	Bank Charges	4.60
07-09-2017	Austcorp Project No 20 Pty Ltd (in Liquidation)	Deed of Assignment Fee	7,000.00
07-09-2017	Compromise Creditors Management Pty Ltd (in Liquidation)	Deed of Assignment Fee	7,000.00
15-09-2017	Cameron Kohring	Other Professional Fees	2,992.00
15-09-2017	Clayton Utz	Legal Fees	8,393.00
15-09-2017	Clayton Utz	Other Professional Disbursements	95.73
15-09-2017	LJ Hooker Yeppoon	Loan drawdown - Keppel Bay Holdings	30,007.00
15-09-2017	Singo's trade services group	Loan drawdown - Keppel Bay Holdings	4,345.00
15-09-2017	Singo's trade services group	Loan drawdown - Keppel Bay Holdings	588.50
18-09-2017	Plantability Constructions Pty Ltd	Loan drawdown - Keppel Bay Holdings	1,859.00
21-09-2017	Grace Records Management	Other Professional Fees	1,062.71
21-09-2017	Cloud Plus	Other Professional Fees	8,585.50
21-09-2017	Surety IT Pty Ltd	Other Professional Fees	935.00
21-09-2017	Gadens Lawyers	Legal Fees	10,194.25
21-09-2017	Gadens Lawyers	Other Professional Disbursements	6,462.85
21-09-2017	Gadens Lawyers	Legal Fees	25,613.50
21-09-2017	Gadens Lawyers	Other Professional Disbursements	11,149.04
21-09-2017	Gadens Lawyers	Legal Fees	3,938.00
21-09-2017	Tucker & Cowen Solicitors	Legal Fees	19,741.29
21-09-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	90.42
21-09-2017	Tucker & Cowen Solicitors	Legal Fees	4,838.63
21-09-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	3.30
21-09-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	308.09
21-09-2017	Tucker & Cowen Solicitors	Legal Fees	1,279.66
21-09-2017	Tucker & Cowen Solicitors	Legal Fees	1,775.11
21-09-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	295.24
21-09-2017	Tucker & Cowen Solicitors	Legal Fees	1,639.00
21-09-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	77.66
21-09-2017	Tucker & Cowen Solicitors	Legal Fees	3,270.66
21-09-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	1.32
25-09-2017	Office of State Revenue Collection	Loan drawdown - Keppel Bay Holdings	14,506.00
25-09-2017	Office of State Revenue Collection	Loan drawdown - Keppel Bay Holdings	10,502.50
30-09-2017	Suncorp Bank	Bank Charges	3.80
11-10-2017	Singo's trade services group	Loan drawdown - Keppel Bay Holdings	1,980.00
11-10-2017	DIALOG INFORMATION TECHNOLOGY	Other Professional Fees	880.00
11-10-2017	Surety IT Pty Ltd	Other Professional Fees	935.00
11-10-2017	TNT Weier Pty Ltd	Other Professional Fees	1,650.00
11-10-2017	Cameron Kohring- Expenses	Other Professional Disbursements	67.32
11-10-2017	Cameron Kohring- Expenses	Other Professional Disbursements	432.55
11-10-2017	Cameron Kohring- Expenses	Other Professional Disbursements	137.28
11-10-2017	Cameron Kohring- Expenses	Other Professional Disbursements	55.00
11-10-2017	Cameron Kohring- Expenses	Other Professional Disbursements	13.54
11-10-2017	Cameron Kohring	Other Professional Fees	5,516.50
18-10-2017	Corrs Chambers Westgarth	Legal Fees	5,239.30
18-10-2017	Clayton Utz	Legal Fees	3,219.15
18-10-2017	Cloud Plus	Other Professional Fees	8,585.50
18-10-2017	Gadens Lawyers	Legal Fees	8,838.50
18-10-2017	Gadens Lawyers	Legal Fees	14,082.75
18-10-2017	Gadens Lawyers	Legal Fees	45,435.50
18-10-2017	Gadens Lawyers	Other Professional Disbursements	15,235.96

18-10-2017	DIALOG INFORMATION TECHNOLOGY	Other Professional Fees	330.00
18-10-2017	Grace Records Management	Other Professional Fees	1,062.71
18-10-2017	Tucker & Cowen Solicitors	Legal Fees	5,421.15
18-10-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	69.96
18-10-2017	Tucker & Cowen Solicitors	Legal Fees	198.00
18-10-2017	Tucker & Cowen Solicitors	Legal Fees	8,193.61
18-10-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	3.30
18-10-2017	Tucker & Cowen Solicitors	Legal Fees	9,241.83
18-10-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	1.98
18-10-2017	Tucker & Cowen Solicitors	Legal Fees	763.59
18-10-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	11.00
18-10-2017	Worldwide printing solutions	Other Professional Fees	9,119.00
20-10-2017	Suncorp Bank	Bank Charges	2.50
31-10-2017	Suncorp Bank	Bank Charges	4.00
10-11-2017	Cameron Kohring- Expenses	Other Professional Disbursements	54.49
10-11-2017	Cameron Kohring- Expenses	Other Professional Disbursements	577.41
10-11-2017	Cameron Kohring- Expenses	Other Professional Disbursements	137.28
10-11-2017	Cameron Kohring- Expenses	Other Professional Disbursements	75.00
10-11-2017	Cameron Kohring- Expenses	Other Professional Disbursements	15.85
10-11-2017	Cameron Kohring- Expenses	Other Professional Disbursements	38.95
10-11-2017	Cameron Kohring- Expenses	Other Professional Disbursements	350.00
10-11-2017	Cameron Kohring	Other Professional Fees	7,106.00
10-11-2017	Corrs Chambers Westgarth	Loan drawdown - Keppel Bay Holdings	21,066.32
22-11-2017	Clayton Utz	Legal Fees	3,087.70
22-11-2017	Clayton Utz	Other Professional Disbursements	33.00
22-11-2017	Cloud Plus	Other Professional Fees	8,585.50
22-11-2017	Gadens Lawyers	Legal Fees	6,358.00
22-11-2017	Gadens Lawyers	Other Professional Disbursements	31,872.14
22-11-2017	Gadens Lawyers	Legal Fees	5,758.50
22-11-2017	Gadens Lawyers	Legal Fees	6,866.75
22-11-2017	Herron Todd White (Central Queensland) Pty Ltd	Other Professional Fees	8,934.75
22-11-2017	Jabrie Safety & Training Pty Ltd	Other Professional Fees	782.00
22-11-2017	Tucker & Cowen Solicitors	Legal Fees	2,085.39
22-11-2017	Tucker & Cowen Solicitors	Legal Fees	3,663.00
22-11-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	190.08
22-11-2017	Tucker & Cowen Solicitors	Legal Fees	6,100.86
22-11-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	62.04
22-11-2017	Tucker & Cowen Solicitors	Legal Fees	476.21
22-11-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	60.17
22-11-2017	Tucker & Cowen Solicitors	Legal Fees	9,113.48
22-11-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	27.72
22-11-2017	Tucker & Cowen Solicitors	Legal Fees	3,054.30
22-11-2017	Jones Lang LaSalle (NSW) Pty Ltd	Other Professional Fees	5,940.00
22-11-2017	Cameron Kohring- Expenses	Other Professional Disbursements	89.41
22-11-2017	Cameron Kohring- Expenses	Other Professional Disbursements	324.00
22-11-2017	Cameron Kohring- Expenses	Other Professional Disbursements	137.28
22-11-2017	Cameron Kohring- Expenses	Other Professional Disbursements	75.00
22-11-2017	Cameron Kohring- Expenses	Other Professional Disbursements	19.21
22-11-2017	Cameron Kohring- Expenses	Other Professional Disbursements	175.43
22-11-2017	Cameron Kohring- Expenses	Other Professional Disbursements	155.00
22-11-2017	Clayton Utz	Legal Fees	4,352.70
22-11-2017	Clayton Utz	Other Professional Disbursements	129.27
22-11-2017	Jones Lang LaSalle (NSW) Pty Ltd	Other Professional Fees	4,950.00
22-11-2017	Worldwide printing solutions	Other Professional Fees	2,100.00
22-11-2017	Grace Records Management	Other Professional Fees	1,146.36
30-11-2017	Australian Taxation Office	GST Control: GST Paid (Received)	298.00
30-11-2017	DLA Piper	Legal Fees	8,731.25
30-11-2017	Grant Thornton	Other Professional Fees	8,577.80
30-11-2017	Perpetual Services Pty Ltd	Other Professional Fees	5,500.00
30-11-2017	Suncorp Bank	Bank Charges	5.20

06-12-2017	Cameron Kohring	Other Professional Fees	4,207.50
06-12-2017	Alpha Cool	Loan drawdown - various	529.77
06-12-2017	Clayton Utz	Legal Fees	3,074.50
06-12-2017	Cloud Plus	Other Professional Fees	8,585.50
06-12-2017	DIALOG INFORMATION TECHNOLOGY	Other Professional Fees	110.00
06-12-2017	Grace Records Management	Other Professional Fees	1,062.71
06-12-2017	BDO (QLD) Pty Ltd	Other Professional Fees	18,114.25
06-12-2017	BDO (QLD) Pty Ltd	Other Professional Fees	1,280,897.20
06-12-2017	BDO (QLD) Pty Ltd	Other Professional Disbursements	16,664.26
06-12-2017	BDO (QLD) Pty Ltd	Other Professional Fees	3,198.25
06-12-2017	BDO (QLD) Pty Ltd	Other Professional Fees	1,076.35
06-12-2017	BDO (QLD) Pty Ltd	Other Professional Fees	1,415.15
06-12-2017	BDO (QLD) Pty Ltd	Other Professional Fees	834.90
06-12-2017	BDO (QLD) Pty Ltd	Other Professional Fees	1,516.35
20-12-2017	Suncorp Bank	Bank Charges	11,390.00
20-12-2017	FTI Consulting	Legal Fees	44,158.64
20-12-2017	Gadens Lawyers	Legal Fees	22,244.75
20-12-2017	Gadens Lawyers	Other Professional Disbursements	3,686.41
20-12-2017	Gadens Lawyers	Legal Fees	5,538.50
20-12-2017	Gadens Lawyers	Other Professional Disbursements	2,849.55
20-12-2017	Gadens Lawyers	Legal Fees	57,134.00
20-12-2017	Gadens Lawyers	Other Professional Disbursements	78,385.00
20-12-2017	Tucker & Cowen Solicitors	Legal Fees	5,721.36
20-12-2017	Tucker & Cowen Solicitors	Legal Fees	16,166.54
20-12-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	4,459.62
20-12-2017	Tucker & Cowen Solicitors	Legal Fees	20,149.80
20-12-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	4,537.50
20-12-2017	Tucker & Cowen Solicitors	Legal Fees	443.65
20-12-2017	Tucker & Cowen Solicitors	Legal Fees	16,513.68
20-12-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	528.99
20-12-2017	FTI Consulting	Legal Fees	1,827,205.23
21-12-2017	Tucker & Cowen Solicitors	Other Professional Disbursements	5,775.00
21-12-2017	Surety IT Pty Ltd	Other Professional Fees	935.00
21-12-2017	Surety IT Pty Ltd	Other Professional Fees	935.00
21-12-2017	FTI Consulting	Legal Fees	10,888.14
28-12-2017	Suncorp Bank	Bank Charges	2.50
31-12-2017	Suncorp Bank	Bank Charges	5.40
Total payments			\$5,546,956.00

7 Your verification of this account and statement

Statement :

The information given in the statement is true to the best of my knowledge and belief at the date of lodging

Receipts & payments :

The attached account of receipts and payments contains a full and true account of my receipts and payments in this period and I have not, nor has any other person by my order or for my use during that period, received or paid any money on account of the company/pooled group other than and except the items mentioned and specified in that account.

Authentication

This form has been authenticated by
Name ANTHONY NORMAN CONNELLY

This form has been submitted by
Name Graciela NOLAN
Date 07-02-2018

For more help or information

Web www.asic.gov.au
Ask a question? www.asic.gov.au/question
Telephone 1300 300 630

Presentation of accounts and statement

Liquidator details

Registered liquidator number

410893

Registered liquidator name

ANTHONY NORMAN CONNELLY

Company details

Company name

LM Investment Management Limited

ACN/ABN

077 208 461

1 Details of appointment

Date of commencement

11-07-2013

Type of appointment

Receiver and manager

Are the accounts final?

No

Accounts and statements made up from

11-01-2018

To

10-07-2018

Details of the appointee(s)

Date of appointment

11-07-2013

Firm name

McGrathNicol

Name

HAYES JOSEPH DAVID

Address

**'WEXTED ADVISORS' LEVEL 12 28-34
O'CONNELL STREET SYDNEY NSW 2000
AUSTRALIA**

Liquidator number

219954

Date of appointment

11-07-2013

Firm name

McGrathNicol

Name

CONNELLY ANTHONY NORMAN

Address

**LEVEL 7 175 EAGLE STREET BRISBANE
QLD 4000 AUSTRALIA**

Liquidator number

410893

Details of the original appointment

Appointment by instrument

Date of instrument **01-07-2010**

Description of instrument **Fixed and floating charge**

Instrument is registered in

Personal Property Securities Register

Security Interest

201112213019561

Creditors' meeting or report

Not applicable or no details of the meeting have been provided

2 Dividend

Not applicable for this type of appointment

3 Secured lenders

Amount owing under instrument at the date of appointment/control day	28,000,000.00
Amount owing under instrument at date of this account	28,000,000.00
Estimated value of property subject to the instrument at the date of this account	68,688,684.13

4 Summary of professional fees and completion dates

Professional fees and outlays

Remuneration paid to you during the period for which this account is made up (inclusive of GST)

\$212,812.60

Remuneration paid to you from the date of your appointment to the date to which this account is made up (inclusive of GST)

\$3,457,947.70

Amount received by you in respect of expenses during the period for which this account is made up (inclusive of GST)

\$180.36

Amount received by you in respect of expenses from the date of your appointment to the date to which this account is made up (inclusive of GST)

\$47,134.22

Estimated completion date

Month and year by which you expect this appointment will be completed

12/2018

At the date of this account how long have you been appointed?

5 years 0 months

Details of causes which may delay the termination of your appointment

Related party litigation

5 Account of receipts and payments

Receipts

Total amounts received by you before the period for which this account has been made up	\$162,557,406.24
Total amounts received by you during the period for which this account has been made up	\$2,553,882.03

Total receipts **\$165,111,288.27**

Payments

Total payments made by you before the period for which this account has been made up	\$93,678,571.27
Payments made by you during the period for which this account has been made up	\$2,744,032.87

Total payments **\$96,422,604.14**

Reconciliation of money held

Cash in hand		\$0.00
Cash at bank - Credit as per bank statement	\$68,688,684.13	
Cash at bank - Less: unrepresented cheques	\$0.00	
Cash at bank - Add: outstanding deposits	\$0.00	
		\$68,688,684.13
Amounts invested and not converted to cash		\$0.00
Total balance of money held		\$68,688,684.13

6 Estimated outcome

Not applicable for this type of appointment

Account of receipts and payments for the period

Receipts

Date	Receipts from	Explanation	Amount \$
21-01-2018	Australian Taxation Office	GST Control: GST Paid (Received)	15,345.00
21-01-2018	Australian Taxation Office	Interest Income	14.46
29-01-2018	Willis Australia Limited	Refunds	283.23
29-01-2018	Willis Australia Limited	Refunds	125.35
31-01-2018	Suncorp Bank	Interest Income	2,927.13
16-02-2018	Hidden Valley Controller	Controllership Funds Transfer	7,070.22
16-02-2018	Young Project Controller	Controllership Funds Transfer	134.59
16-02-2018	Keppel Views Controller	Controllership Funds Transfer	5,592.90
16-02-2018	Keppel Bay Holdings	Controllership Funds Transfer	1,711,381.65
28-02-2018	Suncorp Bank	Interest Income	2,986.87
28-02-2018	McGrathNicol	Overpayment	1,608.75
13-03-2018	Australian Taxation Office	GST Control: GST Paid (Received)	6,627.22
20-03-2018	Suncorp Bank	Interest Income	320,708.21
31-03-2018	Suncorp Bank	Interest Income	0.01
31-03-2018	Suncorp Bank	Interest Income	6,682.70
17-04-2018	Australian Taxation Office	GST Control: GST Paid (Received)	865.10
30-04-2018	Suncorp Bank	Interest Income	2,992.27
21-05-2018	Australian Taxation Office	GST Control: GST Paid (Received)	4,414.00
23-05-2018	Western Union	Proceeds from Litigation	3,529.39
28-05-2018	Australian Taxation Office	GST Control: GST Paid (Received)	91,679.00
28-05-2018	Australian Taxation Office	Interest Income	330.29
31-05-2018	Suncorp Bank	Interest Income	2,903.98
06-06-2018	Australian Taxation Office	GST Control: GST Paid (Received)	3,684.00
21-06-2018	Suncorp Bank	Interest Income	350,847.67
30-06-2018	Suncorp Bank	Interest Income	2,493.04
04-07-2018	Australian Taxation Office	GST Control: GST Paid (Received)	8,155.00
04-07-2018	Australian Taxation Office	GST Control: GST Paid (Received)	500.00
Total receipts			\$2,553,882.03

Payments

Date	Payments to	Explanation	Amount \$
29-01-2018	Willis Australia Limited	Insurance	550.19
29-01-2018	Willis Australia Limited	Insurance	550.19
29-01-2018	Willis Australia Limited	Insurance	730.88
29-01-2018	Willis Australia Limited	Insurance	730.88
29-01-2018	Clayton Utz	Legal Fees	12,823.80
29-01-2018	Clayton Utz	Other Professional Disbursements	112.75
29-01-2018	Clayton Utz	Other Professional Disbursements	560.00
29-01-2018	Cloud Plus	Other Professional Fees	8,585.50
29-01-2018	Grace Records Management	Other Professional Fees	1,062.71
29-01-2018	Gadens Lawyers	Legal Fees	42,270.25
29-01-2018	Gadens Lawyers	Legal Fees	2,898.50
29-01-2018	Gadens Lawyers	Other Professional Disbursements	2,850.10
29-01-2018	Gadens Lawyers	Legal Fees	17,099.50
29-01-2018	Surety IT Pty Ltd	Other Professional Fees	935.00
29-01-2018	Tucker & Cowen Solicitors	Legal Fees	6,775.31
29-01-2018	Tucker & Cowen Solicitors	Legal Fees	48,222.19
29-01-2018	Tucker & Cowen Solicitors	Other Professional Disbursements	13,992.95
29-01-2018	Tucker & Cowen Solicitors	Legal Fees	253.65

29-01-2018	Tucker & Cowen Solicitors	Legal Fees	7,656.75
29-01-2018	Tucker & Cowen Solicitors	Other Professional Disbursements	66.75
29-01-2018	Tucker & Cowen Solicitors	Legal Fees	5,165.94
29-01-2018	Tucker & Cowen Solicitors	Other Professional Disbursements	2,200.00
29-01-2018	Tucker & Cowen Solicitors	Legal Fees	2,946.59
29-01-2018	Tucker & Cowen Solicitors	Other Professional Disbursements	128.37
29-01-2018	Worldwide printing solutions	Other Professional Fees	8,146.49
31-01-2018	Suncorp Bank	Bank Charges	3.00
01-02-2018	DIALOG INFORMATION TECHNOLOGY	Other Professional Fees	220.00
02-02-2018	Clayton Utz	Legal Fees	1,988.80
02-02-2018	Clayton Utz	Legal Fees	1,205.60
02-02-2018	Corrs Chambers Westgarth	Legal Fees	8,539.30
07-02-2018	McGrathNicol	Fees: Appointee Fees	48,524.30
07-02-2018	McGrathNicol	Appointee Disbursements	171.36
07-02-2018	McGrathNicol	Fees: Appointee Fees	164,288.30
07-02-2018	McGrathNicol	Appointee Disbursements	9.00
07-02-2018	McGrathNicol	Overpayment	1,608.75
08-02-2018	Clayton Utz	Legal Fees	3,210.90
08-02-2018	Cloud Plus	Other Professional Fees	8,585.50
08-02-2018	DIALOG INFORMATION TECHNOLOGY	Other Professional Fees	440.00
08-02-2018	Grace Records Management	Other Professional Fees	1,062.71
08-02-2018	Surety IT Pty Ltd	Other Professional Fees	935.00
08-02-2018	Tucker & Cowen Solicitors	Legal Fees	4,634.64
08-02-2018	Tucker & Cowen Solicitors	Other Professional Disbursements	0.66
08-02-2018	Tucker & Cowen Solicitors	Legal Fees	14,212.00
08-02-2018	Tucker & Cowen Solicitors	Other Professional Disbursements	44.22
08-02-2018	Tucker & Cowen Solicitors	Other Professional Disbursements	2,926.00
08-02-2018	Tucker & Cowen Solicitors	Other Professional Disbursements	1,324.40
08-02-2018	Tucker & Cowen Solicitors	Legal Fees	10,284.99
08-02-2018	Tucker & Cowen Solicitors	Other Professional Disbursements	40.26
08-02-2018	Tucker & Cowen Solicitors	Legal Fees	696.67
08-02-2018	Tucker & Cowen Solicitors	Legal Fees	1,584.00
08-02-2018	Tucker & Cowen Solicitors	Other Professional Disbursements	3.96
08-02-2018	Tucker & Cowen Solicitors	Legal Fees	2,077.16
08-02-2018	Tucker & Cowen Solicitors	Other Professional Disbursements	2.64
08-02-2018	Tucker & Cowen Solicitors	Other Professional Disbursements	1,386.00
08-02-2018	Tucker & Cowen Solicitors	Legal Fees	168.66
08-02-2018	Tucker & Cowen Solicitors	Legal Fees	2,574.00
28-02-2018	Suncorp Bank	Bank Charges	3.40
14-03-2018	Clayton Utz	Legal Fees	3,612.95
14-03-2018	Clayton Utz	Other Professional Disbursements	109.38
14-03-2018	Gadens Lawyers	Legal Fees	17,388.25
14-03-2018	Gadens Lawyers	Other Professional Disbursements	2,200.00
14-03-2018	Gadens Lawyers	Legal Fees	10,147.49
14-03-2018	Gadens Lawyers	Other Professional Disbursements	2,850.11
14-03-2018	Gadens Lawyers	Legal Fees	9,878.00
14-03-2018	Gadens Lawyers	Other Professional Disbursements	9,900.00
14-03-2018	Jones Lang LaSalle (NSW) Pty Ltd	Other Professional Fees	1,320.00
14-03-2018	Surety IT Pty Ltd	Other Professional Fees	935.00
14-03-2018	Willis Australia Limited	Loan drawdown - Hidden Valley	1,839.70
14-03-2018	Willis Australia Limited	Loan drawdown - Keppel Bay Holdings	1,498.20
14-03-2018	Willis Australia Limited	Loan drawdown - Keppel Bay Holdings	751.60
20-03-2018	Corrs Chambers Westgarth	Legal Fees	436.70
20-03-2018	Clayton Utz	Legal Fees	589.05
20-03-2018	Perpetual Services Pty Ltd	Other Professional Fees	5,500.00
21-03-2018	Gadens Lawyers	Legal Fees	8,635.00
21-03-2018	Gadens Lawyers	Legal Fees	10,752.50
21-03-2018	Gadens Lawyers	Other Professional Disbursements	8,793.95
21-03-2018	Gadens Lawyers	Legal Fees	8,277.50
21-03-2018	Grace Records Management	Other Professional Fees	1,062.71

21-03-2018	Tucker & Cowen Solicitors	Legal Fees	8,195.00
21-03-2018	Tucker & Cowen Solicitors	Legal Fees	8,130.54
21-03-2018	Tucker & Cowen Solicitors	Legal Fees	5,746.80
21-03-2018	Tucker & Cowen Solicitors	Legal Fees	352.00
21-03-2018	Tucker & Cowen Solicitors	Legal Fees	396.00
21-03-2018	Tucker & Cowen Solicitors	Other Professional Disbursements	3,594.25
21-03-2018	Tucker & Cowen Solicitors	Legal Fees	795.66
21-03-2018	Tucker & Cowen Solicitors	Legal Fees	297.00
21-03-2018	Cloud Plus	Other Professional Fees	8,585.50
31-03-2018	Suncorp Bank	Bank Charges	4.40
24-04-2018	Cloud Plus	Other Professional Fees	8,585.50
24-04-2018	Gadens Lawyers	Legal Fees	11,187.00
24-04-2018	Gadens Lawyers	Legal Fees	15,628.25
24-04-2018	Surety IT Pty Ltd	Other Professional Fees	935.00
24-04-2018	Tucker & Cowen Solicitors	Legal Fees	16,569.30
24-04-2018	Tucker & Cowen Solicitors	Legal Fees	2,193.84
24-04-2018	Tucker & Cowen Solicitors	Other Professional Disbursements	6,160.00
24-04-2018	Tucker & Cowen Solicitors	Legal Fees	4,977.05
24-04-2018	Tucker & Cowen Solicitors	Other Professional Disbursements	5,422.65
24-04-2018	Tucker & Cowen Solicitors	Legal Fees	133.83
24-04-2018	Tucker & Cowen Solicitors	Legal Fees	198.00
24-04-2018	Tucker & Cowen Solicitors	Legal Fees	254.98
24-04-2018	Tucker & Cowen Solicitors	Legal Fees	344.67
24-04-2018	Worldwide printing solutions	Other Professional Fees	9,733.00
24-04-2018	Clayton Utz	Legal Fees	3,463.90
24-04-2018	Clayton Utz	Legal Fees	1,865.60
24-04-2018	Perpetual Services Pty Ltd	Legal Fees	2,409.61
30-04-2018	Suncorp Bank	Bank Charges	3.00
17-05-2018	Grace Records Management	Other Professional Fees	1,062.71
17-05-2018	Gadens Lawyers	Legal Fees	40,731.17
17-05-2018	Perpetual Services Pty Ltd	Other Professional Fees	5,500.00
17-05-2018	Clayton Utz	Legal Fees	1,976.15
17-05-2018	Clayton Utz	Other Professional Disbursements	43.02
17-05-2018	Cloud Plus	Other Professional Fees	8,585.50
17-05-2018	Gadens Lawyers	Legal Fees	13,750.00
17-05-2018	Gadens Lawyers	Other Professional Disbursements	17,462.50
17-05-2018	Gadens Lawyers	Legal Fees	27,896.00
17-05-2018	Gadens Lawyers	Other Professional Disbursements	2,850.10
17-05-2018	Gadens Lawyers	Legal Fees	10,716.74
17-05-2018	Gadens Lawyers	Other Professional Disbursements	4,262.51
17-05-2018	Grace Records Management	Other Professional Fees	1,062.71
17-05-2018	Surety IT Pty Ltd	Other Professional Fees	935.00
17-05-2018	Tucker & Cowen Solicitors	Legal Fees	22,735.06
17-05-2018	Tucker & Cowen Solicitors	Legal Fees	49.50
17-05-2018	Tucker & Cowen Solicitors	Legal Fees	16,920.51
17-05-2018	Tucker & Cowen Solicitors	Other Professional Disbursements	1,232.00
17-05-2018	Tucker & Cowen Solicitors	Legal Fees	49.50
17-05-2018	Tucker & Cowen Solicitors	Legal Fees	1,447.95
17-05-2018	Tucker & Cowen Solicitors	Legal Fees	4,757.52
17-05-2018	Tucker & Cowen Solicitors	Legal Fees	15,336.70
23-05-2018	Suncorp Bank	Bank Charges	2.50
31-05-2018	Suncorp Bank	Bank Charges	3.40
21-06-2018	Clayton Utz	Legal Fees	1,456.15
21-06-2018	Cloud Plus	Other Professional Fees	8,585.50
21-06-2018	Gadens Lawyers	Legal Fees	14,795.00
21-06-2018	Gadens Lawyers	Legal Fees	32,738.75
21-06-2018	Gadens Lawyers	Other Professional Disbursements	43,057.67
21-06-2018	Gadens Lawyers	Other Professional Disbursements	7,497.05
21-06-2018	Gadens Lawyers	Legal Fees	4,114.00
21-06-2018	Gadens Lawyers	Other Professional Disbursements	18,666.08
21-06-2018	Gadens Lawyers	Legal Fees	58,300.00
21-06-2018	Gadens Lawyers	Other Professional Disbursements	47,304.40
21-06-2018	Grace Records Management	Other Professional Fees	1,322.01
21-06-2018	Surety IT Pty Ltd	Other Professional Fees	935.00

