

WHITEFIELD LIMITED

ABN 50 000 012 895

APPENDIX 4E

**PRELIMINARY FINAL REPORT
YEAR ENDED 31 MARCH 2017**

**(Previous corresponding period
being the year ended 31 MARCH 2016)**

RESULTS FOR ANNOUNCEMENT TO THE MARKET YEAR ENDED 31 MARCH 2017

	2017 Year-End \$'000	% change on prior year
Investment revenue from ordinary activities	19,664	Up 6.0%
Net Profit for period attributable to members	14,029	Up 6.3%

Dividend

Since the end of the financial year, the directors of Whitefield have declared the following dividends payable on the 13th June 2017

	Fully Franked (cents per security)
Final Dividend Per Ordinary Share	8.5 cps
Final Dividend Per 8% Preference Share	4.0 cps
Final Dividend Per Convertible Resettable Preference Share	350.0 cps
The record date for determining entitlement to the final dividend is:	29 th May 2017

Whitefield Limited has a dividend reinvestment plan and a bonus share plan in operation that apply to Ordinary Shares only. Shareholder participation in the either plan begins with the first dividend payment after receipt of the Application / Nomination form. The form must be received by 5pm on the business day following the record date to be effective for that dividend. Whitefield Limited will confirm the allotment price including any discount applied, calculated in accordance with rules of both plans in a separate release to market following the calculation period. Whitefield Limited expects to pay dividends twice yearly.

Net Asset Backing

	2017 Year- End	2016 Year- End	% change prior year
Net Tangible Assets per share (pre-deferred capital gains tax)	\$5.08	\$4.54	Up 12.0%
Net Tangible Assets per share (post-deferred capital gains tax)	\$4.65	\$4.27	Up 8.8%

Explanation of Results

The company's Investment Revenue represents dividends, interest and distributions derived from the company's long term investment portfolio. Net Profit represents Investment Revenue net of operating expenses and applicable income tax.

COMMENTARY ON THE RESULTS FOR THE PERIOD

Operating Results

Whitefield generated a Profit After Tax of \$14,028,677 for the financial year ended 31st March 2017. This outcome was 6.3% higher than the result for the prior year. After allowing for changes in the share capital of the company across the 12 months earnings per ordinary share increased by 1.8% to 16.9 cps.

Growth in profit was driven by increases in dividends and distributions from a majority of stocks in the investment portfolio. The most notable contributors included Aristocrat, AGL Energy, Macquarie Group, Cochlear, Treasury Wine Estates, QBE Insurance, Ramsay Healthcare, APA Group, Transurban, Crown Resorts, Sydney Airport, Harvey Norman, Dominos Pizza and Star Entertainment Group.

The Company's ratio of operating expenses to assets amounted to 0.37% and continued to provide shareholders with one of the more cost effective ways to obtain exposure to a professionally managed portfolio of Australian shares.

Other Comprehensive Income consisting of portfolio revaluations net of tax amounted to \$32,332,165. This significant gain was driven by the uplift in the market value of the company's investments across the year, and amounted to 39 cents per Ordinary Share.

Investment Outcomes

Whitefield's investment portfolio generated a strong outright return of 16.33% for the year.

The 2016/17 year was characterised by the high frequency of major sectoral changes in outlook. We were pleased to see that the company's disciplined investment strategy managed to deliver a robust result in this challenging environment and we believe Whitefield's returns in this period compare favourably against the outcomes experienced by other Australian share funds. Nevertheless this outcome was slightly below the S&P/ASX200 Industrials Accumulation Index return of 17.45% over the same period.

The strongest returning stocks within our portfolio over this year included Aristocrat, Challenger, AGL Energy, Macquarie Group, the major banks, Aurizon, Cochlear, Dexus, Resmed, CSL and Woolworths in terms of larger capitalisation stocks. Webjet, Monadelphous, GUD Holdings, Cleanaway, a2 Milk Company, Corporate Travel Management, Steadfast, Pact Group and Nufarm were better performers at the smaller end of the spectrum.

