

WHITEFIELD LIMITED

ABN 50 000 012 895

APPENDIX 4E

**PRELIMINARY FINAL REPORT
YEAR ENDED 31 MARCH 2012**

**(Previous corresponding period
being the year ended 31 March 2011)**

RESULTS FOR ANNOUNCEMENT TO THE MARKET YEAR ENDED 31 MARCH 2012

	2012 Year-End \$'000	% change on prior year
Investment revenue from ordinary activities	12,399	Up 26.46%
Net Profit for period attributable to members	18,737	Up 119.9%
Net Profit for period attributable to members (before gains on the acquisition of Sylvastate Limited)	10,899	Up 27.96%

Dividend

Since the end of the financial year, the directors of Whitefield have declared the following dividends payable on the 6th June 2012:

	Fully Franked (cents per security)
Final Dividend Per Ordinary Share	8.5 cps
Final Dividend Per Preference Share	4.0 cps
The record date for determining entitlement to the final dividend is:	21 st May 2012

Whitefield Limited has a dividend reinvestment plan (DRP) in operation and shares issued under the DRP will be allotted at a 2.5% discount to the 'market price' as defined in Section 1.1 of the DRP Terms and Conditions. Shareholder participation in the plan begins with the first dividend payment after receipt of the Application / Nomination form. The form must be received by 5pm on the record date to be effective for that dividend. Whitefield expects to pay dividends twice yearly.

Explanation of results

Net Profit attributable to members before the gain on the acquisition of Sylvastate, consists of underlying dividend and investment income net of expenses and income tax. After allowing for changes in capital, earnings per ordinary share increased by 5.9% compared to the 2011 financial year.

Net Asset Backing

	2012 Year-End \$'000	2011 Year-End \$'000	% change prior year
Net Tangible Assets per share (post-deferred capital gains tax)	\$3.28	\$3.37	Down 2.67%
Net Tangible Assets per share (pre-deferred capital gains tax)	\$3.09	\$3.32	Down 6.93%

COMMENTARY ON THE RESULTS FOR THE PERIOD

Operating Results

Whitefield is pleased to report an Operating Profit after Tax for the year to 31 March 2012 of \$18,737,228. Excluding a Gain on the Acquisition of Sylvastate, underlying Operating Profit after Tax amounted to \$10,899,489, an increase of 28% on the result in the prior financial year. The increase is attributable both to growth in underlying income from the company's investment portfolio as well as the larger investment portfolio resulting from the merger of investment company Sylvastate into Whitefield.

After allowing for movements in shares on issue, Operating Profit after Tax (excluding the gain on acquisition of Sylvastate) per ordinary share rose 5.9% to 14.6 cents.

Operating Profit after Tax in both the 2012 and 2011 years includes expenses associated with the Sylvastate merger. Excluding these one-off expenses and the gain on the acquisition of Sylvastate, ongoing Operating Profit after Tax per ordinary share increased by 5.5% to 14.7 cents.

During the year approximately 2/3rds of the company's investments delivered an increase to their dividend payout. However with domestic economic conditions adversely impacted by a high Australian dollar, a cautious consumer and soft markets activity, dividend decreases were seen from the remaining 1/3rd of the portfolio.

Larger increases in dividends were generated from the company's holdings in Asciano, HFA, David Jones, Incitec Pivot, Fairfax Media, Wesfarmers, Cochlear, News Corporation and the major banks.

Investment Outcomes

Whitefield's portfolio generated a return of (2.3%) over the year to 31st March. This contrasts with the return of the ASX200 Industrials Accumulation Index of 1.5%, and the ASX200 Accumulation Index return of (6.1%).

Returns over the full 12 months were adversely impacted by weakness in the share prices of stocks exposed to the rising Australian dollar, low consumer spending and soft investment markets activity. Some evidence of a more favourable outlook for these drivers of economic activity has been visible in the latter months of the financial year and the early months of the 2012/13 period.

The company's better performing investment holdings over the year included Altium, Virgin Australia, Sydney Airport, Telstra, Clover Corporation, Invocare, Seven Group Holdings, News Corporation and Crown Ltd.

The company's portfolio has generated returns of 12.0% per annum over 3 years, 4.7% per annum over 10 years and 9.1% per annum over 20 years. Returns over periods longer 3 years incorporate the impact of the 2008/9 global financial crisis which saw the Australian share market fall by over 50% from its highs.

Net Asset Backing

The net asset backing (before providing for deferred capital gains tax) for each of the company's ordinary shares amounted to \$3.09 at 31 March 2012 compared to \$3.32 at the same time one year ago. The net asset backing per ordinary share (after a provision for capital gains tax expenses (or benefits) which would arise in the event that the entire portfolio was realised) at 31 March 2012 amounted to \$3.28 compared to \$3.37 one year ago.

Outlook

Global investment markets are likely to continue to be beholden to developments in the Euro zone over the remainder of 2012 and into 2013. In the near term concerns over the region's financial stability and its slow economic growth will remain, as government spending cuts and tax increases constrain activity. As we move towards and into 2013, some improvements in the solvency of troubled Euro nations should become visible, and Euro governments are likely to be forced to embrace more growth oriented policies.

The more stimulatory policies adopted in the USA are expected to produce continuing falls in unemployment in that country coupled with an appreciation of the US dollar. Chinese activity, which has been weak in the last year, has shown a recent resurgence in growth. With supportive government policy changes likely across 2012 and growth in the lower tier cities being purposefully fostered, the outlook for China is more favourable than 12 months ago.

While progress is likely to be slow, these actions should result in decreases in global financial risk and ultimately an increase in economic activity – a favourable outcome for investment markets including Australia.

At this time we also expect to see Australian consumer activity improve as the year develops. A slightly lower Australian dollar (driven by the upswing in the outlook for the US dollar), moderate levels of employment, and a benign outlook for interest rates should see some strengthening in both equity and housing markets – both of which are important drivers of consumer confidence. Accordingly we expect

to see these developments progressively translate into an increased rate of both staple and discretionary consumer spending and ultimately residential construction spending.

Should improvements in markets activity across 2012/13 materialise as we expect, this would drive a meaningful uplift in the earnings of cyclical financial stocks, while a slightly softer Australian dollar is also likely to be beneficial for stocks with foreign dollar denominated revenues and earnings.

Whitefield carries a moderately strong exposure to cyclical financial stocks through its holdings in AMP, ASX, Computershare, Perpetual, Macquarie and the major banks and also to stocks whose earnings would benefit from a lower Australian dollar, including Computershare, Macquarie, CSL, Resmed, Sonic Healthcare, and QBE.

