



MAYNE INVESTMENTS LIMITED

ABN 34 000 339 211

AS RESPONSIBLE ENTITY FOR

NORTHERN INVESTMENT TRUST FUND

ARSN 090 693 986

FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 NOVEMBER 2017

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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 Registered Scheme, for the half-year ended 30 November 2017, and the review report thereon.

Responsible Entity

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

Directors

The names of directors who held office during or since the end of the half year:

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

Review of operations

Results	Half Year to 30.11.17	Half Year to 30.11.16
Net Income/(loss) from operations before income tax and financing costs	(1,441,721)	526,806
Less Income tax	-	-
Net Income/(loss) from operations after income tax and before financing costs	(1,441,721)	526,806
Distributions paid and payable for the period	-	-
Comprehensive Income	(1,441,721)	526,806

Since freezing all redemption requests on 21 October 2008, the Board has made partial redemption offers to investors. The last of these 10 partial redemption offers was made on 25/2/11 which gave investors the opportunity to redeem a maximum of 10% of their account balance.

On 19 May 2011 the Responsible Entity suspended the taking of new investments in the Scheme until further notice.

Since the year ended 31 May 2011 partial redemption offers were discontinued and a policy of compulsory capital returns was adopted. Up to 30 November 2017 there have been twenty four (24) compulsory returns of capital.

On 15 June 2012 the Board announced its intention to wind down the Northern Investment Trust Fund, with the eventual aim of returning capital to unit holders. This policy continues to be followed. The wind down process is nearing completion and there is only one (1) loan to be repaid by the sale of security property. Once this loan is finalised, the scheme will be wound up. It is expected this process will be completed within the next twelve (12) months. Future income of the Scheme will be substantially affected as income producing assets are reduced as the Scheme winds down its operations.

There were no compulsory capital returns made during the half year ended 30 November 2017.

The result for the period was affected by an increase in the provision for impairment of loan receivables of \$1,015,011.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 3 and forms part of the director's report for the half year ended 30 November 2017.

This report is made with a resolution of the directors of Mayne Investments Limited.


Kevin Joseph McGregor


Michael G Shay

Dated 5 February 2018

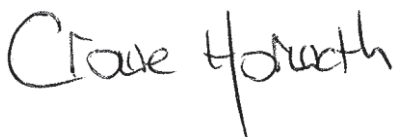
**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATION ACT 2001
TO THE DIRECTORS OF
TO THE DIRECTORS OF MAYNE INVESTMENTS LIMITED**

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 30 November 2017 there have been:

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



CROWE HORWATH CENTRAL NORTH



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

Dated: 07 February 2018

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 NOVEMBER 2017**

	Note	30.11.2017	30.11.2016
Revenue		\$	\$
Interest Income		711	12,022
Bad Debts Recovered		-	872,553
Sundry Income		-	4,545
Total Revenue		<u>711</u>	<u>889,120</u>
Expenses			
Auditors Remuneration		25,472	26,550
Bad debts written off		2,565	-
Custodian Fees		7,917	7,749
Debt Recovery Expenses		120,244	243,096
Employee benefits expense		223,587	173,213
Impairment of loan receivables		1,015,011	(169,673)
Other expenses		38,231	71,974
Responsible Entity Fees		9,405	9,405
Operating Expenses		<u>1,442,432</u>	<u>362,314</u>
Profit/(loss) from operating activities before Income Tax revenue/(expense)		(1,441,721)	526,806
Income Tax revenue/(expense)	6	-	-
Profit/(loss) from operating activities after Income Tax		<u>(1,441,721)</u>	<u>526,806</u>
Total Comprehensive Income		<u><u>(1,441,721)</u></u>	<u><u>526,806</u></u>

The condensed statement of comprehensive income is to be read in conjunction with the notes to the interim financial statement set out on pages 8 to 10.

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2017**

	Note	30.11.2017 \$	31.05.2017 \$
Assets			
Cash and cash equivalents	9	515,969	581,250
Loans and receivables	10	3,920,378	5,385,390
Other receivables		4,697	39,331
Total Assets		4,441,044	6,005,971
Liabilities			
Accounts payable		152,642	245,578
Provisions		22,482	52,752
Total liabilities		175,124	298,330
Net Assets		4,265,920	5,707,641
Equity			
Unit holders Equity		4,265,920	5,707,641
Total Equity		4,265,920	5,707,641

The statement of financial position is to be read in conjunction with the notes to the interim financial statement set out on pages 8 to 10.