Over the last 5 years Whitefield's portfolio has generated a return of 15.11% per annum, compared to the S&P/ASX200 Industrials Accumulation Index return of 15.22% per annum, has outperformed its benchmark in 3 out of the last 5 years and is a margin of 4% per annum higher than the S&P/ASX200 Accumulation Index return of 11.10% per annum over the same period.

The company's portfolio returns over the last 30 years amount to 10.01%pa and compare to the S&P/ASX200 Industrials Accumulation of 9.53% and the S&P/ASX200 Accumulation of 8.73%.

Net Asset Backing

The net asset backing (before providing for deferred capital gains tax) for each of the company's ordinary shares amounted to \$5.08 at 31 March 2017 compared to \$4.54 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 2017 amounted to \$4.65 compared to \$4.27 one year ago.

Annual General Meeting

The Annual General Meeting will be held at the Company's Registered Offices, Level 22, MLC Centre, 19 Martin Place, Sydney NSW 2000 on Tuesday, 1st August 2017 at 11.00am.

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 7735.

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
Statement of Comprehensive Income
For the year ended 31 March 2017

	Notes	2017 \$	2016 \$
Investment income from ordinary activities	4	19,663,825	18,546,435
Expenses			
Management fees		(1,048,508)	(888,322)
Directors' fees		(40,000)	(40,000)
Audit fees		(26,655)	(25,960)
Other expenses		(503,845)	(523,779)
Finance costs - Convertible Resettable Preference Shares		(2,971,394)	(2,956,564)
Operating result before income tax		15,073,423	14,111,810
Current tax	5	(1,044,746)	(912,926)
Profit for the year		14,028,677	13,198,884
Other comprehensive income			
<i>Items that may not be reclassified to profit or loss</i>			
Net unrealised gains/(losses) on investments taken to equity		38,948,388	(68,660,264)
Income tax relating to net unrealised (gains)/losses on investments taken to equity		(11,605,412)	20,444,455
Net realised gains/(losses) on investments taken to equity		7,393,298	20,500,571
Income tax relating to net realised (gains)/losses on investments taken to equity		(2,404,109)	(6,116,109)
Other comprehensive income/(loss) for the year, net of tax		32,332,165	(33,831,347)
Total comprehensive income/(loss) for the year		46,360,842	(20,632,463)
		Cents	Cents
Earnings per share from continuing operations attributable to the ordinary equity holders of the Company (excluding all net realised gains/losses on investments)			
Basic earnings per share	22	16.90	16.60
Diluted earnings per share	22	16.90	16.60

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

Whitefield Limited
Statement of Financial Position
As at 31 March 2017

	Notes	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	9,064,935	5,455,632
Trade and other receivables	7	2,539,334	2,498,983
Other current assets		17,472	17,493
Total current assets		11,621,741	7,972,108
Non-current assets			
Financial assets at fair value through other comprehensive income	3, 8	456,575,930	398,111,557
Deferred tax assets	9	7,628,308	10,832,196
Total non-current assets		464,204,238	408,943,753
Total assets		475,825,979	416,915,861
LIABILITIES			
Current liabilities			
Trade and other payables		192,648	258,402
Total current liabilities		192,648	258,402
Non-current liabilities			
Deferred tax liabilities	10	44,577,124	32,758,700
Other financial liabilities	11	41,605,453	41,434,059
Total non-current liabilities		86,182,577	74,192,759
Total liabilities		86,375,225	74,451,161
Net assets		389,450,754	342,464,700
EQUITY			
Issued capital	12	205,686,889	192,456,175
Reserves	13	160,583,938	128,251,773
Retained earnings		23,179,927	21,756,752
Total equity		389,450,754	342,464,700

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

Whitefield Limited
Statement of Changes in Equity
For the year ended 31 March 2017