Accordingly we are encouraged by some of the developments in economic conditions experienced in the first months of the 2012 calendar year.

Dividends to Shareholders

The Board of Whitefield has declared a final fully franked dividend to ordinary shareholders of 8.5 cents per ordinary share. This brings total dividends on ordinary shares which relate to the 2012 financial year to 17.0 cents per share, identical to the prior year. This annual dividend rate on ordinary shares amounts to 6.3% of the price of a Whitefield share at the last year end, or 9.0% if grossed up for the benefit of franking credits. Whitefield expects to maintain the 17.0 cents per ordinary share dividend rate in 2013. Dividends per ordinary share have grown at the compounding rate of 6.4% per annum over the last 20 years.

Annual General Meeting

The Annual General Meeting will be held at the Board Room, Level 7, 20 Hunter Street, Sydney NSW 2000 on Monday, 16th July 2012.

Further Queries:

Should you require any further general information about Whitefield Ltd, please visit the company website www.whitefield.com.au

Should you have any specific queries about the company please contact CEO Angus Gluskie on +61 2 8215 7700.

Should you have any specific queries relating to your shareholding, please contact the share registry, Computershare Investor Services Pty Ltd on 1300 850 505 (inside Australia) or +61 (0)3 9415 4000 (outside Australia)

This report is based on accounts that have been audited.
All the documents comprise the information required by listing rule 4.3A.

WHITEFIELD LIMITED

ABN 50 000 012 895

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH, 2012

	Notes	31 March 2012 \$	31 March 2011 \$
Investment revenue from ordinary activities	3	12,398,671	9,804,272
Gain on acquisition of Sylvastate Limited	9	7,837,739	-
Administrative expenses		(698,183)	(617,923)
Legal and advisory fees		(138,089)	(183,401)
Directors' fees		(31,500)	(31,500)
Listing fees		(38,766)	(45,626)
Audit fees	4	(26,950)	(17,710)
Operating Profit before income tax expense		19,302,922	8,908,112
Income tax expense	5(c)	(565,694)	(389,942)
Net Operating Profit		18,737,228	8,518,170
Other Comprehensive Income			
Net unrealised losses on investment portfolio		(12,964,186)	(15,883,939)
Tax on unrealised losses on investment portfolio		875,611	4,736,232
Net realised losses on Investment Portfolio		(6,580,160)	(12,422,541)
Income Tax benefit on Investment Portfolio		4,342,420	5,364,417
Other Comprehensive Income/(Loss) for the period, net of tax		(14,326,315)	(18,205,831)
Total Comprehensive Income for the period		4,410,913	(9,687,661)
Basic and Diluted Earnings per Share (excluding realised gains/(losses) on investments)	8	25.07 Cents	13.77 Cents
Basic and diluted earnings per share (excluding all realised (losses)/gains on investments and before gain on acquisition of Sylvastate Limited)	8	14.58 Cents	13.77 Cents
Total Comprehensive Income per Share (including realised gains/(losses) on investments)	8	5.90 cents	(15.65) cents

The Statement of Comprehensive Income should be read in conjunction with the accompanying Notes to the Financial Statements.

WHITEFIELD LIMITED

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STATEMENT OF FINANCIAL POSITION**AS AT 31ST MARCH, 2012**

	Notes	31 March 2012 \$	31 March 2011 \$
Current Assets			
Cash and cash equivalents		3,169,979	4,247,768
Trade and other receivables	10	1,804,429	1,710,553
Other	11	47,477	54,573
		5,021,885	6,012,894
Non-Current Assets			
Deferred tax assets	5(e)	23,092,235	15,469,866
Investment portfolio	12	228,474,623	199,869,133
		251,566,858	215,338,999
Total Assets		256,588,743	221,351,893
Current Liabilities			
Trade and other payables	13	98,872	5,285,239
		98,872	5,285,239
Non-Current Liabilities			
Deferred tax liabilities	5(d)	8,696,491	9,614,103
		8,696,491	9,614,103
Total Liabilities		8,795,363	14,899,342
Net Assets		247,793,380	206,452,551
Equity			
Share capital	14	174,793,706	133,694,411
Investment portfolio revaluation reserve	15(a)	(33,696,053)	(23,845,218)
Realised capital profits reserve	15(b)	83,046,559	85,284,299
Retained profits	16	23,649,168	11,319,059
Total Equity		247,793,380	206,452,551

The Statement of Financial Position should be read in conjunction with the accompanying Notes to the Financial Statements.

WHITEFIELD LIMITED
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 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31ST MARCH, 2012

	Share Capital	Reserve/ Realised	Retained Earnings	Total
			\$	\$
FINANCIAL YEAR ENDED 31ST MARCH 2011				
As at 1 April 2010	146,105,749	72,586,788	18,550,138	237,242,675
Direct Equity Adjustments				
Net unrealised losses on investments	-	(15,883,939)	-	(15,883,939)
Tax on unrealised losses on investments	-	4,736,232	-	4,736,232
	-	(11,147,707)	-	(11,147,707)
Operating Profit for the Year				
Net Operating Profit after Tax for the year	-	-	8,518,170	8,518,170
	-	-	8,518,170	8,518,170
Transactions with shareholders				
Dividends paid from retained earnings	-	-	(15,749,249)	(15,749,249)
Issue of shares	1,274,254	-	-	1,274,254
Shares issued under Share Purchase Plan	5,501,000	-	-	5,501,000
Shares bought back	(19,140,091)	-	-	(19,140,091)
Transaction costs arising from share issue	(46,501)	-	-	(46,501)
	(12,411,338)	-	(15,749,249)	(28,160,587)
As at 31 March 2011	133,694,411	61,439,081	11,319,059	206,452,551
FINANCIAL YEAR ENDED 31ST MARCH 2012				
As at 1 April 2011	133,694,411	61,439,081	11,319,059	206,452,551
Direct Equity Adjustments				
Net unrealised losses on investments	-	(12,964,186)	-	(12,964,186)
Tax on unrealised losses on investments	-	875,611	-	875,611
	-	(12,088,575)	-	(12,088,575)
Operating Profit for the Year				
Net Operating Profit after Tax for the year	-	-	18,737,228	18,737,228
	-	-	18,737,228	18,737,228
Transactions with shareholders				
17,998,430 shares issued as consideration for Sylvastates acquisition	51,475,508	-	-	51,475,508
Cancellation of 3,808,221 Whitefield shares held by Sylvastate Limited	(10,891,512)	-	-	(10,891,512)
Dividends paid from retained earnings	-	-	(6,407,119)	(6,407,119)
Issue of shares	555,371	-	-	555,371
Transaction costs arising from share issue	(40,072)	-	-	(40,072)
	41,099,295	-	(6,407,119)	34,692,176
As at 31 March 2012	174,793,706	49,350,506	23,649,168	247,793,380

The Statement of Changes in Equity should be read in conjunction with the accompanying Notes to the Financial Statements.

