



MAYNE INVESTMENTS LIMITED

ABN 34 000 339 211

AS RESPONSIBLE ENTITY FOR

NORTHERN INVESTMENT TRUST FUND

ARSN 090 693 986

CONCISE FINANCIAL REPORT

FOR THE PERIOD ENDED 28 DECEMBER, 2018

<u>Contents</u>	<u>Page</u>
<i>Directors Report and Discussion and Analysis of the Financial Statements</i>	2 - 8
<i>Lead Auditors Independence Declaration</i>	9
<i>Statement of Profit or Loss and Other Comprehensive Income</i>	10
<i>Statement of Financial Position</i>	11
<i>Statement of Changes In Equity</i>	12
<i>Statement of Cash Flows</i>	13
<i>Notes to the Financial Statements</i>	14
<i>Directors Declaration</i>	15
<i>Independent Auditors Report</i>	16

DIRECTORS REPORT

The Directors of Mayne Investments Limited (the Responsible Entity), the Responsible Entity of Northern Investment Trust Fund (the Scheme) present their report together with the financial report of the Scheme, for the period 1 June 2018 to 28 December 2018 and the auditor's report thereon.

Responsible Entity

The registered office and principal place of business of the Responsible Entity and the Scheme is 29 Molesworth Street, Lismore, NSW.

Directors

The Directors of Mayne Investments Limited during or since the end of the financial year are:

Kevin Joseph McGregor
Stephen John Connelly
Patrick Joseph Rummery
Michael Gerard Shay

Principal Activities

The Scheme is a registered managed investment scheme domiciled in Australia.

The principal activities of the Scheme during the year were to offer individual investors the opportunity to combine their funds with the funds of other investors to collectively, within the trust, invest in bank securities, and loans secured primarily by mortgages over real estate. The Scheme commenced the winding up process on 16 October, 2018 and finalised the winding up on 28 December 2018.

Review of Operations

Operating Results

The Scheme's net profit / (loss) from operations after income tax and before finance costs for the current period was \$1,235,452 (2018 - (\$2,689,668)).

Following the collection of the last remaining accounts receivable the decision was made to wind up the Scheme. All assets were converted to money, and after deducting all proper costs and liabilities, the net assets were distributed to each unit holder in accordance with their respective entitlement in those net assets on 14 November 2018.

Distribution to Unit holders

There were no distributions to Unit holders for the period ended 28 December 2018. Distributions to Unit holders for the previous year ended 31 May 2018, were also nil.

MAYNE INVESTMENTS LIMITED ABN 34 000 339 211
AS RESPONSIBLE ENTITY FOR
NORTHERN INVESTMENT TRUST FUND ARSN 090 693 986

DIRECTORS REPORT

Review of Operations (continued)	28.12.2018	31.05.2018
Revenue	\$	\$
Interest Income	7,673	1,143
Responsible Entity Fees Rebated	<u>1,536,138</u>	<u>-</u>
Total Revenue	1,543,811	1,143
Expenses		
Responsible Entity Fees	8,174	18,810
Employees Benefits Expenses	207,186	296,502
Custodian Fees	8,076	15,812
Bad Debts Written Off	(75,370)	2,012,585
Receivers Fees and Property Expenses	80,465	213,000
Other Expenses	<u>79,828</u>	<u>134,102</u>
Total Expenses	<u>308,359</u>	<u>2,690,811</u>
Profit / (Loss) from Operating Activities Before Income Tax	<u>(1,235,452)</u>	<u>(2,689,668)</u>

Interests of the Responsible Entity

The Responsible Entity held Zero units in the Scheme as at 28 December 2018 (2018 - 71,421 units).

Fees paid to the Responsible Entity

The Responsible Entity was entitled to claim fees totalling \$18,096 (exclusive of GST) for the period ended 28 December 2018 (2018 - \$56,581 excluding GST), in accordance with the Constitution of the Scheme.

The Responsible Entity was paid fees of \$7,726 (exclusive of GST) for the period ended 28 December 2018 (2018 - \$18,000 excluding GST). There is also an unrecoverable GST cost of \$448 (2018 - \$810) resulting in the Responsible Entity Fees expense of \$8,174 for the period ended 28 December 2018 (2018 - \$18,810). The balance of Responsible Entity fees not claimed by the Responsible Entity was \$10,370 for the period ended 28 December 2018 (2018 - \$38,581 exclusive of GST).