21-06-2018	Tucker & Cowen Solicitors	Legal Fees	8,943.01
21-06-2018	Tucker & Cowen Solicitors	Legal Fees	11,787.48
21-06-2018	Tucker & Cowen Solicitors	Legal Fees	6,376.23
21-06-2018	Tucker & Cowen Solicitors	Legal Fees	1,028.07
21-06-2018	Tucker & Cowen Solicitors	Legal Fees	801.16
21-06-2018	Tucker & Cowen Solicitors	Legal Fees	6,184.73
21-06-2018	Tucker & Cowen Solicitors	Legal Fees	26,031.54
21-06-2018	Worldwide printing solutions	Other Professional Fees	2,714.24
27-06-2018	BDO (QLD) Pty Ltd	Other Professional Fees	2,187.90
27-06-2018	BDO (QLD) Pty Ltd	Other Professional Fees	2,134.55
27-06-2018	BDO (QLD) Pty Ltd	Other Professional Disbursements	0.95
27-06-2018	BDO (QLD) Pty Ltd	Other Professional Fees	1,064.25
27-06-2018	BDO (QLD) Pty Ltd	Other Professional Fees	1,683.55
27-06-2018	BDO (QLD) Pty Ltd	Other Professional Fees	1,433.30
27-06-2018	BDO (QLD) Pty Ltd	Other Professional Disbursements	0.95
27-06-2018	BDO (QLD) Pty Ltd	Other Professional Disbursements	0.95
27-06-2018	BDO (QLD) Pty Ltd	Other Professional Fees	13,803.35
27-06-2018	BDO (QLD) Pty Ltd	Other Professional Disbursements	0.95
27-06-2018	BDO (QLD) Pty Ltd	Other Professional Fees	1,041,907.90
27-06-2018	BDO (QLD) Pty Ltd	Other Professional Disbursements	23,343.20
30-06-2018	Suncorp Bank	Bank Charges	3.60
03-07-2018	Russells Solicitors	Legal Fees	230,889.50
03-07-2018	Russells Solicitors	Legal Fees	220,859.31
Total payments			\$2,744,032.87

7 Your verification of this account and statement

Statement :

The information given in the statement is true to the best of my knowledge and belief at the date of lodging

Receipts & payments :

The attached account of receipts and payments contains a full and true account of my receipts and payments in this period and I have not, nor has any other person by my order or for my use during that period, received or paid any money on account of the company/pooled group other than and except the items mentioned and specified in that account.

Authentication

This form has been authenticated by

Name ANTHONY NORMAN CONNELLY

This form has been submitted by

Name Graciela NOLAN

Date 10-08-2018

For more help or information

Web www.asic.gov.au

Ask a question? www.asic.gov.au/question

Telephone 1300 300 630

15 January 2015

TO INVESTORS

Dear Member

**LM FIRST MORTGAGE INCOME FUND ARSN 089 343 288 (RECEIVERS AND MANAGERS APPOINTED)
(RECEIVER APPOINTED) ("THE FUND")**

I attach the unaudited accounts for the Fund for the year ended 30 June 2014.

During the reporting period the following insolvency events have taken place:

- John Park and Ginette Muller of FTI Consulting were appointed as Liquidators of the Fund's Responsible Entity, LM Investment Management Ltd (In Liquidation) ("LMIM") on 1 August 2013 having previously been appointed as Administrators of LMIM on 19 March 2013.
- Joseph Hayes and Anthony Connelly of McGrathNicol were appointed as Receivers and Managers of the Fund on 11 July 2013 by the secured creditor, Deutsche Bank.
- I was appointed Receiver over the assets of the Fund and as person responsible for ensuring the Fund is wound up pursuant to the terms of its constitution by the Supreme Court of Queensland on 8 August 2013.

The accounts have been prepared in conjunction with the service provider, LM Administration Pty Ltd's (In Liquidation) staff and consultants and by collating the records maintained by the Fund, the service provider and receipts and payments and other records of FTI and McGrathNicol.

The accounts have been prepared in accordance with the Scheme Constitution, the recognition and measurement requirements of the Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The accounts have been reviewed by the BDO audit team. However, their work does not constitute a full audit and therefore, the accounts are provided on an unaudited basis.

Should members require further information, please contact BDO on the details provided below.

BDO
GPO Box 457
Brisbane QLD 4001
Phone: +61 7 3237 5999
Fax: +61 7 3221 9227
Email: enquiries@lmfmif.com

Or



Email: joanne.garcia@bdo.com.au

Phone: +61 7 3237 5849

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Whyte'. The signature is fluid and somewhat abstract, with several loops and a long horizontal stroke extending to the right.

David Whyte
Court Appointed Receiver

Disclaimer:

The 30 June 2014 financial statements were compiled by BDO Business Recovery & Insolvency QLD) Pty Ltd however we did not audit those financial statements and, accordingly, express no opinion or other form of assurance on them.

**LM FIRST MORTGAGE INCOME FUND
(RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)**

ABN: 66 482 247 488

Report for the year ended 30 June 2014

Disclaimer

The 30 June 2014 financial statements were compiled by BDO Business Recovery & Insolvency (QLD) Pty Ltd but we did not audit those financial statements and, accordingly, express no opinion or other form of assurance on them.

**LM FIRST MORTGAGE INCOME FUND
(RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)**

ABN: 66 482 247 488

Report for the year ended 30 June 2014

CONTENTS

Statement of comprehensive income	3
Statement of financial position	4
Statement of changes in net assets attributable to unitholders	5
Statement of cash flows	6
Notes to the Financial Statements for the year ended 30 June 2014	7

The Responsible Entity of LM First Mortgage Income Fund (Receivers and Managers Appointed) (Receiver Appointed) is LM Investment Management Limited (ABN 68 077 208 461) (in Liquidation) (Receivers and Managers Appointed).

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)
STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2014

	Note	30 June 2014 \$	30 June 2013 \$
Income			
Interest revenue - mortgage loans		32,901	155,173
Interest revenue - cash assets		159,147	220,092
Realised foreign exchange gain on investor funds		-	49,913
Realised gain on foreign exchange contracts		180,249	-
Unrealised foreign exchange gain on foreign exchange contracts		-	129,192
Derecognition of advisor commission liability	14	-	4,762,674
		<u>372,297</u>	<u>5,317,044</u>
Expenses			
Management fees	10	606,195	4,519,156
Finance costs	4(a)	1,855,233	5,013,661
Custodian fees	10	76,692	49,107
Advisor commissions	14	-	-
Impairment losses on mortgage loans	7	6,270,758	186,553,576
Impairment losses on interest receivable	11	43,436	980,936
Realised foreign exchange loss on investor funds		3,335	-
Unrealised foreign exchange losses on investor fund		734,627	805,947
Unrealised foreign exchange loss on foreign exchange contracts		-	-
Realised loss on foreign exchange contracts		-	263,566
Other expenses	4(b)	9,132,122	5,167,395
Total expenses excluding distributions to unitholders		<u>18,722,398</u>	<u>203,353,344</u>
Net (loss) before distributions to unitholders		(18,350,101)	(198,036,300)
Distributions paid/payable to unitholders		(348)	(2,710,288)
Net (loss) after distributions to unitholders		<u>(18,350,449)</u>	<u>(200,746,588)</u>
Other comprehensive income		-	-
Net (loss) after distributions to unitholders		(18,350,449)	(200,746,588)
Income tax expense		-	-
Changes in net assets attributable to unitholders after income tax expense		<u>(18,350,449)</u>	<u>(200,746,588)</u>

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)
STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Note	30 June 2014 \$	30 June 2013 \$
ASSETS			
Cash and cash equivalents	12(a)	7,741,190	9,055,002
Receivables	11	664,646	225,943
Loans & Receivables	7	60,060,616	99,877,471
TOTAL ASSETS		68,466,452	109,158,416
LIABILITIES			
Management fee payable	10	-	-
Financial assets at fair value through profit or loss		-	-
Payables	8	7,726,716	5,278,291
Interest bearing loans and borrowings	9	-	25,500,000
Distributions payable		1,373,126	1,381,435
Total liabilities excluding net assets attributable to unitholders		9,099,842	32,159,726
NET ASSETS		59,366,610	76,998,690
Represented by:			
Net assets attributable to unitholders		59,366,610	76,998,690
(calculated in accordance with IFRS)			

**LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

For the year ended 30 June 2014

	30 June 2014	30 June 2013
	\$	\$
TOTAL		
Opening balance	76,998,690	288,980,628
Units issued during the year	-	11,750
Units redeemed during the year	(24,551)	(15,651,157)
Units issued on reinvestment of distributions	6,232	3,618,159
Changes in net assets attributable to unitholders	(18,350,449)	(200,746,588)
Foreign exchange (gain)/loss on investor funds	736,688	785,898
Closing Balance	<u>59,366,610</u>	<u>76,998,690</u>

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)
STATEMENT OF CASH FLOWS

For the year ended 30 June 2014

	Note	30 June 2014 \$	30 June 2013 \$
Cash flows from operating activities			
Interest and distributions received		192,048	252,273
Management fees paid		(606,195)	(4,519,156)
Other operating expenses		(6,760,391)	(6,607,297)
Other income received		-	(213,653)
GST and withholding tax (paid)/received		(482,139)	1,053,885
Finance costs paid	4(a)	(1,855,233)	(5,013,661)
Net cash inflow/(outflow) from operating activities	12(b)	<u>(9,511,910)</u>	<u>(15,047,609)</u>
Cash flows from investing activities			
Payments for secured mortgage loans		(11,368,481)	(6,306,405)
Receipts from settled mortgage loans		44,914,578	54,571,851
Net cash inflow/(outflow) from investing activities		<u>33,546,097</u>	<u>48,265,446</u>
Cash flows from financing activities			
Repayment of facility		(25,500,000)	(14,110,078)
Cash paid on realisation of foreign exchange contracts		180,249	-
Receipts from the issue of units		-	-
Distributions paid		(3,697)	(6,135,409)
Payment for redemption of units		(24,551)	(12,040,776)
Net cash inflow/(outflow) from financing activities		<u>(25,347,999)</u>	<u>(32,286,263)</u>
Net increase/(decrease) in cash and cash equivalents		(1,313,812)	931,574
Cash and cash equivalents at beginning of year		9,055,002	8,123,428
Cash and cash equivalents at end of year	12(a)	<u>7,741,190</u>	<u>9,055,002</u>

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2014

1. CORPORATE INFORMATION

During the period March 2013 to August 2013, a series of insolvency events occurred in respect of both the Fund and the Responsible Entity for the Fund, these are detailed in the table below:

Date	Appointment
19 March 2013	John Park and Ginette Muller of FTI Consulting appointed as Administrators of LM Investment Management Ltd ("LMIM") being the Responsible Entity for the Fund.
11 July 2013	Joseph Hayes and Anthony Connelly of McGrathNicol appointed as Receivers and Managers of LMIM as the Responsible Entity of LM First Mortgage Income Fund (Receivers and Managers Appointed) (Receiver Appointed) ('LMFMIF', 'Scheme' or the 'Fund') by Deutsche Bank.
1 August 2013	John Park and Ginette Muller of FTI Consulting appointed as liquidators of LMIM.
8 August 2013	David Whyte of BDO appointed by the Court as Receiver of the assets of the Fund and as the person responsible for ensuring the Fund is wound up in accordance with its Constitution.

The Scheme is an Australian registered Scheme, constituted on 13 April 1999.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated in the following text.

(a) Basis of accounting

This financial report has been prepared in accordance with the Scheme Constitution, the recognition and measurement requirements of the Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for financial assets and financial liabilities held at fair value through profit or loss, that have been measured at fair value.

The Statement of financial position is presented in decreasing order of liquidity and does not distinguish between current and non-current items. The amount expected to be recovered or settled within twelve months in relation to the balances cannot be reliably determined.

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

Statement of compliance

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2014

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of accounting (Continued)

Status of investment in fund

During the 2009 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 is now in the process of being formally wound up with redemptions and hardship provisions remaining suspended.

At the time the fund closed, there were 55 loan assets with 34 repaid as at 30 June 2013. Since this time, a further 5 loan assets have been repaid.

Liquidation Basis

Financial statements prior to the 2013 financial year have been prepared on a going concern basis.

The financial statements for the financial years ended 30 June 2013 and 30 June 2014 have not been prepared on a going concern basis due to the appointment of Administrators to the Responsible Entity for the Fund on 19 March 2013 and subsequently Liquidators on 1 August 2013 and the appointment of Receivers and Managers and 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 for those periods have been prepared on a liquidation basis.

(b) New accounting standards and interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Scheme for the reporting period. The impact of these standards and interpretations that are not expected to have a material impact on the Scheme have not been included.

(c) Significant accounting judgements, estimates and assumptions

In the process of applying accounting policies, judgements and estimations have been made which have had an impact on the amounts recognised in the accounts. The key estimations and assumptions that have a significant risk of causing material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Allowance for impairment loss on loans and receivables

The Scheme determines whether loans are impaired on an ongoing basis. Individually assessed provisions are raised where there is objective evidence of impairment, where the Scheme does not expect to receive all of the cash flows contractually due. Individually assessed provisions are made against individual facilities.

(d) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. For the purposes of the Statement of cash flows, cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(e) Distribution income

Distribution income is recognised when the Scheme's right to receive income is established.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Interest income

Interest income is recognised as the interest accrues using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset. Interest ceases to be recognised when a loan is in default and the principal is impaired.

(g) Default management fees

Income from default management fees is recognised in line with the executed agreement with the borrower when an event of default occurs.

(h) Changes in the fair value of investments

Gains or losses on investments held for trading are calculated as the difference between the fair value at sale, or at year end, and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses.

(i) Fees, commissions and other expenses

Except where included in the effective interest calculation (for financial instruments carried at amortised cost), fees and commissions are recognised on an accrual basis. Audit and compliance fees are included with 'other expenses' and are recorded on an accrual basis.

(j) Finance costs

Interest on borrowings is recognised in the statement of comprehensive income in the period to which it relates. Issue costs associated with borrowings are capitalised and amortised over the term of the borrowing to which they relate using the effective interest method.

(k) Financial instruments

Financial instruments in the scope of *AASB 139 Financial Instruments* are classified as either financial assets or financial liabilities at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale investments or other financial liabilities as appropriate.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Scheme determines the classification of its financial assets at initial recognition.

All regular way purchases and sales of financial assets are recognised on the trade date ie. the date that the Scheme commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

i. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially measured at fair value including transaction costs directly attributable to the financial asset. After initial recognition, loans and receivables are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when receivables are derecognised or impaired, as well as through the amortisation process.

Loans and receivables are assessed for impairment at each reporting period. An allowance is made for credit losses when there is objective evidence that the Scheme will not be able to collect the loans and receivables. Impairment losses are written off when identified. Losses expected as a result of future events are not recognised. If a provision

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

for impairment has been recognised in relation to the loan, writeoffs for bad debts are made against the provision. If no provision for impairment has previously been recognised, writeoffs for bad debts are recognised as an expense in the statement of comprehensive income.

A provision is made of loans in arrears where the collectability of the debts is considered doubtful by estimation of expected losses in relation to loan portfolios where specific identification is impracticable.

The components of impaired assets are as follows:

“Loans in arrears” are loans and advances for which there is reasonable doubt that the Scheme will be able to collect all amounts of principal and interest in accordance with the terms of the agreement.

“Assets acquired through the enforcement of security” are assets acquired in full or partial settlement of a loan or similar facility through the enforcement of security arrangements.

When it is determined that interest is not recoverable on certain impaired loans, the interest is suspended and not brought into income. Should the analysis of the collectability subsequently change the interest will be brought into income at the time it is determined to be collectable.

(l) Payables

Payables are carried at amortised costs and represent liabilities for goods and services provided to the Scheme prior to the end of the financial year and half year that are unpaid and arise when the Scheme becomes obliged to make future payments in respect of the purchases of these goods and services.

The distribution amount payable to investors as at the reporting date is recognised separately on the statement of financial position as unitholders are presently entitled to the distributable income as at 30 June 2014 under the Scheme’s constitution.

(m) Increase/decrease in net assets attributable to unitholders

Non-distributable income is transferred directly to net assets attributable to unitholders and may consist of unrealised changes in the net fair value of investments, accrued income not yet assessable, expenses accrued for which are not yet deductible, net capital losses and tax free or tax deferred income. Net capital gains on the realisation of any investments (including any adjustments for tax deferred income previously taken directly to net assets attributable to unitholders) and accrued income not yet assessable will be included in the determination of distributable income in the same year in which it becomes assessable for tax. Excess and undistributed income is also transferred directly to net assets attributable to unitholders.

(n) Distributions

The Trustees for the LM Managed Performance Fund have put both the Receivers and Managers and the Court Appointed Receiver on notice of a potential claim against the Fund. In addition, the Receivers and Managers appointed to the Bellpac matter have put the Court Appointed Receiver on notice not to distribute funds until the proceedings are resolved.

The secured creditor is not in a position to release its security due to the potential claim against the Fund. Until the matters detailed above are resolved and funds released to the Court Appointed Receiver, distributions to investors cannot commence.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Goods and services tax (GST)

The GST incurred on the costs of various services provided to the Responsible Entity by third parties such as audit fees, custodial services and investment management fees have been passed onto the Scheme. The Scheme qualifies for Reduced Input Tax Credits (RITC's) at a rate of 75%.

Investment management fees, custodial fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in the statement of cashflows on a gross basis.

The GST component of cash flows arising from investing and financing activities recoverable or payable to the ATO is classified as an operating cash flow.

(p) Applications and redemptions

Applications received for units in the Scheme are recorded when units are issued in the Scheme. Redemptions from the Scheme are recorded when the cancellation of units redeemed occurs. Unit redemption prices are determined by reference to the net assets of the Scheme divided by the number of units on issue.

Applications received in foreign currency denominations are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Foreign currency denominated unitholder funds are translated into the Schemes functional currency at balance date, using the spot rate prevailing at that date. Gains and losses arising from foreign exchange translation are recorded in the Statement of Comprehensive Income in the period in which they arise.

(q) 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 (ie. unitholders are presently entitled to the income of the Scheme).

(r) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

(s) Derivative financial instruments

The Scheme uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency fluctuations. Derivatives are recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to net profit or loss for the year.

The fair value of forward currency contracts is calculated by reference to valuations provided by the financial institutions with which the forward contracts are held.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Foreign currency translations

The Scheme's transactions in foreign currencies comprise applications and withdrawals of foreign currency unitholder funds and payment of distributions. Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liability denominated in foreign currencies and retranslated at the rate of exchange prevailing at the balance sheet date, and exchange rate gains and losses recognised in the statement of comprehensive income.

(u) Determination of fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value for financial instruments not traded in an active market is determined using appropriate valuation techniques. Valuation techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cashflow analysis and option pricing models making as much use of available and supportable market data as possible.

(v) Estimated net asset amount per unit available to investors

The estimated amount of net assets available to investors are subject to the uncertainties indicated in Note 7 of this financial report.

The net assets of the fund and number of units on issue at the end of each of the periods is detailed in the table below:

	30 June 2014	30 June 2013
Estimated net amount of assets available to investors as at the period end (\$)	59,366,610	76,998,690
Total investor units (# of units)	478,272,551	477,554,184
Estimated net asset amount per unit available to investors as at the period end (cents in the dollar)	12.4	16.1

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2014

3. INCOME AND DISTRIBUTIONS TO UNITHOLDERS

(a) Distributions to unitholders

	30 June 2014	30 June 2013
	\$	\$
Distributions paid/reinvested	348	2,710,289
Distributions payable	-	-
	<u>348</u>	<u>2,710,289</u>

Distributions payable relates to distributions that were required to be paid under the Scheme's Constitution. These distributions relate to the period prior to the suspension of the distributions in January 2011.

In addition to these interest distributions, capital distributions were also paid to investors in February and June 2013. Capital distributions are reflected through redemption of units and a decrease in the unit price.

(b) Distributions paid

	30 June 2014	30 June 2013
	\$	\$
Class A	327	31,986
Class B	-	2,678,303
Class C	21	-
	<u>348</u>	<u>2,710,289</u>

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2014

4. EXPENSES

(a) Finance costs

	30 June 2014	30 June 2013
	\$	\$
Interest on bank loans	1,855,233	4,719,566
Facility fees	-	294,095
	<u>1,855,233</u>	<u>5,013,661</u>

(b) Other expenses

	30 June 2014	30 June 2013
	\$	\$
LM Administration Pty Ltd (in Liquidation) ("LMA") operational costs	3,387,377	1,442,586
Receivers and Managers' fees and outlays (McGrathNicol)	1,131,670	-
Legal fees	1,333,063	502,928
LMA Liquidator fees and outlays (David Clout & Associates)	351,022	-
Audit fees	-	230,736
Other expenses	104,903	741,079
Court Appointed Receiver's fees & outlays (BDO) *	1,130,691	-
Court Appointed Receiver's legal fees (BDO)	273,943	-
LMIM's legal fees (FTI)	29,761	750,636
LMIM's Administrators and Liquidators fees and outlays (FTI) **	1,389,692	1,499,430
	<u>9,132,122</u>	<u>5,167,395</u>

* Denotes expenses which are subject to approval by the court.

** Denotes expenses which are subject to approval by the Receivers and Managers or the court.

LMA operational costs relate to services provided by LMA pursuant to a services agreement. This includes wages and salaries, insurance, rent and utilities.

No management fee has been charged since the appointment of Administrators to LMIM.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2014

5. AUDITOR'S REMUNERATION

	30 June 2014	30 June 2013
	\$	\$
Audit and review of the financial reports	-	203,544
Other regulatory audit services	-	27,192
	<u>-</u>	<u>230,736</u>

The fees charged in the financial year 2013 relate to work undertaken to finalise the 30 June 2012 audited accounts, the preparation of draft accounts for 31 December 2012 and planning work for 30 June 2013 accounts as requested by FTI Consulting.

These expenses have been included within 'Other expenses' in the Statement of Comprehensive Income.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2014

6. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Movements in the net assets attributable to unitholders during the year were as follows:

Net assets attributable to unitholders	30 June 2014	30 June 2013
	\$	\$
Class A		
Opening balance	245,673,002	252,760,731
Units issued during the year	-	-
Units redeemed during the year	(1,104)	(7,087,729)
Units issued upon reinvestment of distributions	6,232	-
Closing balance	<u>245,678,130</u>	<u>245,673,002</u>
Class B		
Opening balance	220,219,758	224,862,439
Units issued during the year	-	11,750
Units redeemed during the year	(23,447)	(8,272,590)
Units issued upon reinvestment of distributions	-	3,618,159
Closing balance	<u>220,196,311</u>	<u>220,219,758</u>
Class C		
Opening balance	10,170,587	9,675,527
Units issued during the year	-	-
Units redeemed during the year	-	(290,838)
Units issued upon reinvestment of distributions	-	-
Foreign exchange (gain)/loss on investor funds	736,688	785,898
Closing balance	<u>10,907,275</u>	<u>10,170,587</u>
Cumulative movement in changes in net assets attributable to unitholders	(417,415,106)	(399,064,657)
Net assets attributable to unitholders	<u>59,366,610</u>	<u>76,998,690</u>

Class A

Class A consists of unitholders who are entitled to receive the declared distribution rate. There are a number of subclasses attached to class A. These consist of the following products with varying terms:

- 1) Flexi Account investment option
- 2) Fixed Term investment option
- 3) LM Savings Plan investment option

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2014

6. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (Continued)

Class B

Class B consists of related Scheme unitholders.

Class C

Class C consists of unitholders who have invested in foreign currencies and are entitled to receive the declared distribution rate.