WHITEFIELD LIMITED

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH, 2012

	31 March 2012 \$	31 March 2011 \$
Cash flows from operating activities		
Dividends and trust distributions received	11,866,816	9,416,346
Interest received	425,370	159,207
Other income received	12,608	-
Payments for administrative and general expenses	(911,806)	(974,893)
Income tax received	-	34,465
Net cash provided by operating activities	11,392,988	8,635,125
Cash flows from investing activities		
Proceeds from sale of investments	78,113,126	26,116,516
Payments for purchase of investments	(80,398,583)	(9,294,902)
Transfer of cash at bank upon acquisition of Sylvastate Limited	924,624	-
Net cash (used in)/provided by investing activities	(1,360,833)	16,821,614
Cash flows from financing activities		
Proceeds from issue of shares	-	5,501,000
Payments for share buyback	-	(19,326,366)
Transaction costs from the issue of shares	(57,244)	(66,430)
Dividends paid	(11,052,700)	(9,274,045)
Net cash used in financing activities	(11,109,944)	(23,165,841)
Net (decrease)/increase in cash and cash equivalents held	(1,077,789)	2,290,898
Cash and cash equivalents at beginning of the financial year	4,247,768	1,956,870
Cash and cash equivalents at end of the financial year	3,169,979	4,247,768

NOTES TO STATEMENT OF CASH FLOWS

(i) Reconciliation of cash -

For the purpose of the statement of cash flows, cash includes cash at bank and at call with a cash management trust. Cash at the end of the year shown in the statement of cash flows is reconciled to the Statement of Financial Position as follows:-

Cash (interest bearing)	3,169,979	4,247,768
(ii) Reconciliation of profit from ordinary activities after income tax and realised (losses)/gains on investments to net cash provided by operating activities.		
Net Profit after tax	18,737,228	8,518,170
Less: Gain on acquisition of Sylvastate Limited outside of ordinary operating activities	(7,837,739)	-
Operating profit from ordinary activities after income tax	10,899,489	8,518,170
Adjustments:		
Net cash provided by Operating Activities	10,899,489	8,518,170
Increase in Income Taxes Payable	565,694	424,407
Increase/(Decrease) in Payables	16,802	(78,182)
Increase in Receivables and Prepayments	(88,997)	(229,270)
Net Cash Provided by Operating Activities	11,392,988	8,635,125

The credit risk exposure of the company in relation to cash is the carrying amount and any accrued interest.

The Statement of Cash Flows should be read in conjunction with the accompanying Notes to the Financial Statements.

WHITEFIELD LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

1. Reporting Entity

Whitefield is a company domiciled in Australia. The address of Whitefield Limited's registered office is Level 7, 20 Hunter Street, Sydney NSW, 2000. The financial statements of Whitefield Limited are as at and for the year ended 31 March 2012. The company is primarily involved in the operations of the financial sector of Australia, making investments and deriving revenue and investment income from listed securities and unit trusts.

2. Summary Of Significant Accounting Policies

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers Whitefield Limited which is a listed public company, incorporated and domiciled in Australia. The financial report has been prepared on an accrual basis, with the exception of the valuation of investments as described in note 2(b) below.

The accounting policies are consistent with those of the previous year and corresponding interim reporting period, with exceptions noted below. In order to reflect changing market values the Directors have adopted a policy to revalue all investments on a daily basis. Apart from this policy, the financial statements have been prepared on the basis of historical cost.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Accounting Standards not previously applied

The Company has adopted the following new and revised Australian Accounting Standards issued by Australian Accounting Standards Board.

- (i) Revised AASB 124 *Related Party Disclosures* and AASB 2009-12 *Amendments to Australian Accounting Standards* (effective 1 January 2011).

In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Company applied the amended standard from 1 April 2011. The amendments will not have any effect on the Company's financial report.

- (ii) AASB 2010-6 *Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets* (effective for annual reporting period beginning on or after 1 July 2011).

In November 2010, the AASB reissued the AASB 2010-6 Disclosures on Transfers of Financial Assets which amends AASB 1 First-time adoption of Australian accounting and AASB 7 Financial Instruments: Disclosures to introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect particularly entities that sell, factor, securities lend or otherwise transfer financial assets to other parties. The amendments will not have any impact on the Company's disclosures. The Company applied the amendment from 1 April 2011.

- (iii) Amendments to AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective for annual reporting periods beginning on or after 1 July 2010 / 1 January 2011).

In June 2010, the AASB made a number of amendments to Australian Accounting Standards as a result of the IASB's annual improvements project. The amendments will not have any impact on the Company's disclosures. The Company applied the amendment from 1 April 2011.

(b) Investments

Classification

The Company elected to adopt Accounting Standard AASB 9 *Financial Instruments* from 7 December, 2009, being the earliest allowable date of adoption.

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

Investments are recognised initially at cost, and subsequent changes in the fair value of the equity instrument is recognised through the investment portfolio reserve after deducting a provision for the potential deferred capital gains tax liability as these investments are long term holding of equity investments.

Investments are valued continuously at fair value, which is the price quoted on the Australian Securities Exchange.

When an investment is disposed, the cumulative gain or loss, net of tax thereon, is transferred from the investment portfolio reserve to the capital profits reserve.

Determination of Fair Value

AIFRS defines fair value for the purpose of valuing holdings of securities that are listed or traded on an exchange to be based on quoted "bid" prices for securities prevailing at the close of business on the statement of financial position date.

WHITEFIELD LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

2. Summary of Significant Accounting Policies (Continued)

(c) Taxation

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using the applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax assets and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantially enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

A tax provision is made for the unrealised gain or loss on securities held.

The expected tax on disposal of securities in the investment portfolio is recognised in the Statement of Comprehensive Income and as a deferred tax liability. Where the Company disposes of such securities, tax is calculated on gains made according to the particular parcels allocated to the sale for tax purposes offset against any capital losses carried forward.

(d) Merger with Sylvastate Limited

Pursuant to the Merger Implementation Agreement entered into with Sylvastate Limited on 14 February 2011, listed investment company Sylvastate Limited was merged with Whitefield Limited on 10 May 2011 via a Scheme of Arrangement approved by Sylvastate's shareholders and the Federal Court of Australia. In accordance with the Scheme of Arrangement, Whitefield issued 17,998,430 ordinary shares to Sylvastate shareholders on 10 May 2011 to acquire all the issued capital of Sylvastate Limited that it did not already own.

