



ANNUAL REPORT

2018



# CONTENTS

Company Profile	2
Key Personnel	3
CEO's Review	5
Financial Statistics	7
Directors' Report	11
Auditor's Independence Declaration	18
Statement of Comprehensive Income	19
Statement of Financial Position	20
Statement of Changes in Equity	21
Statement of Cash Flows	22
Notes to the Financial Statements	23
Directors' Declaration	41
Independent Auditor's Report	42
Investment Holdings	46
Details of Shareholders	50
Other	52

## ABOUT WHITEFIELD LTD

### Whitefield, delivering value to shareholders since 1923

Whitefield is a listed investment company providing the potential for capital growth and regular franked income through a diversified portfolio of ASX listed industrial shares. We provide investors with an exposure to industrial (non-resource) shares with an emphasis on quality of return, reliability and cost efficiency.

We have assisted investors in building their wealth since the company's public listing on ASX in 1923.

An investment of \$10,000 in Whitefield in 1970 would at 31 March 2018 be worth \$1,790,000<sup>1</sup> after allowing for the payment and provision of income tax at company rates on unfranked income and both realised and unrealised capital gains. This significant return reflects the benefits of long term investment in the Australian industrial share market over this period, which have included:

- (a) the benefit of compounding investment returns over many successive years and
- (b) long term growth in the earnings of Australian industrial companies derived from the specific operating activities of each company and the broad economic conditions which have promoted growth in the Australian economy including population growth and inflation.

## OUR APPROACH TO INVESTMENT

### Our Objective: Building wealth through reliable outcomes

Whitefield aims to provide shareholders with the potential for a margin of long term outperformance above the ASX200 Industrials Accumulation Index, a low chance of material underperformance and aims to deliver this with a moderate level of cost efficiency.

This balance of risk control, return, efficiency and reliability are designed to provide shareholders with an attractive way to take exposure to Australian Shares within their wealth accumulation plan.

### Our Investment Strategy

#### ***Favourably developing earnings, favourably developing expectations***

We are firm believers that strength and sustainability of investment return may be generated from stocks holding an ability to maintain and expand their earnings over an extended period where that positive outlook is either under-recognised by the market or likely to continue to develop favourably.

Our structured, quantitative assessment processes identify where these conditions are most likely to be satisfied and our portfolio is tailored accordingly.

#### ***Consistent decision making in complex investment markets***

The modern investment environment is characterised by large volumes of information and a wide variety of opinions. Whitefield applies a structured and highly disciplined assessment and decision making framework utilising quantitative techniques and qualitative oversight to successfully navigate these complexities in a manner which emphasises the consistency and reliability we seek.

#### ***Why Industrials?***

The high cyclicality of the resource industry has seen resource stocks generate high volatility earnings and lower through-the-cycle investment returns over the long term.

By eliminating resource stocks from our portfolio, we are able to deliver higher through-the-cycle returns with lower volatility (that is, higher risk-adjusted returns) for our investors.

<sup>1</sup> Calculated on the basis of net asset backing plus dividends, assuming all dividends were reinvested. Past investment returns are not an indicator of future outcomes. Amongst other things economic and stock specific conditions in the future may differ materially from the past.

## OUR PERSONNEL

### Our Personnel & Operating Structure

Whitefield's Board have a depth of experience in finance, markets, corporate governance and the listed investment industry. Our investment management personnel are highly qualified, and have both significant experience in wholesale investment management and longevity of service working with Whitefield.

#### NON-EXECUTIVE DIRECTORS



**David Iliffe**, *Chairman (F.C.A.)*

David has over 35 years experience as a Chartered Accountant. He is a member of the Australian Institute of Company Directors and a Fellow of the Institute of Chartered Accountants. He has also been a director of insurer Employers Mutual Ltd.



**Mark Beardow**, *(B.Ec, CFA, Graduate Diploma Applied Finance and Investment, Cert Management MGSM) – [Appointed 13 Dec 2017]*

Mark has over 25 years experience in investment management and financial markets. He has worked with JPMorgan, UBS and served as Chief Investment Officer Global Equities and Fixed Income for AMP Capital. He is currently a principal of the Darling Macro Fund.



**Martin Fowler**, *(B.Bus, C.A., Graduate Diploma Applied Finance and Investment, F.Fin, Graduate Diploma in Financial Planning)*

Martin has over 20 years experience in financial analysis and specialises in personal investment advisory services. He is a partner with Pitcher Partners, Chartered Accountants.



**Lance Jenkins**, *(LLB, BCA (Vic), MBA (New York))*

Lance has over 20 years of financial markets experience. He has held senior roles with Goldman Sachs JBWere in New York, was CEO and Managing Director of Goldman Sachs JBWere New Zealand, and Head of Cash Equities at the Commonwealth Bank of Australia in Sydney. He is currently an Executive Director of Waterman Capital and is a director of Partners Life Limited and MFB Group Limited.

#### SENIOR EXECUTIVE PERSONNEL



**Angus Gluskie**, *Managing Director, (BEC, Graduate Diploma in Applied Finance & Investment, CA, FFin)*

Angus has over 30 years' experience in the investment management and financial services fields. He has qualifications in investment management, economics and chartered accountancy. He has worked with Whitefield and associated entities since 1987.



**Will Seddon**, *Executive Director (BEC, CFA, CAIA, SAFin)*

Will has over 15 years' experience as a wholesale investment manager and analyst, including more than a decade working with Whitefield. He has significant experience in fundamental analysis, investment strategy and quantitative techniques.



**Peter Borkovec**, *(MCom (Funds Management), BBus)*

Peter has over 15 years' experience in wholesale funds management, including more than a decade working with Whitefield. He has significant experience in fundamental analysis, investment strategy, statistics and quantitative techniques.



**Stuart Madeley**, *Company Secretary, (BA(hons) Pure Maths, MBA)*

Stuart has 25 years' experience in financial services and funds management, including more than 15 years with Whitefield. He has significant experience in investment operations and information technology systems.

## OTHER FEATURES

### Whitefield's Expense Ratio

Whitefield's underlying expenses of operation amounted to 0.4% of investment assets across the last year. This provides shareholders with one of the more cost efficient means of obtaining exposure to a professionally managed portfolio of Australian shares.

### Whitefield's Dividend Policy

Whitefield aims to pay dividends on Ordinary Shares in each year that at a minimum represent the company's net operating profit after tax (dividends, distributions and interest net of operating expenses and tax). Where the company has generated realised capital gains net of tax, it shall also seek to distribute these as dividends over time.

The exact dividend rate in any one year will be based on relevant factors including the year's operating profits, past realised gains, expected investment conditions and the company's broad objective of providing investors with moderate reliability of dividend flow.

Dividends will be franked to the extent that franking credits are available at the time of payment of the dividend. Whitefield's dividends have been fully franked since 1988, shortly after the introduction of the dividend imputation system.

Where Whitefield pays a dividend that includes an eligible LIC discount capital gain, a shareholder who is an Australian resident individual or superfund will be entitled to an income tax deduction representing the amount of the CGT discount applicable to that gain.

In accordance with its Constitution and Company Law Whitefield retains full discretion as to the rate and timing of ordinary dividends. In certain circumstances the Company may elect not to pay a dividend.

### Whitefield's Tax Status as a Company

Whitefield pays income tax at the company tax rate on its net taxable investment income and is entitled to the benefit of franking credits on tax it pays or on franked dividends it receives. Whitefield also pays tax at the company tax rate on any net realised capital gains.

Whitefield may in turn pay franked dividends to its own shareholders, effectively passing on the benefit of those franking credits to investors.

Where Qualifying LIC Discount Capital Gains are realised by Whitefield these may be passed through to Whitefield's underlying shareholders as a fully franked LIC Discount Dividend, which in turn entitles an Australian resident individual or superfund to an income tax deduction representing the amount of the CGT discount applicable to that gain.

### Risks Associated with Investment

All investment involves risk. An investment in Whitefield exposes investors to risks including, but not limited to:

- The unpredictability and volatility of future outcomes, prices and dividends of both Whitefield's portfolio of ASX listed shares and Whitefield shares themselves;
- The risk that investment returns in future years may differ materially from returns in prior years.

Investors may wish to seek the advice of a Professional Adviser when considering the risks associated with an investment in Whitefield.

## CEO'S REVIEW

### Operating Results



Whitefield generated an Operating Profit after Income Tax of \$15,304,054 for the financial year, representing an increase of 9.1% over the prior year. After allowing for increases in the share capital of the company over the 12 months, this equated to earnings of 17.79 cents per Ordinary Share, an increase of 5.3%.

Growth in income was attributable to dividend and distribution increases during the year from a large percentage of our investments. Stronger dividend increases were generated by Cimic, Australian Pipeline, Als, Woolworths, Aristocrat, AGL, Insurance Australia Group, Transurban, Macquarie Group and Wesfarmers. Partially offsetting this strong growth however were lower distributions from a small number of entities including Telstra, Aurizon, QBE and Crown Resorts, with these lower distributions primarily impacting Whitefield's fourth quarter earnings.

### Investment Outcomes

Whitefield's investment portfolio generated a return of (0.23%) for the financial year, a margin stronger than the return of the company's benchmark, the ASX200 Industrials Accumulation Index which amounted to (0.39%).

Whitefield's portfolio return over 5 years stood at 9.07% per annum, which is again higher than the return of the company's benchmark, the ASX200 Industrials Accumulation Index return of 8.81% per annum.

Stronger contributors to outright return in the year included A2 Milk, Flight Centre, Qantas, Treasury Wines, Cochlear, Aristocrat, Resmed, Boral, Metcash, IAG, Cimic, Computershare, CSL and Macquarie Group.

Returns relative to the company's benchmark index were assisted by overweight exposures to CIMIC, Metcash, Resmed, Flight Centre and IAG; and underweight exposures to Telstra, CBA, Westpac, ANZ and Bank of Queensland.

### Investment Exposures

During the year Whitefield continued to emphasise investments offering combinations of strong or improving quality and earnings while seeking to avoid or limit the portfolio's exposure to stocks suffering or likely to suffer from challenging or declining industry or stock specific conditions.

At year end the company's portfolio was spread across 160 stocks, containing a diversified suite of approximately 25 overweight and 25 underweight exposures relative to the company's benchmark index. More material overweights and underweights being carried into the new financial year include:

- Overweight Exposures to Contractors, Staple Consumer and Healthcare sectors.
- Underweight Exposures to Developers, Banks and Media.

### Net Asset Backing

The net asset backing (before providing for deferred capital gains tax) for each of the company's ordinary shares amounted to \$4.79 at 31 March 2018 compared to \$5.08 at the same time one year ago. The net asset backing per ordinary share (after a provision for deferred capital gains tax expenses (or benefits) including those which would arise in the event that the entire portfolio was realised) at 31 March 2018 amounted to \$4.47 compared to \$4.65 one year ago.

### Dividend

Whitefield has declared and paid an interim dividend of 8.75 cents per Ordinary Share (prior year 8.5) and a full year dividend of 9.0 cents per share (prior year 8.5). Both dividends were fully franked at 30%.

One of the company's objectives is to provide Ordinary Shareholders with a reliable stream of income over the long term. I am pleased to note that 2018 represents the 28<sup>th</sup> consecutive year in which Whitefield has maintained or increased its dividend.

## Tax Rates

The Government currently intends to reduce the company tax rate from 30% to 25% by 2027. It is most likely that Whitefield will continue to be taxed and frank dividends at the 30% company tax rate until the 2024 financial year at which time it would adopt the 27.5% rate (and lower rates in subsequent years). However it should be recognised that there may be some circumstances where Whitefield would adopt the 27.5% company tax rate at earlier dates.

Whitefield will continue to pay tax and frank dividends at 30% in the near term and would advise shareholders should that position change.

## Outlook

At this time, we consider that the broad outlook for corporate earnings, both in Australia and internationally, remains mildly favourable.

Australia's comparatively strong population growth is continuing to boost state government revenues and drive demand for fundamental services and housing. The first tier effects of this are evident in the strong activity levels visible in healthcare, education, building materials and infrastructure development, and secondarily in the business services that support those industries.

This positive dynamic is also supporting the surprisingly firm level of employment and some areas of consumer spending such as hardware and leisure.

Strength of activity in these segments is being partially offset by more muted growth elsewhere. The emerging presence of large international retailers is likely to remain a challenge for Australian operators. Competition levels in the telecommunications arena are high and this is adversely impacting both market share and margins for telco providers. Bank sector earnings will also be constrained with loan volumes softening as interest rates push higher, from market share loss to non-bank competitors and from increased regulatory costs.

On the international front, conditions appear moderately favourable for Australia's primary trading partners. US corporate conditions have been particularly robust, and this is being reflected in a strong earnings outlook and very high employment levels. Economic data from Europe and Japan remains firm although most recently has revealed some slowing in the pace of growth. The Chinese economy continues to be characterised by ongoing expansion of consumer activity coupled with the maturing of capital spending on infrastructure and industrial development.