Subject to the comments relating to the status of the Scheme in note 2, all unitholders are entitled to receive distributions as declared from time to time and are entitled to one vote per unit at unitholders' meetings. As the Scheme is being wound up, all unitholders rank after creditors and are equally entitled to the proceeds of the winding up procedure.

7. LOANS AND RECEIVABLES

	30 June 2014	30 June 2013
	\$	\$
Secured mortgage loans	359,219,508	415,460,732
Provision for impairment	(299,158,892)	(315,583,261)
	<u>60,060,616</u>	<u>99,877,471</u>

Loans and receivables are initially measured at the fair value including transaction costs and subsequently measured at amortised cost after initial recognition. Loans and Receivables are assessed for impairment at each reporting date. Where impairment indicators exist, the recoverable amount of the loan will be determined and compared to its carrying amount to determine whether any impairment losses exists. Impairment losses are recognised when the recoverable amount under the individual loan is less than the carrying amount of that loan.

Material uncertainty regarding recoverability of Loans and Receivables

For loans in default, an impairment indicator arises which requires the recoverable amount of that loan to be determined. The recoverable amount for each individual loan in default has been determined from independent valuations of the assets forming the security for the loans. The valuations are based on current market conditions and provide for appropriate exposure to the market and an orderly realisation of assets forming the security for the loans.

In determining the recoverable amounts, there are uncertainties involved in assessing the market values and the ability to realise those market values, particularly where the market is not active. Consequently, it is likely that there may be differences between the amounts at which the Loans and Receivables are recorded at in the financial statements for the period ended 30 June 2014, and the amounts that are actually realised. Such differences may be material. Accordingly, there is a material uncertainty regarding recoverability of Loans and Receivables.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2014

7. LOANS AND RECEIVABLES (Continued)

(a) Aggregate amounts receivable from related parties

	30 June 2014	30 June 2013
	\$	\$
Director and director-related entities – secured	-	6,072,342
Related managed investment schemes – secured	-	1,310,838
Related managed investment schemes – unsecured	-	-
	<u>-</u>	<u>7,383,180</u>

(b) Provisions for impairment

The impairment loss expense relating to loans and receivables comprises:

	30 June 2014	30 June 2013
	\$	\$
Opening balance	315,583,261	146,265,463
Impairment losses provided for during the period	6,270,758	186,553,576
Impairment losses realised for during the period	(22,695,127)	(17,235,778)
Closing balance	<u>299,158,892</u>	<u>315,583,261</u>
Total provision for impairment	<u>299,158,892</u>	<u>315,583,261</u>

Notes to the financial statements for the year ended 30 June 2014

7. LOANS AND RECEIVABLES (Continued)

(c) Movement in default loans

Movement in default loans

	30 June 2014	30 June 2013
	\$	\$
Gross default loans opening balance	415,460,732	457,610,299
New and increased default loans	11,368,481	43,605,801
Balances written off	(22,695,127)	(17,235,778)
Returned to performing or repaid	(44,914,578)	(68,519,590)
Gross default loans closing balance	359,219,508	415,460,732
Specific provision	(299,158,892)	(315,083,261)
Net default loans	60,060,616	99,877,471

8. PAYABLES

Payables are carried at cost and represent liabilities for goods and services provided to the Fund prior to the period end but have not yet been paid.

	30 June 2014	30 June 2013
	\$	\$
Accounts payable	7,726,716	5,278,291
	<u>7,726,716</u>	<u>5,278,291</u>

9. INTEREST BEARING LOANS AND BORROWINGS

Interest bearing loans and borrowings relates to facilities with external providers. In July 2010, the RE entered into a new facility with an external financier, Deutsche Bank. Deutsche Bank holds a fixed and floating charge over the assets of the Fund.

As indicated in Note 1, McGrathNicol were appointed as Receivers and Managers of the Fund by Deutsche Bank as a result of a default of the finance facility by the Fund for this secured loan.

There has been a progressive sell down of the assets of the Fund which has enabled \$14.1M of the loan to be repaid during the 2013 financial year and \$21.5M between July and December 2013. The facility was repaid in full in January 2014.

	30 June 2014	30 June 2013
	\$	\$
Secured bank loan	-	25,500,000
	<u>-</u>	<u>25,500,000</u>

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

9. INTEREST BEARING LOANS AND BORROWINGS (Continued)

As mentioned in the Court Appointed Receiver's reports to investors, whilst the secured creditor has been repaid in full, the Receivers and Managers appointed by the secured creditor have advised that they are not yet in a position to retire until the potential claim by KordaMentha as the new trustee of the LM Managed Performance Fund is resolved.

KordaMentha, acting as trustee of the MPF has put the Court Appointed Receiver and the Receivers and Managers appointed by the secured creditor on notice of a potential claim against LM Investment Management Limited (Receivers and Managers Appointed) (in Liquidation) ("LMIM") and/or the Fund in relation to potential breaches of trust.

10. RELATED PARTIES

Responsible Entity ('RE')

The RE for the Fund is LM Investment Management Ltd (in Liquidation) ('LMIM'). The transactions recorded relate to fees and expenses incurred in accordance with the Constitution.

Administration and funds management services are provided to the Scheme on behalf of the RE by LM Administration Pty Ltd (In Liquidation) ('LMA'), an associate of the RE.

Custodian

The Custodian of the Fund is The Trust Company (PTAL) Ltd.

Balance with related parties (Receivable)

This relates to two loans within the Fund portfolio, both of which have been finalised between 1 July 2012 and 31 December 2013.

Balance with related parties (Payable)

The transaction with LM Administration Pty Ltd (In Liquidation) relates to fees incurred in accordance with the service agreement.

The Transaction with O'Sullivan Capital Management Ltd is in respect of marketing services provided in New Zealand by the former director John O'Sullivan.

Notes to the financial statements for the year ended 30 June 2014

10. RELATED PARTIES (Continued)

	30 June 2014	30 June 2013
	\$	\$
<i><u>RE remuneration received or due & receivable</u></i>		
Management fees for the year paid or payable directly to LM Administration	606,195	4,519,156
Expenses including administration expenses incurred by the RE and its associated entities, which are reimbursed in accordance with the provisions of the Constitution	-	189,983
Expenses including administration expenses incurred by the RE and its associated entities, which are not reimbursed	-	-
Custodian's fees paid by the Scheme	76,692	49,107
<i><u>Balance with related parties (Receivable net of impairment)</u></i>		
Australian International Investments Pty Ltd	-	6,072,342
LM Managed Performance Fund	-	1,310,838
<i><u>Balance with related parties (payable)</u></i>		
O'Sullivan Capital Management Ltd	160,071	160,071
<i><u>FTI Consulting</u></i>		
LMIM's legal fees (FTI)	29,761	750,636
LMIM's Administrators and Liquidators fees and outlays (FTI) *	1,389,692	1,499,430

* Denotes expenses which are subject to approval by the court

Notes to the financial statements for the year ended 30 June 2014

11. RECEIVABLES

Prior to 1 January 2014, receivables consisted of the interest on the loans for the period from the 18th of the month, when the interest is run until the end of the month and GST which is due at 30 June 2013 and 31 December 2013. From 1 January 2014, interest was suspended and not brought to account as it is considered that the amounts are not ultimately recoverable from the sale proceeds of the property.

	30 June 2014	30 June 2013
	\$	\$
Mortgage interest receivable	43,238	926,444
Penalty interest receivable	198	54,492
Total interest receivable	43,436	980,936
Provision for interest impairment	(43,436)	(980,936)
GST receivable	664,646	225,943
Other	-	-
	<u>664,646</u>	<u>225,943</u>

12. CASH AND CASH EQUIVALENTS

(a) Reconciliation of cash and cash equivalents

For the purposes of the Statement of Financial Position, the cash and cash equivalents comprise of cash at bank and in hand.

The cash at bank earns interest at floating rates based on the daily bank deposit rates. The cash at bank figure includes monies held in foreign exchange margin accounts and not available for use.

	30 June 2014	30 June 2013
	\$	\$
Cash at bank	<u>7,741,190</u>	<u>9,055,002</u>

As at 30 June 2014, \$391,964 (2013: \$420,812) of cash at bank was held in foreign exchange margin accounts and was not available for use by the Scheme.

Notes to the financial statements for the year ended 30 June 2014

12. CASH AND CASH EQUIVALENTS (Continued)

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

	30 June 2014	30 June 2013
	\$	\$
Change in net assets attributable to unitholders	(18,350,449)	(200,746,588)
<i>Adjustments for:</i>		
Non-cash impairment expense	6,314,194	186,553,576
Non-cash interest income		(122,992)
Non-cash management fees		-
Distribution to unitholders	348	2,710,288
(Gains)/loss on foreign exchange contracts	(180,249)	-
(Gains)/loss on investor funds/foreign exchange adjustments	737,962	805,947
(Increase)/decrease in interest receivable		-
(Increase)/decrease in other receivables	(482,139)	1,053,885
Increase/(decrease) in payables	2,448,423	(5,301,725)
<i>Net cash flows from/(used in) operating activities</i>	<u>(9,511,910)</u>	<u>(15,047,609)</u>

13. INTEREST REVENUE

Interest revenue relates to interest received on funds held in the bank accounts and interest charged on the loans.

Interest on loans is suspended and not brought to account when it is considered that the amounts are not ultimately recoverable from the sale proceeds of the property.

14. CONTINGENT LIABILITY

Advisor Commissions

The Fund has historically recognised a liability for advisor commissions paid to advisors from the Fund. The agreements providing for these advisor commissions appear to have been entered into between the Responsible Entity in its own legal capacity rather than as trustee and Responsible Entity for the Fund. It also appears that conditions existed in the period from 1 July 2010 such that advisor commissions may not have been payable in accordance with the Fund Constitution from Fund property. The liability for advisor commissions as at 30 June 2012 of \$4,762,674 has therefore been derecognised as a liability of the Fund during the year ended 30 June 2013.

Accordingly, the Fund has disclosed a contingent liability of \$4,762,674 as at 30 June 2013 to the Responsible Entity for this amount.

The contingent liability relates to advisor commissions to brokers of the Fund that were referable to the period 1 July 2010 to 30 November 2013. The Responsible Entity has sought to disclaim the advisor commission arrangements.

19 November 2015

TO INVESTORS

Dear Member

**LM FIRST MORTGAGE INCOME FUND ARSN 089 343 288 (RECEIVERS AND MANAGERS APPOINTED)
(RECEIVER APPOINTED) ("THE FUND")**

I attach the unaudited accounts for the Fund for the year ended 30 June 2015.

The accounts have been prepared in conjunction with the service provider, LM Administration Pty Ltd's (In Liquidation) staff and consultants and by collating the records maintained by the Fund, the service provider and receipts and payments and other records of FTI and McGrathNicol.

The accounts have been prepared in accordance with the Scheme Constitution, the recognition and measurement requirements of the Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The accounts have been reviewed by the BDO audit team. However, their work does not constitute a full audit and therefore, the accounts are provided on an unaudited basis.

Should members require further information, please contact BDO on the details provided below.

BDO

GPO Box 457

Brisbane QLD 4001

Phone: +61 7 3237 5999

Fax: +61 7 3221 9227

Email: enquiries@lmfmif.com Or email: murray.daniel@bdo.com.au

Phone: +61 7 3173 5563

Yours sincerely



David Whyte
Court Appointed Receiver

Disclaimer:

The 30 June 2015 financial statements were compiled by BDO Business Recovery & Insolvency (QLD) Pty Ltd however we did not audit those financial statements and, accordingly, express no opinion or other form of assurance on them.

**LM FIRST MORTGAGE INCOME FUND
(RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)**

ABN: 66 482 247 488

Report for the year ended 30 June 2015

Disclaimer

The 30 June 2015 financial statements were compiled by BDO Business Recovery & Insolvency (QLD) Pty Ltd but we did not audit those financial statements and, accordingly, express no opinion or other form of assurance on them.

**LM FIRST MORTGAGE INCOME FUND
(RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)**

ABN: 66 482 247 488

Financial Statements for the year ended 30 June 2015

CONTENTS

Statement of comprehensive income	3
Statement of financial position	4
Statement of changes in net assets attributable to unitholders	5
Statement of cash flows	6
Notes to the Financial Statement for the year ended 30 June 2015	7

The Responsible Entity of LM First Mortgage Income Fund (Receivers and Managers Appointed) (Receiver Appointed) is LM Investment Management Limited (ABN 68 077 208 461) (in Liquidation) (Receivers and Managers Appointed).

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)
STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2015

	Note	30 June 2015 \$	30 June 2014 \$
Income			
Fee revenue - mortgage loans		4,050	32,901
Interest revenue - cash assets		498,695	159,147
Realised gain on foreign exchange contracts		106,869	180,249
		609,614	372,297
Expenses			
Management fees	9	-	606,195
Finance costs	4(a)	-	1,855,233
Custodian fees	9	27,624	76,692
Net Impairment losses on mortgage loans	6	(26,633,748)	6,270,758
Impairment losses on interest receivable	10	-	43,436
Realised foreign exchange loss on investor funds		-	3,335
Unrealised foreign exchange losses on investor fund		263,794	734,627
Realised loss on foreign exchange contracts		141,591	-
Other expenses	4(b)	9,263,036	9,132,122
Total expenses excluding distributions to unitholders		(16,937,703)	18,722,398
Net profit (loss) before distributions to unitholders		17,547,317	(18,350,101)
Distributions paid/payable to unitholders	3	-	(348)
Net profit (loss) after distributions to unitholders		17,547,317	(18,350,449)
Other comprehensive income		-	-
Net profit (loss) after distributions to unitholders		17,547,317	(18,350,449)
Income tax expense		-	-
Changes in net assets attributable to unitholders after income tax expense		17,547,317	(18,350,449)

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

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)
STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note	30 June 2015	30 June 2014
		\$	\$
ASSETS			
Cash and cash equivalents	11	41,863,342	7,741,190
Receivables	10	782,658	664,646
Loans & Receivables	6	43,333,916	60,060,616
TOTAL ASSETS		<u>85,979,916</u>	<u>68,466,452</u>
LIABILITIES			
Payables	7	7,429,179	7,726,716
Distributions payable		1,372,036	1,373,126
Total liabilities excluding net assets attributable to unitholders		<u>8,801,215</u>	<u>9,099,842</u>
NET ASSETS			
		<u>77,178,701</u>	<u>59,366,610</u>
Represented by:			
Net assets attributable to unitholders	5	<u>77,178,701</u>	<u>59,366,610</u>
(calculated in accordance with IFRS)			

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

**LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

For the year ended 30 June 2015

	Note	30 June 2015 \$	30 June 2014 \$
TOTAL			
Opening balance		59,366,610	76,998,690
Units issued during the year	5	980	-
Units redeemed during the year	5	-	(24,551)
Units issued on reinvestment of distributions			6,232
Changes in net assets attributable to unitholders		17,547,317	(18,350,449)
Foreign exchange (gain)/loss on investor funds	5	263,794	736,688
Closing Balance		<u>77,178,701</u>	<u>59,366,610</u>

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

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)
STATEMENT OF CASH FLOWS
For the year ended 30 June 2015

	Note	30 June 2015 \$	30 June 2014 \$
Cash flows from operating activities			
Interest and distributions received		529,469	192,048
Management fees paid		-	(606,195)
Other operating expenses		(9,649,644)	(6,760,391)
GST and withholding tax (paid)/received		(118,012)	(482,139)
Finance costs paid	4(a)	-	(1,855,233)
Net cash inflow/(outflow) from operating activities	11(b)	<u>(9,238,187)</u>	<u>(9,511,910)</u>
Cash flows from investing activities			
Payments for secured mortgage loans	6(b)	(7,224,842)	(11,368,481)
Receipts from settled mortgage loans	6 (b)	50,585,291	44,914,578
Net cash inflow/(outflow) from investing activities		<u>43,360,449</u>	<u>33,546,097</u>
Cash flows from financing activities			
Repayment of facility		-	(25,500,000)
Cash paid on realisation of foreign exchange contracts		-	180,249
Receipts from the issue of units		980	-
Distributions paid		-	(3,697)
Payment for redemption of units		(1,090)	(24,551)
Net cash inflow/(outflow) from financing activities		<u>(110)</u>	<u>(25,347,999)</u>
Net increase/(decrease) in cash and cash equivalents		34,122,152	(1,313,812)
Cash and cash equivalents at beginning of year		7,741,190	9,055,002
Cash and cash equivalents at end of year	11 (a)	<u>41,863,342</u>	<u>7,741,190</u>

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

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2015

1. CORPORATE INFORMATION

During the period March 2013 to August 2013, a series of insolvency events occurred in respect of both the Fund and the Responsible Entity for the Fund, these are detailed in the table below:

Date	Appointment
19 March 2013	John Park and Ginette Muller of FTI Consulting appointed as Administrators of LM Investment Management Ltd ("LMIM") being the Responsible Entity for the Fund.
11 July 2013	Joseph Hayes and Anthony Connelly of McGrathNicol appointed as Receivers and Managers of LMIM as the Responsible Entity of LM First Mortgage Income Fund (Receivers and Managers Appointed) (Receiver Appointed) ('LMFMIF', 'Scheme' or the 'Fund') by Deutsche Bank.
1 August 2013	John Park and Ginette Muller of FTI Consulting appointed as liquidators of LMIM.
8 August 2013	David Whyte of BDO appointed by the Court as Receiver of the assets of the Fund and as the person responsible for ensuring the Fund is wound up in accordance with its Constitution.

The Scheme is an Australian registered Scheme, constituted on 13 April 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. These policies have been consistently applied to all periods presented, unless otherwise stated in the following text.

(a) Basis of accounting

This financial report has been prepared in accordance with the Scheme Constitution, the recognition and measurement requirements of the Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for financial assets and financial liabilities held at fair value through profit or loss, that have been measured at fair value.

The Statement of financial position is presented in decreasing order of liquidity and does not distinguish between current and non-current items. The amount expected to be recovered or settled within twelve months in relation to the balances cannot be reliably determined.

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

Statement of compliance

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2015

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

(a) Basis of accounting (Continued)

Status of investment in fund

During the 2009 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 is now in the process of being formally wound up with redemptions and hardship provisions remaining suspended.

Liquidation Basis

Previous financial statements have been prepared on a going concern basis.

The financial statements for the periods ended 30 June 2013, 30 June 2014 and 30 June 2015 have not been prepared on a going concern basis due to the appointment of Administrators to the Responsible Entity for the Fund on 19 March 2013 and subsequently Liquidators on 1 August 2013 and the appointment of Receivers and Managers and 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 for those periods have been prepared on a liquidation basis.

(b) New accounting standards and interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Scheme for the reporting period. The impact of these standards and interpretations that are not expected to have a material impact on the Scheme have not been included.

(c) Significant accounting judgements, estimates and assumptions

In the process of applying accounting policies, judgements and estimations have been made which have had an impact on the amounts recognised in the accounts. The key estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Allowance for impairment loss on loans and receivables

The Scheme determines whether loans are impaired on an ongoing basis. Individually assessed provisions are raised where there is objective evidence of impairment, where the Scheme does not expect to receive all of the cash flows contractually due. Individually assessed provisions are made against individual facilities.

(d) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. For the purposes of the Statement of cash flows, cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(e) Distribution income

Distribution income is recognised when the Scheme's right to receive income is established.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2015

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

(f) Interest income

Interest income is recognised as the interest accrues using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset. Interest ceases to be recognised when a loan is in default and the principal is impaired.

(g) Default management fees

Income from default management fees is recognised in line with the executed agreement with the borrower when an event of default occurs.

(h) Changes in the fair value of investments

Gains or losses on investments held for trading are calculated as the difference between the fair value at sale, or at year end, and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses.

(i) Fees, commissions and other expenses

Except where included in the effective interest calculation (for financial instruments carried at amortised cost), fees and commissions are recognised on an accrual basis. Audit and compliance fees are included with 'other expenses' and are recorded on an accrual basis.

(j) Finance costs

Interest on borrowings is recognised in the statement of comprehensive income in the period to which it relates. Issue costs associated with borrowings are capitalised and amortised over the term of the borrowing to which they relate using the effective interest method.

(k) Financial instruments

Financial instruments in the scope of *AASB 139 Financial Instruments* are classified as either financial assets or financial liabilities at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale investments or other financial liabilities as appropriate.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Scheme determines the classification of its financial assets at initial recognition.

All regular way purchases and sales of financial assets are recognised on the trade date ie. the date that the Scheme commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

i. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially measured at fair value including transaction costs directly attributable to the financial asset. After initial recognition, loans and receivables are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when receivables are derecognised or impaired, as well as through the amortisation process.

Loans and receivables are assessed for impairment at each reporting period. An allowance is made for credit losses when there is objective evidence that the Scheme will not be able to collect the loans and receivables. Impairment losses are written off when identified. Losses expected as a result of future events are not recognised. If a provision

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2015

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

(k) Financial instruments (Continued)

for impairment has been recognised in relation to the loan, writeoffs for bad debts are made against the provision. If no provision for impairment has previously been recognised, writeoffs for bad debts are recognised as an expense in the statement of comprehensive income.

A provision is made of loans in arrears where the collectability of the debts is considered doubtful by estimation of expected losses in relation to loan portfolios where specific identification is impracticable.

The components of impaired assets are as follows:

“Loans in arrears” are loans and advances for which there is reasonable doubt that the Scheme will be able to collect all amounts of principal and interest in accordance with the terms of the agreement.

“Assets acquired through the enforcement of security” are assets acquired in full or partial settlement of a loan or similar facility through the enforcement of security arrangements.

When it is determined that interest is not recoverable on certain impaired loans, the interest is suspended and not brought into income. Should the analysis of the collectability subsequently change the interest will be brought into income at the time it is determined to be collectable.

(l) Payables

Payables are carried at amortised costs and represent liabilities for goods and services provided to the Scheme prior to the end of the financial year and half year that are unpaid and arise when the Scheme becomes obliged to make future payments in respect of the purchases of these goods and services.

The distribution amount payable to investors as at the reporting date is recognised separately on the statement of financial position as unitholders are presently entitled to the distributable income as at 30 June 2014 under the Scheme’s constitution.

(m) Increase/decrease in net assets attributable to unitholders

Non-distributable income is transferred directly to net assets attributable to unitholders and may consist of unrealised changes in the net fair value of investments, accrued income not yet assessable, expenses accrued for which are not yet deductible, net capital losses and tax free or tax deferred income. Net capital gains on the realisation of any investments (including any adjustments for tax deferred income previously taken directly to net assets attributable to unitholders) and accrued income not yet assessable will be included in the determination of distributable income in the same year in which it becomes assessable for tax. Excess and undistributed income is also transferred directly to net assets attributable to unitholders.

(n) Distributions

The Trustees for the LM Managed Performance Fund have put both the Receivers and Managers and the Court Appointed Receiver on notice of a potential claim against the Fund. In addition, the Receivers and Managers appointed to the Bellpac matter have put the Court Appointed Receiver on notice not to distribute funds until the proceedings are resolved.

The secured creditor is not in a position to release its security due to the potential claim against the Fund. Until the matters detailed above are resolved and funds released to the Court Appointed Receiver, distributions to investors cannot commence.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2015

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

(o) Goods and services tax (GST)

The GST incurred on the costs of various services provided to the Responsible Entity by third parties such as audit fees, custodial services and investment management fees have been passed onto the Scheme. The Scheme qualifies for Reduced Input Tax Credits (RITC's) at a rate of 75%.

Investment management fees, custodial fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in the statement of cashflows on a gross basis.

The GST component of cash flows arising from investing and financing activities recoverable or payable to the ATO is classified as an operating cash flow.

(p) Applications and redemptions

Applications received for units in the Scheme are recorded when units are issued in the Scheme. Redemptions from the Scheme are recorded when the cancellation of units redeemed occurs. Unit redemption prices are determined by reference to the net assets of the Scheme divided by the number of units on issue.

Applications received in foreign currency denominations are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Foreign currency denominated unitholder funds are translated into the Schemes functional currency at balance date, using the spot rate prevailing at that date. Gains and losses arising from foreign exchange translation are recorded in the Statement of Comprehensive Income in the period in which they arise.

(q) 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 (ie. unitholders are presently entitled to the income of the Scheme).

(r) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

(s) Derivative financial instruments

The Scheme uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency fluctuations. Derivatives are recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to net profit or loss for the year.

The fair value of forward currency contracts is calculated by reference to valuations provided by the financial institutions with which the forward contracts are held.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2015

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

(t) Foreign currency translations

The Scheme's transactions in foreign currencies comprise applications and withdrawals of foreign currency unitholder funds and payment of distributions. Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liability denominated in foreign currencies and retranslated at the rate of exchange prevailing at the balance sheet date, and exchange rate gains and losses recognised in the statement of comprehensive income.

(u) Determination of fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value for financial instruments not traded in an active market is determined using appropriate valuation techniques. Valuation techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cashflow analysis and option pricing models making as much use of available and supportable market data as possible.

(v) Estimated net asset amount per unit available to investors

The estimated amount of net assets available to investors are subject to the uncertainties indicated in Note 7 of this financial report.

The net assets of the fund and number of units on issue at the end of each of the periods is detailed in the table below:

	30 June 2015	30 June 2014
Estimated net amount of assets available to investors as at the period end (\$)	77,178,702	59,366,610
Total investor units (# of units)	478,537,325	478,272,551
Estimated net asset amount per unit available to investors as at the period end (cents in the dollar)	16.1	12.4

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2015

3. INCOME AND DISTRIBUTIONS TO UNITHOLDERS

(a) Distributions to unitholders

	30 June 2015	30 June 2014
	\$	\$
Distributions paid/reinvested	-	348
Distributions payable	-	-
	<u>-</u>	<u>348</u>

Distributions payable relates to distributions that were required to be paid under the Scheme's Constitution. These distributions relate to the period prior to the suspension of the distributions in January 2011.

In addition to these interest distributions, capital distributions were also paid to investors in February and June 2013. Capital distributions are reflected through redemption of units and a decrease in the unit price.