As a result of the merger, Sylvastate Limited became a wholly owned subsidiary of Whitefield, Sylvastate's investment portfolio has been transferred to Whitefield, and Sylvastate Limited was delisted from ASX. Sylvastate is undergoing the voluntary liquidation process and control of Sylvastate was handed over to the liquidator prior to reporting period 31 March 2012.

Following the merger, Whitefield continues to operate its business as normal, however, as a consequence of the merger has a greater number of shareholders and a greater market capitalisation than prior to the merger.

The March 2012 accounts have been prepared for the parent company Whitefield Limited only. There is no material difference between the parent entity and consolidated account balances. The March 2012 financial accounts should be read in conjunction with the September 2011 half year consolidated accounts.

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

WHITEFIELD LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

2. Summary of Significant Accounting Policies (Continued)

(f) Revenue recognition

- (i) Dividend Income - dividends and distributions are brought to account when the company's right to receive a dividend is established.
- (ii) Interest income - interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.
- (iii) Other income - other revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and when the revenue can be reliably measured.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand deposits held at call with banks, other short-term highly liquid investments, with an original maturity of three months or less, and bank overdrafts that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

(h) Operating Segments

The company operated in Australia only and the principal activity is investment.

(i) Dividends

Provisions for dividends payable are recognised in the reporting period in which they are declared, for the entire undistributed amount, regardless of the extent to which they will be paid in cash.

The Company may pay dividends to the extent permitted by law and prudent business practices. Dividends will be franked to the extent that available imputation credits permit. Dividends that are paid from the realisation of capital gain may be passed onto the shareholders.

(j) Earnings per share

Basic and diluted earnings per share including realised profits and losses on the investment portfolio are calculated by dividing profit attributable to members of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for any bonus element.

(k) Receivables

Receivables may include amounts for dividends, interest and securities sold. Dividends are receivable when they have been declared and are legally payable. Interest is accrued at the period end from the time of last payment. Amounts received for securities sold are recorded when a sale has occurred. Amounts are generally received within 30 days of being recorded as a receivable.

(l) Payables

Payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid at the reporting date. Payables are unsecured and are usually paid within 30 days of recognition.

(m) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2012 reporting periods. The Directors' assessment of the impact of these new standards (to the extent relevant to the Company) and interpretations is set out below:

- (i) AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13* (effective 1 January 2013).

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The Company has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Company does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 31 March 2013.

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

WHITEFIELD LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2012**

	31 March 2012	31 March 2011
	\$	\$
2. Summary of Significant Accounting Policies (Continued)		
(n) Fair value of Financial Assets and Liabilities		
The fair value of cash and cash equivalents, and non-interest bearing monetary financial assets and liabilities of the Company approximates their carrying value. The fair value for assets that are actively traded on market is defined by AASB 139 as 'last bid price'.		
(o) Share capital		
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.		
(p) Critical accounting estimates and judgements		
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.		
The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained externally and within the company.		
<i>Recovery of deferred tax assets</i>		
Deferred tax assets are recognised where management considers that it is probable that future taxable profits will be available to utilise the benefit of deductible items in future tax years. In assessing deferred tax assets, management consider the likelihood of future taxable profits being generated in subsequent years sufficient to utilise existing or anticipated tax benefits.		
3. Investment revenue from ordinary activities		
Dividends on long term investments held at the end of the year	11,110,221	9,367,678
Dividends on long term investments sold during the year	171,017	41,290
Net interest received	418,884	168,316
Trust distributions and other income	698,549	226,988
	<u>12,398,671</u>	<u>9,804,272</u>
4. Auditor's remuneration		
Audit and review of the financial reports	26,950	17,710
	<u>26,950</u>	<u>17,710</u>
5. Income tax expense		
(a) Income tax expense recognised in the Statement of Comprehensive Income		
Current income tax expense/(benefit)		
On operating profit before realised gains/(losses) on investments	565,694	389,942
On realised gains/(losses) on investments	4,342,420	5,364,417
	<u>4,908,114</u>	<u>5,754,359</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2012

	31 March 2012 \$	31 March 2011 \$
5. Income tax expense (Continued)		
(b) Income tax recognised directly in equity		
The following current and deferred amounts were charged directly to equity during the period:		
Current tax		
Share-issue expenses	99,559	170,852
Deferred tax		
Revaluation of investment portfolio	(875,611)	(4,736,232)
	<u>(776,052)</u>	<u>(4,565,380)</u>
(c) Income tax expense		
The prima facie income tax expense on pre-tax accounting profit (before all realised (losses)/gains on investments) reconciles to income tax (benefit)/expense as follows:		
Prima facie income tax expense calculated at 30% on the operating profit before all realised (losses)/gains on investments	5,790,877	2,672,434
Less: Tax effect to profit and loss on the gain on acquisition of Sylvastate Limited	(2,351,322)	-
Adjustments		
Imputation gross up on dividends income	1,197,257	978,676
Benefit of franking credits on dividends received	(3,990,855)	(3,262,253)
Timing differences	(65,432)	13,616
Permanent difference from adjustments to prior year income tax expense	(14,831)	(12,531)
Income tax expense (excluding all realised gains on investments)	<u>565,694</u>	<u>389,942</u>
The applicable weighted average effective tax rates are as follows:	2.93%	4.38%
(d) Deferred tax liabilities		
Provision for deferred income tax comprises the estimated expense at current income tax rates of 30% on the following items:		
Provision for tax on unrealised investments	8,593,301	9,468,911
Temporary differences	103,190	145,192
	<u>8,696,491</u>	<u>9,614,103</u>
(e) Deferred tax assets		
Current tax assets comprises the estimated expense at current income tax rates on the following items:		
Temporary differences	101,951	112,840
Realised capital losses on investments	22,990,284	12,578,669
Franking credits on dividends received to be utilised next period	-	2,778,357
	<u>23,092,235</u>	<u>15,469,866</u>
(f) The overall movement in the net deferred tax asset and liability account is as follows:		
Opening balance	(5,855,763)	(1,504,453)
Charge to Statement of Comprehensive Income	(31,113)	232,917
Charge to Equity	(8,508,868)	(4,584,227)
	<u>(14,395,744)</u>	<u>(5,855,763)</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31 March 2012 \$	31 March 2011 \$
6. Dividends paid or provided		
Final 2010 - Ordinary Shares	-	5,522,762
Final 2010 - Preference Shares	-	951
Interim 2012 - Ordinary Shares	6,406,168	5,023,634
Interim 2012 - Preference Shares	951	951
Final 2012 - Ordinary Shares	-	5,200,000
Final 2012 - Preference Shares	-	951
Total Dividends For Financial Year	6,407,119	15,749,249

	Rate Cents Per Share	Total Amount \$	Date of Payment	% Franked / % Discount Capital Gain
2012 Interim				
Preference Shares	4.0	951	12/12/2011	100% / 0%
Ordinary Shares	8.5	6,406,168	12/12/2011	100% / 0%
2011 Final				
Preference Shares	4.0	951	29/04/2011	100% / 0%
Ordinary Shares	8.5	5,200,000	29/04/2011	100% / 0%
2011 Interim				
Preference Shares	4.0	951	7/12/2010	100% / 0%
Ordinary Shares	8.5	5,023,634	7/12/2010	100% / 0%

No unfranked dividends have been declared or paid during the year.