Collectively these conditions are suggestive of broadly favourable levels of demand and activity continuing into 2019, with some Australian sectors constrained by heightened competitive pressures.

We consider that the dominant risk at the present time stems from increases in interest rates. The combination of synchronised global economic strength, lowered tax rates, full employment in the US and the introduction of international tariffs on trade are likely to see global interest rates and inflation rise from their recent historic lows. This likely upwards adjustment in rates has the potential to adversely affect global asset valuations, which in turn may destabilise investment markets.

As usual, Whitefield will continue to position its portfolio in accordance with our disciplined investment assessment framework which seeks to emphasise stocks and sectors capable of delivering improvements in their future earning capability relative to expectations.

Based on underlying earnings growth, the economic outlook and recent and longer term levels of realised gains, the Company considers it is well-positioned to deliver a level of growth in its total Ordinary dividend across the upcoming year, subject to any unforeseen or abnormal fluctuations in markets or market conditions.

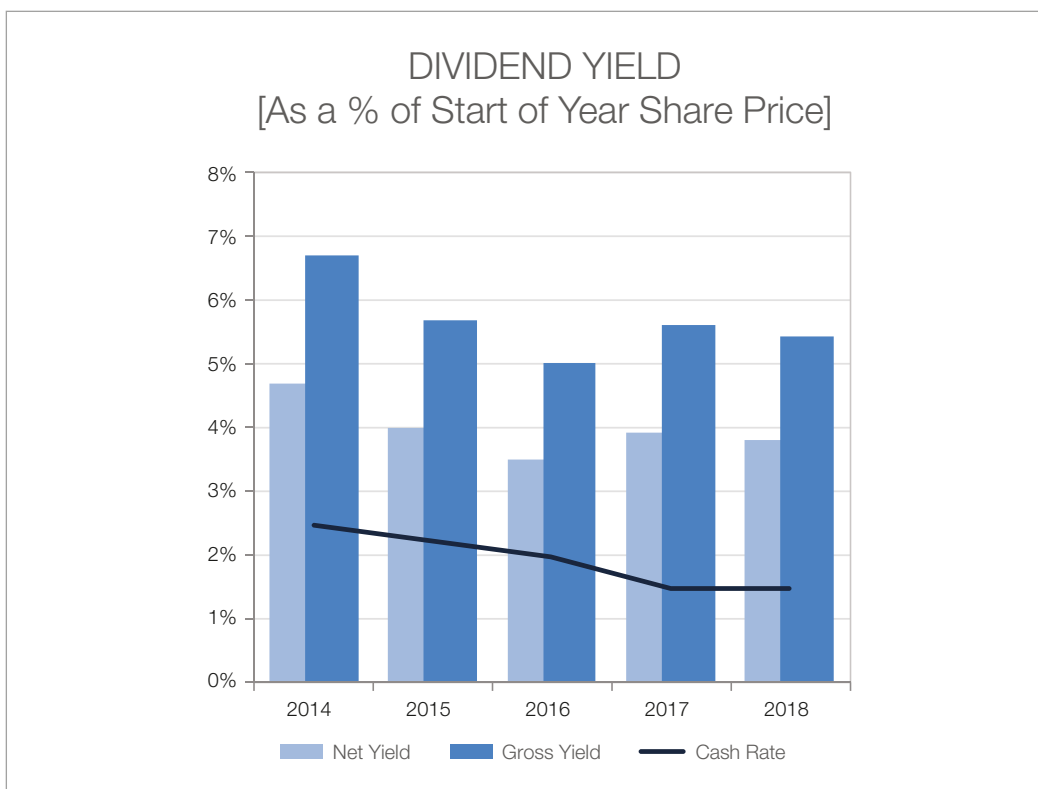
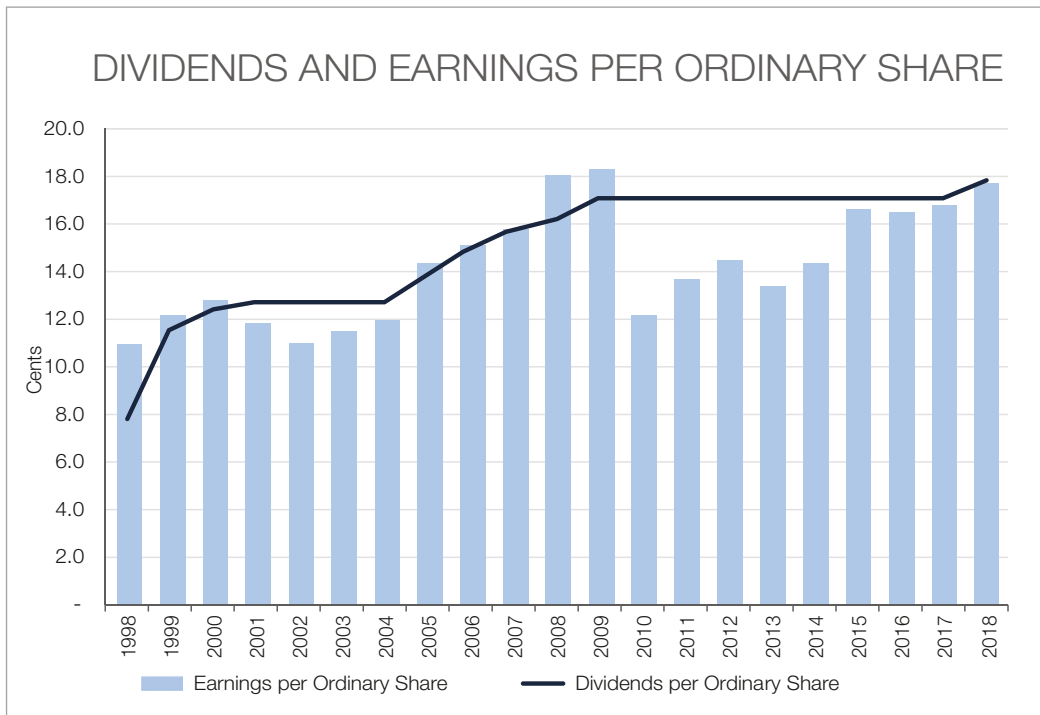
We look forward to reporting on outcomes as the 2019 financial year proceeds.

**Angus Gluskie**  
**Chief Executive Officer**



# FINANCIAL STATISTICS

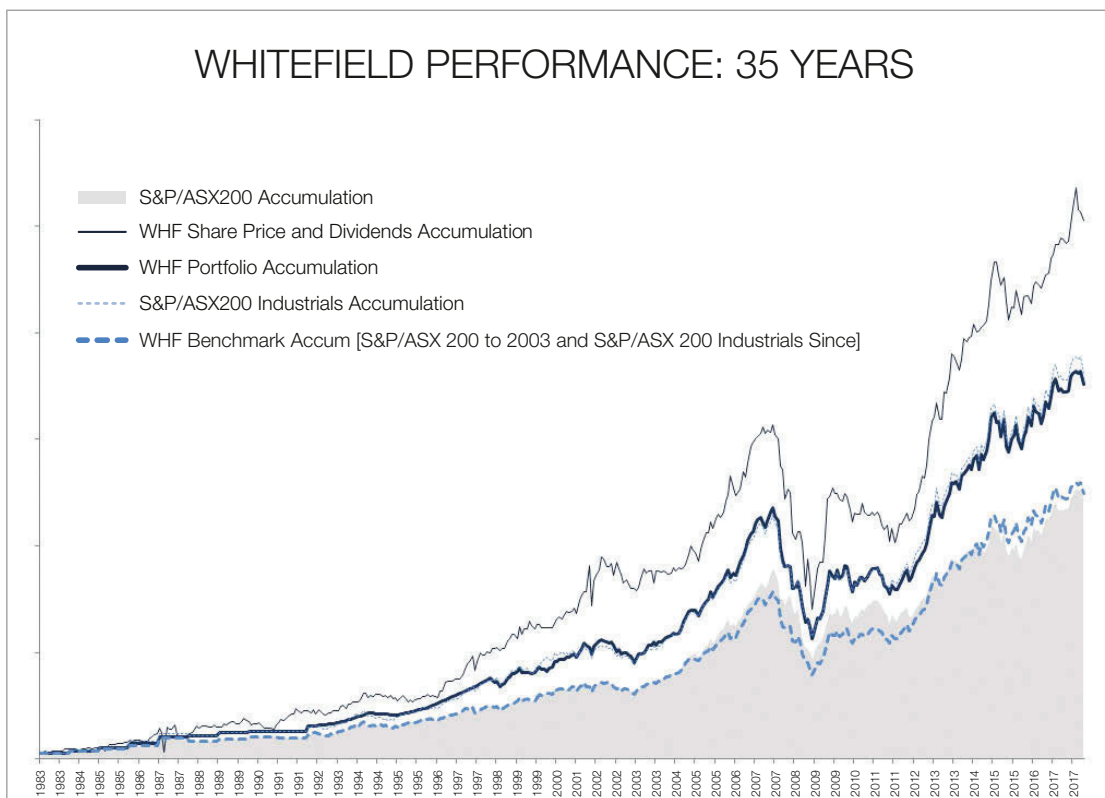
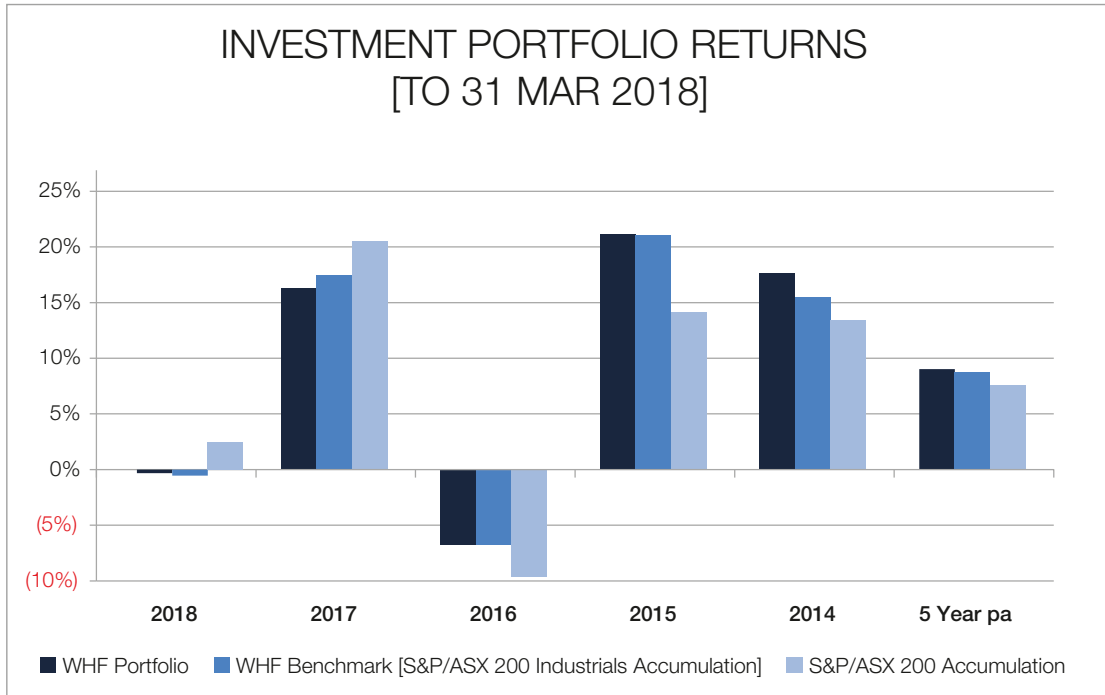
## EARNINGS AND DIVIDENDS