(b) Distributions paid

	30 June 2015	30 June 2014
	\$	\$
Class A	-	327
Class B	-	-
Class C	-	21
	<u>-</u>	<u>348</u>

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2015

4. EXPENSES

(a) Finance costs

	30 June 2015	30 June 2014
	\$	\$
Interest on bank loans	-	1,855,233
	<u>-</u>	<u>1,855,233</u>

(b) Other expenses

	30 June 2015	30 June 2014
	\$	\$
LM Administration Pty Ltd (in Liquidation) ("LMA") operational costs*	1,255,982	3,387,377
Receivers and Managers' fees and outlays (McGrathNicol)	1,056,994	1,131,670
Receivers and Managers' legal fees and outlays (McGrath Nicol)**	292,561	695,727
LMA Liquidator fees and outlays (David Clout & Associates)	12,566	351,022
Other expenses	464,022	104,903
Court Appointed Receiver's fees & outlays (BDO) ***	3,288,898	1,130,691
Court Appointed Receiver's legal fees (BDO)	2,140,258	911,279
LMIM's legal fees (FTI) **	99,144	29,761
LMIM's Administrators and Liquidators fees and outlays (FTI) ****	652,611	1,389,692
	<u>9,263,036</u>	<u>9,132,122</u>

*LMA operational costs relate to services provided by LMA pursuant to a services agreement. This includes wages and salaries, insurance, rent and utilities.

** An adjustment for the period ending 30 June 2014 has been made to correctly allocate the legal fees between McGrath Nicol and BDO. The allocation adjustment didn't change the total legal fees for the period 30 June 2014. The effect of the allocation adjustment is as follows

	30 June 2014	30 June 2014	Allocation Adjustment
	\$	\$	\$
	(as previously reported)	(as adjusted)	increase (decrease)
Receivers and Managers' legal fees and outlays (McGrath Nicol)	1,333,063	695,727	(637,336)
Court Appointed Receiver's legal fees (BDO)	273,943	911,279	637,336

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2015

4. EXPENSES (Continued)

I further note that invoices in relation to legal fees totalling \$154,768 (\$136k for LMIM and \$18k for McGrath Nicol) relating to the period ending 30 June 2014 were received post the preparation of the 30 June 2014 accounts. This amount has been expensed in the 30 June 2015 accounts.

*** Denotes expenses which are subject to approval by the court.

The Court Appointed Receiver's fees & outlays are represented by the following amounts:

	30 June 2015	30 June 2014
	\$	\$
Court Appointed Receiver's investigations and other non-operating costs	1,027,240	185,862
Operating Costs of the Fund	2,261,658	944,829
Total	3,288,898	1,130,691

The Court Appointed Receiver's investigations and other non-operating costs include time costs in relation to the Public Examination held between 16 and 26 June 2015, litigation matters which include claims against the MPF, LMIM and its directions and dealing with LMIM's court application in respect of the Liquidators' residual powers.

**** Denotes expenses which are subject to approval by the Receivers and Managers or the court.

5. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Movements in the net assets attributable to unitholders during the year were as follows:

Net assets attributable to unitholders

	30 June 2015	30 June 2014
	\$	\$
Class A		
Opening balance	245,678,130	245,673,002
Units issued during the year	-	-
Units redeemed during the year	-	(1,104)
Units issued upon reinvestment of distributions	980	6,232
Closing balance	<u>245,679,110</u>	<u>245,678,130</u>
Class B		
Opening balance	220,196,311	220,219,758
Units issued during the year	-	-
Units redeemed during the year	-	(23,447)
Units issued upon reinvestment of distributions	-	-
Closing balance	<u>220,196,311</u>	<u>220,196,311</u>
Class C		
Opening balance	10,906,900	10,170,587
Units issued during the year	-	-
Units redeemed during the year	-	-
Units issued upon reinvestment of distributions	-	-

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2015

5. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (Continued)

Foreign exchange (gain)/loss on investor funds	263,794	736,313
Closing balance	<u>11,170,694</u>	<u>10,906,900</u>
Cumulative movement in changes in net assets attributable to unitholders	(399,867,414)	(417,414,731)
Net assets attributable to unitholders	<u>77,178,701</u>	<u>59,366,610</u>

Class A

Class A consists of unitholders who are entitled to receive the declared distribution rate. There are a number of subclasses attached to class A. These consist of the following products with varying terms:

- 1) Flexi Account investment option
- 2) Fixed Term investment option
- 3) LM Savings Plan investment option

Class B

Class B consists of related Scheme unitholders.

Class C

Class C consists of unitholders who have invested in foreign currencies and are entitled to receive the declared distribution rate.

Subject to the comments relating to the status of the Scheme in note 2, all unitholders are entitled to receive distributions as declared from time to time and are entitled to one vote per unit at unitholders' meetings. As the Scheme is being wound up, all unitholders rank after creditors and are equally entitled to the proceeds of the winding up procedure.

6. LOANS AND RECEIVABLES

	30 June 2015	30 June 2014
	\$	\$
Secured mortgage loans	159,557,989	359,219,508
Provision for impairment	(116,224,073)	(299,158,892)
	<u>43,333,916</u>	<u>60,060,616</u>

Loans and receivables are initially measured at the fair value including transaction costs and subsequently measured at amortised cost after initial recognition. Loans and Receivables are assessed for impairment at each reporting date. Where impairment indicators exist, the recoverable amount of the loan will be determined and compared to its carrying amount

to determine whether any impairment losses exists. Impairment losses are recognised when the recoverable amount under the individual loan is less than the carrying amount of that loan.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2015

6. LOANS AND RECEIVABLES (Continued)

Material uncertainty regarding recoverability of Loans and Receivables

For loans in default, an impairment indicator arises which requires the recoverable amount of that loan to be determined. The recoverable amount for each individual loan in default has been determined from independent valuations of the assets forming the security for the loans. The valuations are based on current market conditions and provide for appropriate exposure to the market and an orderly realisation of assets forming the security for the loans.

In determining the recoverable amounts, there are uncertainties involved in assessing the market values and the ability to realise those market values, particularly where the market is not active. Consequently, it is likely that there may be differences between the amounts at which the Loans and Receivables are recorded at in the financial statements for the period ended 30 June 2014, and the amounts that are actually realised. Such differences may be material. Accordingly, there is a material uncertainty regarding recoverability of Loans and Receivables.

(a) Provisions for impairment

The impairment loss expense relating to loans and receivables comprises:

	30 June 2015	30 June 2014
	\$	\$
Opening balance	299,158,892	315,583,261
Impairment losses provided for (recoveries) during the period	(26,633,748)	6,270,758
Impairment losses realised during the period	(156,301,071)	(22,695,127)
Closing balance	<u>116,224,073</u>	<u>299,158,892</u>
Total provision for impairment	<u><u>116,224,073</u></u>	<u><u>299,158,892</u></u>

The \$26,633,748 movement during the period to 30 June 2015 is largely derived from asset recoveries where these assets, principally the seven retirement villages, have achieved a higher recovery than anticipated in 30 June 2014.

(b) Movement in default loans

Movement in default loans

	30 June 2015	30 June 2014
	\$	\$
Gross default loans opening balance	359,219,509	415,460,732
New and increased default loans	7,224,842	11,368,481
Balances written off	(156,301,071)	(22,695,127)
Repaid	(50,585,291)	(44,914,578)
Gross default loans closing balance	<u>159,557,989</u>	<u>359,219,509</u>
Specific provision	(116,224,073)	(299,158,892)
Net default loans	<u><u>43,333,916</u></u>	<u><u>60,060,616</u></u>

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2015

7. PAYABLES

Payables are carried at cost and represent liabilities for goods and services provided to the Fund prior to the period end but have not yet been paid.

	30 June 2015	30 June 2014
	\$	\$
Accounts payable	7,429,179	7,726,716
	<u>7,429,179</u>	<u>7,726,716</u>

8. INTEREST BEARING LOANS AND BORROWINGS

Interest bearing loans and borrowings relates to facilities with external providers. In July 2010, the RE entered into a new facility with an external financier, Deutsche Bank. Deutsche Bank holds a fixed and floating charge over the assets of the Fund.

As indicated in Note 1, McGrathNicol were appointed as Receivers and Managers of the Fund by Deutsche Bank as a result of a default of the finance facility by the Fund for this secured loan.

There has been a progressive sell down of the assets of the Fund which has enabled \$14.1M of the loan to be repaid during the 2013 financial year and \$21.5M between July and December 2013. The facility was repaid in full in January 2014.

As mentioned in the Court Appointed Receiver's reports to investors, whilst the secured creditor has been repaid in full, the Receivers and Managers appointed by the secured creditor have advised that they are not yet in a position to retire until the potential claim by KordaMentha as the new trustee of the LM Managed Performance Fund is resolved.

KordaMentha, acting as trustee of the MPF has put the Court Appointed Receiver and the Receivers and Managers appointed by the secured creditor on notice of a potential claim against LM Investment Management Limited (Receivers and Managers Appointed) (in Liquidation) ("LMIM") and/or the Fund in relation to potential breaches of trust.

9. RELATED PARTIES

Responsible Entity ('RE')

The RE for the Fund is LM Investment Management Ltd (in Liquidation) ('LMIM'). The transactions recorded relate to fees and expenses incurred in accordance with the Constitution.

Administration and funds management services were provided to the Scheme on behalf of the RE by LM Administration Pty Ltd (In Liquidation) ('LMA'), an associate of the RE, until 23 December 2014 when the staff and directors were terminated and the LMA offices closed. LMA were paid a management fee directly from the Scheme.

Custodian

The Custodian of the Fund is The Trust Company (PTAL) Ltd.

Balance with related parties (Payable)

The Transaction with O'Sullivan Capital Management Ltd is in respect of marketing services provided in New Zealand by the former director John O'Sullivan.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2015

	30 June 2015	30 June 2014
	\$	\$
<i>RE remuneration received or due & receivable</i>		
Management fees for the year or half-year paid or payable directly to LM Administration	-	606,195
Custodian's fees paid by the Scheme	27,624	76,692
<i>Balance with related parties (payable)</i>		
O'Sullivan Capital Management Ltd	-	160,071
<i>FTI Consulting</i>		
LMIM's legal fees (FTI)	99,144	29,761
LMIM's Administrators and Liquidators fees and outlays (FTI) *	652,611	1,389,692

* Denotes expenses which are subject to approval by the court

10. RECEIVABLES

Prior to 1 January 2014, receivables consisted of the interest on the loans for the period from the 18th of the month, when the interest is run until the end of the month and GST which is due at 30 June 2013 and 31 December 2013. From 1 January 2014, interest was suspended and not brought to account as it is considered that the amounts are not ultimately recoverable from the sale proceeds of the property.

	30 June 2015	30 June 2014
	\$	\$
Mortgage interest receivable	-	43,238
Penalty interest receivable	-	198
Total interest receivable	-	43,436
Provision for interest impairment	-	(43,436)
GST receivable	782,658	664,646
	<u>782,658</u>	<u>664,646</u>

11. CASH AND CASH EQUIVALENTS

(a) Reconciliation of cash and cash equivalents

For the purposes of the Statement of Financial Position, the cash and cash equivalents comprise of cash at bank and in hand. The cash at bank earns interest at floating rates based on the daily bank deposit rates. The cash at bank figure includes monies held in foreign exchange margin accounts and not available for use.

	30 June 2015	30 June 2014
	\$	\$
Cash at bank	<u>41,863,342</u>	<u>7,741,190</u>

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2015

11. CASH AND CASH EQUIVALENTS (Continued)

As at 30 June 2015, \$238,081 (2014: \$391,964) of cash at bank was held in foreign exchange margin accounts and was not available for use by the Scheme.

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

	30 June 2015	30 June 2014
	\$	\$
Change in net assets attributable to unitholders	17,547,317	(18,350,449)
<i>Adjustments for:</i>		
Non-cash impairment expense	(26,633,748)	6,314,194
Distribution to unitholders		348
(Gains)/loss on foreign exchange contracts	34,721	(180,249)
(Gains)/loss on investor funds/foreign exchange adjustments	263,794	737,962
(increase)/decrease in other receivables	(118,012)	(482,139)
Increase/(decrease) in payables	(332,259)	2,448,423
Net cash flows from/(used in) operating activities	(9,238,187)	(9,511,910)

12. INTEREST REVENUE

Interest revenue relates to interest received on funds held in the bank accounts and interest charged on the loans.

Interest on loans is suspended and not brought to account when it is considered that the amounts are not ultimately recoverable from the sale proceeds of the property.

13. CONTINGENT LIABILITIES

Advisor Commissions

The Fund has historically recognised a liability for advisor commissions paid to advisors from the Fund. The agreements providing for these advisor commissions appear to have been entered into between the Responsible Entity in its own legal capacity rather than as trustee and Responsible Entity for the Fund. It also appears that conditions existed in the period from 1 July 2010 such that advisor commissions may not have been payable in accordance with the Fund Constitution from Fund property. The liability for advisor commissions as at 30 June 2012 of \$4,762,674 has therefore been derecognised as a liability of the Fund during the year ended 30 June 2013.

Accordingly, the Fund has disclosed a contingent liability of \$4,762,674 as at 30 June 2013 to the Responsible Entity for this amount.

The contingent liability relates to advisor commissions to brokers of the Fund that were referable to the period 1 July 2010 to 30 November 2013. The Responsible Entity has sought to disclaim the advisor commission arrangements.

Given this matter has not been resolved, we believe it is prudent to provide this note as a contingent liability.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2015

13. CONTINGENT LIABILITIES (Continued)

Claim by KordaMentha as Trustee of the LM Performance Fund

In August 2014, KordaMentha filed (but did not serve) two proceedings against LM Investment Management Ltd (In Liquidation) (Receivers and Managers Appointed) (LMIM) which included constructive trust claims against the Fund relating to two loans that were allegedly assigned from the FMIF to the MPF on 28 August 2008 in the sums of \$9.7M and \$19.5M respectively.

Amended statements of claim were filed and served on LMIM on 14 October 2015, including the constructive trust claims against the Fund, and seeking additional proprietary relief against assets of the FMIF as set out below:

- Declarations to the effect that LMIM is entitled to be indemnified out of the Fund's assets in respect of any liability of LMIM to the Trustee in the proceedings and that the Trustee is entitled to be subrogated to the rights of LMIM; and
- An equitable charge or lien over the assets of the FMIF to secure any liability of LMIM to the Trustee in the proceedings.

The claims will be vigorously defended. The ultimate outcome of defending this claim and timing of that outcome are uncertain.

30 September 2016

TO INVESTORS

Dear Member

**LM FIRST MORTGAGE INCOME FUND ARSN 089 343 288 (RECEIVERS AND MANAGERS APPOINTED)
(RECEIVER APPOINTED) ("THE FUND")**

I attach the unaudited accounts for the Fund for the year ending 30 June 2016.

The accounts have been prepared by collating the records maintained by the Fund and receipts and payments and other records of FTI and McGrathNicol.

The accounts have been prepared in accordance with the Scheme Constitution, the recognition and measurement requirements of the Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The accounts have been reviewed by the BDO audit team. However, their work does not constitute a full audit and therefore, the accounts are provided on an unaudited basis.

Should members require further information, please contact BDO on the details provided below.

BDO
GPO Box 457
Brisbane QLD 4001
Phone: +61 7 3237 5999
Fax: +61 7 3221 9227
Email: enquiries@lmfmif.com

Yours sincerely



David Whyte
Court Appointed Receiver

Disclaimer:

The 30 June 2016 financial statements were compiled by BDO Business Restructuring Pty Ltd however we did not audit those financial statements and, accordingly, express no opinion or other form of assurance on them.

**LM FIRST MORTGAGE INCOME FUND
(RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)**

ABN: 66 482 247 488

Report for the year ended 30 June 2016

Disclaimer

The 30 June 2016 financial statements were compiled by BDO Business Restructuring Pty Ltd but we did not audit those financial statements and, accordingly, express no opinion or other form of assurance on them.

**LM FIRST MORTGAGE INCOME FUND
(RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)**

ABN: 66 482 247 488

Financial Statements for the year ended 30 June 2016

CONTENTS

Statement of comprehensive income	3
Statement of financial position	4
Statement of changes in net assets attributable to unitholders	5
Statement of cash flows	6
Notes to the Financial Statement for the year ended 30 June 2016	7

The Responsible Entity of LM First Mortgage Income Fund (Receivers and Managers Appointed) (Receiver Appointed) is LM Investment Management Limited (ABN 68 077 208 461) (in Liquidation) (Receivers and Managers Appointed).

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2016

	Note	30 June 2016 \$	30 June 2015 \$
Income			
Fee revenue - mortgage loans		-	4,050
Interest revenue - cash assets		1,428,162	498,695
Other Income		86,879	-
Realised gain on foreign exchange contracts		-	106,869
		<u>1,515,041</u>	<u>609,614</u>
Expenses			
Custodian fees	9	32,100	27,624
Custodian legal fees	9	383,984	-
Net Impairment losses on mortgage loans	6	(1,355,411)	(26,633,748)
Unrealised foreign exchange losses on investor fund	2(r)	1,054,270	263,794
Realised loss on foreign exchange contracts		22,775	141,591
Other expenses	4	7,711,906	9,263,036
Total expenses excluding distributions to unitholders		<u>7,849,624</u>	<u>(16,937,703)</u>
Net profit (loss) before distributions to unitholders		(6,334,583)	17,547,317
Distributions paid/payable to unitholders	3	-	-
Net profit (loss) after distributions to unitholders		<u>(6,334,583)</u>	<u>17,547,317</u>
Other comprehensive income		-	-
Net profit (loss) after distributions to unitholders		(6,334,583)	17,547,317
Income tax expense		-	-
Changes in net assets attributable to unitholders after income tax expense		<u>(6,334,583)</u>	<u>17,547,317</u>

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

**LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)
STATEMENT OF FINANCIAL POSITION**

As at 30 June 2016

	Note	30 June 2016	30 June 2015
		\$	\$
ASSETS			
Cash and cash equivalents	11	75,226,396	41,863,342
Receivables	10	390,971	782,658
Loans & Receivables	6	5,475,536	43,333,916
TOTAL ASSETS		<u>81,092,903</u>	<u>85,979,916</u>
LIABILITIES			
Payables	7	7,822,479	7,429,179
Distributions payable		1,372,036	1,372,036
Total liabilities excluding net assets attributable to unitholders		<u>9,194,515</u>	<u>8,801,215</u>
NET ASSETS		<u>71,898,388</u>	<u>77,178,701</u>
Represented by:			
Net assets attributable to unitholders	5	<u>71,898,388</u>	<u>77,178,701</u>
(calculated in accordance with IFRS)			

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

**LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

For the year ended 30 June 2016

	Note	30 June 2016 \$	30 June 2015 \$
TOTAL			
Opening balance		77,178,701	59,366,610
Units issued during the year	5	-	980
Units redeemed during the year	5	-	-
Units issued on reinvestment of distributions		-	-
Changes in net assets attributable to unitholders		(6,334,583)	17,547,317
Foreign exchange (gain)/loss on investor funds	5	1,054,270	263,794
Closing Balance		<u>71,898,388</u>	<u>77,178,701</u>

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

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)
STATEMENT OF CASH FLOWS

For the year ended 30 June 2016

	Note	30 June 2016 \$	30 June 2015 \$
Cash flows from operating activities			
Interest received		1,235,691	529,469
Other operating expenses		(7,757,464)	(9,649,644)
Other income received		86,879	-
GST and withholding tax (paid)/received		584,157	(118,012)
Net cash inflow/(outflow) from operating activities	11(b)	<u>(5,850,737)</u>	<u>(9,238,187)</u>
Cash flows from investing activities			
Payments for secured mortgage loans	6(b)	(7,429,446)	(7,224,842)
Receipts from settled mortgage loans	6 (b)	46,643,237	50,585,291
Net cash inflow/(outflow) from investing activities		<u>39,213,791</u>	<u>43,360,449</u>
Cash flows from financing activities			
Repayment of facility		-	-
Cash paid on realisation of foreign exchange contracts		-	-
Receipts from the issue of units		-	980
Distributions paid		-	-
Payment for redemption of units		-	(1,090)
Net cash inflow/(outflow) from financing activities		<u>-</u>	<u>(110)</u>
Net increase/(decrease) in cash and cash equivalents		33,363,054	34,122,152
Cash and cash equivalents at beginning of year		41,863,342	7,741,190
Cash and cash equivalents at end of year	11 (a)	<u>75,226,396</u>	<u>41,863,342</u>

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

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2016

1. CORPORATE INFORMATION

During the period March 2013 to August 2013, a series of insolvency events occurred in respect of both the Fund and the Responsible Entity for the Fund, these are detailed in the table below:

Date	Appointment
19 March 2013	John Park and Ginette Muller of FTI Consulting appointed as Administrators of LM Investment Management Ltd ("LMIM") being the Responsible Entity for the Fund.
11 July 2013	Joseph Hayes and Anthony Connelly of McGrathNicol appointed as Receivers and Managers of LMIM as the Responsible Entity of LM First Mortgage Income Fund (Receivers and Managers Appointed) (Receiver Appointed) ('LMFMIF', 'Scheme' or the 'Fund') by Deutsche Bank.
1 August 2013	John Park and Ginette Muller of FTI Consulting appointed as liquidators of LMIM.
8 August 2013	David Whyte of BDO appointed by the Court as Receiver of the assets of the Fund and as the person responsible for ensuring the Fund is wound up in accordance with its Constitution.

The Scheme is an Australian registered Scheme, constituted on 13 April 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. These policies have been consistently applied to all periods presented, unless otherwise stated in the following text.

(a) Basis of accounting

This financial report has been prepared in accordance with the Scheme Constitution, the recognition and measurement requirements of the Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for financial assets and financial liabilities held at fair value through profit or loss, that have been measured at fair value.

The Statement of financial position is presented in decreasing order of liquidity and does not distinguish between current and non-current items. The amount expected to be recovered or settled within twelve months in relation to the balances cannot be reliably determined.

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

Statement of compliance

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2016

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

(a) Basis of accounting (Continued)

Status of investment in fund

During the 2009 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 is now in the process of being formally wound up with redemptions and hardship provisions remaining suspended.

Liquidation Basis

Previous financial statements have been prepared on a going concern basis.

The financial statements for the periods ended 30 June 2013 onwards have not been prepared on a going concern basis due to the appointment of Administrators to the Responsible Entity for the Fund on 19 March 2013 and subsequently Liquidators on 1 August 2013 and the appointment of Receivers and Managers and 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 for those periods have been prepared on a liquidation basis.

(b) New accounting standards and interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Scheme for the reporting period. The impact of these standards and interpretations that are not expected to have a material impact on the Scheme have not been included.

(c) Significant accounting judgements, estimates and assumptions

In the process of applying accounting policies, judgements and estimations have been made which have had an impact on the amounts recognised in the accounts. The key estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Allowance for impairment loss on loans and receivables

The Scheme determines whether loans are impaired on an ongoing basis. Individually assessed provisions are raised where there is objective evidence of impairment, where the Scheme does not expect to receive all of the cash flows contractually due. Individually assessed provisions are made against individual facilities.

(d) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. For the purposes of the Statement of cash flows, cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(e) Distribution income

Distribution income is recognised when the Scheme's right to receive income is established.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2016

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

(f) Interest income

Interest income is recognised as the interest accrues using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset. Interest ceases to be recognised when a loan is in default and the principal is impaired.

(g) Default management fees

Income from default management fees is recognised in line with the executed agreement with the borrower when an event of default occurs.

(h) Changes in the fair value of investments

Gains or losses on investments held for trading are calculated as the difference between the fair value at sale, or at year end, and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses.

(i) Fees, commissions and other expenses

Except where included in the effective interest calculation (for financial instruments carried at amortised cost), fees and commissions are recognised on an accrual basis. Audit and compliance fees are included with 'other expenses' and are recorded on an accrual basis.

(j) Financial instruments

Financial instruments in the scope of *AASB 139 Financial Instruments* are classified as either financial assets or financial liabilities at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale investments or other financial liabilities as appropriate.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Scheme determines the classification of its financial assets at initial recognition.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Scheme commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

i. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially measured at fair value including transaction costs directly attributable to the financial asset. After initial recognition, loans and receivables are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when receivables are derecognised or impaired, as well as through the amortisation process.

Loans and receivables are assessed for impairment at each reporting period. An allowance is made for credit losses when there is objective evidence that the Scheme will not be able to collect the loans and receivables. Impairment losses are written off when identified. Losses expected as a result of future events are not recognised. If a provision

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2016

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

(j) Financial instruments (Continued)

for impairment has been recognised in relation to the loan, write-offs for bad debts are made against the provision. If no provision for impairment has previously been recognised, write-offs for bad debts are recognised as an expense in the statement of comprehensive income.

A provision is made of loans in arrears where the collectability of the debts is considered doubtful by estimation of expected losses in relation to loan portfolios where specific identification is impracticable.

The components of impaired assets are as follows:

“Loans in arrears” are loans and advances for which there is reasonable doubt that the Scheme will be able to collect all amounts of principal and interest in accordance with the terms of the agreement.

“Assets acquired through the enforcement of security” are assets acquired in full or partial settlement of a loan or similar facility through the enforcement of security arrangements.

When it is determined that interest is not recoverable on certain impaired loans, the interest is suspended and not brought into income. Should the analysis of the collectability subsequently change the interest will be brought into income at the time it is determined to be collectable.

(k) Payables

Payables are carried at amortised costs and represent liabilities for goods and services provided to the Scheme prior to the end of the financial year and half year that are unpaid and arise when the Scheme becomes obliged to make future payments in respect of the purchases of these goods and services.

The distribution amount payable to investors as at the reporting date is a carried forward balance from a period prior to the appointment of the Court Appointed Receiver. This balance is recognised separately on the statement of financial position as unitholders are presently entitled, subject to confirmation, to the distributable income as at 30 June 2014 under the Scheme’s constitution. Further investigation into the distributions payable is currently being undertaken.