	Notes	Issued capital \$	Reserves \$	Retained earnings \$	Total equity \$
Balance at 1 April 2015		177,747,289	162,083,120	19,848,484	359,678,893
Profit for the year		-	-	13,198,884	13,198,884
Other comprehensive income/(losses) for the year					
Net unrealised losses on investments taken to equity		-	(68,660,264)	-	(68,660,264)
Income tax on net unrealised (gains)/losses on investments taken to equity		-	20,444,455	-	20,444,455
Net realised gains on investments taken to equity		-	20,500,571	-	20,500,571
Income tax on net realised (gains)/losses on investments taken to equity		-	(6,116,109)	-	(6,116,109)
Total other comprehensive loss for the year, net of tax		-	(33,831,347)	-	(33,831,347)
Total comprehensive income/(loss) for the year		-	(33,831,347)	13,198,884	(20,632,463)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	12	14,708,886	-	-	14,708,886
Dividends provided for or paid	14	-	-	(11,290,616)	(11,290,616)
		14,708,886	-	(11,290,616)	3,418,270
Balance at 31 March 2016		192,456,175	128,251,773	21,756,752	342,464,700
Balance at 1 April 2016		192,456,175	128,251,773	21,756,752	342,464,700
Profit for the year		-	-	14,028,677	14,028,677
Other comprehensive income/(losses) for the year					
Net unrealised gains on investments taken to equity		-	38,948,388	-	38,948,388
Income tax on net unrealised (gains)/losses 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)/losses on investments taken to equity		-	(2,404,109)	-	(2,404,109)
Total other comprehensive income for the year, net of tax		-	32,332,165	-	32,332,165
Total comprehensive income for the year		-	32,332,165	14,028,677	46,360,842
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	12	13,230,714	-	-	13,230,714
Dividends provided for or paid	14	-	-	(12,605,502)	(12,605,502)
		13,230,714	-	(12,605,502)	625,212
Balance at 31 March 2017		205,686,889	160,583,938	23,179,927	389,450,754

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

Whitefield Limited
Statement of Cash Flows
For the year ended 31 March 2017

	2017	2016
Notes	\$	\$
Cash flows from operating activities		
Dividends and trust distributions received	19,543,805	19,229,099
Interest received	76,538	78,383
Payments for other expenses	(1,665,873)	(1,300,114)
Income taxes paid	(13,951)	-
Net cash inflow from operating activities	20 <u>17,940,519</u>	<u>18,007,368</u>
Cash flows from investing activities		
Proceeds from sale of financial assets at fair value through other comprehensive income	117,637,828	161,893,045
Payments for financial assets at fair value through other comprehensive income	<u>(129,760,516)</u>	<u>(182,328,339)</u>
Net cash outflow from investing activities	<u>(12,122,688)</u>	<u>(20,435,294)</u>
Cash flows from financing activities		
Proceeds from issues of shares	12,066,104	13,656,500
Share issue and buy-back transaction costs	(112,466)	(131,586)
Dividends paid to Company's shareholders	(11,362,166)	(10,146,120)
Dividends paid on convertible resettable preference shares	<u>(2,800,000)</u>	<u>(2,800,000)</u>
Net cash (outflow)/inflow from financing activities	<u>(2,208,528)</u>	<u>578,794</u>
Net increase/(decrease) in cash and cash equivalents	3,609,303	(1,849,132)
Cash and cash equivalents at the beginning of the year	5,455,632	7,330,634
Effects of exchange rate changes on cash and cash equivalents	-	(25,870)
Cash and cash equivalents at the end of year	6 <u>9,064,935</u>	<u>5,455,632</u>

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

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 2017. 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

The standard 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	2017 (%)	2016 (%)
Information technology	1.36	1.42
Financials	43.48	38.63
Healthcare and biotechnology	9.21	9.13
Consumer staples	8.32	7.99
Industrials	7.66	10.07
Consumer discretionary	7.24	8.31
Utilities	3.60	3.53
Materials	5.35	5.30
Telecommunications services	4.69	7.13
Real estate	9.09	8.49
Total	100.00	100.00