## INVESTMENT PORTFOLIO RETURNS

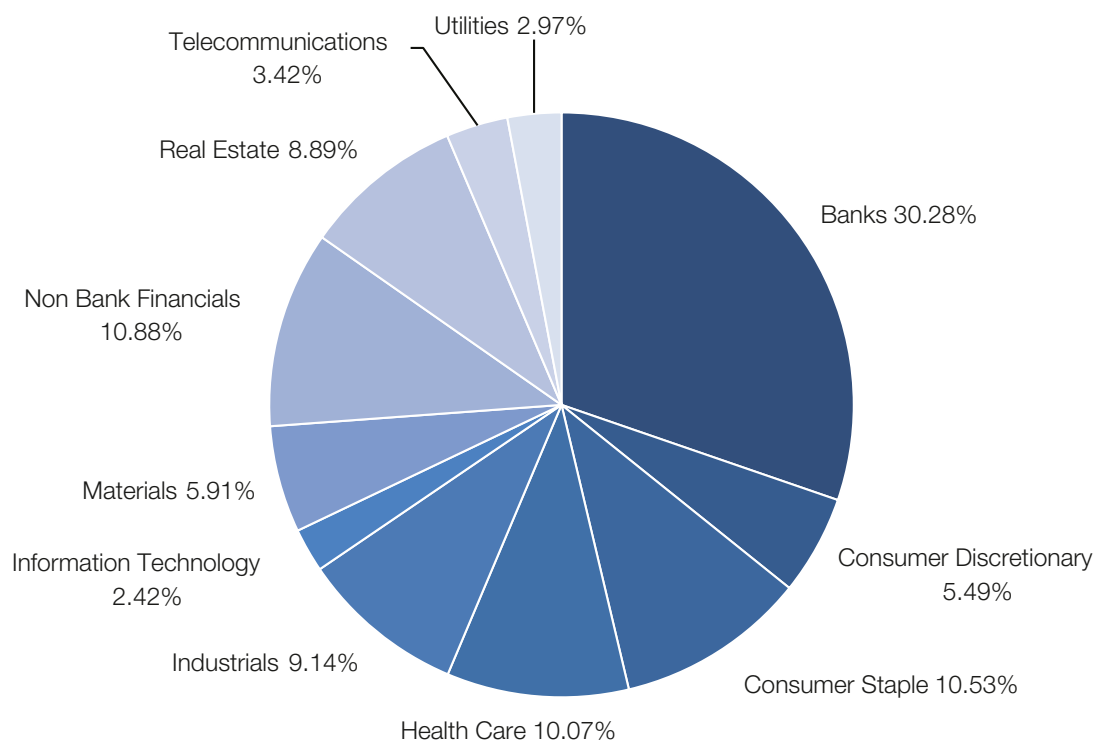
	2018	2017	2016	2015	2014	5 Years*
Whitefield Portfolio	(0.23%)	16.33%	(6.75%)	21.17%	17.68%	9.07%
ASX 200 Industrials Accumulation	(0.39%)	17.45%	(6.77%)	21.02%	15.53%	8.81%
ASX 200 Accumulation	2.54%	20.49%	(9.59%)	14.13%	13.46%	7.66%

\*Annualised



## PORTFOLIO COMPOSITION BY INDUSTRY SECTOR

As at 31 March 2018



## CONTRIBUTORS AND DETRACTORS TO PERFORMANCE

Financial Year Ended 31 March 2018

### Top Contributors to Portfolio Performance 1 Year\*

1 CSL Limited	1.00%
2 A2 Milk Company Ltd.	0.45%
3 Insurance Australia Group Limited	0.41%
4 Macquarie Group Limited	0.32%
5 CIMIC Group Limited	0.31%

### Top Performance Attribution Basis 1Yr\*\*

1 CIMIC Group Limited	0.22%
2 Metcash Limited	0.22%
3 ResMed Inc	0.21%
4 Telstra Corporation Limited	0.19%
5 Flight Centre Travel Group Limited	0.14%

### Top Detractors to Portfolio Performance 1 Year\*

1 Commonwealth Bank of Australia	(1.18%)
2 Westpac Banking Corporation	(1.11%)
3 Telstra Corporation Limited	(1.00%)
4 ANZ Banking Group Limited	(0.72%)
5 National Australia Bank Limited	(0.59%)

### Bottom Performance Attribution Basis 1Yr\*\*

1 Qantas Airways Limited	(0.25%)
2 CSL Limited	(0.15%)
3 Macquarie Group Limited	(0.10%)
4 Lendlease Group	(0.09%)
5 Seek Limited	(0.09%)

\*Portfolio Weight x Stock Return

\*\* (Portfolio Weight - Benchmark Weight) x Stock Return

## 20 YEAR HISTORY

### WHITEFIELD 20 YEAR FINANCIAL HISTORY

Year Ended	Issued Shares				Operating Profit After Tax \$	Dividends Paid on Ordinary & 8% Pref Shares \$	Ordinary & 8% Preference Shareholders' Equity \$	Dividends per Ordinary Share cps	Operating Profit After Tax per Share cps	NTA after Tax per Ordinary Share \$	
	Ordinary Shares Issued	Capital Raised \$	8% Preference	Convertible Resetable Preference							
1998	-	-	23,790		37,630,226	4,188,379	2,899,431	98,008,523	7.70	11.06	2.60
1999	-	-	23,790		37,630,226	4,644,801	4,329,379	104,416,178	11.50	12.27	2.77
2000	-	-	23,790		37,630,226	4,854,287	4,630,421	103,324,176	12.30	12.82	2.75
2001	-	-	23,790		37,630,226	4,492,141	4,743,311	111,768,388	12.60	11.86	2.97
2002	-	-	23,790		37,630,226	4,296,005	4,743,311	123,252,523	12.60	11.12	3.27
2003	-	-	23,790		37,630,226	4,524,517	2,371,655	107,228,234	12.60	11.71	2.85
2004	1:10 Rights, DRP, Public Issue	13,564,135	23,790		42,555,648	4,984,418	4,967,050	135,419,974	12.60	12.04	3.18
2005	1:8 Rights, DRP	14,318,181	23,790		47,496,613	6,467,049	5,499,662	167,544,179	13.80	14.51	3.53
2006	DRP, SPP	13,187,620	23,790		51,236,819	7,873,034	6,805,255	207,894,752	14.90	15.28	4.06
2007	DRP, SPP, Placement	38,837,006	23,790		60,263,443	8,518,559	7,952,691	284,597,452	15.70	16.05	4.72
2008	DRP, SPP, Placement	45,858,006	23,790		70,192,733	11,981,188	11,043,079	276,278,441	16.10	18.12	3.94
2009	DRP, Buy-Back	(11,021,158)	23,790		66,323,391	11,864,370	11,410,021	196,414,691	17.00	18.37	2.96
2010	DRP, Buy-Back	(3,758,754)	23,790		65,193,933	8,120,642	11,229,188	237,242,675	17.00	12.26	3.64
2011	DRP, SPP, Buy-Back	(12,411,338)	23,790		61,176,470	8,518,170	15,749,249	206,452,551	25.50	13.77	3.37
2012	DRP, Merger	45,214,414	23,790		75,596,171	10,899,489	6,407,119	247,793,379	8.50	14.58	3.28
2013	DRP, CRPS Issue	29,772,389	23,790	300,000	75,938,622	10,228,821	12,868,685	289,587,611	17.00	13.49	3.81
2014	DRP	929,742	23,790	400,000	76,196,891	11,986,286	12,920,839	317,019,745	17.00	15.75	4.16
2015	DRP	1,083,190	23,790	400,000	76,467,723	12,702,722	12,963,201	359,678,893	17.00	16.69	4.70
2016	DRP, BSP, SPP	14,708,886	23,790	400,000	80,208,773	13,198,884	11,288,714	342,464,700	17.00	16.60	4.27
2017	DRP, BSP, SPP	13,230,714	23,790	400,000	83,808,193	14,028,677	12,603,600	389,450,754	17.00	16.90	4.65
2018	DRP, BSP, SPP	14,605,036	23,790	400,000	87,254,548	15,304,054	14,241,174	389,783,092	17.75	17.79	4.47

Note: Shareholders' Equity included the unrealised market value of publicly listed shares and notes in Australian companies and Trusts, less tax which would be payable on realisation of all investments and the estimated cost of such realisation. Operating Profit in this summary excludes gains or losses arising from the sale of investments. Per share calculations have been adjusted for bonus issues where appropriate.

# DIRECTORS' REPORT

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018

Your Directors present their report on the Company for the year ended 31 March 2018.

## Directors

The following persons held office as Directors of Whitefield Limited during the financial year:

David J. Iliffe

Angus J. Gluskie

Martin J. Fowler

William R. Seddon (appointed 15 May 2017)

Lance W. Jenkins (appointed 31 May 2017)

Mark A. Beardow (appointed 13 December 2017)

Graeme J. Gillmore (retired 15 May 2017)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

## Principal activities

During the year, the principal activity of the Company was investing in companies and trusts listed on the Australian Securities Exchange.

There was no significant change in the nature of the activity of the Company during the year.

## Dividends

Dividends paid to members since the end of the previous financial year were as follows:

	Dividend Rate	Total Amount	Date of Payment	% Franked
<b>2018</b>				
8% Preference shares - interim	4.0 cps	\$951	12/12/2017	100
Ordinary shares - interim	8.75 cps	\$7,355,282	12/12/2017	100
Convertible Resettable Preference Shares - Six-Monthly	350.0 cps	\$1,400,000	12/12/2017	100
<b>2017</b>				
8% Preference shares - final	4.0 cps	\$951	13/06/2017	100
Ordinary shares - final	8.5 cps	\$6,883,990	13/06/2017	100
Convertible Resettable Preference Shares - Six-Monthly	350.0 cps	\$1,400,000	13/06/2017	100

In addition to the above dividends, since the end of the financial year the Directors have announced:

- A final ordinary dividend of 9.0 cents per fully paid share (2017: 8.5 cents per fully paid share), and a final dividend on 8% preference shares of 4.0 cents per 8% preference share (2017: 4.0 cents per 8% preference share) to be paid on 12 June 2018 out of retained earnings at 31 March 2018;
- A six-monthly dividend on Convertible Resettable Preference Shares of 350.0 cents per convertible resettable preference share (2017: 350.0 cents per convertible resettable preference share) to be paid on 12 June 2018.

## Review of operations and financial position

Information on the operations and financial position of the Company and its business strategies and prospects is set out in the Chief Executive Officer's review on page 5 of this Annual Report.

The profit from ordinary activities after income tax amounted to \$15,304,054 (2017: \$14,028,677). Total comprehensive loss amounted to \$31,524 after taking account of the net revaluation after tax on investments (2017: \$46,360,842 income).

Net asset backing per ordinary share at 31 March 2018 amounted to \$4.79 (2017: \$5.08) before deferred tax and \$4.47 (2017: \$4.65) after deferred tax, while net assets amounted to \$389,783,092 (2017: \$389,450,754).

## Significant changes in the state of affairs

Under the Treasury Laws Amendment (Enterprise Tax Plan) Act 2017, company tax rates in Australia will be progressively reduced from 30% to 25% by 2027.

During October 2017 additional legislation was introduced into Parliament to address some aspects of the manner in which the progressive lowering of tax rates will apply. The legislation is yet to be approved.

Based on the newly introduced legislation, it now appears most likely that Whitefield will continue to be taxed and frank dividends at the 30% company tax rate until the 2024 financial year at which time it would adopt the 27.5% rate (and lower rates in subsequent years). However, it should be recognised that the proposed legislation has not yet been approved, and even once approved there may be some circumstances where Whitefield would adopt the 27.5% company tax rate at earlier dates.

Accordingly, based on its current position Whitefield will continue to pay tax and frank dividends at 30% in the near term and would advise shareholders should that position change.

Directors are not aware of any other significant changes in the state of affairs of the Company, other than the changes in the normal course of operations disclosed in this Report and the accompanying Financial Statements.

## Matters subsequent to the end of the financial year

Apart from the dividends paid after year end, no other matter or circumstance has arisen since 31 March 2018 that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

## Likely developments and expected results of operations

The Directors have no plans for new developments in the operations of the Company and propose to continue to invest available funds in the publicly listed equities of Australian companies. Further comments on the outlook for the Company are included in the Chief Executive Officer's Review.

## Environmental regulation

The Company is not affected by any significant environmental regulation in respect of its operations.

To the extent that any environmental regulations may have an incidental impact on the Company's operations, the Directors of the Company are not aware of any breach by the Company of those regulations.

## Information on directors

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**David J. Iliffe** *Chair - Independent non-executive director*

### Experience and expertise

David has been a Director of Whitefield Limited since March 1990, and was appointed Chairman in 2003. David has over 35 years experience as a Chartered Accountant, a Member of the Australian Institute of Company Directors and is a Fellow of the Institute of Chartered Accountants.

### Other current directorships

None

### Former directorships in last 3 years

Past director of Employers Mutual Ltd

### Special responsibilities

Chairman, Member of Audit, Nomination and Remuneration Committees

### Interests in shares and options

2,223,038 Ordinary Shares

1,300 8% Preference Shares

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## Angus J. Gluskie

*Chief Executive Officer*

### Experience and expertise

Angus has been Chief Executive Officer of Whitefield Limited since 1996 and was appointed as a Director in 2003. Angus has over 30 years experience in the fields of funds management and financial services fields. Angus is a member of the Institute of Chartered Accountants and a Fellow of the Financial Services Institute of Australasia, and holds a Bachelor of Economics and a Graduate Diploma in Applied Finance & Investment.

### Other current directorships

Managing Director of White Funds Management Pty Ltd

### Former directorships in last 3 years

None

### Special responsibilities

Chief Executive Officer, Member of Nomination Committee, Investment manager

### Interests in shares and options

17,650,578 Ordinary Shares

200 8% Preference Shares

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## Martin J. Fowler

*Independent non-executive director*

### Experience and expertise

Martin has over 20 years experience in the field of financial analysis and specialises in personal investment advice. Martin is a Member of the Institute of Chartered Accountants and Fellow of Finsia. Martin holds a Bachelor of Business, a Graduate Diploma in Applied Finance & Investment and a Graduate Diploma in Financial Planning.