(l) Increase/decrease in net assets attributable to unitholders

Non-distributable income is transferred directly to net assets attributable to unitholders and may consist of unrealised changes in the net fair value of investments, accrued income not yet assessable, expenses accrued for which are not yet deductible, net capital losses and tax free or tax deferred income. Net capital gains on the realisation of any investments (including any adjustments for tax deferred income previously taken directly to net assets attributable to unitholders) and accrued income not yet assessable will be included in the determination of distributable income in the same year in which it becomes assessable for tax. Excess and undistributed income is also transferred directly to net assets attributable to unitholders.

(m) Distributions

The Trustees for the LM Managed Performance Fund have put both the Receivers and Managers and the Court Appointed Receiver on notice of a potential claim against the Fund. In addition, the Receivers and Managers appointed to the Bellpac matter have put the Court Appointed Receiver on notice not to distribute funds until the proceedings are resolved.

The secured creditor is not in a position to release its security due to the potential claim against the Fund. Until the matters detailed above are resolved and funds released to the Court Appointed Receiver, distributions to investors cannot commence.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2016

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

(n) Goods and services tax (GST)

The GST incurred on the costs of various services provided to the Responsible Entity by third parties such as audit fees, custodial services and investment management fees have been passed onto the Scheme. The Scheme qualifies for Reduced Input Tax Credits (RITC's) at a rate of 75%.

Investment management fees, custodial fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in the statement of cashflows on a gross basis.

The GST component of cash flows arising from investing and financing activities recoverable or payable to the ATO is classified as an operating cash flow.

(o) Applications and redemptions

Applications received for units in the Scheme are recorded when units are issued in the Scheme. Redemptions from the Scheme are recorded when the cancellation of units redeemed occurs. Unit redemption prices are determined by reference to the net assets of the Scheme divided by the number of units on issue.

Applications received in foreign currency denominations are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Foreign currency denominated unitholder funds are translated into the Schemes functional currency at balance date, using the spot rate prevailing at that date. Gains and losses arising from foreign exchange translation are recorded in the Statement of Comprehensive Income in the period in which they arise.

(p) 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).

(q) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

(r) Foreign currency translations

The Scheme's transactions in foreign currencies comprise applications and withdrawals of foreign currency unitholder funds and payment of distributions. Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liability denominated in foreign currencies and retranslated at the rate of exchange prevailing at the balance sheet date, and exchange rate gains and losses recognised in the statement of comprehensive income.

In relation to the total investor units, a discrepancy between the units recorded in the investor register and the units recorded in the audited and management accounts for the 2012 financial year has been identified. Investigations indicate that the discrepancy relates to the Fund's migration to a new financial database in 2010 whereby the units of investors who subscribed in a foreign currency were incorrectly recorded in the foreign currency equivalent amount, and not in the AUD equivalent amount in accordance with the PDS and Constitution. Legal advice has been sought in relation to addressing this issue and a further update will be provided in due course.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2016

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

(s) Determination of fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value for financial instruments not traded in an active market is determined using appropriate valuation techniques. Valuation techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cashflow analysis and option pricing models making as much use of available and supportable market data as possible.

(t) Estimated net asset amount per unit available to investors

The estimated amount of net assets available to investors are subject to the uncertainties indicated in this financial report.

The net assets of the fund and number of units on issue at the end of each of the periods is detailed in the table below:

	30 June 2016	30 June 2015
Estimated net amount of assets available to investors as at the period end (\$)	71,898,388	77,178,701
Total investor units (# of units)	478,100,386	478,537,325
Estimated net asset amount per unit available to investors as at the period end (cents in the dollar)	15	16.1

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2016

3. INCOME AND DISTRIBUTIONS TO UNITHOLDERS

Distributions to unitholders

	30 June 2016	30 June 2015
	\$	\$
Distributions paid/reinvested	-	-
Distributions payable	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Distributions payable relates to distributions that were required to be paid under the Scheme's Constitution. These distributions relate to the period prior to the suspension of the distributions in January 2011.

In addition to these interest distributions, capital distributions were also paid to investors in February and June 2013. Capital distributions are reflected through redemption of units and a decrease in the unit price.

(a) Distributions paid

	30 June 2016	30 June 2015
	\$	\$
Class A	-	-
Class B	-	-
Class C	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2016

4. OTHER EXPENSES

	30 June 2016	30 June 2015
	\$	\$
LM Administration Pty Ltd (in Liquidation) ("LMA") operational costs*	-	1,255,982
Receivers and Managers' fees and outlays (McGrathNicol)	711,441	1,056,994
Receivers and Managers' legal fees and outlays (McGrath Nicol)	253,087	292,561
LMA Liquidator fees and outlays (David Clout & Associates)	-	12,566
Other expenses	382,146	464,022
Court Appointed Receiver's fees & outlays (BDO) **	2,651,552	3,288,898
Court Appointed Receiver's legal fees (BDO)	2,817,888	2,140,258
LMIM's legal fees (FTI)	678,187	99,144
LMIM's Administrators and Liquidators fees and outlays (FTI) ***	217,605	652,611
	<u>7,711,906</u>	<u>9,263,036</u>

*LMA operational costs relate to services provided by LMA pursuant to a services agreement. This includes wages and salaries, insurance, rent and utilities.

** Denotes expenses which are subject to approval by the court.

The Court Appointed Receiver's fees & outlays are represented by the following amounts:

	30 June 2016	30 June 2015
	\$	\$
Court Appointed Receiver's investigations and other non-operating costs	1,344,254	1,027,240
Operating Costs of the Fund	1,307,298	2,261,658
Total	<u>2,651,552</u>	<u>3,288,898</u>

The Court Appointed Receiver's investigations and other non-operating costs include time costs in relation to the claim against the former auditors of the Fund, litigation matters which include claims against the MPF, LMIM and its directions and dealing with LMIM's court application in respect of the Liquidators' residual powers.

*** Denotes expenses which are subject to approval by the Receivers and Managers or the court.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2016

5. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Movements in the net assets attributable to unitholders during the year were as follows:

Net assets attributable to unitholders	30 June 2016	30 June 2015
	\$	\$
Class A		
Opening balance	245,679,110	245,678,130
Units issued during the year	-	-
Units redeemed during the year	-	-
Units issued upon reinvestment of distributions	-	980
Closing balance	245,679,110	245,679,110
Class B		
Opening balance	220,196,311	220,196,311
Units issued during the year	-	-
Units redeemed during the year	-	-
Units issued upon reinvestment of distributions	-	-
Closing balance	220,196,311	220,196,311
Class C		
Opening balance	11,170,694	10,906,900
Units issued during the year	-	-
Units redeemed during the year	-	-
Units issued upon reinvestment of distributions	-	-
Foreign exchange (gain)/loss on investor funds	1,054,270	263,794
Closing balance	12,224,964	11,170,694
Cumulative movement in changes in net assets	(406,201,997)	(399,867,414)
Net assets attributable to unitholders	71,898,388	77,178,701

Class A

Class A consists of unitholders who are entitled to receive the declared distribution rate. There are a number of subclasses attached to class A. These consist of the following products with varying terms:

- 1) Flexi Account investment option
- 2) Fixed Term investment option
- 3) LM Savings Plan investment option

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2016

5. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (Continued)

Class B

Class B consists of related Scheme unitholders.

Class C

Class C consists of unitholders who have invested in foreign currencies and are entitled to receive the declared distribution rate.

Subject to the comments relating to the status of the Scheme in note 2, all unitholders are entitled to receive distributions as declared from time to time and are entitled to one vote per unit at unitholders' meetings. As the Scheme is being wound up, all unitholders rank after creditors and are equally entitled to the proceeds of the winding up procedure.

6. LOANS AND RECEIVABLES

	30 June 2016	30 June 2015
	\$	\$
Secured mortgage loans	74,341,624	159,557,989
Provision for impairment	(68,866,088)	(116,224,073)
	<u>5,475,536</u>	<u>43,333,916</u>

Loans and receivables are initially measured at the fair value including transaction costs and subsequently measured at amortised cost after initial recognition. Loans and Receivables are assessed for impairment at each reporting date. Where impairment indicators exist, the recoverable amount of the loan will be determined and compared to its carrying amount to determine whether any impairment losses exists. Impairment losses are recognised when the recoverable amount under the individual loan is less than the carrying amount of that loan.

Material uncertainty regarding recoverability of Loans and Receivables

For loans in default, an impairment indicator arises which requires the recoverable amount of that loan to be determined. The recoverable amount for each individual loan in default has been determined from independent valuations of the assets forming the security for the loans. The valuations are based on current market conditions and provide for appropriate exposure to the market and an orderly realisation of assets forming the security for the loans.

In determining the recoverable amounts, there are uncertainties involved in assessing the market values and the ability to realise those market values, particularly where the market is not active. Consequently, it is likely that there may be differences between the amounts at which the Loans and Receivables are recorded at in the financial statements for the period ended 30 June 2014, and the amounts that are actually realised. Such differences may be material. Accordingly, there is a material uncertainty regarding recoverability of Loans and Receivables.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2016

6. LOANS AND RECEIVABLES (Continued)

(a) Provisions for impairment

The impairment loss expense relating to loans and receivables comprises:

	30 June 2016	30 June 2015
	\$	\$
Opening balance	116,224,073	299,158,892
Impairment losses provided for (recoveries) during the period	(1,355,411)	(26,633,748)
Impairment losses realised during the period	(46,002,574)	(156,301,071)
Closing balance	<u>68,866,088</u>	<u>116,224,073</u>
Total provision for impairment	<u><u>68,866,088</u></u>	<u><u>116,224,073</u></u>

(b) Movement in default loans

	30 June 2016	30 June 2015
	\$	\$
Gross default loans opening balance	159,557,989	359,219,509
New and increased default loans	7,429,446	7,224,842
Balances written off	(46,002,574)	(156,301,071)
Repaid	(46,643,237)	(50,585,291)
Gross default loans closing balance	<u>74,341,624</u>	<u>159,557,989</u>
Specific provision	(68,866,088)	(116,224,073)
Net default loans	<u><u>5,475,536</u></u>	<u><u>43,333,916</u></u>

7. PAYABLES

Payables are carried at cost and represent liabilities for goods and services provided to the Fund prior to the period end but have not yet been paid.

	30 June 2016	30 June 2015
	\$	\$
Accounts payable	<u>7,822,479</u>	<u>7,429,179</u>
	<u><u>7,822,479</u></u>	<u><u>7,429,179</u></u>

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2016

8. INTEREST BEARING LOANS AND BORROWINGS

Interest bearing loans and borrowings relates to facilities with external providers. In July 2010, the RE entered into a new facility with an external financier, Deutsche Bank. Deutsche Bank holds a fixed and floating charge over the assets of the Fund.

As indicated in Note 1, McGrathNicol were appointed as Receivers and Managers of the Fund by Deutsche Bank as a result of a default of the finance facility by the Fund for this secured loan.

There has been a progressive sell down of the assets of the Fund which has enabled \$14.1M of the loan to be repaid during the 2013 financial year and \$21.5M between July and December 2013. The facility was repaid in full in January 2014.

As mentioned in the Court Appointed Receiver's reports to investors, whilst the secured creditor has been repaid in full, the Receivers and Managers appointed by the secured creditor have advised that they are not yet in a position to retire until the potential claim by KordaMentha as the new trustee of the LM Managed Performance Fund is resolved.

KordaMentha, acting as trustee of the MPF has put the Court Appointed Receiver and the Receivers and Managers appointed by the secured creditor on notice of a potential claim against LM Investment Management Limited (Receivers and Managers Appointed) (in Liquidation) ("LMIM") and/or the Fund in relation to potential breaches of trust.

9. RELATED PARTIES

Responsible Entity ('RE')

The RE for the Fund is LM Investment Management Ltd (in Liquidation) ('LMIM'). The transactions recorded relate to fees and expenses incurred during the period up to 31 December 2015 which are subject to the approval of the Court. The Liquidators of LMIM have advised that they are awaiting the decision of Jackson J on the matter heard before His Honour on 14 March 2016 before seeking to identify and prepare any further indemnity claim in relation to the Liquidators' remuneration and out of pocket expenses.

Custodian

The Custodian of the Fund is The Trust Company (PTAL) Ltd. The Custodian's fees include a claim for legal fees payable under the custodian agreement. The legal fees were incurred by the custodian defending an action brought by a mortgagor of the Scheme.

	30 June 2016	30 June 2015
	\$	\$
<u>Custodian</u>		
Custodian's fees paid by the Scheme	32,100	27,624
Custodian's legal fees	383,984	-
<u>LMIM (FTI Consulting)</u>		
LMIM's legal fees (FTI)	678,187	99,144
LMIM's Administrators and Liquidators fees and outlays (FTI) *	217,605	652,611

* Denotes expenses which are subject to approval by the court

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2016

10. RECEIVABLES

Prior to 1 January 2014, receivables consisted of the interest on the loans for the period from the 18th of the month, when the interest is run until the end of the month and GST which is due at 30 June 2013 and 31 December 2013. From 1 January 2014, interest was suspended and not brought to account as it is considered that the amounts are not ultimately recoverable from the sale proceeds of the property.

	30 June 2016	30 June 2015
	\$	\$
Term deposit interest receivable	192,470	-
GST receivable	198,501	782,658
	<u>390,971</u>	<u>782,658</u>

11. CASH AND CASH EQUIVALENTS

(a) Reconciliation of cash and cash equivalents

For the purposes of the Statement of Financial Position, the cash and cash equivalents comprise of cash at bank and in hand. The cash at bank earns interest at floating rates based on the daily bank deposit rates. The cash at bank figure includes monies held in foreign exchange margin accounts and not available for use.

	30 June 2016	30 June 2015
	\$	\$
Cash at bank	<u>75,226,396</u>	<u>41,863,342</u>

As at 30 June 2016, \$215,306.51 (30 June 2015: \$238,081) of cash at bank was held in foreign exchange margin accounts and was not available for use by the Scheme.

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

	30 June 2016	30 June 2015
	\$	\$
Change in net assets attributable to unitholders	(6,334,583)	17,547,317
<i>Adjustments for:</i>		
Non-cash impairment expense	(1,355,411)	(26,633,748)
(Gains)/loss on foreign exchange contracts	22,775	34,721
(Gains)/loss on investor funds/foreign exchange adjustments	1,054,270	263,794
(increase)/decrease in other receivables	391,687	(118,012)
Increase/(decrease) in payables	370,526	(332,259)
Net cash flows from/(used in) operating activities	<u>(5,850,737)</u>	<u>(9,238,187)</u>

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2016

12. INTEREST REVENUE

Interest revenue relates to interest received on funds held in the bank accounts and interest charged on the loans.

Interest on loans is suspended and not brought to account when it is considered that the amounts are not ultimately recoverable from the sale proceeds of the property.

13. CONTINGENT LIABILITIES

Advisor Commissions

The Fund has historically recognised a liability for advisor commissions paid to advisors from the Fund. The agreements providing for these advisor commissions appear to have been entered into between the Responsible Entity in its own legal capacity rather than as trustee and Responsible Entity for the Fund. It also appears that conditions existed in the period from 1 July 2010 such that advisor commissions may not have been payable in accordance with the Fund Constitution from Fund property. The liability for advisor commissions as at 30 June 2012 of \$4,762,674 has therefore been derecognised as a liability of the Fund during the year ended 30 June 2013.

Accordingly, the Fund has disclosed a contingent liability of \$4,762,674 as at 30 June 2013 to the Responsible Entity for this amount.

The contingent liability relates to advisor commissions to brokers of the Fund that were referable to the period 1 July 2010 to 30 November 2013. The Responsible Entity has sought to disclaim the advisor commission arrangements.

Given this matter has not been resolved, we believe it is prudent to provide this note as a contingent liability.

Claim by KordaMentha as Trustee of the LM Performance Fund

In August 2014, KordaMentha Pty Ltd and Calibre Capital Pty Ltd as trustees of the MPF filed (but did not initially serve) two proceedings against LMIM relating to two loans that were allegedly assigned from the FMIF to the MPF on 28 August 2008, seeking relief including declarations of constructive trust against assets of the Fund. Calibre Capital Pty Ltd has since resigned as trustee of the MPF, and has been removed as a party to the proceedings.

The proceedings have now been served.

On the application of David Whyte, as Receiver of the property of FMIF, orders were made on 17 December 2015 adding him as second defendant in each proceeding and for the plaintiff, KordaMentha as trustee of the MPF to file second further amended statements of claim (2nd FASOC's). The 2nd FASOC's were filed on 29 February 2016 and varied the relief sought by, inter alia, deleting the constructive trust claim. The following relief is presently sought by the plaintiff, in each proceeding:

- Equitable compensation against LMIM, interest and costs
- Declarations that:
 - LMIM is entitled to be indemnified out of FMIF assets in respect of its liability to the plaintiff in the proceeding;
 - LMIM has a lien or charge over FMIF assets in respect of its liability to the plaintiff in the proceeding;
 - the plaintiff is entitled to be subrogated to the rights of LMIM in respect of the assets of FMIF.
- Further and in the alternative, Declarations that:
 - the plaintiff and FMIF unitholders rank equally in the Fund;
 - the plaintiff is entitled to a rateable distribution in the Fund in relation to the settlement sum and interest paid by LMIM as trustee of the MPF to LMIM as RE of the FMIF under the Deed of Assignment;
 - the plaintiff is entitled to an equitable charge or lien to the extent of its rateable distribution.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2016

13. CONTINGENT LIABILITIES (Continued)

On 19 April 2016 the plaintiff filed and served 3rd FASOC's in each proceeding in which certain paragraphs were raised which were deleted, an attempt was made to reformulate the allegations and the loss in which equitable relief is claimed has now been quantified at \$24.1M plus interest and costs. Changes were also made to the relief claimed such that the only proprietary claim that remains in each proceeding against the assets of the FMIF is that the first defendant (LMIM) is entitled to indemnity out of the assets of the FMIF and the plaintiffs are entitled to subrogate to the rights of the first defendant in relation to the indemnity.

Mr Whyte applied on 27 May 2016 to strike out certain parts of the 3rd FASOCs which, if successful, would have resulted in the claims founded upon a claim to indemnity from the FMIF being largely struck out. The strike out applications were heard on 31 May 2016 with the decision reserved. On 19 August 2016 Justice Applegarth delivered judgement on the applications. A key issue that was subject to argument on the hearing of the applications was whether the indemnity claim should be struck out. His Honour declined to strike out the indemnity claim after concluding that the plaintiff's pleaded indemnity claim is "at least arguable". His Honour noted that the plaintiff in each proceeding has agreed to effect certain other amendments to the pleading and to provide certain further particulars.

The parties have been requested to attempt to agree a form of order, and an appropriate order as to costs of the application and, thereafter, to list the proceedings for further review.

14. LITIGATION MATTERS

Claim against the former auditors

A public examination (PE) of the former auditors and certain directors and former directors (Directors) of LM Investment Management Limited (In Liquidation) was conducted over a period of 9 days in June 2015 and a further 9 days in October 2015.

Following the PEs, a further amended statement of claim was filed by me in the Supreme Court of Queensland and served on the former auditors of the Fund on 14 April 2016.

The former auditors' solicitors lodged and served on me a strike-out application and supporting affidavit on 27 April 2016 seeking to strike-out certain parts of the statement of claim. The hearing of the strike out application was adjourned to a date to be fixed by consent to enable appropriate directions to be made for the parties to exchange and file any further affidavit material and written submissions in advance of the hearing of the strike out application.

On 30 May 2016, I filed an application to place the proceedings on the Court's commercial list. This application was also adjourned to a date to be fixed.

On 2 August 2016, I filed a second further amended statement of claim. Pursuant to the timetable ordered by the Court, the defendants had until 27 September 2016 to file and serve any submissions and affidavits in support of their strike out application (this has now been received and is being considered) and I have until 8 November 2016 to file and serve any submissions and affidavits in response.

The hearing of the strike out application and the commercial list application is set down for 15 December 2016.

Wollongong Coal Ltd – Convertible Bonds

There are \$8 million in convertible bonds in Wollongong Coal Limited (WCL) which was the subject of a successful application to the Federal Court acknowledging that Bellpac (under the control of its liquidators) is the true owner.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2016

14. LITIGATION MATTERS (continued)

The defendants appealed the decision, which was unsuccessful, however, on 12 July 2016, the defendants made application for special leave to the High Court of Australia to appeal the decision of the Federal Court. The parties have made submissions and filed an appeal book with the Court. The decision on the application for special leave is pending and is expected to be decided in October 2016.

In January 2016, the Bellpac Liquidator applied for the conversion of the bonds to shares. Under the terms of the Bonds, WCL is required to issue the shares within 7 days after the end of January 2016 (Due Date) which it failed to do. Instead WCL issued part of the shares in early February 2016 and the balance of the shares after resolution of its members, in May 2016.

As WCL did not issue the shares as required under the terms of the Bonds, the Bellpac Liquidator brought proceedings against WCL seeking orders requiring WCL to perform its obligation to redeem the Bonds by

- Redeeming all of the Bonds which were not converted by the Due Date; and
- Pay to the Liquidator \$8M or such other amount being the nominal principal value of the unconverted Bonds (those issued in May 2016), plus interest.

WCL has now made application for security for costs against the Liquidator. The proceedings are continuing.

29 September 2017

TO INVESTORS

Dear Member

**LM FIRST MORTGAGE INCOME FUND ARSN 089 343 288 (RECEIVERS AND MANAGERS APPOINTED)
(RECEIVER APPOINTED) ("THE FUND")**

I attach the unaudited accounts for the Fund for the year ending 30 June 2017.


The accounts have been prepared by collating the records maintained by the Fund and receipts and payments and other records of FTI and McGrathNicol.

The accounts have been prepared in accordance with the Scheme Constitution, the recognition and measurement requirements of the Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The accounts have been reviewed by the BDO audit team. However, their work does not constitute a full audit and therefore, the accounts are provided on an unaudited basis.

Should members require further information, please contact BDO on the details provided below.

BDO
GPO Box 457
Brisbane QLD 4001
Phone: +61 7 3237 5999
Fax: +61 7 3221 9227
Email: enquiries@lmfmif.com

Yours sincerely



David Whyte
Court Appointed Receiver

Disclaimer:

The 30 June 2017 financial statements were compiled by BDO Business Restructuring Pty Ltd however we did not audit those financial statements and, accordingly, express no opinion or other form of assurance on them.

**LM FIRST MORTGAGE INCOME FUND
(RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)**

ABN: 66 482 247 488

Report for the year ended 30 June 2017

Disclaimer

The 30 June 2017 financial statements were compiled by BDO Business Restructuring Pty Ltd but we did not audit those financial statements and, accordingly, express no opinion or other form of assurance on them.

**LM FIRST MORTGAGE INCOME FUND
(RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)**

ABN: 66 482 247 488

Financial Statements for the year ended 30 June 2017

CONTENTS

Statement of comprehensive income	3
Statement of financial position	4
Statement of changes in net assets attributable to unitholders	5
Statement of cash flows	6
Notes to the Financial Statements for the year ended 30 June 2017	7

The Responsible Entity of LM First Mortgage Income Fund (Receivers and Managers Appointed) (Receiver Appointed) is LM Investment Management Limited (ABN 68 077 208 461) (in Liquidation) (Receivers and Managers Appointed).

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2017

	Note	30 June 2017 \$	30 June 2016 \$
Income			
Fee revenue - mortgage loans		-	-
Interest revenue - cash assets		1,506,468	1,428,162
Other Income		-	86,879
		<u>1,506,468</u>	<u>1,515,041</u>
Expenses			
Custodian fees	9	86,709	32,100
Custodian legal fees	9	-	383,984
Net Impairment losses on mortgage loans	6	120,542	(1,355,411)
Unrealised foreign exchange losses on investor fund		-	1,054,270
Realised loss on foreign exchange contracts		3,548	22,775
Other expenses	4	4,384,080	7,711,906
Total expenses excluding distributions to unitholders		<u>4,594,879</u>	<u>7,849,624</u>
Net profit (loss) before distributions to unitholders		(3,088,411)	(6,334,583)
Distributions paid/payable to unitholders	3	-	-
Net profit (loss) after distributions to unitholders		<u>(3,088,411)</u>	<u>(6,334,583)</u>
Other comprehensive income		-	-
Net profit (loss) after distributions to unitholders		(3,088,411)	(6,334,583)
Income tax expense		-	-
Changes in net assets attributable to unitholders after income tax expense		<u>(3,088,411)</u>	<u>(6,334,583)</u>

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

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Note	30 June 2017	30 June 2016
ASSETS		\$	\$
Cash and cash equivalents	11	73,094,783	75,226,396
Receivables	10	351,024	390,971
Loans & Receivables	6	3,620,167	5,475,536
TOTAL ASSETS		<u>77,065,974</u>	<u>81,092,903</u>
 LIABILITIES			
Payables	7	6,883,961	7,822,479
Distributions payable	3	1,372,036	1,372,036
Total liabilities excluding net assets attributable to unitholders		<u>8,255,997</u>	<u>9,194,515</u>
 NET ASSETS		<u>68,809,977</u>	<u>71,898,388</u>
 Represented by:			
Net assets attributable to unitholders	5	<u>68,809,977</u>	<u>71,898,388</u>
(calculated in accordance with IFRS)			

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

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 30 June 2017

	Note	30 June 2017 \$	30 June 2016 \$
TOTAL			
Opening balance		71,898,388	77,178,701
Units issued during the year	5	-	-
Units redeemed during the year	5	-	-
Units issued on reinvestment of distributions		-	-
Changes in net assets attributable to unitholders		(3,088,411)	(6,334,583)
Foreign exchange (gain)/loss on investor funds	5	-	1,054,270
Closing Balance		<u>68,809,977</u>	<u>71,898,388</u>

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

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

STATEMENT OF CASH FLOWS

For the year ended 30 June 2017

	Note	30 June 2017 \$	30 June 2016 \$
Cash flows from operating activities			
Interest and distributions received		1,506,468	1,428,161
Management fees paid		-	-
Other operating expenses		(5,412,855)	(7,757,464)
Other income received		-	86,879
GST and withholding tax (paid)/received		39,947	391,687
Finance costs paid		-	-
Net cash inflow/(outflow) from operating activities	11(b)	<u>(3,866,440)</u>	<u>(5,850,737)</u>
Cash flows from investing activities			
Payments for secured mortgage loans	6 (b)	(248,453)	(7,429,445)
Receipts from settled mortgage loans	6 (b)	1,983,280	46,643,235
Net cash inflow/(outflow) from investing activities		<u>1,734,827</u>	<u>39,213,790</u>
Cash flows from financing activities			
Repayment of facility		-	-
Cash paid on realisation of foreign exchange contracts		-	-
Receipts from the issue of units		-	-
Distributions paid		-	-
Payment for redemption of units		-	-
Net cash inflow/(outflow) from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		(2,131,613)	33,363,054
Cash and cash equivalents at beginning of year		75,226,396	41,863,342
Cash and cash equivalents at end of year	11 (a)	<u>73,094,783</u>	<u>75,226,396</u>

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

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2017

1. CORPORATE INFORMATION

During the period March 2013 to August 2013, a series of insolvency events occurred in respect of both the Fund and the Responsible Entity for the Fund, these are detailed in the table below:

Date	Appointment
19 March 2013	John Park and Ginette Muller of FTI Consulting appointed as Administrators of LM Investment Management Ltd ("LMIM") being the Responsible Entity for the Fund.
11 July 2013	Joseph Hayes and Anthony Connelly of McGrathNicol appointed as Receivers and Managers of LMIM as the Responsible Entity of LM First Mortgage Income Fund (Receivers and Managers Appointed) (Receiver Appointed) ('LMFMIF', 'Scheme' or the 'Fund') by Deutsche Bank.
1 August 2013	John Park and Ginette Muller of FTI Consulting appointed as liquidators of LMIM.
8 August 2013	David Whyte of BDO appointed by the Court as Receiver of the assets of the Fund and as the person responsible for ensuring the Fund is wound up in accordance with its Constitution.