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

2 Financial risk management (continued)

(a) Market risk (continued)

Securities representing over 5 per cent of the investment portfolio at 31 March 2016 were:

	2016 (%)
Commonwealth Bank of Australia	10.65
Westpac Banking Corporation	8.08
National Australia Bank Limited	5.54
Telstra Corporation	5.48
ANZ Banking Group Limited	5.31
	<u>35.06</u>

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	
	2017	2016
	\$	\$
Change in value - 10%	(31,960,315)	(27,867,809)
Change in value - 30%	(95,880,945)	(83,603,427)

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.

2 Financial risk management (continued)

(c) Liquidity risk (continued)

Maturities of financial liabilities

Except for the CRPS which will mature 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.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
At 31 March 2017				
Recurring fair value measurements				
Financial assets				
Financial assets at FVTOCI				
Equity securities	456,575,930	-	-	456,575,930
Total financial assets	456,575,930	-	-	456,575,930
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
At 31 March 2016				
Recurring fair value measurements				
Financial assets				
Financial assets at FVTOCI				
Equity securities	398,111,557	-	-	398,111,557
Total financial assets	398,111,557	-	-	398,111,557

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.

(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.

3 Fair value measurements (continued)

(a) Fair value hierarchy (continued)

	2017 \$	2016 \$
Carrying amount	41,605,453	41,434,059
Fair value	43,840,000	44,960,000

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.

4 Revenue

	Year ended 2017 \$	2016 \$
From continuing operations		
Dividends on investments held at the end of the year	15,561,068	15,623,503
Dividends on investments sold during the year	1,490,322	315,086
Interest	82,036	67,730
Distributions	2,530,399	2,540,116
	<u>19,663,825</u>	<u>18,546,435</u>

5 Income tax expense

(a) Income tax expense through profit or loss

	Year ended 2017 \$	2016 \$
Income tax expense	<u>1,044,746</u>	912,926

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	Year ended 2017 \$	2016 \$
Profit from continuing operations before income tax expense	15,073,423	14,111,810
Tax at the Australian tax rate of 30.0% (2016 - 30.0%)	4,522,027	4,233,543
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Franking credits on dividends received	(6,369,176)	(6,310,866)
Imputation gross up on dividends income	1,920,289	1,900,545
Timing differences	921,318	1,074,515
Permanent differences from adjustments to prior year income tax expense	82,075	39,472
Foreign tax credits on dividends received	(31,787)	(24,283)
Income tax expense	<u>1,044,746</u>	912,926

5 Income tax expense (continued)

(c) Amounts recognised directly in equity

	Year ended 2017 \$	2016 \$
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	33,739	39,476

(d) Tax expense (income) relating to items of other comprehensive income

	Year ended 2017 \$	2016 \$
Net unrealised gains/(losses) on investments taken to equity	11,605,412	(20,444,455)
Net realised gains/(losses) on investments taken to equity	2,404,109	6,116,109
	<u>14,009,521</u>	<u>(14,328,346)</u>

6 Current assets - Cash and cash equivalents

	At 2017 \$	2016 \$
Current assets		
Cash at bank and in hand	9,064,935	5,455,632

7 Current assets - Trade and other receivables

	At 2017 \$	2016 \$
Net other receivables	87,221	91,486
Dividends and distributions receivable	2,413,606	2,375,622
Interest receivable	5,511	13
GST receivable	32,996	31,862
	<u>2,539,334</u>	<u>2,498,983</u>

8 Non-current assets - Financial assets at fair value through other comprehensive income

	At 2017 \$	2016 \$
Investment in shares and equities		
Listed securities	456,575,930	398,111,557

The list showing investments treated as equity instruments and revalued through Other Comprehensive Income can be found on pages - 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 \$117.6m (2016: \$161.9m). The cumulative gain on these disposals was \$7.4m for the year before tax (2016: \$20.5m), 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 \$519,235 (2016: \$827,831).