### Other current directorships

Partner and Director of Pitcher Partners Sydney

### Former directorships in last 3 years

None

### Special responsibilities

Chairman of Audit Committee, Member of Nomination and Remuneration Committees

### Interests in shares and options

1,000 Ordinary Shares

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## William R. Seddon

*Executive director (appointed 15 May 2017)*

### Experience and expertise

Will has 15 years experience as a wholesale investment manager and analyst, including more than a decade working with Whitefield. He has significant experience in the field of funds management. Will holds a Bachelor of Economics, is a Chartered Financial Analyst, a Senior Associate of the Financial Services Institute of Australasia and a Chartered Alternative Investment Analyst.

### Other current directorships

Director of White Funds Management Pty Ltd

### Former directorships in last 3 years

None

### Special responsibilities

Member of Nomination Committee

### Interests in shares and options

50,761 Ordinary Shares

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## Lance W. Jenkins

*Independent non-executive director (appointed 31 May 2017)*

### Experience and expertise

Lance has over 20 years of financial markets experience. He has held senior roles with Goldman Sachs JBWere in New York, was CEO and Managing Director of Goldman Sachs JBWere New Zealand, and Head of Cash Equities at the Commonwealth Bank of Australia in Sydney.

### Other current directorships

Director of Partners Life Limited, Waterman Capital Management Limited, Waterman Fund 2 Limited Partnership, Waterman Fund 3 GP Limited, CCA Capital Limited and My Food Bag Limited

### Former directorships in last 3 years

Past director of Spicers Portfolio Management (NZ) Ltd

### Special responsibilities

Member of Audit, Nomination and Remuneration Committees

### Interests in shares and options

58,700 Ordinary Shares

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## Mark A. Beardow

*Independent non-executive director (appointed 13 December 2017)*

### Experience and expertise

Mark has over 25 years experience in investment management and financial markets. He has worked with JP Morgan, UBS and served as Chief Investment Officer Global Equities and Fixed Income for AMP Capital. He is currently a principal of the Darling Macro Fund.

### Other current directorships

None

### Former directorships in last 3 years

Past director of Quay 62 Pty Limited, National Mutual Funds Management Limited, AMP CMBS No.1 Pty Limited and AMP CMBS No.2 Pty Limited

### Special responsibilities

Member of Audit, Nomination and Remuneration Committees

### Interests in shares and options

400 Ordinary Shares

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## Company Secretary

The Company secretary is Stuart Madeley. Stuart has been Company Secretary since 2014. Stuart has over 25 years experience in the financial services industry in both Australia and the United Kingdom. Stuart has been involved in the executive management of the Company since 2005.



## Meetings of directors

The numbers of meetings of the Company's board of Directors and of each board committee held during the year ended 31 March 2018, and the numbers of meetings attended by each Director were:

	Full meetings of directors	Meetings of non-executive directors	Meetings of committees		
			Audit	Nomination	Remuneration
David J. Iliffe	4/4	-	2/2	3/3	1/1
Angus J. Gluskie*	4/4	-	-	3/3	-
Martin J. Fowler	4/4	-	2/2	3/3	1/1
William R. Seddon*	4/4	-	-	3/3	-
Lance W. Jenkins	3/3	-	1/1	2/2	-
Mark A. Beardow	1/1	-	-	1/1	-
Graeme J. Gillmore (retired 15 May 2017)	-	-	-	-	-

## Remuneration Report

This report details the nature and amount of remuneration for each Director and Key Management Person of Whitefield Limited in accordance with the *Corporations Act 2001*.

### Remuneration Policy

The Board and Remuneration Committee determine the remuneration structure of Non-Executive Directors having regard to the scope of the Company's operations and other relevant factors including the frequency of Board meetings. The Board makes a recommendation to shareholders as to the level of Non-Executive Directors remuneration which is then put to shareholders at the Annual General Meeting for approval should the aggregate remuneration be subject to an increase.

The Company pays no direct remuneration to the Executive Directors and Company Secretary. Mr Angus J. Gluskie, Mr William R. Seddon and Mr. Stuart A. Madeley are officers and/or shareholders of White Funds Management Pty Ltd. White Funds Management Pty Ltd is contracted by the Company as the Investment Manager and receives fees for service on normal commercial terms and conditions.

As the Company does not pay performance fees, nor provide share or option schemes to Directors and executives, remuneration of Executives and Non-executives is not explicitly linked to the Company's performance. Notwithstanding this, Board members and Company executives are subject to ongoing performance monitoring and regular performance reviews.

## Details of remuneration

The following tables show details of the remuneration received by the Directors and the key management personnel of the Company for the current and previous financial year.

2018	Short-term employee benefits		Post-employment benefits	Total
	Cash salary and fees	Other	Super-annuation	
Name	\$	\$	\$	\$
<b>Non-executive Directors</b>				
David J. Iliffe	12,785	-	1,215	14,000
Martin J. Fowler	12,785	-	1,215	14,000
Lance W. Jenkins	10,655	-	1,012	11,667
Mark A. Beardow	3,729	-	354	4,083
<b>Sub-total Non-executive directors</b>	<b>39,954</b>	<b>-</b>	<b>3,796</b>	<b>43,750</b>
<b>Executive Directors and Company Secretary</b>				
Angus J. Gluskie*	-	-	-	-
William R. Seddon*	-	-	-	-
Stuart A. Madeley*	-	-	-	-
<b>Sub-total Executive Directors and Company Secretary</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total key management personnel compensation</b>	<b>39,954</b>	<b>-</b>	<b>3,796</b>	<b>43,750</b>
<b>2017</b>				
2017	Short-term employee benefits		Post-employment benefits	Total
	Cash salary and fees	Other	Super-annuation	
Name	\$	\$	\$	\$
<b>Non-executive Directors</b>				
David J. Iliffe	12,176	-	1,157	13,333
Graeme J. Gillmore	12,176	-	1,157	13,333
Martin J. Fowler	12,177	-	1,157	13,334
<b>Sub-total Non-executive directors</b>	<b>36,529</b>	<b>-</b>	<b>3,471</b>	<b>40,000</b>
<b>Executive Directors and Company Secretary</b>				
Angus J. Gluskie*	-	-	-	-
William R. Seddon*	-	-	-	-
Stuart A. Madeley*	-	-	-	-
<b>Sub-total Executive Directors and Company Secretary</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total key management personnel compensation</b>	<b>36,529</b>	<b>-</b>	<b>3,471</b>	<b>40,000</b>

\* Mr Angus J. Gluskie, Mr William R. Seddon and Mr Stuart A. Madeley received no fees as individuals. All three are officers and/or shareholders of White Funds Management Pty Ltd. During the year, White Funds Management Pty Ltd received fees of \$1,362,792 (2017: \$1,125,229 inclusive of 10% GST) for the management of the Company, out of which costs of corporate and investment management are paid.

## Shares under option

No options are on issue.

## Insurance and indemnification of officers and auditors

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and any related body corporate against liability incurred as such by a Director or Secretary to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid during or since the end of the financial year, for any person who is or has been an auditor of the Company.

## Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

## Non-audit services

No non-audit services were performed by the auditors during the year ended 31 March 2018.

Details of the amounts paid to the auditors and their related parties are disclosed in Note 16 to the Financial Statements.

## Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 18.

This report is made in accordance with a resolution of Directors.



**David J. Iliffe**  
Director

Sydney  
15 May 2018

## AUDITOR'S INDEPENDENCE DECLARATION

WHITEFIELD LIMITED ABN 50 000 012 895

Auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Whitefield Limited.

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2018 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

MNSA Pty Ltd

MNSA Pty Ltd



Mark Schiliro  
Director

Dated in Sydney this 15<sup>th</sup> day of May 2018

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018

	Notes	2018 \$	2017 \$
<b>Investment income from ordinary activities</b>	4	20,955,741	19,663,825
<b>Expenses</b>			
Management fees		(1,269,874)	(1,048,508)
Directors' fees		(43,750)	(40,000)
Audit fees		(28,113)	(26,655)
Other expenses		(505,438)	(503,845)
Finance costs - Convertible Resettable Preference Shares		(2,987,548)	(2,971,394)
<b>Operating result before income tax</b>		<b>16,121,018</b>	<b>15,073,423</b>
Income tax expense	5	<b>(816,964)</b>	<b>(1,044,746)</b>
<b>Profit for the year</b>		<b>15,304,054</b>	<b>14,028,677</b>
<b>Other comprehensive income</b>			
<i>Items that may not be reclassified to profit or loss</i>			
Net unrealised (losses)/gains on investments taken to equity		(33,140,524)	38,948,388
Income tax relating to net unrealised losses/(gains) on investments taken to equity		8,946,455	(11,605,412)
Net realised gains on investments taken to equity		11,482,983	7,393,298
Income tax relating to net realised gains on investments taken to equity		(2,624,492)	(2,404,109)
<b>Other comprehensive (loss)/income for the year, net of tax</b>		<b>(15,335,578)</b>	<b>32,332,165</b>
<b>Total comprehensive (loss)/income for the year</b>		<b>(31,524)</b>	<b>46,360,842</b>
<b>Earnings per share from continuing operations attributable to the ordinary equity holders of the Company (excluding all net realised gains/losses on investments)</b>			
Basic earnings per share	22	17.79 Cents	16.90 Cents
Diluted earnings per share	22	17.79 Cents	16.90 Cents

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

# STATEMENT OF FINANCIAL POSITION

AS AT 31<sup>ST</sup> MARCH, 2018

	Notes	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	7,987,283	9,064,935
Trade and other receivables	7	1,828,959	2,539,334
Other current assets		19,329	17,472
<b>Total current assets</b>		<b>9,835,571</b>	<b>11,621,741</b>
<b>Non-current assets</b>			
Financial assets at fair value through other comprehensive income	3, 8	452,901,823	456,575,930
Deferred tax assets	9	7,027,572	7,628,308
<b>Total non-current assets</b>		<b>459,929,395</b>	<b>464,204,238</b>
<b>Total assets</b>		<b>469,764,966</b>	<b>475,825,979</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		311,426	192,648
Current tax liabilities		2,563,753	-
Other financial liabilities	10	41,793,001	-
<b>Total current liabilities</b>		<b>44,668,180</b>	<b>192,648</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	11	35,313,694	44,577,124
Other financial liabilities	10	-	41,605,453
<b>Total non-current liabilities</b>		<b>35,313,694</b>	<b>86,182,577</b>
<b>Total liabilities</b>		<b>79,981,874</b>	<b>86,375,225</b>
<b>Net assets</b>		<b>389,783,092</b>	<b>389,450,754</b>
<b>EQUITY</b>			
Issued capital	12	220,291,925	205,686,889
Reserves	13	145,248,360	160,583,938
Retained earnings		24,242,807	23,179,927
<b>Total equity</b>		<b>389,783,092</b>	<b>389,450,754</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

	Notes	Issued capital \$	Reserves \$	Retained earnings \$	Total equity \$
<b>Balance at 1 April 2016</b>		<b>192,456,175</b>	<b>128,251,773</b>	<b>21,756,752</b>	<b>342,464,700</b>
<b>Profit for the year</b>		-	-	<b>14,028,677</b>	<b>14,028,677</b>
<b>Other comprehensive income/(losses) for the year</b>					
Net unrealised gains on investments taken		-	38,948,388	-	38,948,388
Income tax on net unrealised (gains) on investments taken to equity		-	(11,605,412)	-	(11,605,412)
Net realised gains on investments taken to equity		-	7,393,298	-	7,393,298
Income tax on net realised (gains) on investments taken to equity		-	(2,404,109)	-	(2,404,109)
<b>Total other comprehensive income for the year, net of tax</b>		-	<b>32,332,165</b>	-	<b>32,332,165</b>
<b>Total comprehensive income for the year</b>		-	<b>32,332,165</b>	<b>14,028,677</b>	<b>46,360,842</b>
<b>Transactions with owners in their capacity as owners:</b>					
Contributions of equity, net of transaction costs and tax		13,230,714	-	-	13,230,714
Dividends provided for or paid	14	-	-	(12,605,502)	(12,605,502)
		<b>13,230,714</b>	-	<b>(12,605,502)</b>	<b>625,212</b>
<b>Balance at 31 March 2017</b>		<b>205,686,889</b>	<b>160,583,938</b>	<b>23,179,927</b>	<b>389,450,754</b>
<b>Balance at 1 April 2017</b>		<b>205,686,889</b>	<b>160,583,938</b>	<b>23,179,927</b>	<b>389,450,754</b>
<b>Profit for the year</b>		-	-	<b>15,304,054</b>	<b>15,304,054</b>
<b>Other comprehensive income/(losses) for the year</b>					
Net unrealised losses on investments taken to equity		-	(33,140,524)	-	(33,140,524)
Income tax on net unrealised (gains)/losses on investments taken to equity		-	8,946,455	-	8,946,455
Net realised gains on investments taken to equity		-	11,482,983	-	11,482,983
Income tax on net realised (gains)/losses on investments taken to equity		-	(2,624,492)	-	(2,624,492)
<b>Total other comprehensive income for the year, net of tax</b>		-	<b>(15,335,578)</b>	-	<b>(15,335,578)</b>
<b>Total comprehensive income for the year</b>		-	<b>(15,335,578)</b>	<b>15,304,054</b>	<b>(31,524)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Contributions of equity, net of transaction costs and tax		14,605,036	-	-	14,605,036
Dividends provided for or paid	14	-	-	(14,241,174)	(14,241,174)
		<b>14,605,036</b>	-	<b>(14,241,174)</b>	<b>363,862</b>
<b>Balance at 31 March 2018</b>		<b>220,291,925</b>	<b>145,248,360</b>	<b>24,242,807</b>	<b>389,783,092</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