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 NOVEMBER 2017

	Units on Issue	\$
Balance of Units issued at 1 June 2016	12,624,864	11,975,714
Issue of Units	-	-
Redemption of Units	(5,764,503)	(5,764,503)
Redeemed Units Valuation Adjustment	-	445
Comprehensive Loss	-	(513,344)
Balance of Units issued 31 May 2017	<u>6,860,361</u>	<u>5,698,312</u>
Undistributed income	-	9,329
Unit holders Equity at 31 May 2017	<u>6,860,361</u>	<u>5,707,641</u>
Balance of Units issued 31 May 2017	6,860,361	5,698,312
Issue of Units	-	-
Redemption of Units	-	-
Redeemed Units Valuation Adjustment	-	-
Comprehensive Loss	-	(1,441,721)
Balance of Units issued 30 November 2017	<u>6,860,361</u>	<u>4,256,591</u>
Undistributed Balance	-	9,329
Unit holders Equity at 30 November 2017	<u>6,860,361</u>	<u>4,265,920</u>

The condensed statement of Changes in Equity is to be read in conjunction with the notes to the interim financial statement set out on pages 8 to 10.

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 NOVEMBER 2017**

	30.11.2017	30.11.2016
	\$	\$
Cash flows from operating activities		
Interest received	711	12,022
Bad Debts Recovered	-	252,553
Sundry Income	-	4,545
Operating Expenses paid	<u>(513,428)</u>	<u>(504,644)</u>
Net cash flows from operating activities	9 (b) (512,717)	(235,524)
Cash flows from investing activities		
Net decrease/(increase) in investment in loans	<u>447,436</u>	<u>864,159</u>
Net cash flows from investing activities	447,436	864,159
Cash flows from financing activities		
Payments on redemption of redeemable units	<u>-</u>	<u>(2,528,659)</u>
Net cash flows from financing activities	-	(2,528,659)
Net increase / (decrease) in cash & cash equivalents	(65,281)	(1,900,024)
Cash & cash equivalents at 1 June	<u>581,250</u>	<u>2,994,898</u>
Cash & cash equivalents at 30 November	9 (a) <u><u>515,969</u></u>	<u><u>1,094,874</u></u>

The condensed cash flow statement is to be read in conjunction with the notes to the interim financial statement set out on pages 8 to 10.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 NOVEMBER 2017

Note 1: Reporting entity

The Northern Investment Trust Fund ARSN 090 693 986 is a registered Managed Investment Scheme ("The Scheme") under the Corporations Act 2001. The condensed interim financial report of the Scheme is for the half year ended 30 November 2017.

Note 2: Basis of preparation

Statement of Compliance

The condensed interim financial report is a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standard AASB 134: Interim Financial Reporting.

The condensed interim report does not include all of the information required for a full annual financial report, and should be read in conjunction with the annual financial report of the Scheme as at and for the year ended 31 May 2017.

The condensed interim financial report was authorised for issue by the directors of the Responsible Entity on 05 February 2018.

Note 3: Significant accounting policies

The accounting policies applied by the Scheme in this interim financial report are the same as those applied by the Scheme for the year ended 31 May 2017.

Note 4: Unit holders Funds

The objective of the Scheme is to provide Unit holders with returns mainly through investing in loans secured by first ranking mortgages, and other investments.

The Scheme invests in loans and other products that meet the Scheme investment objectives while maintaining sufficient liquidity to make periodic returns of capital to Unit holders. The Scheme suspended the practice of offering investors periodic partial redemption offers due to the uncertainty and instability associated with the property markets generally and the valuations and recoverability of loans receivable in a volatile market. In the interest of treating all investors equally, the Scheme adopted the practice of paying periodic returns of capital to all investors.

	30.11.2017	30.11.2016
	\$	\$
Unit holders Contributions Opening	5,698,312	11,975,714
Applications	-	-
Redemptions and capital returns	-	(2,528,659)
Unit holders Contributions Closing Balance	5,698,312	9,447,055
Comprehensive (Loss) / Income	(1,441,721)	526,806
	4,256,591	9,973,861
Undistributed Balance	9,329	9,329
Closing Balance	4,265,920	9,983,190

Note 5: Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from those estimates. In preparing this interim financial report, the significant judgements made by management in applying the scheme's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial report as at and for the year ended 31 May 2017.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 NOVEMBER 2017

Note 6 : Income tax (expense)/revenue

Prima facie tax from activities is reconciled to the income tax revenue (expense) as follows:

	30.11.2017	30.11.2016
	\$	\$
(Loss) Profit	<u>(1,441,721)</u>	<u>526,806</u>
Prima facie tax payable on (loss) profit at 46.5%	-	(244,965)
Less: Tax Effect of carry forward losses and bad debt write offs	<u>-</u>	<u>244,965</u>
Income tax (expense) revenue	<u>-</u>	<u>-</u>

Note 7: Related Parties

There have been no significant changes to the related party transactions disclosed in the last annual report.