Subsequent Events

Since the end of the financial year, the directors have declared the following dividends:

2012 Final				
Preference Shares	4.0	951	6/06/2012	100% / 0%
Ordinary Shares	8.5	6,425,675	6/06/2012	100% / 0%
		<u>6,426,626</u>		

The financial effect of these dividends have not been brought to account in the financial statements for the year ended 31 March 2012 and will be recognised in subsequent financial reports.

7. Franking account

Opening balance of franking account	16,479,865	20,001,757
Franking credit balance transferred from Sylvastate Limited upon merger	3,494,151	-
Franking credits on dividends received	3,992,824	3,262,253
Tax paid / received during the year	(23,923)	(34,465)
Franking credits on ordinary dividends paid	(2,745,908)	(6,749,680)
Loss of franking credits under 45 day rule	(8,711)	-
Closing balance of franking account	<u>21,188,298</u>	<u>16,479,865</u>
Adjustments for tax payable/refundable in respect of the current year's profits and the receipt of accrued dividends	619,152	525,678
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	(2,754,268)	-
	<u>19,053,182</u>	<u>17,005,543</u>

No unfranked dividends have been declared or paid during the year.

8. Earnings per share

Basic and diluted earnings per share (excluding all realised (losses)/gains on investments)	25.07 Cents	13.77 Cents
Basic and diluted earnings per share (excluding all realised (losses)/gains on investments and before gain on acquisition of Sylvastate Limited)	14.58 Cents	13.77 Cents
Total comprehensive income per share (including realised (losses)/gains on investments)	5.90 cents	(15.65) cents
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share:	74,751,180	61,883,079

There is no contingent issue of shares which would dilute earnings per share.

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**NOTES TO THE FINANCIAL STATEMENTS
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	31 March 2012	31 March 2011
	\$	\$

9. BUSINESS COMBINATIONS

Pursuant to a merger implementation agreement with Sylvastate Limited, Whitefield Limited acquired 100% of the issued capital of Sylvastate Limited on 10 May 2011. Whitefield Limited had an existing holding of 210,636 shares in Sylvastate Limited with a cost base of \$772,098. A purchase consideration of 17,998,430 new ordinary Whitefield Limited shares at an issue price of \$2.86 each was made to acquire the remaining 15,587,514 Sylvastate Limited shares on issue. The issue price of the new Whitefield Limited ordinary shares was based on the market price on the date of purchase.

The acquisition is part of Whitefield Limited's overall strategy of maintaining and enhancing the long term operating efficiency's of the Company.

Through acquiring 100% of the issued capital of Sylvastate Limited, Whitefield Limited has obtained control of Sylvastate Limited.

	Fair Value \$
Purchase consideration	
- Existing holding	772,098
- Equity Issued	51,475,510
	<u>52,247,608</u>
Identifiable assets acquired and liabilities assumed	
- Investments	44,378,897
- Investment in Whitefield Limited	10,891,512
- Cash	935,624
- Receivables	3,899,629
- Payables	(20,315)
	<u>60,085,347</u>
Excess of net assets over consideration	<u>7,837,739</u>

Sylvastate Limited is in the process of liquidation. As such Whitefield Limited is no longer the controlling entity of Sylvastate and control has been handed over to the liquidator prior to reporting date 31 March 2012.

The March 2012 accounts have been prepared for the parent company Whitefield Limited only. There is no material difference between the parent entity and consolidated account balances. The March 2012 financial accounts should be read in conjunction with the September 2011 half year consolidated accounts.

All receivables have been fully recovered as at reporting date.

10. Current Assets - Trade and other receivables

Dividend income receivable	1,798,840	1,698,476
Interest receivable	5,589	12,077
	<u>1,804,429</u>	<u>1,710,553</u>

Receivables are non-interest bearing and unsecured. Outstanding settlements are on the terms operating in the securities industry, which usually require settlement within three days of the date of a transaction.

The credit risk exposure of the Company in relation to receivables is the carrying amount.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31 March 2012 \$	31 March 2011 \$
11. Current Assets - Other		
Prepayments	25,387	20,372
Other debtors	22,090	34,201
	47,477	54,573

12. Non-current assets - investment portfolio

Subject to capital gains tax if realised and recorded at fair value
Shares & Equities in Listed Companies

228,474,623	199,869,133
228,474,623	199,869,133

13. Current Liabilities - Trade and other payables

Trade payables
Dividend Provision

98,872	84,288
-	5,200,951
98,872	5,285,239

Payables are non-interest bearing and unsecured. Outstanding settlements are on the terms operating in the securities industry, which usually require settlement within three days of the date of a transaction.

14. Share Capital

75,596,171 (2011: 61,176,470) ordinary shares, fully paid
23,790 (2011: 23,790) 8cps preference shares, fully paid

174,769,916	133,670,621
23,790	23,790
174,793,706	133,694,411

(a) Movements in Ordinary Share Capital

	2012		2011	
	No. Shares	\$	No. Shares	\$
Balance at the beginning of the year	61,176,470	133,670,621	65,193,933	146,081,959
Shares issued under the Dividend Reinvestment Plan	229,492	555,371	427,430	1,274,254
Shares issued under Share Purchase Plan	-	-	1,890,687	5,501,000
Cancellation of Shares	(3,808,221)	(10,891,512)	-	-
Share issue - Sylvastate takeover	17,998,430	51,475,508	-	-
Share buyback	-	-	(6,335,580)	(19,140,091)
Transaction costs on issue	-	(40,072)	-	(46,501)
	75,596,171	174,769,916	61,176,470	133,670,621

(b) Rights of Preference Shares

Preference shares carry the right to cumulative dividends of 8.0 cents per share per annum, 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 the statement of financial position date.

(c) Rights of Ordinary Shares

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders meetings. In the event of winding up the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to the Company's net proceeds on liquidation.