	Notes	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
Dividends and trust distributions received		21,673,286	19,543,805
Interest received		124,954	76,538
Payments for other expenses		(1,862,378)	(1,665,873)
Income taxes paid		(557,574)	(13,951)
<b>Net cash inflow from operating activities</b>	20	<b>19,378,288</b>	<b>17,940,519</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of financial assets at fair value through other comprehensive income		100,991,003	117,637,828
Payments for financial assets at fair value through other comprehensive income		(118,974,437)	(129,760,516)
<b>Net cash outflow from investing activities</b>		<b>(17,983,434)</b>	<b>(12,122,688)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issues of shares		13,358,537	12,066,104
Share issue and buy-back transaction costs		(121,227)	(112,466)
Dividends paid to Company's shareholders		(12,909,816)	(11,362,166)
Dividends paid on convertible resettable preference shares		(2,800,000)	(2,800,000)
<b>Net cash outflow from financing activities</b>		<b>(2,472,506)</b>	<b>(2,208,528)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1,077,652)</b>	<b>3,609,303</b>
Cash and cash equivalents at the beginning of the year		9,064,935	5,455,632
<b>Cash and cash equivalents at the end of year</b>	6	<b>7,987,283</b>	<b>9,064,935</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

## 1. General information

Whitefield Limited (the “Company”) is a listed public company domiciled in Australia. The address of Whitefield Limited’s registered office is Level 22, MLC Centre, 19 Martin Place, Sydney, NSW, 2000. The financial statements of Whitefield Limited are for the year ended 31 March 2018. The Company is primarily involved in making investments, and deriving revenue and investment income from listed securities and unit trusts in Australia.

## 2. Financial risk management

The Company’s activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of market risks, and ratings agency analysis for credit risk.

### (a) Market risk

AASB 7 *Financial Instruments: Disclosures* defines this as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

#### (i) Price risk

The Company is exposed to equity securities price risk. This arises from investments held by the Company and classified in the Statement of Financial Position as financial assets at fair value through other comprehensive income.

The Company’s investment portfolio is spread across the following sectors:

Sector	2018 (%)	2017 (%)
Information technology	2.42	1.36
Financials	41.16	43.48
Healthcare and biotechnology	10.07	9.21
Consumer staples	10.53	8.32
Industrials	9.14	7.66
Consumer discretionary	5.49	7.24
Utilities	2.97	3.60
Materials	5.91	5.35
Telecommunications services	3.42	4.69
Property	8.89	9.09
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

Securities representing over 5 per cent of the investment portfolio at 31 March 2018 were:

	2018 (%)
Commonwealth Bank of Australia	9.35
Westpac Banking Corporation	7.60
National Australia Bank Limited	6.17
ANZ Banking Group Limited	5.98
	29.10

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

Securities representing over 5 per cent of the investment portfolio at 31 March 2017 were:

	2017 (%)
Commonwealth Bank of Australia	10.58
Westpac Banking Corporation	8.40
ANZ Banking Group Limited	6.68
National Australia Bank Limited	6.34
	32.00

The following table illustrates the effect on the Company's equity from possible changes in the value of equity investments, assuming a flat tax rate of 30 per cent:

	Impact on other components of equity	
	2018 \$	2017 \$
Change in value - 10%	(31,703,127)	(31,960,315)
Change in value - 30%	(95,109,383)	(95,880,945)

Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as financial assets at fair value through other comprehensive income.

*(ii) Cash flow and fair value interest rate risk*

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The Company's CRPS are subject to fixed interest rates and are carried at amortised cost. They are therefore not subject to interest rate risk as defined in AASB 7, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**(b) Credit risk**

The standard defines this as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

None of these assets are over-due or considered to be impaired.

**(c) Liquidity risk**

The standard defines this as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Investment Manager monitors its cash-flow requirements daily in relation to the investing account taking into account upcoming dividends, tax payments and investing activity.

The Company's inward cash flows depend upon the level of dividend and distribution revenue received. Should these decrease by a material amount, the Company would amend its outward cash flows accordingly. As the Company's major cash outflows are the purchase of securities and dividends paid to shareholders, the level of both of these is managed by the Board and CEO.

The assets of the Company are largely in the form of readily tradeable securities which can be sold on-market if necessary.

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### Maturities of financial liabilities

Except for the CRPS which will mature within 1 year (2017: between 1 and 2 years), the other liabilities of the Company in the current and prior year have maturities of less than one month.

### 3. Fair value measurements

The Company measures and recognises the following assets at fair value on a recurring basis:

- Financial assets at fair value through other comprehensive income (FVTOCI)

The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

#### (a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy (consistent with the hierarchy applied to financial assets and financial liabilities):

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
  - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
  - inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).
- (i) *Recognised fair value measurements*

The following table presents the Company's assets and liabilities measured and recognised at fair value and the valuation input levels utilised in accordance with AASB 13.

At 31 March 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Recurring fair value measurements</b>				
<b>Financial assets</b>				
Financial assets at FVTOCI				
Equity securities	452,901,823	-	-	452,901,823
<b>Total financial assets</b>	<b>452,901,823</b>	<b>-</b>	<b>-</b>	<b>452,901,823</b>

At 31 March 2017	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Recurring fair value measurements</b>				
<b>Financial assets</b>				
Financial assets at FVTOCI				
Equity securities	456,575,930	-	-	456,575,930
<b>Total financial assets</b>	<b>456,575,930</b>	<b>-</b>	<b>-</b>	<b>456,575,930</b>

There were no transfers between levels for recurring fair value measurements during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

(ii) *Disclosed fair values*

The Company also has Convertible Resettable Preference Shares (CRPS) which are not measured at fair value within the Statement of Financial Position. Details of the carrying amount and fair value are shown below.

	2018 \$	2017 \$
Carrying amount	41,793,001	41,605,453
Fair value	42,200,000	43,840,000

For all financial instruments other than those measured at fair value or otherwise disclosed above, their carrying value approximates fair value.

The carrying amounts of trade and other receivables and payables are assumed to approximate their fair values due to their short-term nature.

	2018 \$	2017 \$
<b>4. Revenue</b>		
<b>From continuing operations</b>		
Dividends on investments held at the end of the year	17,484,492	15,561,068
Dividends on investments sold during the year	293,853	1,490,322
Interest	119,443	82,036
Distributions	3,057,953	2,530,399
	<b>20,955,741</b>	<b>19,663,825</b>
<b>5. Income tax expense</b>		
(a) <b>Income tax expense through profit or loss</b>		
Income tax expense	816,964	1,044,746
(b) <b>Numerical reconciliation of income tax expense to prima facie tax payable</b>		
Profit from continuing operations before income tax expense	16,121,018	15,073,423
Tax at the Australian tax rate of 30.0% (2017 - 30.0%)	4,836,305	4,522,027
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Franking credits on dividends received	(6,784,354)	(6,369,176)
Imputation gross up on dividends income	2,038,937	1,920,289
Timing differences	680,720	921,318
Permanent differences from adjustments to prior year income tax expense	57,459	82,075
Foreign tax credits on dividends received	(12,103)	(31,787)
Income tax expense	816,964	1,044,746
(c) <b>Amounts recognised directly in equity</b>		
Aggregate current tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:		
Share issue expenses	36,368	33,739

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

	2018 \$	2017 \$
(d) <b>Tax (benefit)/expense relating to items of other comprehensive income</b>		
Net unrealised (losses)/gains on investments taken to equity	(8,946,455)	11,605,412
Net realised gains on investments taken to equity	-	2,404,109
	(8,946,455)	14,009,521
<b>6. Current assets - Cash and cash equivalents</b>		
Cash at bank and in hand	7,987,283	9,064,935
<b>7. Current assets - Trade and other receivables</b>		
Net other receivables	225,209	87,221
Dividends and distributions receivable	1,576,618	2,413,606
Interest receivable	-	5,511
GST receivable	27,132	32,996
	1,828,959	2,539,334
<b>8. Non-current assets - Financial assets at fair value through other comprehensive income</b>		
Investment in shares and equities		
Listed securities	452,901,823	456,575,930

The list showing investments treated as equity instruments and revalued through Other Comprehensive Income can be found on pages 46 - 49 of this report.

### (a) Investment transactions

Certain securities within the investment portfolio were disposed during the financial year during the normal course of the Company's business as a listed Investment Company. The fair value of the investments sold during the year was \$101.0m (2017: \$117.6m). The cumulative gain on these disposals was \$11.5m for the year before tax (2017: \$7.4m), which has been transferred from the revaluation reserve to the realisation reserve (refer to statement of changes in equity).

The total brokerage paid on these contract notes was \$324,369 (2017: \$519,235).

	2018 \$	2017 \$
<b>9. Non-current assets - Deferred tax assets</b>		
Movements:		
Opening balance	7,628,308	10,832,196
Charged/credited:		
- to profit or loss	(637,104)	(833,518)
- to other comprehensive income	-	(2,404,109)
- directly to equity	36,368	33,739
	7,027,572	7,628,308

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

	2018 \$	2017 \$
<b>10. Other financial liabilities</b>		
Convertible Resetable Preference Shares - current	41,793,001	-
Convertible Resetable Preference Shares - non-current	-	41,605,453
	41,793,001	41,605,453

Convertible Resetable Preference Shares (CRPS) are non-cumulative, convertible, resettable, preference shares in the capital of Whitefield. The key terms of the CRPS are:

*CRPS Face Value:* \$100 per CRPS

*Dividend Rate:* The CRPS are entitled to a non-cumulative fixed dividend of 7% per annum which is expected to be fully franked. The Dividend Rate may be increased or decreased on the relevant reset dates, the first of which is 30 November 2018.

*Dividend payment:* Dividends are non-cumulative and only payable where the directors determine that a dividend is payable and only to the extent permitted by law.

*Dividend ranking:* The CRPS will rank in priority to the Company's fully paid ordinary shares (Ordinary Shares) in respect of the payment of the dividends on the CRPS but will rank behind the Company's 8% Preference Shares.

*Resetting:* On each reset date, the Company can reset the dividend rate payable on the CRPS, the discount which applies on the conversion of the CRPS into Ordinary Shares and determine when resets are to take place in the future. The first reset date will be 30 November 2018.

*Conversion:* The Company can convert CRPS into Ordinary Shares on any reset date and on the occurrence of certain events. The CRPS holders can request the Company to convert the CRPS into Ordinary Shares on any reset date and on the occurrence of certain holder trigger events. However, the Company can override conversion requests received from CRPS holders and instead redeem the CRPS. On conversion each CRPS will convert into a number of Ordinary Shares calculated generally by reference to the volume weighted average sale price of Ordinary Shares on ASX for the ten days prior to conversion and applying the conversion discount, subject to certain adjustments.

*Redemption:* The Company can redeem the CRPS on any reset date and on the occurrence of certain trigger events. CRPS holders cannot seek to have the CRPS redeemed. Redemption is for the face value of the CRPS which will be \$100.

*Voting rights:* CRPS holders are only entitled to vote on certain limited matters such as a proposal that affects the rights of CRPS holders or for the disposal of the whole of the property, business and undertaking of Whitefield. However, this restriction on voting does not apply when a dividend is not paid in full on the CRPS or during a winding up of the Company.

*Return of capital:* The face value of the CRPS and due but unpaid dividends on them will rank upon a winding-up of the Company after the 8% Preference Shares and in priority to Ordinary Shares. The CRPS have no right to participate in surplus assets or profits of the Company on a winding-up other than as set out above.