The Scheme is an Australian registered Scheme, constituted on 13 April 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. These policies have been consistently applied to all periods presented, unless otherwise stated in the following text.

(a) Basis of accounting

This financial report has been prepared in accordance with the Scheme Constitution, the recognition and measurement requirements of the Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for financial assets and financial liabilities held at fair value through profit or loss, that have been measured at fair value.

The Statement of financial position is presented in decreasing order of liquidity and does not distinguish between current and non-current items. The amount expected to be recovered or settled within twelve months in relation to the balances cannot be reliably determined.

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

Statement of compliance

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2017

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

(a) Basis of accounting (Continued)

Status of investment in fund

During the 2009 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 is now in the process of being formally wound up with redemptions and hardship provisions remaining suspended.

Liquidation Basis

Previous financial statements have been prepared on a going concern basis.

The financial statements for the periods ended 30 June 2013 onwards have not been prepared on a going concern basis due to the appointment of Administrators to the Responsible Entity for the Fund on 19 March 2013 and subsequently Liquidators on 1 August 2013 and the appointment of Receivers and Managers and 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 for those periods have been prepared on a liquidation basis.

(b) New accounting standards and interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Scheme for the reporting period. The impact of these standards and interpretations are not expected to have a material impact on the Scheme have not been included.

(c) Significant accounting judgements, estimates and assumptions

In the process of applying accounting policies, judgements and estimations have been made which have had an impact on the amounts recognised in the accounts. The key estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Allowance for impairment loss on loans and receivables

The Scheme determines whether loans are impaired on an ongoing basis. Individually assessed provisions are raised where there is objective evidence of impairment, where the Scheme does not expect to receive all of the cash flows contractually due. Individually assessed provisions are made against individual facilities.

(d) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. For the purposes of the Statement of cash flows, cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(e) Distribution income

Distribution income is recognised when the Scheme's right to receive income is established.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2017

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

(f) Interest income

Interest income is recognised as the interest accrues using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset. Interest ceases to be recognised when a loan is in default and the principal is impaired.

(g) Default management fees

Income from default management fees is recognised in line with the executed agreement with the borrower when an event of default occurs.

(h) Changes in the fair value of investments

Gains or losses on investments held for trading are calculated as the difference between the fair value at sale, or at year end, and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses.

(i) Fees, commissions and other expenses

Except where included in the effective interest calculation (for financial instruments carried at amortised cost), fees and commissions are recognised on an accrual basis. Audit and compliance fees are included with 'other expenses' and are recorded on an accrual basis.

(j) Financial instruments

Financial instruments in the scope of *AASB 139 Financial Instruments* are classified as either financial assets or financial liabilities at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale investments or other financial liabilities as appropriate.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Scheme determines the classification of its financial assets at initial recognition.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Scheme commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

i. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially measured at fair value including transaction costs directly attributable to the financial asset. After initial recognition, loans and receivables are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when receivables are derecognised or impaired, as well as through the amortisation process.

Loans and receivables are assessed for impairment at each reporting period. An allowance is made for credit losses when there is objective evidence that the Scheme will not be able to collect the loans and receivables. Impairment losses are written off when identified. Losses expected as a result of future events are not recognised. If a provision

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2017

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

(j) Financial instruments

for impairment has been recognised in relation to the loan, write-offs for bad debts are made against the provision. If no provision for impairment has previously been recognised, write-offs for bad debts are recognised as an expense in the statement of comprehensive income.

A provision is made of loans in arrears where the collectability of the debts is considered doubtful by estimation of expected losses in relation to loan portfolios where specific identification is impracticable.

The components of impaired assets are as follows:

“Loans in arrears” are loans and advances for which there is reasonable doubt that the Scheme will be able to collect all amounts of principal and interest in accordance with the terms of the agreement.

“Assets acquired through the enforcement of security” are assets acquired in full or partial settlement of a loan or similar facility through the enforcement of security arrangements.

When it is determined that interest is not recoverable on certain impaired loans, the interest is suspended and not brought into income. Should the analysis of the collectability subsequently change the interest will be brought into income at the time it is determined to be collectable.

(k) Payables

Payables are carried at amortised costs and represent liabilities for goods and services provided to the Scheme prior to the end of the financial year and half year that are unpaid and arise when the Scheme becomes obliged to make future payments in respect of the purchases of these goods and services.

The distribution amount payable to investors as at the reporting date is a carried forward balance from a period prior to the appointment of the Court Appointed Receiver. This balance is recognised separately on the statement of financial position as unitholders are presently entitled, subject to confirmation, to the distributable income as at 30 June 2014 under the Scheme's constitution. Further investigation into the distributions payable is currently being undertaken.

(l) Increase/decrease in net assets attributable to unitholders

Non-distributable income is transferred directly to net assets attributable to unitholders and may consist of unrealised changes in the net fair value of investments, accrued income not yet assessable, expenses accrued for which are not yet deductible, net capital losses and tax free or tax deferred income. Net capital gains on the realisation of any investments (including any adjustments for tax deferred income previously taken directly to net assets attributable to unitholders) and accrued income not yet assessable will be included in the determination of distributable income in the same year in which it becomes assessable for tax. Excess and undistributed income is also transferred directly to net assets attributable to unitholders.

(m) Distributions

The Trustees for the LM Managed Performance Fund have put both the Receivers and Managers and the Court Appointed Receiver on notice of a potential claim against the Fund.

The secured creditor is not in a position to release its security due to the potential claim against the Fund. Until the matter detailed above is resolved and funds released to the Court Appointed Receiver, distributions to investors cannot commence.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2017

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

(n) Goods and services tax (GST)

The GST incurred on the costs of various services provided to the Responsible Entity by third parties such as audit fees, custodial services and investment management fees have been passed onto the Scheme. The Scheme qualifies for Reduced Input Tax Credits (RITC's) at a rate of 75%.

Investment management fees, custodial fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in the statement of cashflows on a gross basis.

The GST component of cash flows arising from investing and financing activities recoverable or payable to the ATO is classified as an operating cash flow.

(o) Applications and redemptions

Applications received for units in the Scheme are recorded when units are issued in the Scheme. Redemptions from the Scheme are recorded when the cancellation of units redeemed occurs. Unit redemption prices are determined by reference to the net assets of the Scheme divided by the number of units on issue.

Applications received in foreign currency denominations are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Foreign currency denominated unitholder funds are translated into the Schemes functional currency at balance date, using the spot rate prevailing at that date. Gains and losses arising from foreign exchange translation are recorded in the Statement of Comprehensive Income in the period in which they arise.

(p) 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).

(q) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

(r) Foreign currency translations

The Scheme's transactions in foreign currencies previously comprised applications and withdrawals of foreign currency unitholder funds and payment of distributions. Transactions in foreign currencies were initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liability denominated in foreign currencies are retranslated at the rate of exchange prevailing at the balance sheet date, and exchange rate gains and losses are recognised in the statement of comprehensive income.

In relation to the total investor units, a discrepancy between the units recorded in the investor register and the units recorded in the audited and management accounts for the 2012 financial year has been identified. Investigations indicate that the discrepancy relates to the Fund's migration to a new financial database in 2010 whereby the units of investors who subscribed in a foreign currency were incorrectly recorded in the foreign currency equivalent amount, and not in the AUD equivalent amount in accordance with the PDS and Constitution. An application will be made to the Court with a view to rectifying the register.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2017

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

(s) Determination of fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value for financial instruments not traded in an active market is determined using appropriate valuation techniques. Valuation techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible.

(t) Estimated net asset amount per unit available to investors

The estimated amount of net assets available to investors are subject to the uncertainties indicated in this financial report.

The net assets of the fund and number of units on issue at the end of each of the periods is detailed in the table below:

	30 June 2017	30 June 2016
Estimated net amount of assets available to investors as at the period end (\$)	68,809,977	71,898,388
Total investor units (# of units) *	478,100,386	478,100,386
Estimated net asset amount per unit available to investors as at the period end (cents in the dollar)	0.144	0.150

* Unit #'s

In previous financial statements prepared by David Whyte, unrealised foreign exchange transactions relating to the units denominated in foreign currencies were included in the accounts as this practice was undertaken in the audited financial accounts prior to year ended 30 June 2013. The results of these transactions were notionally recorded in the financial accounts as an adjustment to the total number of investor units in accordance with accounting standards. Given the discrepancy identified as detailed in Note 2(r) above in regard to the units of investors who subscribed in a foreign currency, having obtained legal advice, Mr Whyte has decided that no further notional adjustments to the unit numbers ought to be made in the financial accounts, until the incorrect recording of units of investors who subscribed in a foreign currency has been resolved and directions from the Court have been obtained. Accordingly, the total investor unit numbers has been notionally restated above as at the balance at 30 June 2016.

**** Estimated return to investors**

The estimated net asset amount per unit available to investors as set out above is subject to the resolution of a number of ongoing proceedings, including a claim against the Feeder Funds which was served on or about 7 August 2017. Given that the claim has only recently been filed and served and that it is likely to be defended, the actual net asset amount per unit available to investors is currently uncertain and an update will be provided in due course. Please refer to Note 14 below for further details regarding the claim.

The Feeder Funds are the LM Currency Protected Australian Income Fund (CPAIF), the LM Institutional Currency Protected Australian Income Fund (ICPAIF) and the LM Wholesale First Mortgage Income Fund (WMIF). The Feeder Funds are Class B investors and currently comprise approximately 48% of the total unitholding in the FMIF.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2017

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

The claim is for declarations that the FMIF is entitled to withhold from distributions or payments otherwise payable to the Feeder Funds an amount in excess of \$55 million (for redemptions paid to the Feeder Funds when the FMIF suspended redemptions to all other investors (apart from genuine approved hardship cases), as adjusted for the amount which the Feeder Funds would otherwise have been entitled as pleaded in the statement of claim. The claim seeks a declaration cancelling approximately 25 million in units issued to the Feeder Funds (which were a consequence of re-investment of distributions made to the Feeder Funds) which were issued after the FMIF suspended distributions to other investors.

If the Court grants the relief sought against the Feeder Funds and putting aside any other recoveries for the benefit of investors:

- the CPAIF and ICPAIF is not likely to receive any distribution in the winding up of the FMIF;
- the WMIF is likely to receive a smaller distribution than it otherwise would have been entitled, subject to the outcome of litigation against the FMIF and future operating costs of the FMIF;
- the FMIF can use the funds which otherwise would have been paid to the Feeder Funds for distributions to investors generally instead and, as a result, the return to other investors (Class A and Class C) will substantially increase

3. INCOME AND DISTRIBUTIONS TO UNITHOLDERS

The Distributions payable balance of \$1,372,036 relates to distributions that appear to have been declared prior to the date of the Court Receiver's appointment which were not paid, or have not cleared or were returned unclaimed. These liabilities have not been verified and Court approval may be required before any payment is made.

There have been no distributions to unitholders for the years ending 30 June 2017 or 30 June 2016.

4. OTHER EXPENSES

	30 June 2017	30 June 2016
Other Expenses	\$	\$
Receivers and Managers' fees and outlays (McGrathNicol)	386,228	711,441
Receivers and Managers' legal fees and outlays (McGrath Nicol)	24,586	253,087
Other expenses	245,720	382,146
Court Appointed Receiver's fees & outlays (BDO) **	1,960,705	2,651,552
Court Appointed Receiver's legal fees (BDO)	1,763,516	2,817,888
LMIM's legal fees (FTI)	3,325	678,187
LMIM's Administrators and Liquidators fees and outlays (FTI) ***	-	217,605
	<u>4,384,080</u>	<u>7,711,906</u>

** Denotes expenses which are subject to approval by the court.

*** Denotes expenses which are subject to approval by the Receivers and Managers or the court.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2017

4. OTHER EXPENSES (cont)

	30 June 2017	30 June 2016
	\$	\$
Court Appointed Receiver's investigations and other non-operating costs	678,368	1,344,254
Operating Costs of the Fund	1,282,337	1,307,298
Total	<u>1,960,705</u>	<u>2,651,552</u>

The Court Appointed Receiver's investigations and other non-operating costs include time costs in relation to the claim against the former auditors of the Fund, and other litigation matters which include claims against the MPF, LMIM and its directors and the claim against the Feeder Funds.

5. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Movements in the net assets attributable to unitholders during the year were as follows:

Net assets attributable to unitholders	30 June 2017	30 June 2016
	\$	\$
Class A		
Opening balance	245,679,110	245,679,110
Units issued during the year	-	-
Units redeemed during the year	-	-
Units issued upon reinvestment of distributions	-	-
Closing balance	<u>245,679,110</u>	<u>245,679,110</u>
Class B		
Opening balance	220,196,311	220,196,311
Units issued during the year	-	-
Units redeemed during the year	-	-
Units issued upon reinvestment of distributions	-	-
Closing balance	<u>220,196,311</u>	<u>220,196,311</u>
Class C		
Opening balance	12,224,964	11,170,694
Units issued during the year	-	-
Units redeemed during the year	-	-
Units issued upon reinvestment of distributions	-	-
Foreign exchange (gain)/loss on investor funds	-	1,054,270
Closing balance	<u>12,224,964</u>	<u>12,224,964</u>
Cumulative movement in changes in net assets	(409,290,408)	(406,201,997)
Net assets attributable to unitholders	<u>68,809,977</u>	<u>71,898,388</u>

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2017

5. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (cont)

Class A

Class A consists of unitholders who are entitled to receive the declared distribution rate. There are a number of subclasses attached to class A. These consist of the following products with varying terms:

- 1) Flexi Account investment option
- 2) Fixed Term investment option
- 3) LM Savings Plan investment option

Class B

Class B consists of related Scheme unitholders.

Class C

Class C consists of unitholders who have invested in foreign currencies and are entitled to receive the declared distribution rate.

Subject to the comments relating to the status of the Scheme in note 2, all unitholders are entitled to receive distributions as declared from time to time and are entitled to one vote per unit at unitholders' meetings. As the Scheme is being wound up, all unitholders rank after creditors and are equally entitled to the proceeds of the winding up procedure.

We refer to Note 2(t) above.

6. LOANS AND RECEIVABLES

	30 June 2017	30 June 2016
	\$	\$
Secured mortgage loans	72,696,775	74,341,624
Provision for impairment	(69,076,608)	(68,866,088)
	<u>3,620,167</u>	<u>5,475,536</u>

Loans and receivables are initially measured at the fair value including transaction costs and subsequently measured at amortised cost after initial recognition. Loans and Receivables are assessed for impairment at each reporting date. Where impairment indicators exist, the recoverable amount of the loan will be determined and compared to its carrying amount to determine whether any impairment losses exists. Impairment losses are recognised when the recoverable amount under the individual loan is less than the carrying amount of that loan.

Material uncertainty regarding recoverability of Loans and Receivables

For loans in default, an impairment indicator arises which requires the recoverable amount of that loan to be determined. The recoverable amount for each individual loan in default has been determined from independent valuations of the assets forming the security for the loans. The valuations are based on current market conditions and provide for appropriate exposure to the market and an orderly realisation of assets forming the security for the loans.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2017

6. LOANS AND RECEIVABLES (Continued)

In determining the recoverable amounts, there are uncertainties involved in assessing the market values and the ability to realise those market values, particularly where the market is not active. Consequently, it is likely that there may be differences between the amounts at which the Loans and Receivables are recorded at in the financial statements for the period ended 30 June 2017, and the amounts that are actually realised. Such differences may be material. Accordingly, there is a material uncertainty regarding recoverability of Loans and Receivables.

(a) Provisions for impairment

The impairment loss expense relating to loans and receivables comprises:

	30 June 2017	30 June 2016
	\$	\$
Opening balance	68,866,088	116,224,073
Impairment losses provided for (recoveries) during the period	120,542	(1,355,411)
Impairment losses realised during the period	89,978	(46,002,574)
Closing balance	<u>69,076,608</u>	<u>68,866,088</u>
Total provision for impairment	<u><u>69,076,608</u></u>	<u><u>68,866,088</u></u>

(b) Movement in default loans

	30 June 2017	30 June 2016
	\$	\$
Gross default loans opening balance	74,341,624	159,557,989
New and increased default loans	248,453	7,429,446
Balances written off	89,978	(46,002,574)
Repaid	(1,983,280)	(46,643,237)
Gross default loans closing balance	<u>72,696,775</u>	<u>74,341,624</u>
Specific provision	(69,076,608)	(68,866,088)
Net default loans	<u><u>3,620,167</u></u>	<u><u>5,475,536</u></u>

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2017

7. PAYABLES

Payables are carried at cost and represent liabilities for goods and services provided to the Fund prior to the period end but have not yet been paid.

	30 June 2017	30 June 2016
	\$	\$
Accounts payable	6,883,961	7,822,479
	<u>6,883,961</u>	<u>7,822,479</u>

Approximately \$4.2 million of the accounts payable balance relates to FTI's remuneration and expenses claimed from the Fund. See Note 14 FTI litigation for more information.

8. INTEREST BEARING LOANS AND BORROWINGS

Interest bearing loans and borrowings relates to facilities with external providers. In July 2010, the RE entered into a new facility with an external financier, Deutsche Bank. Deutsche Bank holds a fixed and floating charge over the assets of the Fund.

As indicated in Note 1, McGrathNicol were appointed as Receivers and Managers of the Fund by Deutsche Bank as a result of a default of the finance facility by the Fund for this secured loan.

There has been a progressive sell down of the assets of the Fund which has enabled \$14.1M of the loan to be repaid during the 2013 financial year and \$21.5M between July and December 2013. The facility was repaid in full in January 2014.

As mentioned in the Court Appointed Receiver's reports to investors, whilst the secured creditor has been repaid in full, the Receivers and Managers appointed by the secured creditor have advised that they are not yet in a position to retire until the potential claim by KordaMentha as the new trustee of the LM Managed Performance Fund is resolved.

KordaMentha, acting as trustee of the MPF has put the Court Appointed Receiver and the Receivers and Managers appointed by the secured creditor on notice of a potential claim against LM Investment Management Limited (Receivers and Managers Appointed) (in Liquidation) ("LMIM") and/or the Fund in relation to potential breaches of trust.

9. RELATED PARTIES

Custodian

The Custodian of the Fund is The Trust Company (PTAL) Ltd. The Custodian's fees in the year ended 30 June 2016 include a claim for legal fees payable under the custodian agreement. The legal fees were incurred by the custodian defending an action brought by a mortgagor of the Scheme.

	30 June 2017	30 June 2016
	\$	\$
<u>Custodian</u>		
Custodian's fees paid by the Scheme	86,709	32,100
Custodian's legal fees	-	383,984
<u>FTI Consulting</u>		
LMIM's legal fees (FTI)	-	678,187
LMIM's Administrators and Liquidators fees and outlays (FTI) *	-	217,605

* Denotes expenses which are subject to approval by the court

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2017

10. RECEIVABLES

Prior to 1 January 2014, receivables consisted of the interest on the loans for the period from the 18th of the month, when the interest is run until the end of the month and GST which is due at 30 June 2013 and 31 December 2013. From 1 January 2014, interest was suspended and not brought to account as it is considered that the amounts are not ultimately recoverable from the sale proceeds of the property.

	30 June 2017	30 June 2016
	\$	\$
Term deposit interest receivable	249,315	192,470
GST receivable	101,709	198,501
	<u>351,024</u>	<u>390,971</u>

11. CASH AND CASH EQUIVALENTS

(a) Reconciliation of cash and cash equivalents

For the purposes of the Statement of Financial Position, the cash and cash equivalents comprise of cash at bank and in hand. The cash at bank earns interest at floating rates based on the daily bank deposit rates. The cash at bank figure includes monies held in foreign exchange margin accounts and not available for use.

	30 June 2017	30 June 2016
	\$	\$
Cash at bank	<u>73,094,783</u>	<u>75,226,396</u>

As at 30 June 2017, \$212,130 (30 June 2016: \$215,307) of cash at bank was held in foreign exchange margin accounts and was not available for use by the Scheme.

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

	30 June 2017	30 June 2016
	\$	\$
Change in net assets attributable to unitholders	(3,088,411)	(6,334,601)
<i>Adjustments for:</i>		
Non-cash impairment expense	120,542	(1,355,412)
(Gains)/loss on foreign exchange contracts	3,548	22,775
(Gains)/loss on investor funds/foreign exchange adjustments	-	1,054,270
(increase)/decrease in other receivables	39,947	391,687
Increase/(decrease) in payables	(942,066)	370,526
Net cash flows from/(used in) operating activities	<u>(3,866,440)</u>	<u>(5,850,755)</u>

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2017

12. INTEREST REVENUE

Interest revenue relates to interest received on funds held in the bank accounts and interest charged on the loans.

Interest on loans is suspended and not brought to account when it is considered that the amounts are not ultimately recoverable from the sale proceeds of the property.

13. CONTINGENT LIABILITIES

Claims by KordaMentha as Trustee of the LM Performance Fund

Assigned Loans Claim

In August 2014, KordaMentha Pty Ltd and Calibre Capital Pty Ltd as trustees of the MPF commenced two proceedings against LMIM alleging that the entry into Deeds of Assignment by LMIM, pursuant to which PTAL, as custodian of the FMIF assigned its right, title and interest in the securities that it held for two FMIF loans, to LMIM as trustee of the MPF, in exchange for payment of a Settlement Sum, and the alleged payment of the Settlement Sum by LMIM as trustee of the MPF, breached duties owed by LMIM to members of the MPF. Calibre Capital Pty Ltd has since resigned as trustee of the MPF, and has been removed as a party to the proceedings.

On the application of David Whyte, as Receiver of the property of FMIF, orders were made on 17 December 2015 adding him as second defendant in each proceeding. The plaintiff (after various amendments to its case) presently seeks the following relief in each proceeding:

- Equitable compensation against LMIM, interest and costs
- Declarations that:
 - LMIM is entitled to be indemnified out of FMIF assets in respect of its liability to the plaintiff in the proceeding;
 - LMIM has a lien or charge over FMIF assets in respect of its liability to the plaintiff in the proceeding;
 - the plaintiff is entitled to be subrogated to the rights of LMIM in respect of the assets of FMIF.

The total amount of the claims made against assets of the FMIF is about \$24.1 million plus interest and costs.

Mr Whyte intends (subject to the outcome of the negotiations referred to below and any directions made by the Court) to defend the claims for relief made in the proceeding against assets of the FMIF.

At the review hearing on 16 December 2016, the proceedings were adjourned to a date to be fixed, to allow the parties further time to continue negotiations to settle this proceeding and other actions involving the MPF and the FMIF (see Note 14).

AIIS Loan Claim

On 16 December 2015, KordaMentha as trustee of the MPF (MPF Trustee), commenced a proceeding against LMIM. The MPF Trustee alleges in the proceeding that:

- PTAL, as custodian of the FMIF, and LMIM as trustee of the MPF, both made loans to a borrower by the name of Australian International Investment Services Pty Ltd (AIIS);
- PTAL as custodian of the FMIF was the first registered mortgagee, and LMIM as trustee of the MPF was the second registered mortgagee;

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2017

13. CONTINGENT LIABILITIES (CONT)

- LMIM as trustee of the MPF approved various increases to the amount of the facility, from time to time, in breach of duty; and
- LMIM as trustee of the MPF made various advances that were used to service interest on the loan made by PTAL as custodian of the FMIF to AHS, in breach of duty, and LMIM as RE of the FMIF received such payments with knowledge that they were made in breach of duty.

The MPF Trustee presently claims the following relief in the proceeding:

- approximately \$16.82 million equitable compensation against LMIM;
- a declaration that LMIM as RE of the FMIF holds on constructive trust the amount of approximately \$3.9 million (being the amount of the payments allegedly made by LMIM as trustee of the MPF to service interest on the FMIF facility);
- a declaration that the MPF Trustee is entitled to be subrogated to the rights of LMIM, and indemnified out of assets of the FMIF in respect of, or has a lien or charge over the assets and undertakings of the FMIF to secure, the amount of approximately \$3.9 million;
- interest and costs.

The total amount claimed against assets of the FMIF in the proceeding is presently about \$3.9 million plus interest and costs.

In an affidavit filed with the application for leave to proceed referred to below, it is noted that the MPF Trustee's claims against assets of the FMIF will be increased to approximately \$4.138 million, plus interest and costs, as further amounts allegedly paid by the MPF to service interest on the FMIF facility have been ascertained since the proceeding was filed.