9 Non-current assets - Deferred tax assets

	2017 \$	2016 \$
Movements:		
Opening balance	10,832,196	17,747,732
Charged/credited:		
- to profit or loss	(833,518)	(838,903)
- to other comprehensive income	(2,404,109)	(6,116,109)
- directly to equity	33,739	39,476
	7,628,308	10,832,196

10 Non-current liabilities - Deferred tax liabilities

	At 2017 \$	2016 \$
Net unrealised gains/(losses) on investments taken to equity	43,984,538	32,379,126
Other temporary differences	592,586	379,574
	44,577,124	32,758,700
Opening balance	32,758,700	53,129,132
Charged/(credited)		
- profit or loss	213,012	74,023
- to other comprehensive income	11,605,412	(20,444,455)
	44,577,124	32,758,700

11 Non-current liabilities - Other financial liabilities

	At 2017 \$	2016 \$
Convertible Resetable Preference Shares	<u>41,605,453</u>	41,434,059

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 a conversion request received from a CRPS holder 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.

12 Issued capital

(a) Share capital

	2017 Shares	2016 Shares	2017 \$	2016 \$
Ordinary shares - fully paid	83,808,193	80,208,773	205,663,099	192,432,385
8% Non-redeemable preference shares - fully paid	23,790	23,790	23,790	23,790
	83,831,983	80,232,563	205,686,889	192,456,175

(b) Movements in ordinary share capital

Details	Notes	Number of shares	\$
Opening balance 1 April 2016		76,467,723	177,723,499
Share purchase		2,943,611	13,656,500
Dividend reinvestment plan issue - final dividend	(f)	129,279	575,292
Bonus share plan - final dividend	(e)	257,957	-
Dividend reinvestment plan issue - interim dividend	(f)	140,198	569,204
Bonus share plan - interim dividend	(e)	270,005	-
Less: Transaction costs arising on share issue - DRP		-	(92,110)
Balance 31 March 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		-	(78,648)
Balance 31 March 2017		83,808,193	205,663,099

(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.

12 Issued capital (continued)

(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	At 2017 \$	2016 \$
Movements:			
<i>Investment portfolio revaluation reserve</i>			
Opening balance		20,471,419	68,687,227
Net unrealised gains/(losses) on investments (excluding transfer)		43,937,577	(54,275,802)
Transfer to investment portfolio realised gains/(losses) reserve		(4,989,189)	(14,384,462)
Income tax on these items	5, 10	(11,605,412)	20,444,455
Balance 31 March		<u>47,814,395</u>	<u>20,471,418</u>
<i>Investment portfolio realised gains/losses reserve</i>			
Opening balance		107,780,354	93,395,893
Transfer from investment portfolio revaluation reserve		4,989,189	14,384,462
Balance 31 March		<u>112,769,543</u>	<u>107,780,355</u>
Total		<u>160,583,938</u>	<u>128,251,773</u>

Nature and purpose of reserves

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

14 Dividends

	Year ended 2017 \$	2016 \$
a) Ordinary shares		
Final dividend - prior year (8.5 cents per fully paid ordinary share, fully franked based on tax paid at 30%, paid 14/06/2016 and 12/06/2015, respectively)	5,709,027	5,653,744
Interim dividend - current year (8.5 cents per fully paid ordinary share, fully franked based on tax paid at 30%, paid 12/12/2016 and 11/12/2015, respectively)	6,894,573	5,634,970
	<u>12,603,600</u>	<u>11,288,714</u>
(b) Non-redeemable participating preference shares		
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
	<u>1,902</u>	<u>1,902</u>
Total dividends provided for or paid	<u>12,605,502</u>	<u>11,290,616</u>
(c) Convertible Resetable Preference Shares		
	2017 \$	2016 \$
Dividends on CRPS - six-monthly (350.0 cents per fully paid ordinary share, fully franked based on tax paid at 30%, paid 14/06/2016 and 12/06/2015, 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 12/12/2016 and 11/12/2015, respectively)	1,400,000	1,400,000
	<u>2,800,000</u>	<u>2,800,000</u>