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

	2018 \$	2017 \$
<b>11. Non-current liabilities - Deferred tax liabilities</b>		
Net unrealised gains on investments taken to equity	35,038,083	43,984,538
Other temporary differences	275,611	592,586
	35,313,694	44,577,124
Opening balance	44,577,124	32,758,700
Charged/(credited)		
- profit or loss	(2,941,467)	213,012
- to other comprehensive income	(6,321,963)	11,605,412
	35,313,694	44,577,124

## 12. Issued capital

### (a) Share capital

	2018 Shares	2017 Shares	2018 \$	2017 \$
Ordinary shares - fully paid	87,254,548	83,808,193	220,268,135	205,663,099
8% Non-redeemable preference shares - fully paid	23,790	23,790	23,790	23,790
	87,278,338	83,831,983	220,291,925	205,686,889

### (b) Movements in ordinary share capital

Details	Notes	Number of shares	\$
Opening balance 1 April 2016		80,208,773	192,432,385
Share purchase		2,979,704	12,066,026
Dividend reinvestment plan issue - final dividend	(f)	143,988	594,670
Bonus share plan - final dividend	(e)	268,459	-
Dividend reinvestment plan issue - interim dividend	(f)	156,305	648,666
Bonus share plan - interim dividend	(e)	50,964	-
Less: Transaction costs arising on share issue - DRP, BSP and SPP		-	(78,648)
Balance 31 March 2017		83,808,193	205,663,099
Opening balance 1 April 2017		83,808,193	205,663,099
Share purchase		3,036,937	13,358,510
Dividend reinvestment plan issue - final dividend	(f)	142,182	617,070
Bonus share plan - final dividend	(e)	55,232	-
Dividend reinvestment plan issue - interim dividend	(f)	155,280	714,288
Bonus share plan - interim dividend	(e)	56,724	-
Less: Transaction costs arising on share issue - DRP, BSP and SPP		-	(84,832)
Balance 31 March 2018		87,254,548	220,268,135

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### (c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company after repayment of preference capital in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

### (d) Non-redeemable preference shares

The 8% preference shares carry the right to cumulative dividends of 8.0 cents per share per annum, the repayment of face value in a winding up, are not redeemable and carry no further right to participate in profits. Preference shares are entitled to vote at shareholder meetings. There were no arrears of dividend at balance date.

### (e) Bonus Share Plan

The Company has established a Bonus Share Plan, under which holders of ordinary shares may elect to relinquish their right to a dividend, and instead receive bonus shares of equivalent market value. Shares are issued under the plan at a discount to the market price as specified by the Company from time to time.

### (f) Dividend Reinvestment Plan

The Company has established a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. Shares are issued under the plan at a discount to the market price as specified by the Company from time to time.

### (g) Capital risk management

The Board's policy is to maintain an appropriate level of liquidity in the Company's shares.

The Company is not subject to any externally imposed capital requirements.

## 13. Reserves

	Notes	2018 \$	2017 \$
<b>Movements:</b>			
Investment portfolio revaluation reserve			
Opening balance		47,814,395	20,471,419
Net unrealised (losses)/gains on investments (excluding transfer)		(24,282,033)	43,937,577
Transfer to investment portfolio realised losses reserve		(8,858,491)	(4,989,189)
Income tax on these items	5,11	8,946,455	(11,605,412)
Balance 31 March		23,620,326	47,814,395
Investment portfolio realised gains/losses reserve			
Opening balance		112,769,543	107,780,354
Transfer from investment portfolio revaluation reserve		8,858,491	4,989,189
Balance 31 March		121,628,034	112,769,543
Total		145,248,360	160,583,938
<b>Nature and purpose of reserves</b>			

For a description of the nature and purpose of the reserves, refer to Note 23(f).



## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

	2018 \$	2017 \$
<b>14. Dividends</b>		
<b>(a) Ordinary shares</b>		
Final dividend - prior year (8.5 cents per fully paid ordinary share, fully franked based on tax paid at 30%, paid 13/06/2017 and 14/06/2016, respectively)	6,883,990	5,709,027
Interim dividend - current year (8.75 cents and 8.5 cents per fully paid ordinary share, fully franked based on tax paid at 30%, paid 12/12/2017 and 12/12/2016, respectively)	7,355,282	6,894,573
	14,239,272	12,603,600
<b>(b) Non-redeemable participating preference shares</b>		
Final dividend - prior year (4.0 cents per fully paid ordinary share, fully franked based on tax paid at 30%)	951	951
Interim dividend - current year (4.0 cents per fully paid ordinary share, fully franked based on tax paid at 30%)	951	951
	1,902	1,902
Total dividends provided for or paid	14,241,174	12,605,502
<b>(c) Convertible Resettable Preference Shares</b>		
Dividends on CRPS - six-monthly (350.0 cents per fully paid ordinary share, fully franked based on tax paid at 30%, paid 13/06/2017 and 14/06/2016, respectively)	1,400,000	1,400,000
Dividends on CRPS - six-monthly (350.0 cents per fully paid ordinary share, fully franked based on tax paid at 30%, paid 12/12/2017 and 12/12/2016, respectively)	1,400,000	1,400,000
	2,800,000	2,800,000

Dividends on Convertible Resettable Preference Shares are recorded as a financial expense (rather than a "dividend") for accounting purposes.

**(d) Dividends not recognised at the end of the reporting period**

	2018 \$
In addition to the above dividends, since year end the Directors have approved the payment of a final dividend of 9.0 cents per fully paid ordinary share, 4 cents per fully paid 8% preference share and 350 cents per fully paid Convertible Resettable Preference Share, fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 12 June 2018 out of retained earnings at 31 March 2018, but not recognised as a liability at year end, is	7,853,860

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

	2018 \$	2017 \$
(e) <b>Dividend franking account</b>		
Opening balance of franking account	16,971,530	17,227,207
Franking credits on dividends received	6,785,066	6,359,294
Tax paid during the year	559,205	-
Franking credits on dividends paid	(7,517,924)	(6,602,358)
Loss of franking credits under 45 day rule	(712)	(12,613)
Closing balance of franking account	16,797,165	16,971,530
Impact on the franking account of dividends proposed or declared before the financial report authorised for issue but not recognised as a distribution to equity holders during the period	(3,965,940)	(3,653,420)
	12,831,225	13,318,110

### 15. Key management personnel disclosures

#### (a) Key management personnel compensation

Detailed remuneration disclosures are provided in the remuneration report.

#### (b) Equity instrument disclosures relating to key management personnel

##### (i) Share holdings

The numbers of shares in the Company held during the financial year by each Director of Whitefield Limited and other key management personnel of the Company, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2018	Balance at the start of the year	Net movement	Other changes during the year	Balance at the end of the year
<b>Name</b>				
<b>Directors of Whitefield Limited</b>				
<b>Ordinary shares</b>				
David J. Iliffe	2,216,218	6,820	-	2,223,038
Angus J. Gluskie	17,633,528	17,050	-	17,650,578
Martin J. Fowler	-	1,000	-	1,000
William R. Seddon	-	50,761	-	50,761
Lance W. Jenkins	-	58,700	-	58,700
Mark A Beardow	-	400	-	400
Graeme J. Gillmore*	572,171	-	(572,171)	-
	20,421,917	134,731	(572,171)	19,984,477
<b>8% Preference shares</b>				
David J. Iliffe	1,300	-	-	1,300
Angus J. Gluskie	200	-	-	200
	1,500	-	-	1,500

\* Retired on 15 May 2017 and ceased to be part of the key management personnel

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

2017	Balance at the start of the year	Net movement	Other changes during the year	Balance at the end of the year
<b>Name</b>				
<b>Directors of Whitefield Limited</b>				
<b>Ordinary shares</b>				
David J. Iliffe	2,201,402	14,816	-	2,216,218
Graeme J. Gillmore	572,140	31	-	572,171
Angus J. Gluskie	17,404,509	229,019	-	17,633,528
Martin J. Fowler	-	-	-	-
William R. Seddon	-	-	-	-
	20,178,051	243,866	-	20,421,917
<b>8% Preference shares</b>				
David J. Iliffe	1,300	-	-	1,300
Angus J. Gluskie	200	-	-	200
	1,500	-	-	1,500

### 16. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

#### (a) MNSA Pty Limited

	31 March 2018 \$	31 March 2017 \$
Audit and other assurance services		
Audit and review of financial statements	28,113	26,655
Total remuneration for audit and other assurance services	28,113	26,655

### 17. Contingencies

The Company had no contingent liabilities at 31 March 2018 (2017: nil).

### 18. Related party transactions

#### (a) Key management personnel

Disclosures relating to key management personnel are set out in Note 15.

#### (b) Transactions with other related parties

The following transactions occurred with related parties:

	31 March 2018 \$	31 March 2017 \$
Management fees paid or payable	1,362,792	1,125,229
Taxation services	26,950	18,700
	1,389,742	1,143,929

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

Management fees and system reimbursement costs represent fees paid to White Funds Management Pty Ltd out of which the costs of personnel, systems, premises and other operating overheads are paid. White Funds Management employs the Chief Executive Officer, Company Secretary and other investment personnel. The Chief Executive Officer and Executive Director are also shareholders of White Funds Management Pty Ltd.

Taxation services are provided by Pitcher Partners on normal terms and conditions. Martin Fowler, Director, is also a director of Pitcher Partners.

### (c) Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2018 \$	2017 \$
Management fees payable (including GST)	222,679	124,588

### (d) Terms and conditions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

White Funds Management Pty Ltd is appointed as the Investment Manager for Whitefield under an Investment Management Agreement. The Investment Manager employs all of the executives involved in managing the investments and business of Whitefield. The Investment Manager is entitled to receive a monthly investment management fee of 0.02083% and an expense reimbursement levy of 0.0012% of the average market value of the Portfolio over the month.

## 19. Events occurring after the reporting period

Apart from the dividends declared after year end, no other matter or circumstance has arisen since 31 March 2018 that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

## 20. Reconciliation of profit after income tax to net cash inflow from operating activities

	2018 \$	2017 \$
Profit for the year	15,304,054	14,028,677
Finance cost on convertible resettable preference shares	2,987,548	2,971,394
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	710,375	(40,350)
(Increase)/decrease in other current assets	(1,857)	21
Increase/(decrease) in trade and other payables	118,778	(65,753)
Increase in deferred taxes	259,390	1,046,530
Net cash inflow from operating activities	19,378,288	17,940,519

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### 21. Non-cash investing and financing activities

	2018 \$	2017 \$
Shareholder dividends reinvested	1,315,223	1,243,336
Shareholder dividends foregone via Bonus Share Plan	500,640	1,320,220
	1,815,863	2,563,556

### 22. Earnings per share

#### (a) Basic and diluted earnings per share

	2018 \$	2017 \$
From continuing operations attributable to the ordinary equity holders of the company (excluding all net realised gains/losses on investments)	17.79	16.90

Diluted earnings per share is the same as basic earnings per share. The Company has no securities outstanding which have the potential to convert to ordinary shares and dilute the basic earnings per share.

#### (b) Weighted average number of shares used as denominator

	2018 \$	2017 \$
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	17.79	16.90

### 23. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the entity Whitefield Limited.

#### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Whitefield Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements were authorised for issue by the directors on 15 May 2018.

##### (i) Compliance with IFRS

The financial statements of the Company also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

##### (ii) New and amended standards adopted by the Company

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 April 2017 that have a material impact on the Company.

##### (iii) Historical cost convention

These financial statements have been prepared under the accruals basis and are based on historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

*(iv) New standards and interpretations not yet adopted*

Certain new accounting standards and interpretations that have been published that are not mandatory for 31 March 2018 reporting period and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below.

<b>Title of standard</b>	AASB 9 Financial Instruments
<b>Nature of change</b>	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.
<b>Impact</b>	<p>Following the changes approved by the AASB in December 2014, the Company no longer expects any impact from the new classification, measurement and derecognition rules on the Company's financial assets and financial liabilities.</p> <p>There will also be no impact on the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Company does not have any such liabilities.</p> <p>The derecognition rules have not changed from the previous requirements, and the Company does not apply hedge accounting. The new standard also introduces expanded disclosure requirements and changes in presentation.</p> <p>The new impairment model is an expected credit loss (ECL) model which may result in the earlier recognition of credit losses.</p> <p>The Directors have assessed the impact of AASB 9 on the Company's financial statements. Given no debt instruments are held by the Company which could result in a reclassification of the financial instruments to amortised cost or fair value through other comprehensive income ('FVOCI'), the adoption of AASB 9 is not expected to have a significant impact on the recognition and measurement of the Company's financial instruments.</p>
<b>Mandatory application date/ Date of adoption by the Company</b>	<p>Must be applied for financial years commencing on or after 1 January 2018.</p> <p>Based on the transitional provisions in the completed IFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety.</p>

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

<b>Title of standard</b>	AASB 15 Revenue from Contracts with Customers
<b>Nature of change</b>	<p>The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.</p> <p>The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.</p> <p>The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (eg 1 July 2017), ie without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.</p>
<b>Impact</b>	The Company's main sources of income are interest, dividends and distributions. All of these are outside the scope of the new revenue standard. As a consequence, the Directors do not expect the adoption of AASB 15 to have a significant impact on the Company's accounting policies or the amounts recognised in the financial statements.
<b>Mandatory application date/ Date of adoption by the Company</b>	Mandatory for financial years commencing on or after 1 January 2018.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

### (b) Revenue recognition

#### (i) Dividends and trust distributions

Dividends and trust distributions are recognised as revenue when the right to receive payment is established.

