

TEYS Strata Lifestyle Property Trust

Formerly "Broadwater Busselton Property Syndicate"

A.R.S.N. 096 588 108 ("TSLPT")

Investor Report No. 10; 18 January 2017

Issuer of this Document

TPFL Limited (In Liquidation) ("TPFL") ACN 105 164 047 is the Responsible Entity ("RE") of the Fund and the issuer of this Report. The contact detail for the Liquidator's office is located in this report.

Ongoing disclosure to investors

This Report forms part of my ongoing disclosure to investors. This Report will be placed on my website (www.farnsworthshepard.com.au) and paper copies will be sent to investors. Additional updates may also be placed on my website from time to time.

Purpose of this Document

I have prepared this information without taking into account your particular objectives, financial situation and needs. This information is purely an update on TSLPT and is not investment advice. You should consider the appropriateness of this information before making any decisions based on it and consult your independent advisors.

Disclaimer

The comments and statements contained in this report and any annexures hereto have been prepared and conducted from the books and records of the RE and TSLPT and/or from information provided by the company's director, other representatives and third parties.

My opinions and recommendations are based on the information provided to us. I have not completed an audit nor conducted a comprehensive investigation of the TSLPT's financial affairs. I cannot therefore warrant the accuracy, reliability or completeness of the underlying information and my comments and opinions should be considered subject to this limitation.

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1. Status of Units at Broadwater Resort

1.1. Lots Pending For Settlement

I receive an offer to purchase Lot 65/Unit 69 for \$110K (excluding GST).

As noted in my previous report dated 4 January 2017, I note that the above lot was passed in at the auction held on 7 December 2016. The highest bid received at auction was \$105K (excluding GST).

Although, the offer is lower than valuation, the offer was accepted on the basis that the offer received is higher than the highest bid at auction. In addition, TSLPT's marketing agent (LJ Hooker) had been marketing the above unit for more than 12 months with no interest received from public.

1.2. Sold Lots

I summarise as follows, details of the settlement for the respective sold lots along with the associated costs and net proceeds from sale:

Lot	Sale Price (excl. GST)	COSTS			Net Proceeds
		Agent, Legal & other costs (incl. GST)	Rates and Taxes	Disbursements (incl. GST)	
39	81,818.00	(10,329.00)	(12,808.00)	(1,458.00)	57,223.00
41	80,000.00	(10,434.00)	(13,221.00)	(1,458.00)	54,887.00
44	59,091.00	(5,640.00)	(13,230.00)	(1,455.00)	38,766.00
49	110,909.00	(10,541.00)	(17,370.00)	(3,504.00)	79,494.00
69	147,273.00	(12,539.00)	(20,944.00)	(1,767.69)	112,022.31
Total	479,091.00	(49,484.00)	(77,573.00)	(9,642.69)	342,391.31

I note that the above net proceeds were utilised to settle the fixed secured claim of One Investment Administration Ltd ("OIAL") (formerly known as Agricultural Land Management). Distributions details to OIAL are as follows:

Lot	Distribution to OIAL
39	57,223.00
41	54,887.00
44	38,766.00
49	24,124.00
Total	175,000.00

The remaining balance, being net proceeds (\$342,391) less distribution to OIAL (\$175,000) of \$167,391 had been fully utilised to pay the units' rates & taxes and other direct selling costs /expenses.

1.3. Lots Available for Sale

As at the date of this report, the following four (4) remaining unsold lots are available for sale:

Lot / Unit Available For Sale	Description
Lot 14/ Unit 48	two bedrooms, loft
Lot 51/ Unit 51	two bedrooms, ensuite,
Lot 17/ Unit 57	two bedrooms, loft,
Lot 75/ Unit 78	two bedrooms, loft, (foreshore reserve)

Should any investor be interested in purchasing TSLPT's units at Broadwater Resort, please contact TSLPT's marketing agent, LJ Hooker Geographe Bay directly at:

- **Marketing Agent:** LJ Hooker Geographe Bay, Western Australia
- **Contact Person(s):** Mr Carl Wilde
- **Email address:** cwilde.geographebay@ljh.com.au
- **Contact Number:** 08-9755 0088

2. Priority Costs & Expenses – “Scheme Disbursements”

As noted in my previous report to investors, the Settlement Deed dated 14 August 2013 defines all costs directly related to the sale of units as “Scheme Disbursements”. These type of costs and expenses are to be paid prior to making distribution to other external creditors and TSLPT. I note that costs and expenses includes (but not limited to):

- valuations fees,
- advertising and settlement agent's commissions,
- legal costs and disbursements,
- Liquidator's costs and disbursements directly related to the drafting, entering and approval of the deed,
- rates and taxes, and
- other direct costs and expenses relating to the sale.