Dividends on Convertible Resetable 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

	Year ended 2017 \$
In addition to the above dividends, since year end the Directors have approved the payment of a final dividend of 8.5 cents per fully paid ordinary share, 4 cents per fully paid 8% preference share and 350 cents per fully paid Convertible Resetable Preference Share, fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 13 June 2017 out of retained earnings at 31 March 2017, but not recognised as a liability at year end, is	<u>7,124,647</u>

14 Dividends (continued)

(e) Dividend franking account

	2017 \$	2016 \$
Opening balance of franking account	16,265,644	16,998,470
Franking credits on dividends received	6,369,176	6,267,779
Tax paid during the year	12,319	-
Franking credits on dividends paid	(7,168,169)	(7,000,605)
Closing balance of franking account	15,478,970	16,265,644
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	(3,653,420)	(3,521,891)
	11,825,550	12,743,753

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.

2017 Name	Balance at the start of the year	Net movement	Other changes during the year	Balance at end of the year
Directors of Whitefield Limited				
Ordinary shares				
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
8% Preference shares				
David J. Iliffe	1,300	-	-	1,300
Graeme J. Gillmore	-	-	-	-
Angus J. Gluskie	200	-	-	200
Martin J. Fowler	-	-	-	-
William R. Seddon	-	-	-	-
	1,500	-	-	1,500

15 Key management personnel disclosures (continued)

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

2016	Balance at the start of the year	Net movement	Other changes during the year	Balance at end of the year
Name				
Directors of Whitefield Limited				
Ordinary shares				
David J. Iliffe	2,191,703	9,699	-	2,201,402
Graeme J. Gillmore	572,111	29	-	572,140
Angus J. Gluskie	16,999,097	405,412	-	17,404,509
Martin J. Fowler	-	-	-	-
	<u>19,762,911</u>	<u>415,140</u>	<u>-</u>	<u>20,178,051</u>
8% Preference shares				
David J. Iliffe	1,300	-	-	1,300
Graeme J. Gillmore	-	-	-	-
Angus J. Gluskie	200	-	-	200
Martin J. Fowler	-	-	-	-
	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>1,500</u>

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

	Year ended 31 March 2017 \$	31 March 2016 \$
<i>Audit and other assurance services</i>		
Audit and review of financial statements	26,655	25,960
Total remuneration for audit and other assurance services	<u>26,655</u>	<u>25,960</u>

17 Contingencies

The Company had no contingent liabilities at 31 March 2017 (2016: 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:

	Year ended	
	31 March	31 March
	2017	2016
	\$	\$
Management fees paid or payable	1,125,229	953,321
Taxation services	18,700	18,700
	<u>1,143,929</u>	<u>972,021</u>

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 is also a shareholder of White Funds Management Pty Ltd.

Taxation services are provided by Pitcher Partners (formerly Moore Stephens Sydney Pty Ltd) 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:

	At	
	2017	2016
	\$	\$
Management fees payable (including GST)	124,588	169,839

(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 our investments. 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 2017 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

	Year ended 2017 \$	2016 \$
Profit for the year	14,028,677	13,198,884
Net exchange differences	-	25,870
Finance cost on convertible resettable preference shares	2,971,394	2,956,564
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(40,350)	762,512
Decrease in other current assets	21	14,909
(Decrease)/increase in trade and other payables	(65,753)	135,703
Increase in deferred taxes	1,046,530	912,926
Net cash inflow from operating activities	<u>17,940,519</u>	<u>18,007,368</u>

21 Non-cash investing and financing activities

	Year ended 2017 \$	2016 \$
Dividends reinvested	1,243,336	1,144,496
Dividends foregone via Bonus Share Plan	1,320,220	2,244,129
	<u>2,563,556</u>	<u>3,388,625</u>

22 Earnings per share

(a) Basic and diluted earnings per share

	Year ended 2017 Cents	2016 Cents
From continuing operations attributable to the ordinary equity holders of the company (excluding all net realised gains/losses on investments)	16.90	16.60

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

	Year ended 2017 Number	2016 Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	82,995,124	79,483,821

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 16 May 2017.