15. Reserves

Investment portfolio revaluation reserve	(33,696,053)	(23,845,218)
Realised capital profits reserve	83,046,559	85,284,299
	49,350,506	61,439,081

(a) Investment Portfolio Revaluation Reserve

Balance at beginning of financial year	(23,845,218)	(19,755,635)
Revaluation of Investments (net of tax)	(12,088,575)	(11,147,707)
Transfer of Realised Surpluses to Statement of Comprehensive Income	2,237,740	7,058,124
Balance at end of financial year	(33,696,053)	(23,845,218)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2012

	31 March 2012 \$	31 March 2011 \$
15. Reserves (Continued)		
(b) Realised Capital Profits Reserve		
Balance at beginning of financial year	85,284,299	92,342,423
Transfer from Statement of Comprehensive Income	(2,237,740)	(7,058,124)
Gain on Cancellation of Whitefield Limited shares	-	-
Balance at end of financial year	<u>83,046,559</u>	<u>85,284,299</u>

(c) Nature and Purpose of Reserves

For a description of the nature and purpose of the Investment Portfolio Revaluation Reserve and Realised Capital Profits Reserve refer to note 2(b).

16. Retained Profits

Balance at beginning of financial year	11,319,059	18,550,138
Profit attributable to members of the company for year (including Net Realised (losses)/gains on investments)	16,499,488	1,460,046
Dividends provided for or paid	(6,407,119)	(15,749,249)
Transfer of Net Losses to Realised Capital Profits Reserve on realisation	2,237,740	7,058,124
Balance at end of financial year	<u>23,649,168</u>	<u>11,319,059</u>

17. Related Party Information

(a) Key Management Personnel

The names of persons who were the key management personnel of the Company during the financial year were:

D.J. Iliffe
G.J. Gillmore
A.J. Gluskie
M.J. Fowler

(b) Directors' and Executive Officer's Remuneration

	Short-term Employee Benefit Cash Salary & Fees \$	Post-Employment Benefit Super- annuation \$	Other Benefit Related party \$	Total \$
2012				
Mr D.J. Iliffe (Chairman)	9,633	867	-	10,500
Mr G.J. Gillmore (Non-executive director)	9,633	867	-	10,500
Mr M.J. Fowler (Non-executive director)	9,633	867	-	10,500
Mr A.J. Gluskie (Chief Executive Officer)	-	-	489,766	489,766
	<u>28,899</u>	<u>2,601</u>	<u>489,766</u>	<u>521,266</u>
2011				
Mr D.J. Iliffe (Chairman)	9,633	867	-	10,500
Mr G.J. Gillmore (Non-executive director)	9,633	867	-	10,500
Mr M.J. Fowler (Non-executive director)	9,633	867	-	10,500
Mr A.J. Gluskie (Chief Executive Officer)	-	-	429,212	429,212
	<u>28,899</u>	<u>2,601</u>	<u>429,212</u>	<u>460,712</u>

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	31 March	31 March
	2012	2011
	\$	\$

17. Related Party Information (Continued)

(b) Directors' and Executive Officer's Remuneration (Continued)

Mr A.J. Gluskie is a member and officer of White Funds Management Pty Limited and a member of White Outsourcing Pty Limited. Mr P.A. Roberts is a member and officer of White Outsourcing Pty Limited. During the year, White Funds Management Pty Limited and White Outsourcing Pty Limited received fees of \$489,766 inclusive of 10% GST (2011: \$429,212 inclusive of 10% GST) for the management of the Company, out of which costs of accounting, administration and investment management are paid. Mr A.J. Gluskie and Mr P.A. Roberts received no fees as individuals.

The Remuneration Committee of the Board of Directors of Whitefield Limited is responsible for determining and reviewing compensation arrangements for the directors. The remuneration Committee assesses the appropriateness of the nature and amount of emoluments of each director on a periodic basis by reference to workload and market conditions. The overall objective is to ensure maximum stakeholder benefit from the retention of a high quality board whilst constraining costs.

The fees paid to White Outsourcing Pty Limited and White Funds Management Pty Limited are set in accordance with market rates for the services provided.

(c) Shareholdings of Key management personnel (and their Related Entities)

	Balance at 1 April 2011	Shares acquired / (disposed)	Shares deemed to be Director related	Balance at 31 March 2012
2012				
Ordinary Shares				
Mr D.J. Iliffe (Chairman)	1,548,490	643,213	-	2,191,703
Mr G.J. Gillmore (Non-executive director)	213,360	63,781	-	277,141
Mr A.J. Gluskie (Chief Executive Officer)	5,374,876	2,533,646	-	7,908,522
Mr M.J. Fowler (Non-executive director)	-	-	-	-
	<u>7,136,726</u>	<u>3,240,640</u>	<u>-</u>	<u>10,377,366</u>
Preference Shares				
Mr D.J. Iliffe (Chairman)	1,300	-	-	1,300
	<u>1,300</u>	<u>-</u>	<u>-</u>	<u>1,300</u>
<hr/>				
	Balance at 1 April 2010	Shares acquired / (disposed)	Shares deemed to be Director related	Balance at 31 March 2011
2011				
Ordinary Shares				
Mr D.J. Iliffe (Chairman)	1,548,490	-	-	1,548,490
Mr G.J. Gillmore (Non-executive director)	213,217	143	-	213,360
Mr A.J. Gluskie (Chief Executive Officer)	676,686	428,498	4,269,692	5,374,876
Mr M.J. Fowler (Non-executive director)	-	-	-	-
	<u>2,438,393</u>	<u>428,641</u>	<u>4,269,692</u>	<u>7,136,726</u>
Preference Shares				
Mr D.J. Iliffe (Chairman)	1,300	-	-	1,300
	<u>1,300</u>	<u>-</u>	<u>-</u>	<u>1,300</u>

There were no shares granted during the reporting period as compensation.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, trading and investment portfolio, accounts receivable and payable.

AASB 7 Financial Instruments: Disclosures identify three types of risk associated with financial instruments (i.e. the Company's investments, receivables and payables).

(a) 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.

There are no other material amounts of collateral held as security at 31 March 2012.

Credit risk is managed as noted in the Notes to the Statement of Cash Flows and Note 10 with respect to cash and receivables. None of these assets are over-due or considered to be impaired.

(b) 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. 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.

(c) Market Risk

The standard defined this as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

By its nature as a Listed Investment Company that invests, the Company can never be free of market risk as it invests its capital in securities which are not risk free - the market price of these securities can fluctuate.

A general fall in market prices of 10 per cent and 30 per cent, if spread equally over all assets in the investment portfolio would lead to a reduction in the Company's equity of \$16 million and \$48 million respectively, assuming a flat tax-rate of 30 per cent.