On 3 November 2016, the MPF Trustee filed an application for leave to proceed against LMIM. At the hearing of the MPF Trustee's application on 22 November 2016, orders were made granting the leave sought on the condition that any judgment against the defendant will not be enforced without further leave of the court, that the MPF Trustee serve the Statement of Claim by 15 December 2016 and the defendant is not required to file a defence and any counterclaim until 28 days after the plaintiff gives written notice to LMIM and David Whyte that a defence and any counterclaim is required to be filed.

The claim was served on LMIM on 28 November 2016. No written notice requiring a defence has been received by Mr Whyte.

14. LITIGATION MATTERS

Claim against the former auditors

A public examination (PE) of the former auditors, certain directors, former directors (Directors) and staff of LM Investment Management Limited (In Liquidation) was conducted over a period of 9 days in June 2015 and a further 9 days in October 2015.

Following the PEs, a further amended statement of claim was filed by David Whyte in the Supreme Court of Queensland and served on the former auditors of the Fund on 14 April 2016.

The former auditors' solicitors lodged and served on David Whyte an application and supporting affidavit on 27 April 2016 seeking to strike-out certain parts of the statement of claim. The hearing of the strike out application was adjourned to a date to be fixed by consent to enable appropriate directions to be made for the parties to exchange and file any further affidavit material and written submissions in advance of the hearing of the strike out application.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2017

14. LITIGATION MATTERS (CONT)

On 30 May 2016, David Whyte filed an application to place the proceedings on the Court's commercial list. This application was also adjourned to a date to be fixed.

On 2 August 2016, David Whyte filed a second further amended statement of claim. The parties filed submissions and further affidavit evidence as required by the orders and at the hearing of the strike out application and the commercial list application on 15 December 2016, the Court granted the application to place the proceedings on the commercial list and reserved its decision on the strike out application.

The reserved decision from the hearing of the strike out application was handed down on 8 May 2017 and the decision was not appealed. In that decision, the Court declined to strike out all of the parts of the claim that the former auditors sought to strike out. However, it did make orders striking out certain causes of action and orders were made that the statement of claim be amended to delete those causes of action.

In accordance with the Court's judgment, the parties are now conferring to agree the form of orders which will include a timetable for the filing of a further amended statement of claim and the costs of the former auditors' strike-out application.

Wollongong Coal Ltd (WCL) – Convertible Bonds

There are \$8 million in convertible bonds in Wollongong Coal Limited (WCL) which was the subject of a successful application to the Federal Court acknowledging that Bellpac Pty Ltd (In Liquidation) (Bellpac) (under the control of its liquidators) is the true owner.

The defendants appealed the decision, which was unsuccessful, however, on 12 July 2016, the defendants made application for special leave to the High Court of Australia to appeal the decision of the Federal Court. On 10 November 2016, the High Court refused to grant special leave to the defendants, and dismissed their application with costs.

In January 2016, the Bellpac Liquidator applied for the conversion of the bonds to shares. Under the terms of the Bonds, WCL is required to issue the shares within 7 days after the end of January 2016 (Due Date) which it failed to do. Instead WCL issued part of the shares in early February 2016 and the balance of the shares after resolution of its members, in May 2016.

As WCL did not issue the shares as required under the terms of the Bonds, the Bellpac Liquidator brought proceedings against WCL seeking orders requiring WCL to perform its obligation to redeem the Bonds by

- Redeeming all of the Bonds which were not converted by the Due Date; and
- Pay to the Liquidator \$8M or such other amount being the nominal principal value of the unconverted Bonds (those issued in May 2016), plus interest.

The proceedings have been adjourned pending completion of the terms of a heads of agreement with WCL pursuant to which Bellpac will receive \$6.3 million in exchange for the transfer of the shares to WCL or alternatively cancellation of the shares.

Proceedings against the MPF, LMIM and the Directors of LMIM

On 17 December 2014, David Whyte filed a claim and statement of claim in the Supreme Court of Queensland, against a number of parties, including the MPF Trustee, alleging the FMIF suffered loss as a result of a decision to pay an amount to the MPF in 2011 on settlement of litigation between Bellpac and Gujarat NRE Minerals Ltd (now called Wollongong Coal Limited). The claim is for \$15.5M plus interest. The proceedings, which have progressed to completion of discovery stage for the plaintiff and certain defendants, are continuing.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2017

14. LITIGATION MATTERS (CONT)

FTI litigation

The RE for the Fund is LM Investment Management Ltd (in Liquidation) ("LMIM"). On 8 April 2015, the Liquidators of LMIM ("FTI") filed an application (which was subsequently amended on 20 July 2015) in the Supreme Court of Queensland, for directions in relation to their ongoing role, and the extent of their powers and responsibilities to undertake certain duties, for, and on behalf of, the FMIF. The application was heard before the Court on 20 July 2015, and orders were made on 17 December 2015.

On 16 December 2015, FTI filed a Further Amended Originating Application ("FAOA") seeking a determination of their remuneration as administrators, and liquidators, of LMIM. The FAOA sought payment in the amount of \$3,098,251.83 plus GST (for the period from the date of their appointment as administrators on 19 March 2013 to 30 September 2015) from the assets of the Fund. The matter was heard by the Court on 22 February and 14 March 2016. The decision was reserved, and the parties are awaiting judgment.

In accordance with the Orders made by the Court on 17 December 2015, FTI submitted two indemnity claims to David Whyte, seeking payment of the sums of \$241,453.54 and \$375,499.78 respectively, from the assets of the Fund.

The first claim (of \$241,453.54) is sought with respect to the legal costs incurred by LMIM in relation to the appeal of the decision of Dalton J appointing David Whyte as receiver of the assets of the Fund, and the person responsible for ensuring the Fund is wound up in accordance with its Constitution. This claim has been rejected by David Whyte, pending the outcome of the judgment to be handed down with respect to the FAOA.

As to the second claim, David Whyte accepted, and paid, \$84,954.41, rejected \$169,243.26 and deferred consideration of \$5,473.59 (pending the outcome of the judgment to be handed down in respect of the FAOA for FTI's remuneration). The balance of the second claim was withdrawn by FTI.

On 20 May 2016, FTI filed an application in the Supreme Court of Queensland, seeking declarations that the claims for indemnity rejected by David Whyte are properly payable from the Fund ("Indemnity Application"), and payment thereof. On 16 February 2017, Jackson J made directions as to the steps to progress the Indemnity Application. The Indemnity Application is listed for hearing on 8 and 9 May 2017.

FTI have informed David Whyte that they are awaiting judgment in the FAOA before making any further claim with respect to their own remuneration and out of pocket expenses. FTI's remuneration and expenses claimed from the Fund (and unpaid) for the period up to 31 December 2015, totals \$4,211,638 (excluding GST). FTI's claimed fees and expenses have been included in the Fund's Payables (as referred to in Note 7 above), though this amount is not admitted and is subject to change given the matters presently before the Court.

David Whyte obtained judicial advice to the effect that he is justified in raising the clear accounts rule in opposition to the Indemnity Application, in relation to certain identified claims.

FTI's application to Court challenging Mr Whyte's decision to reject FTI's indemnity claim was heard on 19 and 20 June 2017. The Court has reserved its decision.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2017

14. LITIGATION MATTERS (CONT)

Claim against LMIM

A statement of claim filed in November 2016 to preserve claims in relation to certain transactions and avoid possible statutory expiration as a consequence of the statute of limitations has been amended and has now been served on LMIM. The claims are for various alleged breaches of trust in relation to certain transactions including pre-paid management fees and loan management fees paid to LMIM or its service entity LM Administration Pty Ltd.

Claim against Feeder Funds (Class B unitholders)

The statement of claim which was filed against the Feeder Funds in December 2016 to preserve certain claims has now been amended and has now been formally served on the parties representing the Feeder Funds. The Feeder Funds are the LM Currency Protected Australian Income Fund (CPAIF), the LM Institutional Currency Protected Australian Income Fund (ICPAIF) and the LM Wholesale First Mortgage Income Fund (WMIF). The claim concerns approximately \$55 million of redemptions paid to the Feeder Funds when the FMIF had suspended redemptions to other investors (apart from genuine approved hardship cases) and approximately \$19.5M of income distributions made to the Feeder Funds when income distributions to other investors were suspended (and the reinvestment of these distributions). The relief sought in the claim includes declarations to withhold from distributions or payments otherwise payable from the FMIF to:

- CPAIF in the sum of \$40,583,109 plus interest, as adjusted for the difference between the sum paid for capital distributions in early to mid-2013 and the amount the CPAIF would otherwise have been entitled as referred to in the statement of claim
- ICPAIF in the sum of \$5,044,118.30 plus interest, as adjusted for the difference between the sum paid for capital distributions in early to mid-2013 and the amount the CPAIF would otherwise have been entitled as referred to in the statement of claim
- WMIF in the sum of \$9,432,090.76 plus interest, as adjusted for the difference between the sum paid for capital distributions in early to mid-2013 and the amount the WMIF would otherwise have been entitled as referred to in the statement of claim

If the claim is successful, it will impact on the return to the Feeder Funds from the winding up of the FMIF and, in the case of the CPAIF and ICPAIF, the claim will exhaust any estimated return (based on the estimated unit value as calculated herein) to those funds (such that they will not be entitled to any distribution from the FMIF). In the case of the WMIF, the claim will substantially reduce its entitlement to any distribution.

27 September 2018

TO INVESTORS

Dear Member

**LM FIRST MORTGAGE INCOME FUND ARSN 089 343 288 (RECEIVERS AND MANAGERS APPOINTED)
(RECEIVER APPOINTED) ("THE FUND")**

I attach the unaudited accounts for the Fund for the year ending 30 June 2018.

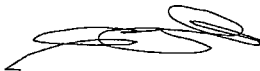
The accounts have been prepared by collating the records maintained by the Fund and receipts and payments and other records of FTI and McGrathNicol.

The accounts have been prepared in accordance with the Scheme Constitution, the recognition and measurement requirements of the Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The accounts have been reviewed by the BDO audit team. However, their work does not constitute a full audit and therefore, the accounts are provided on an unaudited basis.

Should members require further information, please contact BDO on the details provided below.

BDO
GPO Box 457
Brisbane QLD 4001
Phone: +61 7 3237 5999
Fax: +61 7 3221 9227
Email: enquiries@lmfmif.com

Yours sincerely



David Whyte
Court Appointed Receiver

Disclaimer:

The 30 June 2018 financial statements were compiled by BDO Business Restructuring Pty Ltd however we did not audit those financial statements and, accordingly, express no opinion or other form of assurance on them.

**LM FIRST MORTGAGE INCOME FUND
(RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)
ABN: 66 482 247 488**

Report for the year ended 30 June 2018

Disclaimer

The 30 June 2018 financial statements were compiled by BDO Business Restructuring Pty Ltd but we did not audit those financial statements and, accordingly, express no opinion or other form of assurance on them.

**LM FIRST MORTGAGE INCOME FUND
(RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)
ABN: 66 482 247 488**

Financial Statements for the year ended 30 June 2018

CONTENTS

Statement of comprehensive income	3
Statement of financial position	4
Statement of changes in net assets attributable to unitholders	5
Statement of cash flows	6
Notes to the financial statements for the year ended 30 June 2018	7

The Responsible Entity of LM First Mortgage Income Fund (Receivers and Managers Appointed) (Receiver Appointed) is LM Investment Management Limited (ABN 68 077 208 461) (in Liquidation) (Receivers and Managers Appointed).

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2018

	Note	30 June 2018 \$	30 June 2017 \$
Income			
Interest revenue - cash assets	12	1,508,456	1,506,468
Other Income	3 (a)	1,687,695	-
		3,196,151	1,506,468
Expenses			
Custodian fees & legal fees	9	(113,573)	86,709
Net Impairment losses on mortgage loans	6 (a)	614,117	120,542
Adjustment on foreign exchange accounts		(4,129)	3,548
Other expenses	4	4,625,299	4,384,080
Total expenses excluding distributions to unitholders		5,121,714	4,594,879
		(1,925,563)	(3,088,411)
Net profit (loss) before distributions to unitholders			
Distributions paid/payable to unitholders			-
Net profit (loss) after distributions to unitholders		(1,925,563)	(3,088,411)
Other comprehensive income			-
Net profit (loss) after distributions to unitholders		(1,925,563)	(3,088,411)
Income tax expense			-
Changes in net assets attributable to unitholders after income tax expense		(1,925,563)	(3,088,411)

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

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Note	30 June 2018	30 June 2017
ASSETS		\$	\$
Cash and cash equivalents	11	70,194,328	73,094,783
Receivables	10	469,030	351,024
Loans & Receivables	6	44,235	3,620,167
TOTAL ASSETS		70,707,593	77,065,974
LIABILITIES			
Payables	7	2,451,143	6,883,961
Distributions payable	3 (b)	1,372,036	1,372,036
Total liabilities excluding net assets attributable to unitholders		3,823,179	8,255,997
NET ASSETS		66,884,414	68,809,977
Represented by:			
Net assets attributable to unitholders	5	66,884,414	68,809,977
(calculated in accordance with IFRS)			

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

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 30 June 2018

	Note	30 June 2018 \$	30 June 2017 \$
TOTAL			
Opening balance		68,809,977	71,898,388
Units issued during the year	5	-	-
Units redeemed during the year	5	-	-
Units issued on reinvestment of distributions		-	-
Changes in net assets attributable to unitholders		(1,925,563)	(3,088,411)
Closing Balance		66,884,414	68,809,977

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

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

STATEMENT OF CASH FLOWS

For the year ended 30 June 2018

	Note	30 June 2018	30 June 2017
		\$	\$
Cash flows from operating activities			
Interest and distributions received		1,508,456	1,506,468
Other operating expenses		(7,252,721)	(5,412,855)
GST and withholding tax (paid)/received		(118,005)	39,947
Net cash inflow/(outflow) from operating activities	11 (b)	(5,862,270)	(3,866,440)
Cash flows from investing activities			
Payments for secured mortgage loans	6 (b)	(117,090)	(248,453)
Receipts from settled mortgage loans	6 (b)	3,078,905	1,983,280
Net cash inflow/(outflow) from investing activities		2,961,815	1,734,827
Cash flows from financing activities			
		-	-
Net increase/(decrease) in cash and cash equivalents		(2,900,455)	(2,131,613)
Cash and cash equivalents at beginning of year		73,094,783	75,226,396
Cash and cash equivalents at end of year	11 (a)	70,194,328	73,094,783

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

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2018

1. CORPORATE INFORMATION

During the period March 2013 to August 2013, a series of insolvency events occurred in respect of both the Fund and the Responsible Entity for the Fund, these are detailed in the table below:

Date	Appointment
19 March 2013	John Park and Ginette Muller of FTI Consulting appointed as Administrators of LM Investment Management Ltd ("LMIM") being the Responsible Entity for the Fund.
11 July 2013	Joseph Hayes and Anthony Connelly of McGrathNicol appointed as Receivers and Managers of LMIM as the Responsible Entity of LM First Mortgage Income Fund (Receivers and Managers Appointed) (Receiver Appointed) ('LMFMIF', 'Scheme' or the 'Fund') by Deutsche Bank.
1 August 2013	John Park and Ginette Muller of FTI Consulting appointed as liquidators of LMIM.
8 August 2013	David Whyte of BDO appointed by the Court as Receiver of the assets of the Fund and as the person responsible for ensuring the Fund is wound up in accordance with its Constitution.

The Scheme is an Australian registered Scheme, constituted on 13 April 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. These policies have been consistently applied to all periods presented, unless otherwise stated in the following text.

(a) Basis of accounting

This financial report has been prepared in accordance with the Scheme Constitution, the recognition and measurement requirements of the Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for financial assets and financial liabilities held at fair value through profit or loss, that have been measured at fair value.

The Statement of financial position is presented in decreasing order of liquidity and does not distinguish between current and non-current items. The amount expected to be recovered or settled within twelve months in relation to the balances cannot be reliably determined.

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

Statement of compliance

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2018

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

(a) Basis of accounting (Continued)

Status of investment in fund

During the 2009 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 is now in the process of being formally wound up with redemptions and hardship provisions remaining suspended.

Liquidation Basis

Previous financial statements have been prepared on a going concern basis.

The financial statements for the periods ended 30 June 2013 onwards have not been prepared on a going concern basis due to the appointment of Administrators to the Responsible Entity for the Fund on 19 March 2013 and subsequently Liquidators on 1 August 2013 and the appointment of Receivers and Managers and 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 for those periods have been prepared on a liquidation basis.

(b) New accounting standards and interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Scheme for the reporting period. The impact of these standards and interpretations are not expected to have a material impact on the Scheme have not been included.

(c) Significant accounting judgements, estimates and assumptions

In the process of applying accounting policies, judgements and estimations have been made which have had an impact on the amounts recognised in the accounts. The key estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Allowance for impairment loss on loans and receivables

The Scheme determines whether loans are impaired on an ongoing basis. Individually assessed provisions are raised where there is objective evidence of impairment, where the Scheme does not expect to receive all of the cash flows contractually due. Individually assessed provisions are made against individual facilities.

(d) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. For the purposes of the Statement of cash flows, cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(e) Distribution income

Distribution income is recognised when the Scheme's right to receive income is established.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2018

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

(f) Interest income

Interest income is recognised as the interest accrues using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset. Interest ceases to be recognised when a loan is in default and the principal is impaired.

(g) Default management fees

Income from default management fees is recognised in line with the executed agreement with the borrower when an event of default occurs.

(h) Changes in the fair value of investments

Gains or losses on investments held for trading are calculated as the difference between the fair value at sale, or at year end, and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses.

(i) Fees, commissions and other expenses

Except where included in the effective interest calculation (for financial instruments carried at amortised cost), fees and commissions are recognised on an accrual basis. Audit and compliance fees are included with 'other expenses' and are recorded on an accrual basis.

(j) Financial instruments

Financial instruments in the scope of *AASB 139 Financial Instruments* are classified as either financial assets or financial liabilities at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale investments or other financial liabilities as appropriate.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Scheme determines the classification of its financial assets at initial recognition.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Scheme commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

i. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially measured at fair value including transaction costs directly attributable to the financial asset. After initial recognition, loans and receivables are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when receivables are derecognised or impaired, as well as through the amortisation process.

Loans and receivables are assessed for impairment at each reporting period. An allowance is made for credit losses when there is objective evidence that the Scheme will not be able to collect the loans and receivables. Impairment losses are written off when identified. Losses expected as a result of future events are not recognised. If a provision for impairment

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2018

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

(j) Financial instruments

has been recognised in relation to the loan, write-offs for bad debts are made against the provision. If no provision for impairment has previously been recognised, write-offs for bad debts are recognised as an expense in the statement of comprehensive income.

A provision is made of loans in arrears where the collectability of the debts is considered doubtful by estimation of expected losses in relation to loan portfolios where specific identification is impracticable.

The components of impaired assets are as follows:

“Loans in arrears” are loans and advances for which there is reasonable doubt that the Scheme will be able to collect all amounts of principal and interest in accordance with the terms of the agreement.

“Assets acquired through the enforcement of security” are assets acquired in full or partial settlement of a loan or similar facility through the enforcement of security arrangements.

When it is determined that interest is not recoverable on certain impaired loans, the interest is suspended and not brought into income. Should the analysis of the collectability subsequently change the interest will be brought into income at the time it is determined to be collectable.

(k) Payables

Payables are carried at amortised costs and represent liabilities for goods and services provided to the Scheme prior to the end of the financial year and half year that are unpaid and arise when the Scheme becomes obliged to make future payments in respect of the purchases of these goods and services.

The distribution amount payable to investors as at the reporting date is a carried forward balance from a period prior to the appointment of the Court Appointed Receiver. This balance is recognised separately on the statement of financial position as unitholders are presently entitled, subject to confirmation, to the distributable income as at 30 June 2014 under the Scheme's constitution. Further investigation into the distributions payable is currently being undertaken.

(l) Increase/decrease in net assets attributable to unitholders

Non-distributable income is transferred directly to net assets attributable to unitholders and may consist of unrealised changes in the net fair value of investments, accrued income not yet assessable, expenses accrued for which are not yet deductible, net capital losses and tax free or tax deferred income. Net capital gains on the realisation of any investments (including any adjustments for tax deferred income previously taken directly to net assets attributable to unitholders) and accrued income not yet assessable will be included in the determination of distributable income in the same year in which it becomes assessable for tax. Excess and undistributed income is also transferred directly to net assets attributable to unitholders.

(m) Distributions

The Trustees for the LM Managed Performance Fund previously put both the Receivers and Managers and the Court Appointed Receiver on notice of a potential claim against the Fund.

The secured creditor was not in a position to release its security due to the potential claim against the Fund. This matter has now been resolved and the Receivers and Managers have advised they are finalising their appointment. Once the secured creditor's Receivers have retired and the funds are released to me, I will be required to retain certain funds to meet the liabilities of the Fund, including contingent claims that may arise from the auditor claim and Bellpac litigation. I am also required to seek the directions of the Court before proceeding with the next distribution.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2018

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

(n) Goods and services tax (GST)

The GST incurred on the costs of various services provided to the Responsible Entity by third parties such as audit fees, custodial services and investment management fees have been passed onto the Scheme. The Scheme qualifies for Reduced Input Tax Credits (RITC's) at a rate of 55%.

Investment management fees, custodial fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in the statement of cash flows on a gross basis.

The GST component of cash flows arising from investing and financing activities recoverable or payable to the ATO is classified as an operating cash flow.

(o) Applications and redemptions

Applications received for units in the Scheme are recorded when units are issued in the Scheme. Redemptions from the Scheme are recorded when the cancellation of units redeemed occurs. Unit redemption prices are determined by reference to the net assets of the Scheme divided by the number of units on issue.

Applications received in foreign currency denominations are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Foreign currency denominated unitholder funds are translated into the Schemes functional currency at balance date, using the spot rate prevailing at that date. Gains and losses arising from foreign exchange translation are recorded in the Statement of Comprehensive Income in the period in which they arise.

(p) 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).

(q) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

(r) Foreign currency translations

The Scheme's transactions in foreign currencies previously comprised applications and withdrawals of foreign currency unitholder funds and payment of distributions. Transactions in foreign currencies were initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liability denominated in foreign currencies are retranslated at the rate of exchange prevailing at the balance sheet date, and exchange rate gains and losses are recognised in the statement of comprehensive income.

In relation to the total investor units, a discrepancy between the units recorded in the investor register and the units recorded in the audited and management accounts for the 2012 financial year has been identified. Investigations indicate that the discrepancy relates to the Fund's migration to a new financial database in 2010 whereby the units of investors who subscribed in a foreign currency were incorrectly recorded in the foreign currency equivalent amount, and not in the AUD equivalent amount in accordance with the PDS and Constitution. An application will be made to the Court with a view to rectifying the register.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2018

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

(s) Determination of fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value for financial instruments not traded in an active market is determined using appropriate valuation techniques. Valuation techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible.

(t) Estimated net asset amount per unit available to investors

The estimated amount of net assets available to investors are subject to the uncertainties indicated in this financial report.

The net assets of the fund and number of units on issue at the end of each of the periods is detailed in the table below:

	30 June 2018	30 June 2017
Estimated net amount of assets available to investors as at the period end (\$)	66,884,414	68,809,977
Total investor units (# of units) *	478,100,386	478,100,386
Estimated net asset amount per unit available to investors as at the period end (cents in the dollar)**	0.140	0.144

* Unit #'s

In previous financial statements prepared by David Whyte, unrealised foreign exchange transactions relating to the units denominated in foreign currencies were included in the accounts as this practice was undertaken in the audited financial accounts prior to year ended 30 June 2013. The results of these transactions were notionally recorded in the financial accounts as an adjustment to the total number of investor units in accordance with accounting standards. Given the discrepancy identified as detailed in Note 2(r) above in regard to the units of investors who subscribed in a foreign currency, having obtained legal advice, Mr Whyte has decided that no further notional adjustments to the unit numbers ought to be made in the financial accounts, until the incorrect recording of units of investors who subscribed in a foreign currency has been resolved and directions from the Court have been obtained. Accordingly, the total investor unit numbers has been notionally restated above as at the balance at 30 June 2016.

**** Estimated return to investors**

The estimated net asset amount per unit available to investors as set out above is subject to the resolution of a number of ongoing proceedings, including a claim against the Feeder Funds which was served on or about 7 August 2017. Given that the claim is likely to be defended, the actual net asset amount per unit available to investors is currently uncertain and an update will be provided in due course. Please refer to Note 14 below for further details regarding the claim.

The Feeder Funds are the LM Currency Protected Australian Income Fund (CPAIF), the LM Institutional Currency Protected Australian Income Fund (ICPAIF) and the LM Wholesale First Mortgage Income Fund (WMIF). The Feeder Funds are Class B investors and currently comprise approximately 48% of the total unitholding in the FMIF.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2018

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

The claim is for declarations that the FMIF is entitled to withhold from distributions or payments otherwise payable to the Feeder Funds an amount in excess of \$55 million (for redemptions paid to the Feeder Funds when the FMIF suspended redemptions to all other investors, apart from genuine approved hardship cases), as adjusted for the amount which the Feeder Funds would otherwise have been entitled as pleaded in the statement of claim. The claim seeks a declaration cancelling approximately 35 million units issued to the Feeder Funds (which were a consequence of re-investment of distributions made to the Feeder Funds) which were issued after the FMIF suspended distributions to other investors.

If the Court grants the relief sought against the Feeder Funds and putting aside any other recoveries for the benefit of investors:

- the CPAIF and ICPAIF are not likely to receive any distribution in the winding up of the FMIF;
- the WMIF is likely to receive a smaller distribution than it otherwise would have been entitled, subject to the outcome of litigation against the FMIF and future operating costs of the FMIF;
- the FMIF can use the funds which otherwise would have been paid to the Feeder Funds for distributions to investors generally instead and, as a result, the return to other investors (Class A and Class C) will substantially increase.

3. INCOME AND DISTRIBUTIONS TO UNITHOLDERS

(a) Other Income

The other income amount of \$1,687,695 relates to adjustments to the Fund's accrued expenses that were reported and expensed in prior periods during the Receivership. This amount is predominantly made up of amounts accrued for FTI's claimed remuneration and expenses up to 30 September 2015 which are no longer payable due to the recent decision of the Court and provision for reimbursement of operational expenses by FTI not previously brought to account. See Note 14 litigation for more information.