Significant Changes in the State of Affairs of the Scheme

During the period the property securing the last accounts receivable was sold by the Receiver. The sale price achieved was lower than originally anticipated and sale took a long time to be concluded. To compensate the scheme for this shortfall, the Responsible Entity, Mayne Investments Ltd rebated an amount of \$1,536,138 of management fees paid by the scheme in previous years to increase the amount available to be returned to unit holders as a return of capital in the wind up process.

The results for the period were also affected by the rebate of management fees and also by a bad debt written off of \$36,471 and a recovery of \$111,841 relating to bad debts previously written off.

In the opinion of the Responsible Entity there were no other significant changes in the state of affairs of the Scheme that occurred during the current period.

DIRECTORS REPORT

Indemnities and Insurance Premiums for Officers or Auditors

Indemnification

Under the Scheme's Constitution, the Responsible Entity, including its officers and employees, is indemnified out of the assets of the scheme for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Scheme.

The Scheme has not indemnified any auditor of the scheme.

Insurance Premiums

No insurance premiums are paid out of the Scheme's assets in relation to insurance cover for the Responsible Entity, its officers and employees, the Compliance Committee or the Auditors of the Scheme.

Proceedings on behalf of the Scheme

During the period ended 28 December 2018, there were no legal proceedings undertaken for the recovery of monies outstanding under any loans or guarantees and there are no outstanding proceedings for recovery of debts owing to the scheme.

Valuation of the Scheme Assets

The value of the Scheme assets at 28 December 2018 was \$Nil (31.05.18: \$3,127,986). The basis for valuation of the Schemes assets is discussed in Note 3 to the financial statements.

DIRECTORS REPORT

Information on Directors of Responsible Entity

Kevin Joseph McGregor
Non Executive Chairman of Directors/Compliance Officer
Age 68

Mr McGregor is a qualified Chartered Accountant and is a former senior partner in the firm of WCA Chartered Accountants formerly Wappetts Chartered Accountants of Lismore. He practiced as a Chartered Accountant in public practice from 1971 to up until his retirement on 1 July 2010 and has considerable experience in audit, taxation, commercial and financial accounting. He has been a Director of Mayne Investments Limited since 1994 and is a member of the Audit and Compliance Committees. He was elected Chairman of Directors on 27 June 2012.

Patrick Joseph Rummery
Non Executive Director
Age 79

Mr Rummery is a Foundation Manager and Director of Mayne Investments Limited serving in those roles since formation on 3 June 1968 and occupied the position of Chairman from 13 March 1995 to 17 November 2009. He is a retired solicitor and was involved in legal practice from 1963 to 1998, specialising in the fields of Property, Commercial Law, Liquor Law and Probate. He has recently retired as Executive Director of a wholesaling business involving importing goods for distribution to the retail market throughout Australia. He is a member of the Audit Committee.

Michael Gerard Shay
Non Executive Director
Age 66

Mr Shay is a licensed Real Estate Agent, Business Agent and Stock and Station Agent and has been in that business for 45 years. He is a partner in the firms LJ Hooker Ballina and Lennox Head. He has been involved in marketing and management and development of subdivisions, shopping centres, industrial and residential projects and general advice regarding property development. He has been a Director of Mayne Investments Limited since 1988 and occupied the position of Deputy Chairman of Directors between 1995 and November 2009. He has also been involved in other Funds management since 1983. He is a member of the Audit Committee.

Stephen John Connelly
Non Executive Director
Age 62

Mr Connelly is a Certified Practising Planner and Fellow of the Planning Institute of Australia. He has over 37 years experience in town planning. He also holds a Masters Degree in Environmental and Business Management. His specialist skills are in the fields of statutory, concept and ESD planning. Mr Connelly is also extensively involved in regional planning in the NSW Northern Rivers and is a former President of the Northern NSW Branch of the Planning Institute of Australia. Mr Connelly is regularly called upon to give expert town planning testimony to various courts and tribunals. He has been a Director of Mayne Investments Limited since August 2002 and became Chairman of the Compliance Committee on 1 December 2009. He is a member of the Audit Committee.