#### (ii) Interest income

Interest income is recognised using the effective interest method.

### (c) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### (d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

### (e) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade and other receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly.

### (f) Investments

#### Classification

#### (i) *Financial assets at fair value through other comprehensive income*

The Company has designated long-term investments as "fair value through other comprehensive income". All realised and unrealised gains or losses on long-term investments and tax thereon are presented in other comprehensive income as part of the Statement of Comprehensive Income.

#### Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date - the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

#### Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent changes in fair value are recognised through the investment portfolio revaluation reserve after deducting a provision for the potential deferred capital gains tax liability as these investments are long-term holding of equity investments.

When an investment is disposed of, the cumulative gain or loss, net of tax thereon, is transferred from the investment portfolio reserve/asset revaluation reserve to the realised gains/losses reserve.



## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### **Determination of fair value**

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

Under AASB 13, if an investment has a bid price and an ask price, the price within the bid-ask spread that is more representative of fair value in the circumstances shall be used to measure fair value. Accordingly, the Company uses the last sale price as a basis of measuring fair value.

### **(g) Other financial liabilities**

Convertible Resettable Preference Shares are classified as a financial liability for accounting purposes under Australian Accounting Standard *AASB132 Financial Instruments: Presentation*. They are initially recognised at fair value less transaction costs. After initial recognition, the liabilities are carried at amortised cost using the effective interest method.

In accordance with this Standard, a financial expense on the liability is brought to account which includes the amortisation of any difference between the original proceeds net of transaction costs and the settlement value of the obligation. Dividends on Convertible Resettable Preference Shares are recognised within the finance expense recorded.

### **(h) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### **(i) Finance costs**

Finance costs are recognised as expenses in the year in which they are incurred using the effective interest rate method.

Dividends on Convertible Resettable Preference Shares are recognised within the finance expense recorded.

### **(j) Issued capital**

Ordinary and 8% Non-Redeemable Preference Shares are classified as equity.

Preference shares which are redeemable or convertible for a specified consideration are classified as liabilities.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

### **(k) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### (l) Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

#### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

### (m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

### (n) Functional and presentation currency

The functional and presentation currency of the Company is Australian dollars.

### (o) Comparatives

Where necessary, comparative information has been reclassified to be consistent with current reporting period.

### (p) Operating segments

The Company operated in Australia only and the principal activity is investment. The Company has only one reportable segment and in one industry being the securities industry, deriving revenue from dividend income, interest income and from the sale of its investment portfolio.

## DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 19 to 40 are in accordance with the *Corporations Act 2001*, including:
  - (ii) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
  - (iii) giving a true and fair view of the entity's financial position as at 31 March 2018 and of its performance for the year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 23(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of Directors.



**David J. Iliffe**  
Director

**Sydney**  
**15<sup>th</sup> May 2018**

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WHITEFIELD LIMITED

## Report on the Audit of the Financial Report

### Opinion

We have audited the accompanying financial report of Whitefield Limited, which comprises the statement of financial position as at 31 March 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion:

- (a) the financial report of Whitefield Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Company's financial position as at 31 March 2018 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- (b) the financial report also complies with the International Financial Reporting Standards as disclosed in Note 23.

### 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 Whitefield Limited 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Whitefield Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p><b>Valuation and Existence of Investments</b></p> <p>The investment portfolio at 31 March 2018 comprised of listed equity investments of \$453 million.</p> <p>We focused on the valuation and existence of investments because investments represent the principal element of the net asset value disclosed on the Balance Sheet in the financial statements.</p>	<p>We tested the valuation of a sample of listed investments by vouching the share prices to external market information to ensure they are fairly stated.</p> <p>We agreed the existence of a sample of listed investments by confirming shareholdings with supporting information.</p> <p>No differences were identified.</p>

# INDEPENDENT AUDITOR'S REPORT - CONTINUED

TO THE MEMBERS OF WHITEFIELD LIMITED

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p><b>Revenue from Investments</b></p> <p>ASAs presume there are risks of fraud in revenue recognition unless rebutted.</p> <p>We focused on the cut-off, accuracy and completeness of dividend revenue and dividend receivables.</p>	<p>We assessed the accounting policy for revenue recognition for compliance with the accounting standards and performed testing to ensure that revenue had been accounted for in accordance with the accounting policy.</p> <p>We found that the accounting policies implemented were in accordance with the accounting standards, and that revenue has been accounted for in accordance with the accounting policy.</p> <p>We tested the accuracy and completeness of dividend revenue by agreeing the dividends and distributions of a sample of investments to supporting documentation obtained from share registries.</p> <p>We tested the cut-off of dividend revenue and dividend receivables by checking the dividend details of a sample of investments from external market information and ensured that dividends that were declared before, but payable after, the reporting date were recorded.</p> <p>No differences were identified.</p>

## Other Information

The directors of Whitefield Limited are responsible for the other information. The other information comprises the information in the annual report for the year ended 31 March 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

The directors of Whitefield Limited are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 23, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, the financial statements comply with *International Financial Reporting Standards*.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

# INDEPENDENT AUDITOR'S REPORT - CONTINUED

TO THE MEMBERS OF WHITEFIELD LIMITED

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

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# INDEPENDENT AUDITOR'S REPORT - CONTINUED

TO THE MEMBERS OF WHITEFIELD LIMITED

## Report on the Remuneration Report

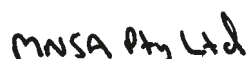
### Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 31 March 2018.

In our opinion the remuneration report of Whitefield Limited for the year ended 31 March 2018, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of Whitefield Limited are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



**Name of Firm:** MNSA Pty Ltd



**Name of Auditor:** Mark Schiliro  
Director

**Address:** Level 1, 283 George Street, Sydney NSW 2000

**Dated this** 15<sup>th</sup> day of May 2018

## TABLE OF INVESTMENT HOLDINGS

Code	Name	Shares	Market Value	Whitefield %
<b>Consumer Discretionary</b>				
AAD	Ardent Leisure Group	141,877	275,809	0.06%
AHG	Automotive Holdings Group Ltd	101,517	356,325	0.08%
ALL	Aristocrat Leisure Ltd	229,585	5,523,815	1.22%
APO	APN Outdoor Group Ltd	54,496	252,861	0.06%
ARB	ARB Corp Ltd	26,373	522,713	0.12%
BAP	Bapcor Ltd	94,061	534,266	0.12%
BRG	Breville Group Ltd	32,677	380,034	0.08%
CTD	Corporate Travel Management Ltd	29,193	685,452	0.15%
CWN	Crown Resorts Ltd	129,065	1,637,835	0.36%
DMP	Domino's Pizza Enterprises Ltd	23,332	973,644	0.21%
FLT	Flight Centre Travel Group Ltd	54,076	2,924,214	0.65%
FXJ	Fairfax Media Ltd	753,650	508,714	0.11%
GEM	G8 Education Ltd	149,190	393,862	0.09%
GUD	GUD Holdings Ltd	28,215	335,759	0.07%
GXL	Greencross Ltd	37,671	199,280	0.04%
HT1	HT&E Ltd	101,655	193,653	0.04%
HVN	Harvey Norman Holdings Ltd	215,358	794,671	0.18%
MTR	Mantra Group Ltd	105,587	414,957	0.09%
MYR	Myer Holdings Ltd	268,850	100,819	0.02%
NEC	Nine Entertainment Co Holdings Ltd	298,396	677,359	0.15%
NVT	Navitas Ltd	110,184	546,513	0.12%
NWS	News Corp	15,643	324,279	0.07%
NZM	NZME Ltd	47,400	38,631	0.01%
OML	Ooh!Media Ltd	55,059	252,721	0.06%
PMV	Premier Investments Ltd	34,585	546,097	0.12%
RFG	Retail Food Group Ltd	54,119	50,331	0.01%
SGR	Star Entertainment Group Ltd	326,936	1,879,362	0.41%
SKC	Skycity Entertainment Group Ltd	87,642	320,770	0.07%
SUL	Super Retail Group Ltd	49,790	338,572	0.07%
SWM	Seven West Media Ltd	321,746	173,743	0.04%
SXL	Southern Cross Media Group Ltd	249,335	258,062	0.06%
TAH	Tabcorp Holdings Ltd	379,029	1,663,937	0.37%
TME	Trade Me Group Ltd	88,379	366,773	0.08%
WEB	WebjetLtd	41,609	435,138	0.10%
			<b>24,880,968</b>	<b>5.49%</b>
<b>Consumer Staple</b>				
A2M	A2 Milk Company Ltd	131,082	2,960,657	0.65%
AAC	Australian Agricultural Company Ltd	149,490	155,332	0.03%
AHY	Asaleo Care Ltd	136,733	175,018	0.04%
BGA	Bega Cheese Ltd	66,657	451,268	0.10%
BKL	Blackmores Ltd	4,546	571,750	0.13%
CCL	Coca-Cola Amatil Ltd	184,313	1,597,994	0.35%



Code	Name	Shares	Market Value	Whitefield %
CGC	Costa Group Holdings Ltd	104,080	710,866	0.16%
GNC	Graincorp Ltd	82,261	696,751	0.15%
MTS	Metcash Ltd	871,796	3,955,115	0.87%
TGR	Tassal Group Ltd	61,244	232,115	0.05%
TWE	Treasury Wine Estates Ltd	365,614	4,484,709	0.99%
WES	Wesfarmers Ltd	512,055	16,981,084	3.75%
WOW	Woolworths Group Ltd	471,348	14,700,264	3.25%
			<b>47,672,923</b>	<b>10.53%</b>
<b>Banks</b>				
ANZ	Australia and New Zealand Banking Group Ltd	1,147,426	28,418,552	6.27%
BEN	Bendigo and Adelaide Bank Ltd	253,338	1,677,986	0.37%
CBA	Commonwealth Bank of Australia	886,439	43,093,940	9.52%
CYB	CYBG PLC	253,320	1,365,395	0.30%
NAB	National Australia Bank Ltd	1,729,373	27,561,198	6.09%
WBC	Westpac Banking Corp	1,132,117	35,001,859	7.73%
			<b>137,118,929</b>	<b>30.28%</b>
<b>Non Bank Financials</b>				
AMP	AMP Ltd	1,338,623	7,454,895	1.65%
ASX	ASX Ltd	69,759	3,910,690	0.86%
CCP	Credit Corp Group Ltd	15,636	301,618	0.07%
ECX	Eclix Group Ltd	105,325	377,064	0.08%
GMA	Genworth Mortgage Insurance Australia Ltd	88,052	203,400	0.04%
IAG	Insurance Australia Group Ltd	812,341	7,324,491	1.62%
IFL	IOOF Holdings Ltd	108,973	1,109,345	0.24%
JHG	Janus Henderson Group PLC	25,173	1,063,308	0.23%
MFG	Magellan Financial Group Ltd	50,225	1,197,364	0.26%
MPL	Medibank Private Ltd	992,358	2,877,838	0.64%
MQG	Macquarie Group Ltd	114,042	11,734,922	2.59%
NHF	NIB Holdings Ltd	158,205	1,009,348	0.22%
PDL	Pendal Group Ltd	89,528	899,756	0.20%
PPT	Perpetual Ltd	23,205	791,722	0.17%
PTM	Platinum Investment Management Ltd	77,169	452,210	0.10%
QBE	QBE Insurance Group Ltd	491,878	4,736,785	1.05%
SDF	Steadfast Group Ltd	278,960	700,190	0.15%
SUN	Suncorp Group Ltd	233,220	3,111,155	0.69%
			<b>49,256,101</b>	<b>10.88%</b>
<b>Health Care</b>				
ANN	Ansell Ltd	53,213	1,344,160	0.30%
API	Australian Pharmaceutical Industries Ltd	160,516	240,774	0.05%
COH	Cochlear Ltd	39,380	3,749,000	0.83%
CSL	CSL Ltd	143,212	22,263,738	4.92%
EHE	Estia Health Ltd	88,008	298,347	0.07%
FPH	Fisher & Paykel Healthcare Corporation Ltd	56,425	697,413	0.15%
HSO	Healthscope Ltd	624,210	1,207,846	0.27%
MYX	Mayne Pharma Group Ltd	505,725	374,237	0.08%
NAN	Nanosonics Ltd	99,949	256,869	0.06%
PRY	Primary Health Care Ltd	149,716	583,892	0.13%

