

14 October 2019

Our Ref: RCL\_8976r4

## **CIRCULAR TO INVESTORS**

Dear Sir/Madam

### **RE: LM Investment Management Limited (In Liquidation) ACN 077 208 461 (LMIM) (the Company) as the responsible entity of the LM Australian Income Fund (the Fund)**

I refer to my previous update regarding this Fund on 19 September 2018. I also refer to the appointment of Ginette Muller and I as Joint and Several Administrators of LM Investment Management Limited (In Liquidation) on 19 March 2013 and our subsequent appointment as Liquidators on 1 August 2013. Ginette Muller resigned as Liquidator of the Company on 17 May 2017.

I provide the following update in relation to the wind-up of the Fund.

#### **Taxation Matters**

WMS Chartered Accountants have attended to the following with respect to taxation matters of the Fund:

- Completed financial accounts for the Fund to the financial year ended 30 June 2017;
- Draft of financial accounts for the financial year ended 30 June 2018;
- Lodgement of Business Activity Statements (BASs) to 31 March 2019;
- Information has been provided to WMS for the completion of BASs to 30 September 2019;
- An information request to enable finalisation of the 30 June 2018 accounts and completion of 30 June 2019 financial accounts is anticipated to be received in mid-October 2019.

I have now obtained legal advice which confirms the Fund is not required to complete and lodge outstanding taxation returns.

#### **Audited accounts**

As investors will be aware from my previous update, the request for financial reporting relief for the Fund was denied by ASIC and therefore the Fund is required to lodge audited financial accounts for each year it remains in wind up.

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Audited accounts for the financial years ended 30 June 2015 and 30 June 2016 have now been lodged by Thomas Noble and Russell (TNR). The 30 June 2017 financial accounts have been reviewed and the audited accounts are awaiting a final review by TNR prior to lodgement. Lodgement will occur in October 2019.

TNR continue to work closely with WMS Chartered Accountants to promptly complete the audits.

### Indicative Net Asset Value

An **indicative** position of the Fund and estimated unit price as at 30 June 2018 is set out in the table below. All figures are in Australian Dollars (AUD).

LM Australian Income Fund NAV as at 30 June 2019	
Item	Amount
Cash at Bank	\$9,159,212
<b>Total Fund Assets</b>	<b>\$9,159,212</b>
<i>Less:</i>	
Fund Payables	-\$3,127
<b>Total Fund Payables</b>	<b>-\$3,127</b>
<b>Indicative Net Assets as at 30 June 2019</b>	<b>\$9,156,085</b>
<b>Estimated AUD equivalent units at 30 June 2019</b>	<b>41,256,815</b>
<b>Estimated Unit Price as at 30 June 2019</b>	<b>\$0.22</b>

The estimated asset and unit values are expressed in AUD equivalents and are subject to daily market fluctuations. AUD equivalent units have been calculated based on the Australian Taxation Office and Reserve Bank of Australia foreign currency exchange rates for the year ended 30 June 2019. Accordingly, they are subject to change without notice to members.

For the purposes of presenting an indicative net position, the known invoiced liabilities of the Fund at 30 June 2019 which remained unpaid on that date have been included. The net asset position is calculated before consideration of future wind-up costs (including custody fees, accounting and audit costs, and Liquidator remuneration and out of pocket expenses) not yet invoiced or yet to be incurred or determined by the Court. These future costs are expected to be relatively significant considering the ongoing work required in relation to finalising the outstanding taxation and audit matters. I will do everything possible to minimise the ongoing wind-up costs.

The net asset position is also subject to change should additional liabilities of the Fund be identified.

### **Timing for Finalisation and Distributions**

The timing for finalisation of the wind-up of the Fund, including the final distribution, is currently unable to be determined. Timing is dependent on lodgement of all outstanding business activity statements and audited financial accounts as well as resolving any legal claims against the fund and obtaining Court orders pertaining to our remuneration and expenses incurred in winding up the Fund.

I continue to work towards a timely completion of the fund wind up.

### **Contact Details**

Investors are able to obtain further information by either:

1. Updates will be provided on the LMIM administration website ([www.lminvestmentadministration.com](http://www.lminvestmentadministration.com));
2. Sending an email outlining your queries to [enquiries@lminvestmentadministration.com](mailto:enquiries@lminvestmentadministration.com); and
3. Queries concerning unit holdings; transfer requests; and updated details should be directed to Advanced Share Registry, the details of which are as follows:

- Telephone: +618 9389 8033
- Fax: +618 9262 3723
- Email: [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)
- Address: PO Box 1156, Nedlands WA 6909

Yours faithfully  
**FTI Consulting**



**John Park**  
**Liquidator**