Note 8: Events subsequent to reporting period

Since 30 November 2017, the Receiver has entered into an option agreement for the sale of the last remaining security property. Whilst it is hoped that the option agreement leads to the sale of the security property, it is subject to a due diligence period and the eventual sales value less associated costs in realising this security is unknown and may have a significant effect on the results of the operations of the Scheme and the state of affairs of the Scheme, in this or the next financial year.

Note 9 (a): Cash and cash equivalents

	30.11.2017	31.05.2017
	\$	\$
Cash at bank	<u>515,969</u>	<u>581,250</u>
	<u>515,969</u>	<u>581,250</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 NOVEMBER 2017

Note 9 (b): Reconciliation of cash flows from operating activities

	30.11.2017	30.11.2016
	\$	\$
Profit/(loss) from operating activities after income tax	<u>(1,441,721)</u>	<u>526,806</u>
Non-cash Flows in profit		
Impairment Provision	1,015,011	(169,673)
Bad debt written off	2,565	-
Bad Debts Recovered	-	(620,000)
Changes in operating assets and liabilities		
Accounts payable & accruals	(91,547)	(23,682)
Employee entitlements	(30,270)	5,571
Other receivables	33,245	45,454
Cash flows from operating activities	<u><u>(512,717)</u></u>	<u><u>(235,524)</u></u>

Note 10: Loans and receivables

	30.11.2017	31.05.2017
	\$	\$
Loans and receivables	5,501,782	5,951,783
Provision for impairment of loan receivables	<u>(1,581,404)</u>	<u>(566,393)</u>
	<u><u>3,920,378</u></u>	<u><u>5,385,390</u></u>

Note 11: Contingent Assets and Liabilities

There are no contingent assets or contingent liabilities of the Scheme as at 30 November 2017.

Note 12: Business Continuity

The Scheme is in the final phase of winding down its operations. Once the last accounts receivable is recovered, the Scheme will be wound up.

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

DIRECTORS DECLARATION

In the opinion of the directors of Mayne Investments Limited, the responsible entity of the Northern Investment Trust Fund (the Scheme):

The financial statements and notes, as set out on pages 4 to 10, are in accordance with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements, including:

- (a) giving a true and fair view of the Scheme's financial position as at 30 November 2017 and of its performance, for the financial half year ended on that date; and
- (b) there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.

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



K J McGregor



M G Shay

Dated at Lismore this 5th February 2018

**INDEPENDENT AUDITORS' REPORT
TO THE DIRECTORS OF
MAYNE INVESTMENTS LIMITED
AS RESPONSIBLE ENTITY ABN 34 000 339 211**

**NORTHERN INVESTMENT TRUST FUND
ARSN 090 693 986**

Report on the Half-Year Financial Report

We have reviewed the accompanying half year financial report of Northern Investment Trust Fund, which comprises the condensed statement of financial position as at 30 November 2017, and the condensed statement of comprehensive income, condensed statement of net assets attributable to unitholders and condensed statement of cash flows for the half-year ended on that date, a summary of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors' of Mayne Investments Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the disclosing entity's financial position as at 30 November 2017 and its performance for the half-year ended on that date; and complying with Accounting Standards AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Northern Investment Trust Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Mayne Investments Limited, would be in the same terms if given to the directors as at the time of this auditors report.

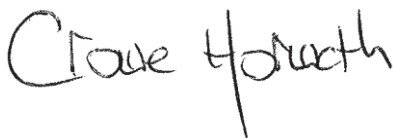
Material Uncertainty Related to Business Continuity

We draw attention to Note 12 in the financial report, which discloses that the Fund is in the final phase of winding down its operations and upon receipt of the final accounts receivable amount, the timing of which is uncertain, the Fund will be wound up. Our opinion is not modified in respect of this matter.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Northern Investment Trust Fund is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the disclosing entity's financial position as at 30 November 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



CROWE HORWATH CENTRAL NORTH



BRADLEY D BOHUN

Registered Company Auditor (ASIC RAN 335257)
53 Carrington Street
Lismore NSW 2480

Dated: 07 February 2018