MAYNE INVESTMENTS LIMITED ABN 34 000 339 211
AS RESPONSIBLE ENTITY FOR
NORTHERN INVESTMENT TRUST FUND ARSN 090 693 986

DIRECTORS REPORT

Information on Directors of Responsible Entity (continued)

Meetings of Directors of the Responsible Entity

During the year 6 meetings of Directors were held. The number of meetings attended by each Director during the year were:

Directors Meetings Attended		No of meetings eligible to attend
Kevin Joseph McGregor	6	6
Stephen John Connelly	6	6
Patrick Joseph Rummery	5	6
Michael Gerard Shay	6	6

During the period there was 1 meetings of the Audit Committee. The meeting attendance by each Director on this committee was;

Audit Committee Meetings Attended		No of meetings eligible to attend
Kevin Joseph McGregor	1	1
Stephen John Connelly	1	1
Patrick Joseph Rummery	1	1
Michael Gerard Shay	1	1

During the year there were 3 meetings of the Compliance Committee. The meeting attendance by each Director on this committee was;

Compliance Committee Meetings Attended		No of Meetings eligible to attend
Stephen John Connelly	3	3
Kevin Joseph McGregor	3	3

DIRECTORS REPORT



Lead Auditors Independence Declaration

The lead auditors independence declaration is set out on page 9 and forms part of the Directors report for the period ended 28 December 2018.

This report is made with a resolution of the Directors of the Responsible Entity.

Kevin J McGregor

Stephen J Connelly

Dated at Ballina this

1st day of February 2019

DISCUSSIONS AND ANALYSIS OF THE FINANCIAL STATEMENTS

Information on Northern Investment Trust Fund Concise Financial Report.

The Concise Financial Report is an extract from the full Financial Report for the period ended 28 December 2018.

The financial statements and disclosures in the Concise Financial Report have been derived from the Financial Report of Northern Investment Trust Fund.

A copy of the full Financial Report and auditors report will be sent to any unit holder, free of charge, upon request.

The discussion and analysis is provided to assist unit holders in understanding the Concise Financial Report.

The discussion and analysis is based on Northern Investment Trust Fund's financial statements and the information contained in the Concise Financial Report has been derived from the full Financial Report of Northern Investment Trust Fund for the period 1 June 2018 to 28 December 2018, when the Fund was wound up.

Statement of Profit or Loss and Other Comprehensive Income

For the period ending 28 December 2018, the Scheme's net profit / (loss) from operations after income tax and before finance costs was \$1,235,452 (2018 - (\$2,689,668)). In the period to 28 December 2018, the Responsible Entity Mayne Investments Limited rebated to the Scheme management fees charged in prior years amounting to \$1,536,138 (2018 \$Nil). Bad debts written off for the period ended 28 December 2018 were \$36,471 (2018 -\$2,012,585). There was a recovery of receivers fees and property expenses paid during the period from the sale of the property securing the last loan receivable amounting to \$31,375 (2018 \$Nil). There were no distributions to Unit Holders for the period ended 28 December 2018 (2018 - Nil). There was no income tax expense for the period ended 28 December 2018 (2018 - Nil).

Statement of Financial Position

Net assets decreased by \$3,017,152 to \$Nil during the period, as the Scheme was wound up on 28 December 2018. The decrease in the Scheme was mainly attributable to the following:

- Cash and cash equivalents decreased by \$171,936.
- Loans and receivables reduced \$2,956,050 from loan repayments during the year. Bad debts written off were \$36,471 and there was a recovery of \$111,841 relating to bad debts previously written off.
- A final compulsory capital return of \$4,252,604 was made on 14 November 2018 prior to the Scheme being wound up on 28 December 2018.

Statement of Cash Flows

The scheme reported net cash flows from operating activities of \$1,079,929 for the period ended 28 December 2018 (2018: (\$855,928)). The reduction in loans over this period, resulted in net cash flows from investing activities of \$3,000,739 (2018: \$447,435). There was a net outflow of funds of \$4,252,604 for returns of capital during the period leading up to the winding up of the scheme. Cash and cash equivalents reduced by \$171,936 during the period to 28 December 2018.

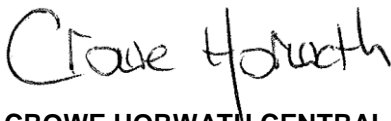
Statement of Changes in Equity

The opening balance of Unit holders equity of at the beginning of the period was \$3,017,152. The profit in the Statement of Profit or Loss and Other Comprehensive Income amounting to \$1,235,452 increased unit holders equity enabling the final capital return of \$4,252,604 to be made to unit holders.