I summarise as follows, Scheme Disbursements paid as at the date of this report:

PAID SCHEME DISBURSEMENTS	\$
Legal Fees	(94,898)
Strata Fees – Long Outstanding	(81,965)
Insurance	(14,947)
Valuation	(3,300)
Land Tax	(436)
Marketing Fees	(16,521)
Strata Fees	(66,286)
Water Rates	(29,127)
Sewerage Rates	(8,803)
Council Rates	(73,337)
TOTAL Paid Scheme Disbursements	(389,619)

3. Distribution per Settlement Deed

3.1. Distribution to Other External Creditors

As noted in my previous report to investors, the Settlement Deed dated 14 August 2013 provides for a compromised distribution to the following remaining creditors:

External Creditors	Total Claim and Admitted Amount
OIAL	Equivalent to 15% of NRP*
King & Wood Mallesons (“KWM”) <i>(formerly known as Mallesons Stephen Jacques)</i>	Equivalent to 20% of NRP
National Australia Bank (“NAB”)	Equivalent to 30% of NRP

* Net Realisation Proceeds

Once the Scheme's Disbursements (*all costs directly related to the sale of units*) have been paid in full, the remaining surplus as defined as the NRP, will be used to pay the above external creditors.

Please refer to Section 4.1 hereunder for distribution schedule to external creditors.

3.2. Distribution to TSLPT

As soon as the above external creditors have been paid in full, the remaining 35% will be distributed to TSLPT as follows:

- **Firstly**, pay the RE's fees and other costs and disbursements including legal costs, as well as residual claim (if any) from other creditors against TSLPT. The estimated total costs relating to same are \$211,604.
- **Secondly**, a cash distribution to investors in TSLPT.

Please refer to Section 4 hereunder for distribution schedule and estimated return to TSLPT (including distribution to investors).

4. Estimated Distribution and Return

4.1. Distribution Schedule

The following is the distribution schedule for other external creditors and available distribution to TSLPT:

DISTRIBUTION SCHEDULE	\$ (ex-GST)
<u>Proceeds From Sale of Units</u>	
Lot Pending for Settlement	110,000
Valuation on 4 unsold units ⁽¹⁾	620,000
	730,000
<u>Less: Scheme Disbursements</u>	
Costs of sale ⁽²⁾	(36,500)
Holding Costs & Other Costs and disbursements directly related to the sale of units	(267,693)
	(304,193)
Net Realisation Proceeds ("NRP")	425,807
<u>Less: Pro-rata Distribution to other external creditors (65% of NRP)</u>	
1. OIAL (15% of NRP)	(63,871)
2. KWM (20% of NRP)	(85,161)
3. NAB (30% of NRP)	(127,742)
	(276,774)
Total Distribution to Other External Creditors	(276,774)
Available Distribution to TSLPT (35% of NRP)	149,032

Notes:

(1) All unsold lots are sold close to valuation and all lots sold by 31 December 2019.

(2) Costs of Sale is estimated at 5% percent of valuation of unsold units

4.2. Distribution to TSLPT

I note that the previously estimated overall return of capital per my previous investor report dated 5 March 2014 has been varied as a result of the time taken to fully realise all unsold units at Broadwater Resort.

Available Return to TSLPT*	\$
Cash at bank	41,925
Available Distribution to TSLPT (35% of NRP) #	149,032
Total	190,958

Notes:

* Net income pooling is assumed to be NIL.

Refer to Section 4.1 above.

The above amount of \$190,958 is available to be distributed to TSLPT in accordance to the Settlement Deed.

As noted in Section 3.2, I note that this amount is firstly available to satisfy the RE's fees and other costs and disbursements including legal costs, as well as residual claim (if any) from other creditors against TSLPT. At this stage, the estimated total costs (until 31 December 2019) is \$211,604 and comprised of the following:

Liquidator's Costs and Fees & Residual Claim against TSLPT	\$
1) Outstanding Rates for Kiosk	8,846
2) RE Fees	45,209
3) Reimburse TPFL - expenses paid on behalf	1,843
4) Reimburse TPFL - disbursement paid on behalf	15,705
5) Custodian Fees	90,000
6) Contingencies	50,000
TOTAL	211,604

Therefore, I anticipate that a partial distribution is available for the respective creditors and liquidator of TSLPT.

In that regard, subject to the above assumptions, I do not anticipate any return of capital available to investors of TSLPT.

5. Other Matters

5.1. Audit & Tax

As a Managed Investment Scheme, TSLPT is required by ASIC to prepare and lodge its audit report as well as tax lodgement until TSLPT is fully wound up. I note that the last audited report prepared by TSLPT was for financial year ending 2009.

However, based on the updated estimates per Section 4 above, I note that TSLPT does not have the monetary capacity to prepare/complete outstanding audited financial account and up to the date of winding up. I am of the opinion that there is no clear financial benefit to investors of TSLPT to continue to incur costs in order to prepare outstanding financial lodgement prior to completing the winding up considering that TSLPT has no ability to meet costs of same.

In that regard, I am currently seeking legal advice from my solicitors with respect to same and will advise investors on outcome in due course.


6. Meeting of Investors

An investors meeting will be held to summarise TSLPT's affairs on Tuesday, 24 January 2017 at 10.30am (AWST) at Fremantle Room, Parmelia Hilton Perth, 14 Mill Street, Perth WA 6000.

Telephone conference facilities are available for the meeting and should any investors wish to participate in the meeting via telephone, please advise Ivy Michael of this office by Friday, 20 January 2017.

Should you have any queries with respect to this report, please do not hesitate to contact Ivy Michael of this office.

**Yours faithfully,
TPFL Limited
(In Liquidation)**



Adam Shepard
Liquidator