Code	Name	Shares	Market Value	Whitefield %
RHC	Ramsay Health Care Ltd	46,462	2,895,512	0.64%
RMD	Resmed Inc	409,735	5,056,612	1.12%
SHL	Sonic Healthcare Ltd	154,954	5,813,488	1.28%
SIG	Sigma Healthcare Ltd	358,843	279,898	0.06%
SRX	Sirtex Medical Ltd	19,252	534,050	0.12%
			<b>45,595,836</b>	<b>10.07%</b>
<b>Industrials</b>				
ALQ	ALS Ltd	4,202,678	3,453,773	0.76%
AZJ	Aurizon Holdings Ltd	780,919	4,972,919	1.10%
BXB	Brambles Ltd	572,326	5,711,813	1.26%
CIM	CIMIC Group Ltd	99,357	4,418,406	0.98%
CWY	Cleanaway Waste Management Ltd	724,623	1,047,080	0.23%
DOW	Downer EDI Ltd	219,314	1,405,803	0.31%
GWA	GWA Group Ltd	92,336	310,249	0.07%
IPH	IPH Ltd	49,712	168,524	0.04%
MMS	Mcmillan Shakespeare Ltd	27,715	466,998	0.10%
MND	Monadelphous Group Ltd	32,676	496,675	0.11%
MQA	Macquarie Atlas Roads Group	216,282	1,250,110	0.28%
QAN	Qantas Airways Ltd	651,639	3,799,055	0.84%
QUB	Qube Holdings Ltd	491,125	1,070,653	0.24%
RWC	Reliance Worldwide Corporation Ltd	177,592	784,957	0.17%
SVW	Seven Group Holdings Ltd	39,121	684,618	0.15%
SYD	Sydney Airport Holdings Pty Ltd	875,782	5,443,950	1.20%
TCL	Transurban Group	517,200	5,906,424	1.30%
			<b>41,392,006</b>	<b>9.14%</b>
<b>Information Technology</b>				
ALU	Altium Ltd	43,316	861,988	0.19%
CAR	Carsales.Com Ltd	86,787	1,172,492	0.26%
CPU	Computershare Ltd	348,739	3,512,632	0.78%
DHG	Domain Holdings Australia Ltd	75,365	244,936	0.05%
IRE	Iress Ltd	49,303	467,885	0.10%
LNK	Link Administration Holdings Ltd	176,777	1,474,320	0.33%
MYO	Myob Group Ltd	117,982	359,845	0.08%
NXT	NEXTDC Ltd	103,367	676,020	0.15%
REA	REA Group Ltd	17,759	1,406,690	0.31%
TNE	TechnologyOne Ltd	81,303	421,963	0.09%
WTC	WiseTech Global Ltd	39,941	376,244	0.08%
			<b>10,975,017</b>	<b>2.42%</b>
<b>Materials</b>				
ABC	Adelaide Brighton Ltd	116,159	882,475	0.19%
AMC	Amcor Ltd	486,857	7,899,194	1.74%
BKW	Brickworks Ltd	27,512	426,986	0.09%
BLD	Boral Ltd	867,852	5,444,317	1.20%
CSR	CSR Ltd	185,940	963,169	0.21%
IPL	Incitec Pivot Ltd	649,922	4,031,856	0.89%
JHX	James Hardie Industries PLC	20,611	471,374	0.10%
NUF	Nufarm Ltd	79,669	673,203	0.15%

Code	Name	Shares	Market Value	Whitefield %
ORA	Orora Ltd	434,795	1,434,824	0.32%
ORI	Orica Ltd	1,070,420	4,198,162	0.93%
PGH	Pact Group Holdings Ltd	61,481	336,916	0.07%
			<b>26,762,475</b>	<b>5.91%</b>
<b>Real Estate</b>				
ABP	Abacus Property Group	63,802	403,072	0.09%
AOG	Aveo Group	152,692	403,107	0.09%
BWP	BWP Trust	254,042	1,455,495	0.32%
CHC	Charter Hall Group	394,528	1,846,773	0.41%
CLW	Charter Hall Long WALE REIT	55,155	215,105	0.05%
CMW	Cromwell Property Group	462,132	492,171	0.11%
CQR	Charter Hall Retail REIT	136,443	1,035,835	0.23%
DXS	Dexus	363,667	3,389,376	0.75%
GMG	Goodman Group Pty Ltd	266,727	2,248,509	0.50%
GOZ	Growthpoint Properties Australia Ltd	91,564	302,161	0.07%
GPT	GPT Group	737,381	3,082,213	0.68%
GTY	Gateway Lifestyle Group	107,997	213,294	0.05%
INM	Iron Mountain Inc	10,915	467,162	0.10%
IOF	Investa Office Fund	203,882	878,731	0.19%
LLC	LendLease Group	61,158	1,058,645	0.23%
MGR	Mirvac Group	1,519,512	4,522,514	1.00%
NSR	National Storage REIT	185,034	290,503	0.06%
SCG	Scentre Group	1,787,002	7,348,364	1.62%
SCP	Shopping Centres Australasia Property Group Re Ltd	350,995	697,390	0.15%
SGP	Stockland Corporation Ltd	994,554	3,492,922	0.77%
VCX	Vicinity Centres Re Ltd	1,177,272	2,837,226	0.63%
VVR	Viva Energy Reit Ltd	156,685	313,370	0.07%
WFD	Westfield Corp	385,144	3,281,427	0.72%
			<b>40,275,365</b>	<b>8.89%</b>
<b>Telecommunication Services</b>				
CNU	Chorus Ltd	61,849	233,171	0.05%
SDA	SpeedCast International Ltd	79,879	409,779	0.09%
SPK	Spark New Zealand Ltd	80,513	253,616	0.06%
TLS	Telstra Corporation Ltd	4,285,827	13,457,497	2.97%
TPM	TPG Telecom Ltd	123,976	680,628	0.15%
VOC	Vocus Group Ltd	209,742	465,627	0.10%
			<b>15,500,318</b>	<b>3.42%</b>
<b>Utilities</b>				
AGL	AGL Energy Ltd	1,626,577	6,284,642	1.39%
APA	APA Group	401,564	3,350,458	0.74%
AST	AusNet Services Ltd	1,650,832	2,185,552	0.48%
IFN	Infigen Energy Ltd	346,524	202,717	0.04%
SKI	Spark Infrastructure Group	606,074	1,448,517	0.32%
			<b>13,471,885</b>	<b>2.97%</b>
<b>Total</b>			<b>452,901,823</b>	<b>100.00%</b>

## DETAILS OF SHAREHOLDERS

### Distribution of Shareholdings

At 30 April 2018, 4,366 members held 87,254,548 ordinary shares in the Company, 22 members held 23,790, 8% Cumulative Preference shares in the Company and 663 members held 400,000 Convertible Resetttable Preference Shares in the Company. The twenty largest ordinary shareholdings were equivalent to 32.99% of the 87,254,548 ordinary shares issued, the twenty largest 8% preference shareholdings were equivalent to 99.15% of the total 23,790 preference shares issued and the twenty largest Convertible Resetttable Preference shareholdings were equivalent to 30.93% of the 400,000 Convertible Resetttable Preference Shares Issued. The distribution of shares was as follows:

No. of Ordinary Shares Held	No. of Ordinary Shareholders	No. of Preference Shareholders	No. of Convertible Resetttable Preference Shares
1 - 1,000	652	16	587
1,001 - 5,000	1,265	4	67
5,001 - 10,000	894	2	5
10,001 - 100,000	1,470	0	4
100,001 and over	85	0	0
Total	4,366	22	663

### Top Twenty Shareholders

The top twenty ordinary shareholders of Whitefield at 30 April 2018 were:

	Shareholder	Units	% of Units
1	SHANE CAROLYN GLUSKIE	10,490,832	12.02%
2	CAITHNESS NOMINEES PTY LTD	4,975,944	5.70%
3	FIDUCIO PTY LTD	2,124,665	2.44%
4	MRS JEAN MARY DECK	1,140,980	1.31%
5	NELROSE INVESTMENTS PTY LTD	1,135,535	1.30%
6	MERRAN K DUNLOP	1,015,352	1.16%
7	WILLPOWER INVESTMENTS PTY LTD <WOODLANDS SUPERFUND A/C>	883,012	1.01%
8	MRS MARGARET ELIZABETH DOBBIN	876,000	1.00%
9	MR ALLAN LESLIE HOLDEN	818,039	0.94%
10	NELROSE PTY LIMITED	594,465	0.68%
11	DATAWEAVE SOLUTIONS PTY LTD <SIROD SUPERANNUATION FUND AC>	593,784	0.68%
12	DRUMTOCHTY PTY LTD <JAMES BUTLER MED P/L S/F A/C>	567,664	0.65%
13	MR PAUL ERNEST KEARNES	559,490	0.64%
14	PATTERSON CARRIERS PTY LTD	500,000	0.57%
15	PONT PTY	482,956	0.55%
16	DR RICHARD WOODLEY DAVIS + MRS PATRICIA MADGE DAVIS <RW & PM DAVIS SUPERFUND A/C>	454,239	0.52%
17	DAVID J ILIFFE	442,278	0.51%
18	LMPACAC PTY LTD <CARTHEW FAMILY CHARITY A/C>	390,347	0.45%
19	CLYDE GREEN PTY LTD	372,974	0.43%
20	JACANA GLEN PTY LTD <LARKING SUPER FUND NO 2 A/C>	369,081	0.42%
Total Top 20 Shareholders		28,787,637	32.99%
Total Remaining Holders Balance		58,466,911	67.01%
Total Shares On Issue		87,254,548	100.00%

## Substantial Shareholders

Notice has been received of substantial shareholdings as follows:

Shareholder	Ordinary Shares	Preference Shares
A.J.Gluskie, D.M.Gluskie, Fiducio Pty Ltd & Caithness Nominees Pty Ltd	16,999,097	200
S.C.Gluskie	15,466,776	200

The Corporations Law requires shares in which an associate has a relevant interest to be included in each declaration of interest and as a result shareholdings may be included in the declarations of several different shareholders.

## Voting Rights

On a show of hands, every member present has one vote and upon a poll, every member present in person or by proxy has one vote for each share held.

For voting purposes there is no distinction between Ordinary and 8% Cumulative Preference shares.

Convertible Resettable Preference Share (CRPS) holders are only entitled to vote on certain limited matters such as a proposal that affects the rights of CRPS holders or for the disposal of the whole of the property, business and undertaking of Whitefield. However, this restriction on voting does not apply when a dividend is not paid in full on the CRPS or during a winding up of the Company.

## OTHER

### Registered Office

The address of the registered office and principal place of business of the Company is:

Level 22, MLC Centre, 19 Martin Place  
Sydney NSW 2000 Australia

Phone: (02) 8215 7900

Fax: (02) 8215 7901

### Share Registry

Share registry functions are maintained by Computershare Investor Services Pty Ltd and their contact details are as follows:

Level 4, 60 Carrington Street  
Sydney NSW 2000 Australia

Phone: 1300 850 505 (inside Australia)  
(03) 9415 4000 (outside Australia)

Fax: (03) 9473 2500

### Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Stock Exchange Limited (ASX).

### Best Practice

The Company has followed all applicable best practice recommendations set by ASX Corporate Governance Council during the reporting period, unless otherwise stated.

# DIRECTORY

## **Whitefield Ltd**

ABN 50 000 012 895

### **Registered Office:**

Level 22, MLC Centre 19 Martin Place

Sydney NSW 2000 Australia

Phone: (02) 8215 7900

Fax: (02) 8215 7901

### **Share Registry:**

Computershare Investor Services Pty Limited

Level 4, 60 Carrington Street

Sydney NSW 2000 Australia

Phone: 1300 850 505 (inside Australia)

(03) 9415 4000 (outside Australia)

Fax: (03) 9473 2500

### **Directors:**

David J. Iliffe, *F.C.A, Chairman*

Martin J. Fowler, *B.Bus, C.A., Graduate Diploma Applied Finance and Investment, F.Fin, Graduate Diploma in Financial Planning*

Angus J. Gluskie, *B.Ec, C.A., Graduate Diploma Applied Finance and Investment, F.Fin*

Lance Jenkins, *LLB, BCA (Vic), MBA (New York)*

Will R. Seddon, *BEc, CFA, CAIA, SAFin*

Mark Beardow, *B.Ec, CFA, Graduate Diploma Applied Finance and Investment, Cert Management MGSM*

### **Company Secretary:**

Stuart A. Madeley, *BA(hons), MBA.*

### **Chief Executive Officer:**

Angus J. Gluskie, *B.Ec, C.A., Graduate Diploma Applied Finance and Investment, F.Fin*

### **Auditors:**

MNSA Pty Limited

Level 1, 283 George Street

SYDNEY NSW 2000

### **Stock Exchange Listing:**

Australian Securities Exchange

### **Other Information:**

Whitefield Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

ABN 50 000 012 895

LEVEL 22, MLC CENTRE 19 MARTIN PLACE | SYDNEY NSW 2000  
PHONE 61 2 8215 7900 | FAX 61 2 8215 7901