The Investment Portfolio Revaluation Reserve at 31 March 2012 is negative \$34 million. It would require an increase in the value of the portfolio of 15% to reverse this decrement. In accordance with Accounting Standards, any further falls in value would continue to be recognised in equity as unrealised losses, thereby impacting the shareholders' equity of the Company.

The Company seeks to manage and constrain market risk by diversification of the investment portfolio across multiple stocks and industry sectors.

The Company's investments are spread across sectors as at 31 March 2012 as below:

	31-Mar 2012	31-Mar 2011
	%	%
Consumer discretionary	8.75	10.55
Consumer staples	8.21	8.90
Banks	33.17	38.28
Non-Bank Financials	16.10	15.40
Healthcare	5.19	4.07
Industrials	14.82	13.07
Information technology	0.79	0.75
Telecommunications services	4.27	3.50
Utilities	1.14	0.65
Materials	3.41	3.41
Property	4.15	1.42
	100.00	100.00

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FOR THE YEAR ENDED 31ST MARCH, 2012

18. Financial Risk Management (Continued)

(c) Market Risk (Continued)

Securities representing over 5 per cent of the investment portfolio at 31 March 2012 were:

	31-Mar 2012 %
Commonwealth Bank Of Australia	8.92
Westpac Banking Corporation	6.63
ANZ Banking Group Limited	6.28
National Australia Bank Limited	5.75
	27.58

No other security represents over 5 per cent of the Company's investment portfolio.

The Company is also not directly exposed to currency risk as all its investments are quoted in Australian dollars.

(d) 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.

As at 31 March 2012, the Company's exposure to interest rate risk and the effective weighted average interest rate for each class of financial asset and financial liability is set out in the table below:

	Weighted average interest rate (% pa)	Floating interest rate \$	Non- interest bearing \$	Total \$
As at 31 March 2012				
Financial assets				
Cash and cash equivalents	4.85%	3,169,979	-	3,169,979
Trade and other receivables		-	1,826,519	1,826,519
Investment portfolios		-	228,474,623	228,474,623
		<u>3,169,979</u>	<u>230,301,142</u>	<u>233,471,121</u>
Financial liabilities				
Trade and other payables		-	98,872	98,872
Current Tax Liabilities		-	-	-
		-	<u>98,872</u>	<u>98,872</u>
Net financial assets		<u>3,169,979</u>	<u>230,202,270</u>	<u>233,372,249</u>
	Weighted average interest rate (% pa)	Floating interest rate \$	Non- interest bearing \$	Total \$
As at 31 March 2011				
Financial assets				
Cash and cash equivalents	4.25%	4,247,768	-	4,247,768
Trade and other receivables		-	1,744,754	1,744,754
Investment portfolios		-	199,869,133	199,869,133
		<u>4,247,768</u>	<u>201,613,887</u>	<u>205,861,655</u>
Financial liabilities				
Trade and other payables		-	5,285,239	5,285,239
Current Tax Liabilities		-	-	-
		-	<u>5,285,239</u>	<u>5,285,239</u>
Net financial assets		<u>4,247,768</u>	<u>196,328,648</u>	<u>200,576,416</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Financial Risk Management (Continued)**(e) Fair value hierarchy**

The majority of the Company's financial assets are non-interest bearing. As a result, the Company is subject to limited exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates.

Under AASB 7 the Company classifies fair value investments using a fair value hierarchy that reflects the subjectivity of the inputs used in measuring investment value. The fair value hierarchy has the following levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Directors. The Directors consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below sets out the Company's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 31 March 2012. Comparative information has been provided at 31 March 2011.

	Level 1	Level 2	Level 3	TOTAL
	\$'000	\$'000	\$'000	\$'000
As at 31 March 2012				
Financial assets				
Investment Portfolio	228,474,623	-	-	228,474,623
Total	228,474,623	-	-	228,474,623
As at 31 March 2011				
Financial assets				
Investment Portfolio	199,869,133	-	-	199,869,133
Total	199,869,133	-	-	199,869,133

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities, certain unlisted unit trusts and exchange traded derivatives.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. The Company has no investments that are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they are infrequently traded. The Company has no investments that are classified within level 3.

(f) Capital 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

19. Equity Instruments

The following list shows investments treated as equity instruments and revalued through Other Comprehensive Income.

Name	Code	Percentage (%) 2012	Market Value 2012	Market Value 2011
Consumer Discretionary				
Aristocrat Leisure Limited	ALL	0.18%	401,358	386,100
Consolidated Media Holdings Limited	CMJ	0.19%	436,209	340,374
Crown Limited	CWN	2.29%	5,231,415	1,092,915
David Jones Limited	DJS	0.39%	884,470	662,150
Echo Entertainment Group Limited	EGP	0.39%	889,366	-
Fairfax Media Limited	FXJ	0.62%	1,427,511	3,239,189
Harvey Norman Holdings Limited	HVN	0.73%	1,669,506	2,016,900
Invocare Limited	IVC	1.29%	2,949,562	-
JB Hi-Fi Limited	JBH	0.34%	782,544	1,753,323
Myer Holdings Limited	MYR	0.43%	989,986	2,053,466
News Corporation Inc Class A Non Voting Stock	NWSLV	0.51%	1,164,908	4,262,197
News Corporation Inc Class B Voting Stock	NWS	1.39%	3,166,664	3,072,813
Tabcorp Holdings Limited	TAH	0.00%	-	1,380,654
Tatts Group Limited	TTS	0.00%	-	819,000
		8.75%	19,993,499	21,079,081
Consumer Staples				
Treasury Wine Estates Limited	TWE	0.33%	763,010	-
Wesfarmers Limited	WES	3.95%	9,031,739	10,227,281
Woolworths Limited	WOW	3.93%	8,968,055	7,559,113
		8.21%	18,762,804	17,786,394
Banks				
ANZ Banking Group Limited	ANZ	7.85%	17,927,109	17,670,853
Commonwealth Bank Of Australia	CBA	9.97%	22,785,229	23,111,072
National Australia Bank Limited	NAB	6.93%	15,839,914	16,515,539
Westpac Banking Corporation	WBC	8.42%	19,235,639	19,237,025
		33.17%	75,787,891	76,534,489
Financials ex Banks				
AMP Limited	AMP	3.28%	7,499,740	3,158,908
Australian Stock Exchange Limited	ASX	1.29%	2,938,200	1,648,718
Challenger Limited	CGF	0.27%	605,530	598,749
HFA Limited	HFA	0.67%	1,537,752	1,927,294
Insurance Australia Group Limited	IAG	0.66%	1,517,355	2,048,027
Lend Lease Limited	LLC	1.00%	2,277,678	2,189,997
Macquarie Group Limited	MQG	3.51%	8,020,497	6,639,534
Perpetual Limited	PPT	0.46%	1,050,791	326,855
QBE Insurance Group Limited	QBE	3.69%	8,422,138	8,561,434
Suncorp Group Limited	SUN	1.27%	2,912,927	2,989,107
Sylvastate Limited	SYL	0.00%	-	682,461
		16.10%	36,782,608	30,771,084
Health Care				
Clover Corporation Limited	CLV	0.06%	135,000	112,500
Cochlear Limited	COH	0.51%	1,163,720	2,132,843
CSL Limited	CSL	0.54%	1,230,716	3,433,510
ResMed Inc	RMD	3.40%	7,774,671	1,168,074
Sonic Healthcare Limited	SHL	0.68%	1,547,400	1,292,642
		5.19%	11,851,507	8,139,569
Industrials				
Alesco Corporation Limited	ALS	0.13%	299,159	-
Asciano Group Limited	AIO	2.12%	4,849,006	5,136,507
Brambles Limited	BXB	1.45%	3,308,579	2,739,302
Downer EDI Limited	DOW	0.18%	420,392	442,009
Leighton Holdings Limited	LEI	0.49%	1,120,963	1,229,733
Macquarie Atlas Road Group	MQA	1.12%	2,568,938	1,371,906
MAP Group	MAP	0.00%	-	3,675,247
Qantas Airways Limited	QAN	0.61%	1,387,836	1,370,054
QR National Limited	QRN	1.11%	2,539,059	673,682
Seven Group Holdings Limited	SVW	3.04%	6,957,006	4,912,136
Sydney Airports	SYD	0.67%	1,535,995	-
Toll Holdings Limited	TOL	1.40%	3,189,641	3,379,388
Transurban Group	TCL	0.80%	1,834,000	-
UGL Limited	UGL	1.30%	2,980,560	723,309
Virgin Australia Holdings	VAH	0.38%	875,270	-
Virgin Blue Holdings Limited	VBA	0.00%	-	472,109
		14.80%	33,866,404	26,125,382