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF MAYNE INVESTMENTS LIMITED
ABN 34 000 339 211
(AS RESPONSIBLE ENTITY FOR
THE NORTHERN INVESTMENT TRUST FUND
ARSN 090 693 986)**

I declare that, to the best of my knowledge and belief, during the period ended 28 December 2018 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



CROWE HORWATH CENTRAL NORTH



BRADLEY D BOHUN
Audit Partner
Registered Company Auditor (ASIC RAN 335257)
53 Carrington Street
Lismore NSW 2480

Dated: 1 February 2019

MAYNE INVESTMENTS LIMITED ABN 34 000 339 211
AS RESPONSIBLE ENTITY FOR
NORTHERN INVESTMENT TRUST FUND ARSN 090 693 986

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD
ENDED 28 DECEMBER 2018**

	28.12.2018	31.05.2018
Revenue	\$	\$
Interest Income	7,673	1,143
Responsible Entity Fees Rebated	1,536,138	0
Total Revenue	1,543,811	1,143
Expenses		
Auditors Remuneration	7,838	43,106
Responsible Entity Fees	8,174	18,810
Employee Benefits expense	207,186	296,502
Custodian Fees	8,076	15,812
Bad Debts Written Off	(75,370)	2,012,585
Receivers Fees & Property Expenses	80,465	213,000
Other expenses	71,990	90,996
Operating Expenses before Finance Costs	308,359	2,690,811
Profit / (Loss) from operating activities before Income Tax	1,235,452	(2,689,668)
Income Tax (Expense) / Revenue	-	-
Profit / Loss after Income Tax	1,235,452	(2,689,668)
Finance Costs		
Distribution expense to Unit holders	-	-
Profit / Loss for the year	1,235,452	(2,689,668)
Other Comprehensive Income	-	-
Changes in net assets attributable to Unitholders	1,235,452	(2,689,668)

MAYNE INVESTMENTS LIMITED ABN 34 000 339 211
AS RESPONSIBLE ENTITY FOR
NORTHERN INVESTMENT TRUST FUND ARSN 090 693 986

STATEMENT OF FINANCIAL POSITION AS AT 28 DECEMBER 2018

	28.12.2018	31.05.2018
Loans and receivables	\$	\$
Assets		
Cash and cash equivalents	-	171,936
Other receivables	-	30,680
Loans and receivables	-	2,925,370
Total Assets	-	3,127,986
Liabilities		
Accounts payable	-	84,305
Provisions	-	26,529
Total Liabilities	-	110,834
Net Assets	-	3,017,152
Equity		
Unit holders Equity	-	3,017,152
Total Equity	-	3,017,152

MAYNE INVESTMENTS LIMITED ABN 34 000 339 211
AS RESPONSIBLE ENTITY FOR
NORTHERN INVESTMENT TRUST FUND ARSN 090 693 986

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 28 DECEMBER 2018

The Unit holders contributions were reclassified from financial liabilities to equity at 31 May 2012 as a result of changes in acceptance, redemption, and distribution of funds to unit holders by the Scheme that characterises the relationship between unit holders and the Scheme as equity.

	Units on Issue	\$
Balance of Units issued at 1 June 2017	6,860,361	5,698,312
Issue of units	-	-
Redemption of units	(1,323)	(1,323)
Redeemed Units Valuation Adjustment	-	502
Comprehensive Loss	-	(2,689,668)
Balance of Units issued 31 May 2018	6,859,038	3,007,823
Undistributed Income	-	9,329
Unit Holders Equity at 31 May 2018	6,859,038	3,017,152
Balance of Units issued at 1 June 2018	6,859,038	3,017,152
Issue of units	-	-
Redemption of units	(6,859,038)	(4,252,604)
Redeemed Units Valuation Adjustment	-	-
Comprehensive Profit / Loss	-	1,235,452
Balance of Units issued 28 December 2018	-	-
Undistributed Income	-	-
Unit Holders Equity at 28 December 2018	-	-

MAYNE INVESTMENTS LIMITED ABN 34 000 339 211
AS RESPONSIBLE ENTITY FOR
NORTHERN INVESTMENT TRUST FUND ARSN 090 693 986

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 28 DECEMBER 2018

	28.12.2018	31.05.2018
	\$	\$
Cash Flows From Operating Activities		
Interest received	7,673	1,143
Responsible Entity Fees Rebated	1,626,239	0
Operating Expenses paid	(553,983)	(857,071)
Net cash flows from operating activities	1,079,929	(855,928)
Cash Flows From Investing Activities		
Net decrease in investment in loans	3,000,739	447,435
Net cash flows from investing activities	3,000,739	447,435
Cash Flows From Financing Activities		
Payments on redemption of redeemable units	(4,252,604)	(821)
Net cash flows used in financing activities	(4,252,604)	(821)
Net (decrease) / increase in cash & cash equivalents	(171,936)	(409,314)
Cash & cash equivalents at 1 June 2018	171,936	581,250
Cash & cash equivalents at 28 December 2018	0	171,936

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 DECEMBER 2018

Note 1: Basis of Preparation of the Concise Financial Report

The Concise Financial Report is an extract from the full Financial Report for the period ended 28 December 2018. The Concise Financial Report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports, and the Corporations Act 2001.