(b) Distributions Payable

The distributions payable balance of \$1,372,036 relates to distributions that appear to have been declared prior to the date of the Court Receiver's appointment which were not paid, or have not cleared or were returned unclaimed. These liabilities have not been verified and Court approval may be required before any payment is made.

Once the secured creditor's Receivers have retired and the funds are released to me, I will be required to retain certain funds to meet the liabilities of the Fund, including contingent claims that may arise from the auditor claim and Bellpac litigation.

I am also required to seek the directions of the Court before proceeding with the next distribution.

There have been no distributions to unitholders for the year ended 30 June 2018 or for years ending 30 June 2017, 30 June 2016 and 30 June 2015.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2018

4. OTHER EXPENSES

	30 June 2018	30 June 2017
	\$	\$
Other Expenses		
Receivers and Managers' fees and outlays (McGrathNicol)	239,310	386,228
Court Appointed Receiver's fees & outlays (BDO) *	2,239,050	1,960,705
Legal Fees	1,876,102	1,791,427
Other expenses	270,837	245,720
Total	4,625,299	4,384,080

*Denotes expenses which are subject to approval by the court.

Court Appointed Receiver's fees & outlays (BDO)

	30 June 2018	30 June 2017
	\$	\$
The Court Appointed Receiver's fees & outlays are represented by the following amounts:		
Court Appointed Receiver's investigations, litigation and other non-operating costs	1,007,573	678,368
Operating Costs of the Fund	1,231,477	1,282,337
Total	2,239,050	1,960,705

The Court Appointed Receiver's investigations and other non-operating costs include time costs in relation to the claim against the former auditors of the Fund, and other litigation matters which include claims against the MPF, LMIM and its directors and the claim against the Feeder Funds.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2018

5. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Movements in the net assets attributable to unitholders during the year were as follows:

Net assets attributable to unitholders	30 June 2018	30 June 2017
	\$	\$
Class A		
Opening balance	245,679,110	245,679,110
Units issued during the year	-	-
Units redeemed during the year	-	-
Units issued upon reinvestment of distributions	-	-
Closing balance	245,679,110	245,679,110
Class B		
Opening balance	220,196,311	220,196,311
Units issued during the year	-	-
Units redeemed during the year	-	-
Units issued upon reinvestment of distributions	-	-
Closing balance	220,196,311	220,196,311
Class C		
Opening balance	12,224,964	12,224,964
Units issued during the year	-	-
Units redeemed during the year	-	-
Units issued upon reinvestment of distributions	-	-
Foreign exchange (gain)/loss on investor funds	-	-
Closing balance	12,224,964	12,224,964
Cumulative movement in changes in net assets	(411,215,971)	(409,290,408)
Net assets attributable to unitholders	66,884,414	68,809,977

Class A

Class A consists of unitholders who are entitled to receive the declared distribution rate. There are a number of subclasses attached to class A. These consist of the following products with varying terms:

- 1) Flexi Account investment option
- 2) Fixed Term investment option
- 3) LM Savings Plan investment option

Class B

Class B consists of related Scheme unitholders.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2018

5. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (cont)

Class C

Class C consists of unitholders who have invested in foreign currencies and are entitled to receive the declared distribution rate.

Subject to the comments relating to the status of the Scheme in note 2(t) above, unitholders are entitled to one vote per unit at unitholders' meetings and as the Scheme is being wound up, unitholders rank after creditors and are equally entitled to the proceeds of the winding up procedure.

6. LOANS AND RECEIVABLES

	30 June 2018	30 June 2017
	\$	\$
Secured mortgage loans	6,102,290	72,696,775
Provision for impairment	(6,058,055)	(69,076,608)
	<u>44,235</u>	<u>3,620,167</u>

Loans and receivables are initially measured at the fair value including transaction costs and subsequently measured at amortised cost after initial recognition. Loans and Receivables are assessed for impairment at each reporting date. Where impairment indicators exist, the recoverable amount of the loan will be determined and compared to its carrying amount to determine whether any impairment losses exists. Impairment losses are recognised when the recoverable amount under the individual loan is less than the carrying amount of that loan.

Material uncertainty regarding recoverability of Loans and Receivables

For loans in default, an impairment indicator arises which requires the recoverable amount of that loan to be determined. The recoverable amount for each individual loan in default has been determined from independent valuations and/or the assets forming the security for the loans. The valuations are based on current market conditions and provide for appropriate exposure to the market and an orderly realisation of assets forming the security for the loans.

In determining the recoverable amounts, there are uncertainties involved in assessing the market values and the ability to realise those market values, particularly where the market is not active. Consequently, it is likely that there may be differences between the amounts at which the Loans and Receivables are recorded at in the financial statements for the period ended 30 June 2018, and the amounts that are actually realised. Such differences may be material. Accordingly, there is a material uncertainty regarding recoverability of Loans and Receivables.

The balance of \$44,235 represents cash available in the controllerships' bank accounts as at 30 June 2018. These funds have since been distributed to the Fund's bank account as loan repayments.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2018

(a) Provisions for impairment

The impairment loss expense relating to loans and receivables comprises:

	30 June 2018	30 June 2017
	\$	\$
Opening balance	69,076,608	68,866,088
Impairment losses provided for (recoveries) during the period	614,117	120,542
Impairment losses realised during the period	(63,632,670)	89,978
Closing balance	<u>6,058,055</u>	<u>69,076,608</u>
Total provision for impairment	<u>(6,058,055)</u>	<u>69,076,608</u>

(b) Movement in default loans

	30 June 2018	30 June 2017
	\$	\$
Gross default loans opening balance	72,696,775	74,341,624
New and increased default loans	117,090	248,453
Balances written off	(63,632,670)	89,978
Repaid	(3,078,905)	(1,983,280)
Gross default loans closing balance	<u>6,102,290</u>	<u>72,696,775</u>
Specific provision	(6,058,055)	(69,076,608)
Net default loans	<u>44,235</u>	<u>3,620,167</u>

7. PAYABLES

Payables are carried at cost and represent liabilities for goods and services provided to the Fund prior to the period end but have not yet been paid.

	30 June 2018	30 June 2017
	\$	\$
Accounts payable	2,451,143	6,883,961

Approximately \$918,458 of the accounts payable balance relates to FTI's remuneration and expenses claimed from the Fund. See Note 14 FTI litigation for more information.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2018

8. INTEREST BEARING LOANS AND BORROWINGS

Interest bearing loans and borrowings relates to facilities with external providers. In July 2010, the RE entered into a new facility with an external financier, Deutsche Bank. Deutsche Bank holds a fixed and floating charge over the assets of the Fund.

As indicated in Note 1, McGrathNicol were appointed as Receivers and Managers of the Fund by Deutsche Bank as a result of a default of the finance facility by the Fund for this secured loan.

There has been a progressive sell down of the assets of the Fund which enabled \$14.1M of the loan to be repaid during the 2013 financial year and \$21.5M between July and December 2013. The facility was repaid in full in January 2014.

9. RELATED PARTIES

	30 June 2018	30 June 2017
	\$	\$
<i>Custodian</i>		
Custodian's fees paid by the Scheme	32,274	86,709
Custodian's legal fees (refund)	(145,847)	-
Total	(113,573)	86,709

Custodian

The Custodian of the Fund is The Trust Company (PTAL) Ltd. The Custodian's fees in the year ended 30 June 2016 included a claim for legal fees payable under the custodian agreement. The legal fees were incurred by the custodian defending an action brought by a mortgagor of the Scheme. This action was subsequently discontinued and PTAL was awarded costs. PTAL received a payment of \$150,000 from security for costs put up by the plaintiffs. As PTAL's costs were claimed and paid by the Fund under the custodian agreement, PTAL forwarded the security for costs monies to the Fund.

10. RECEIVABLES

	30 June 2018	30 June 2017
	\$	\$
Term deposit interest receivable	131,378	249,315
GST receivable	337,652	101,709
	469,030	351,024

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2018

11. CASH AND CASH EQUIVALENTS

(a) Reconciliation of cash and cash equivalents

For the purposes of the Statement of Financial Position, the cash and cash equivalents comprise of cash at bank and in hand. The cash at bank earns interest at floating rates based on the daily bank deposit rates, however, the majority of the cash balance is invested on term deposit with a bank. The cash at bank figure includes monies held in foreign exchange accounts.

	30 June 2018	30 June 2017
	\$	\$
Cash at bank	70,194,328	73,094,783

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

	30 June 2018	30 June 2017
	\$	\$
Change in net assets attributable to unitholders	(1,925,563)	(3,088,411)
<i>Adjustments for:</i>		
Non-cash impairment expense	614,117	120,542
Non-cash accrued expense reduction	(1,687,695)	-
(Gains)/loss on foreign exchange contracts	(4,129)	3,548
(increase)/decrease in other receivables	(118,005)	39,947
Increase/(decrease) in payables	(2,740,995)	(942,066)
Net cash flows from/(used in) operating activities	(5,862,270)	(3,866,440)

12. INTEREST REVENUE

Interest revenue relates to interest received on funds held in bank accounts.

Interest on loans is suspended and not brought to account when it is considered that the amounts are not ultimately recoverable from the remaining security for the loans.

13. CONTINGENT LIABILITIES

Claims by KordaMentha as Trustee of the LM Performance Fund

Assigned Loans Claim

In August 2014, KordaMentha Pty Ltd and Calibre Capital Pty Ltd as trustees of the MPF commenced two proceedings against LMIM alleging that the entry into Deeds of Assignment by LMIM, pursuant to which PTAL, as custodian of the FMIF assigned its right, title and interest in the securities that it held for two FMIF loans, to LMIM as trustee of the MPF, in exchange for payment of a Settlement Sum, and the alleged payment of the Settlement Sum by LMIM as trustee of the MPF, breached duties owed by LMIM to members of the MPF. Calibre Capital Pty Ltd has since resigned as trustee of the MPF, and has been removed as a party to the proceedings.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2018

On the application of David Whyte, as Receiver of the property of FMIF, orders were made on 17 December 2015 adding him as second defendant in each proceeding. The plaintiff (after various amendments to its case) sought the following relief in each proceeding:

- Equitable compensation against LMIM, interest and costs
- Declarations that:
 - LMIM is entitled to be indemnified out of FMIF assets in respect of its liability to the plaintiff in the proceeding;
 - LMIM has a lien or charge over FMIF assets in respect of its liability to the plaintiff in the proceeding;
 - the plaintiff is entitled to be subrogated to the rights of LMIM in respect of the assets of FMIF.

The total amount of the claims made against assets of the FMIF is about \$24.1 million plus interest and costs.

At the review hearing on 16 December 2016, the proceedings were adjourned to a date to be fixed.

Both proceedings were discontinued by the MPF in June 2018.

AIIS Loan Claim

On 16 December 2015, KordaMentha as trustee of the MPF (MPF Trustee), commenced a proceeding against LMIM. The MPF Trustee alleged in the proceeding that:

- PTAL, as custodian of the FMIF, and LMIM as trustee of the MPF, both made loans to a borrower by the name of Australian International Investment Services Pty Ltd (AIIS);
- PTAL as custodian of the FMIF was the first registered mortgagee, and LMIM as trustee of the MPF was the second registered mortgagee;
- LMIM as trustee of the MPF approved various increases to the amount of the facility, from time to time, in breach of duty; and
- LMIM as trustee of the MPF made various advances that were used to service interest on the loan made by PTAL as custodian of the FMIF to AIIS, in breach of duty, and LMIM as RE of the FMIF received such payments with knowledge that they were made in breach of duty.

The MPF Trustee claimed the following relief in the proceeding:

- approximately \$16.82 million equitable compensation against LMIM;
- a declaration that LMIM as RE of the FMIF holds on constructive trust the amount of approximately \$3.9 million (being the amount of the payments allegedly made by LMIM as trustee of the MPF to service interest on the FMIF facility);
- a declaration that the MPF Trustee is entitled to be subrogated to the rights of LMIM, and indemnified out of assets of the FMIF in respect of, or has a lien or charge over the assets and undertakings of the FMIF to secure, the amount of approximately \$3.9 million;
- interest and costs.

The proceedings were discontinued by the MPF in June 2018.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2018

14. LITIGATION MATTERS

Claim against the former auditors

A public examination (PE) of the former auditors, certain directors, former directors (Directors) and staff of LM Investment Management Limited (In Liquidation) was conducted over a period of 9 days in June 2015 and a further 9 days in October 2015.

Following the PEs, a further amended statement of claim was filed by David Whyte in the Supreme Court of Queensland and served on the former auditors of the Fund on 14 April 2016.

The former auditors' solicitors lodged and served on David Whyte an application and supporting affidavit on 27 April 2016 seeking to strike-out certain parts of the statement of claim. The hearing of the strike out application was adjourned to a date to be fixed by consent to enable appropriate directions to be made for the parties to exchange and file any further affidavit material and written submissions in advance of the hearing of the strike out application.

On 30 May 2016, David Whyte filed an application to place the proceedings on the Court's commercial list. This application was also adjourned to a date to be fixed.

On 2 August 2016, David Whyte filed a second further amended statement of claim. The parties filed submissions and further affidavit evidence as required by the orders and at the hearing of the strike out application and the commercial list application on 15 December 2016, the Court granted the application to place the proceedings on the commercial list and reserved its decision on the strike out application.

The reserved decision from the hearing of the strike out application was handed down on 8 May 2017 and the decision was not appealed. In that decision, the Court declined to strike out all of the parts of the claim that the former auditors sought to strike out. However, it did make orders striking out certain causes of action and orders were made that the statement of claim be amended to delete those causes of action.

In accordance with the Court's judgment, the statement of claim has been amended and was filed on 20 November 2017 and served on the former auditors. Details of the loss has been included in the amended statement of claim which has been calculated (at its highest) in excess of \$200 million.

The amended statement of claim filed on 20 November 2017 included a claim for compensation from the former auditors under section 1325 of the Corporations Act. Steps have been taken to amend the Claim to make specific reference to this claim for compensation under section 1325. Leave of the Court is required for such amendment, necessitating an application to the Court.

On 29 May 2018, the Court made Orders for the filing of the proposed application to amend the Claim, as well as for the auditors to make a request for further and better particulars of the further amended statement of claim.

A request for particulars was received on 19 June 2018. A further Order of the Court dated 24 July 2018 requires the response to this request to be filed and served by 19 October 2018.

Two further amendments to the statement of claim were filed on 5 July 2018 and 7 August 2018. Particulars of loss and damage were filed and served on the auditors on 23 July 2018.

The Application for leave to amend the Claim was filed on 10 August 2018. The Court has listed the hearing of the application for 27 September 2018.

Following the hearing on 27 September 2018, the next steps are to provide the particulars requested and obtain Orders programming the filing of the auditors' defence and the Receiver's reply to that defence.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2018

Wollongong Coal Ltd (WCL) – Convertible Bonds

There are \$8 million in convertible bonds in Wollongong Coal Limited (WCL) which was the subject of a successful application to the Federal Court acknowledging that Bellpac Pty Ltd (In Liquidation) (Bellpac) (under the control of its liquidators) is the true owner.

The defendants appealed the decision, which was unsuccessful, however, on 12 July 2016, the defendants made application for special leave to the High Court of Australia to appeal the decision of the Federal Court. On 10 November 2016, the High Court refused to grant special leave to the defendants, and dismissed their application with costs.

In January 2016, the Bellpac Liquidator applied for the conversion of the bonds to shares. Under the terms of the Bonds, WCL is required to issue the shares within 7 days after the end of January 2016 (Due Date) which it failed to do. Instead WCL issued part of the shares in early February 2016 and the balance of the shares after resolution of its members, in May 2016.

As WCL did not issue the shares as required under the terms of the Bonds, the Bellpac Liquidator brought proceedings against WCL seeking orders requiring WCL to perform its obligation to redeem the Bonds by

- Redeeming all of the Bonds which were not converted by the Due Date; and
- Pay to the Liquidator \$8M or such other amount being the nominal principal value of the unconverted Bonds (those issued in May 2016), plus interest.

The proceedings have been adjourned pending completion of the terms of a heads of agreement with WCL pursuant to which Bellpac will receive cash of \$6.3 million in exchange for the transfer of the shares to WCL or alternatively cancellation of the shares.

The remaining condition precedent (Sunset Date) to the settlement with WCL has been extended several times from the original condition precedent fulfilment date and the Liquidator was successful in negotiating as part of the agreement to extend the Sunset Date that WCL pay interest at 3% p.a. from 2 October 2017 until settlement. The last agreed extension granted was to 18 October 2018.

Proceedings against the MPF, LMIM and the Directors of LMIM

On 17 December 2014, David Whyte filed a claim and statement of claim in the Supreme Court of Queensland, against a number of parties, including the MPF Trustee, alleging the FMIF suffered loss as a result of a decision to pay an amount to the MPF in 2011 on settlement of litigation between Bellpac and Gujarat NRE Minerals Ltd (now called Wollongong Coal Limited). The claim is for \$15.5M plus interest.

The proceedings have progressed to completion of discovery stage for the plaintiff and certain defendants. The defendants who are participating in the proceedings have all filed defences (and in some instances, amended defences) to which the plaintiff has filed replies.

A draft trial bundle of documents was served on the defendants on 1 June 2018. The proceedings were listed for review on 16 August 2018 following which a timetable was implemented to progress the proceedings to a trial in March/April 2019. Specifically, and amongst other things, it was ordered that the plaintiff serve an amended draft trial bundle by 14 September 2018. This has been completed and the defendants' response is due by 5 October 2018. Following the finalisation of the contents of the trial bundle, affidavit evidence is to be exchanged by the parties along a timeline from November 2018 to February 2019 in advance of trial.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2018

FTI litigation

The RE for the Fund is LM Investment Management Ltd (in Liquidation) ("LMIM"). On 8 April 2015, the Liquidators of LMIM ("FTI") filed an application (which was subsequently amended on 20 July 2015) in the Supreme Court of Queensland, for directions in relation to their ongoing role, and the extent of their powers and responsibilities to undertake certain duties, for, and on behalf of, the FMIF. The application was heard before the Court on 20 July 2015, and orders were made on 17 December 2015.

Remuneration claim

On 16 December 2015, FTI filed a Further Amended Originating Application ("FAOA") seeking a determination of their remuneration as administrators, and liquidators, of LMIM. The FAOA sought payment in the amount of \$3,098,251.83 plus GST (for the period from the date of their appointment as administrators on 19 March 2013 to 30 September 2015) from the assets of the Fund. The matter was heard by the Court on 22 February and 14 March 2016 and the decision was reserved.

The Court handed down its reasons for judgment on 17 October 2017 in relation to FTI's application for approval of their remuneration and payment from assets of the Fund. Orders reflecting His Honour's reasons for judgment were made on 22 November 2017 to the effect that FTI be paid a total of \$1,827,205.23 "(plus GST)" for remuneration and out of pocket expenses from property of the Fund. The approved amount of \$1,827,205.23 was paid to FTI in December 2017.

As to the costs of the proceedings, the court orders provide that certain specified proportions of FTI's costs on an indemnity basis are to be paid from the property of the Fund and 3 other LM funds.

On 12 June 2018, FTI advised David Whyte of further claims against the Fund for remuneration and disbursements outstanding from 1 October 2015 up to 30 April 2018 totalling \$363,929.47 exclusive of GST.

On 17 July 2018, Mr Park of FTI, who is now the sole Liquidator of LMIM, filed an application in the Court seeking payment of remuneration of approximately \$743,889.89 inclusive of GST from property of the FMIF, relating to various periods between 19 March 2013 and 30 June 2018. The application was heard on 6 September 2018 and adjourned to 3 October 2018.

Mr Park's claimed fees and expenses have been included in the Fund's Payables (as referred to in Note 7 above), though this amount is not admitted and is subject to the outcome of FTI's application to the Court.

Indemnity claims

In accordance with the Orders made by the Court on 17 December 2015, FTI submitted two indemnity claims to David Whyte, seeking payment of the sums of \$241,453.54 and \$375,499.78 respectively, from the assets of the Fund.

The first claim (of \$241,453.54) was made with respect to the legal costs incurred by LMIM in relation to the appeal of the decision of Dalton J appointing David Whyte as receiver of the assets of the Fund, and the person responsible for ensuring the Fund is wound up in accordance with its Constitution. This claim was rejected by David Whyte.

As to the second claim, David Whyte accepted, and paid, \$84,954.41, rejected \$169,243.26 and deferred consideration of \$5,473.59 (pending the outcome of the judgment to be handed down in respect of the FAOA for FTI's remuneration). The balance of the second claim was withdrawn by FTI.

On 20 May 2016, FTI filed an application in the Supreme Court of Queensland, seeking declarations that the claims for indemnity rejected by David Whyte are properly payable to LMIM from the Fund ("Indemnity Application"), and payment thereof. On 16 February 2017, Jackson J made directions as to the steps to progress the Indemnity Application. The Indemnity Application was heard by the Court on 8 and 9 May 2017 and the Court reserved its decision. Shortly before the hearing, the Indemnity Application was amended, to incorporate a claim by FTI for direct indemnity in favour of FTI (rather than in favour of LMIM) from the property of the FMIF.

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2018

David Whyte obtained judicial advice (by Order of Burns J) to the effect that he is justified in raising the clear accounts rule in opposition to the Indemnity Application, in relation to certain identified claims.

The Court handed down its reasons for judgment on 17 October 2017, and Orders were made on 22 November 2017 to give effect to the Judgment. Jackson J relevantly found that the legal costs of the appeal in 8895 of 2013 of \$263,127.13 and costs of assessment of those costs in the sum of \$9,068.68 are not payable out of the property of the FMIF, that the Liquidators are entitled to direct indemnity out of the FMIF for various amounts totalling \$44,158, and that the clear accounts rule operates to suspend LMIM's claimed right to payment from the assets of the FMIF until the resolution of the claim made in the proceeding 11560/16 (the LMIM Claim). The Court also ordered to the effect that 90% of FTI's costs of the Indemnity Application be paid out of the assets of the FMIF on the indemnity basis, to be assessed if not agreed.

It is anticipated that there are likely to be further claims by Mr Park for indemnity for expenses from property of the FMIF.

LMIM Claim

A statement of claim filed in November 2016 to preserve claims in relation to certain transactions and avoid possible expiry of statutory limitation periods has been amended and has now been served on LMIM. The claims are for various alleged breaches of trust in relation to certain transactions including pre-paid management fees and loan management fees paid to LMIM or its service entity LM Administration Pty Ltd. On 25 July 2018, the Court granted leave to proceed with this claim and ordered that the claim be stayed until further order.

Claim against Feeder Funds (Class B unitholders)

The statement of claim which was filed against the Feeder Funds in December 2016 to preserve certain claims has now been amended and has now been formally served on the parties representing the Feeder Funds. The Feeder Funds are the LM Currency Protected Australian Income Fund (CPAIF), the LM Institutional Currency Protected Australian Income Fund (ICPAIF) and the LM Wholesale First Mortgage Income Fund (WMIF). The claim concerns approximately \$55 million of redemptions paid to the Feeder Funds when the FMIF had suspended redemptions to other investors (apart from genuine approved hardship cases) and approximately \$19.5M of income distributions made to the Feeder Funds when income distributions to other investors were suspended (and the reinvestment of these distributions). The relief sought in the claim includes declarations to withhold from distributions or payments otherwise payable from the FMIF to:

- CPAIF in the sum of \$40,583,109 plus interest, as adjusted for the difference between the sum paid for capital distributions in early to mid-2013 and the amount the CPAIF would otherwise have been entitled as referred to in the statement of claim;
- ICPAIF in the sum of \$5,044,118.30 plus interest, as adjusted for the difference between the sum paid for capital distributions in early to mid-2013 and the amount the CPAIF would otherwise have been entitled as referred to in the statement of claim;
- WMIF in the sum of \$9,432,090.76 plus interest, as adjusted for the difference between the sum paid for capital distributions in early to mid-2013 and the amount the WMIF would otherwise have been entitled as referred to in the statement of claim.

If the claim is successful, it will impact on the return to the Feeder Funds from the winding up of the FMIF and, in the case of the CPAIF and ICPAIF, it is expected that the claim will exhaust any estimated return (based on the estimated unit value as calculated herein) to those funds (such that they will not be entitled to any distribution from the FMIF). In the case of the WMIF, the claim will substantially reduce its entitlement to any distribution.

Mr Whyte made an application under Section 59 of the Trusts Act to seek directions in relation to how the differing interests of LMIM are to be represented in the proceedings and an application under Section 500 of the Corporations Act to seek leave to proceed against LMIM (the Applications). The hearing of the Applications, which was originally listed on 8 December 2017,

LM FIRST MORTGAGE INCOME FUND (RECEIVERS AND MANAGERS APPOINTED) (RECEIVER APPOINTED)

Notes to the financial statements for the year ended 30 June 2018

was adjourned to a date to be fixed on 7 December 2017. The Applications together with an application to have the matter listed on the Commercial List (Commercial List Application) were set down for hearing on 29 May 2018.

On 29 May 2018 the matter was heard before his Honour Justice Jackson who stood the matter down in order for the parties to liaise in relation to the final terms of an order providing for further directions. The further directions included referring the matter to mediation. Following the provision of an agreed order to his Honour Justice Jackson, the parties were asked by the Court to reappear before his Honour on 13 June 2018.

On 13 June 2018 orders were made granting the orders sought in the Applications and the Commercial List Application including that Mr Whyte represent the interests of the LM First Mortgage Income Fund in the proceedings and that the ICPAIF and the CPAIF be represented by Mr Said Jahani of Grant Thornton. The interests of LMIM are to be represented by Mr John Park of FTI Consulting. Further, it was ordered that mediation between the parties take place prior to 28 September 2018.

Following discussions between the parties, it was determined that the parties did not have mutual availability prior to 28 September 2018 to attend mediation. Accordingly, amended orders were made by his Honour Justice Jackson on 4 September 2018 providing for a two day mediation to take place on 5 and 6 November 2018.