WHITEFIELD LIMITED

ABN 50 000 012 895

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2012**

19. Equity Instruments (Continued)

Name	Code	Percentage (%) 2012	Market Value 2012	Market Value 2011
Information Technology				
Allium Limited	ALU	0.13%	306,217	136,820
Computershare Limited	CPU	0.66%	1,508,985	1,358,442
		0.79%	1,815,202	1,495,262
Materials				
Amcor Limited	AMC	1.12%	2,569,776	1,902,670
Boral Limited	BLD	0.31%	701,301	1,001,200
DuluxGroup Limited	DLX	0.46%	1,052,296	190,242
Fletcher Building Limited	FBU	0.00%	-	-
Incitec Pivot Limited	IPL	0.52%	1,185,975	1,867,529
Orica Limited	ORI	1.00%	2,287,946	1,851,174
		3.41%	7,797,294	6,812,815
Telecommunication Services				
Telstra Limited	TLS	4.27%	9,749,323	6,997,040
		4.27%	9,749,323	6,997,040
Utilities				
AGL Energy Limited	AGK	0.74%	1,696,457	1,292,393
Sp Ausnet	SPN	0.39%	900,313	-
		1.13%	2,596,770	1,292,393
Property				
Dexus Property Group	DXS	0.44%	1,008,574	-
General Property Trust	GPT	0.58%	1,333,613	-
Goodman Group	GMG	0.66%	1,504,200	-
Mirvac Group	MGR	0.40%	922,678	-
Stockland Limited	SGP	0.69%	1,574,670	-
Westfield Group	WDC	1.37%	3,127,586	2,835,624
		4.14%	9,471,321	2,835,624
		100.00%	228,474,623	199,869,133

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 period was \$77.7m (2011: \$26.1m). The cumulative loss on these disposals was \$6.6m for the period after tax (2011: Gain \$12.4m), which has been transferred from the revaluation reserve to the realisation reserve (refer to statement of changes in equity).

20. Investment Transactions

The total number of contract notes that were issued for transactions in securities during the financial year were 175 (2011: 101). Each investment transaction may involve multiple contract notes.

The total brokerage paid on these contract notes was \$401,074 (2011: \$86,053).

21. Events Subsequent to Balance Date

The final dividend as declared by the directors will be paid subsequent to balance date and is not provided for in the Statement of Financial Position.

No other matters or circumstances have arisen since the end of the reporting period which have significantly affected or may significantly affect the operations of the Company, the result of those operations of the state of affairs of the Company in subsequent financial periods.

22. Segment Reporting

The Company was engaged in investment activities conducted in Australia and derived revenue from dividend, distribution and interest income.

23. Contingent Liabilities

The Investment Management Agreement entered into by the company with White Funds Management Limited expires in September 2017.

DIRECTORS' DECLARATION

The directors of the company declare that:

- (1) the financial statements and notes set out in the preceding pages are in accordance with the Corporations Act 2001 including:
 - (a) complying with the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the entity's financial position as at 31 March 2012 and of its performance for the financial year ended on that date; and
- (2) 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 2 to the financial statements confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

This declaration has been made after receiving the declarations required to be made to the Directors by the Chief Executive Officer and the Chief Financial Officer regarding the financial statements in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 31 March 2012. The declarations received were that, in the opinion of the Chief Executive Officer and the Chief Financial Officer and to the best of their knowledge, the financial records of the Company have been properly maintained, that the financial statements comply with accounting standards and that they give a true and fair view.



David Iliffe
Director
Dated at Sydney on 9 May 2012



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 2012 there have been:

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

MNSA Pty Ltd

MNSA Pty Ltd

Mark Schiliro
Director

Sydney, dated this 9 day of May 2012.



WHITEFIELD LIMITED
ABN 50 000 012 895

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WHITEFIELD LIMITED**

Report on the Financial Report

We have audited the accompanying financial report of Whitefield Limited, which comprises the statement of financial position as at 31 March 2012, 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 of the company.

Directors Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards 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 is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditors Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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 judgment, 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 company's preparation of the financial report 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. 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.

Our procedures included reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

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 entity's financial position as at 31 March 2012 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 31 March 2012. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s300A 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.

Auditor's Opinion

In our opinion the remuneration report of Whitefield Limited for the year ended 31 March 2012 complies with s300A of the *Corporations Act 2001*.

MNSA Pty Ltd

MNSA Pty Ltd



Mark Schiliro
Director

Sydney, dated this 9 day of May 2012.