The financial statements, specific disclosures and other information included in the Concise Financial Report are derived from and are consistent with the full Financial Report of Northern Investment Trust Fund. The Concise Financial Report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Northern Investment Trust Fund as the full Financial Report. A copy of the full Financial Report and Auditor's Report will be sent to any unit holder, free of charge, upon request.

The Financial Report of Northern Investment Trust Fund complies with all Australian equivalents to International Financial Reporting Standards (AIRFS) in their entirety. The presentation currency used in this Concise Financial Report is Australian dollars.

The Scheme was wound up on 28 December 2018. The comparative figures for the year ended 31 May 2018 were prepared on a liquidation basis and assets were written down to the lower of their carrying amount and their net realisable values and liabilities were presented in order of their priority in liquidation.

Note 2: Interest Income

	28.12.2018	31.05.2018
	\$	\$
Interest Income from financial assets carried at amortised cost		
Cash and cash equivalents	7,673	1,143
Loans & Receivables	-	-
Total Interest Income	<u>7,673</u>	<u>1,143</u>

Note 3: Business Continuity

The Scheme operated from 1 June 2018 to 28 December 2018 when it was wound up.

The winding up process involved converting to money all assets, deducting all proper costs and liabilities and then distributing to each member, that member's entitlement to the net assets.

DIRECTORS DECLARATION

In accordance with a resolution of the directors of Mayne Investments Limited, the responsible entity of Northern Investment Trust Fund (the Scheme), the directors of the company declare that the concise financial report of the Scheme for the period ended 28 December 2018 set out on pages 10 to 14;

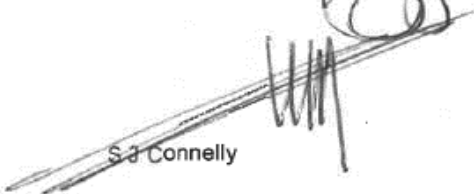
- (a) complies with Australian Accounting Standard 1039; Concise Financial Reports; and
- (b) is an extract from the full Financial Report for the period ended 28 December 2018 and has been derived from and is consistent with the full Financial Report of Northern Investment Trust Fund

Signed in accordance with a resolution of the directors of the Responsible Entity.

K J McGregor



S J Connelly



Dated at Ballina this

1st day of February 2019

INDEPENDENT AUDITORS REPORT

TO THE UNIT HOLDERS OF NORTHERN INVESTMENT TRUST FUND ARSN 090 693 986 (MAYNE INVESTMENTS LIMITED AS RESPONSIBLE ENTITY ABN 34 000 339 211)

Opinion

We have audited the accompanying concise financial report of Northern Investment Trust Fund (the Fund), which comprises the statement of financial position as at 28 December 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period ended on that date and related notes derived from the audited financial report of Northern Investment Trust Fund for the period ended 28 December 2018 as well as the discussion and analysis.

In our opinion, the concise financial report including discussion and analysis of Northern Investment Trust Fund for the period ended 28 December 2018 complies with AASB 1039: Concise Financial Reports.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the concise financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Concise Financial Report

The concise financial report does not contain all the disclosures required by Australian Accounting Standards and accordingly reading the concise financial report is not a substitute for reading the audited financial report.

The Financial Report and Our Report Thereon

We expressed an unmodified audit opinion on the financial report in our report dated the 1 February 2019, which also includes an Emphasis of Matter regarding Going Concern no longer appropriate.

INDEPENDENT AUDITORS REPORT

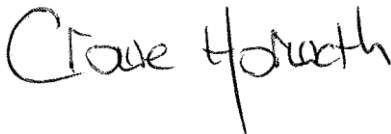
TO THE UNIT HOLDERS OF NORTHERN INVESTMENT TRUST FUND ARSN 090 693 986 (MAYNE INVESTMENTS LIMITED AS RESPONSIBLE ENTITY ABN 34 000 339 211)

Responsibilities of the directors for the Concise Financial Report

The directors are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports* and the Corporations Act 2001, and for such internal controls as the directors determine is necessary to enable the preparation of the concise financial report.

Auditor's Responsibilities for the Audit of the Concise Financial Report

Our responsibility is to express an opinion on whether the concise financial report, complies in all material respects, with AASB 1039 *Concise Financials Reports* based on our procedures which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.



CROWE HORWATH CENTRAL NORTH



BRADLEY D BOHUN

Audit Partner
Registered Company Auditor (ASIC RAN 335257)
53 Carrington St
LISMORE NSW 2480

Dated: 1 February 2019