(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 2016 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.

23 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(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 2017 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.

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by the Company
AASB 9 <i>Financial Instruments</i>	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.	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. 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. 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. The new impairment model is an expected credit loss (ECL) model which may result in the earlier recognition of credit losses. The Company has not yet assessed how the impairment provisions would be affected by the new rules.	Must be applied for financial years commencing on or after 1 January 2018. 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. The Company has not yet decided when to adopt AASB 9.

23 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by the Company
AASB 15 <i>Revenue from Contracts with Customers</i>	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. 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. 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.	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.	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.

23 Summary of significant accounting policies (continued)

(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 only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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.

23 Summary of significant accounting policies (continued)

(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.

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.

23 Summary of significant accounting policies (continued)

(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.

(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.

23 Summary of significant accounting policies (continued)

(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.

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 29 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the entity's financial position as at 31 March 2017 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
16 May 2017



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 2017 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 16th day of May 2017



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WHITEFIELD LIMITED
ABN 50 000 012 895**

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 2017, 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 2017 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
<i>Valuation and Existence of Investments</i>	
The investment portfolio at 31 March 2017 comprised of listed equity investments of \$457 million.	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.
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.	We agreed the existence of a sample of listed investments by confirming shareholdings with supporting information.
	No differences were identified.
<i>Revenue from Investments</i>	
ASAs presume there are risks of fraud in revenue recognition unless rebutted.	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.
We focused on the cut-off, accuracy and completeness of dividend revenue and dividend receivables.	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.
	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.
	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.
	No differences were identified.



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 2017, 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.

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.



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 2017.

In our opinion the remuneration report of Whitefield Limited for the year ended 31 March 2017, 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 16th day of May 2017

Whitefield Limited
Table of Investment Holdings
31 March 2017

Code	Name	Shares	Market Value	Whitefield %
Consumer Discretionary				
AAD	Ardent Leisure Group	145,100	265,533	0.06%
AHG	Automotive Holdings Group Ltd	98,700	406,644	0.09%
ALL	Aristocrat Leisure Ltd	207,603	3,730,626	0.82%
APN	APN News & Media Ltd	98,590	274,080	0.06%
APO	APN Outdoor Group Ltd	53,000	302,100	0.07%
ARB	ARB Corp Ltd	25,600	376,832	0.08%
BAP	Bapcor Ltd	91,339	532,506	0.12%
BRG	Breville Group Ltd	41,700	430,761	0.09%
CTD	Corporate Travel Management Ltd	34,452	690,074	0.15%
CWN	Crown Resorts Ltd	239,054	2,823,228	0.62%
DMP	Domino's Pizza Enterprises Ltd	28,520	1,657,582	0.36%
FLT	Flight Centre Travel Group Ltd	31,908	921,503	0.20%
FXJ	Fairfax Media Ltd	731,868	750,165	0.16%
GEM	G8 Education Ltd	131,699	537,332	0.12%
GUD	GUD Holdings Ltd	27,400	324,416	0.07%
GXL	Greencross Ltd	36,500	262,800	0.06%
HVN	Harvey Norman Holdings Ltd	363,376	1,646,093	0.36%
IVC	Invocare Ltd	34,325	485,356	0.11%
JBH	JB Hi-Fi Ltd	37,340	922,298	0.20%
MTR	Mantra Group Ltd	86,000	251,120	0.06%
MYR	Myer Holdings Ltd	260,796	316,867	0.07%
NEC	Nine Entertainment Co Holdings Ltd	289,700	363,574	0.08%
NVT	Navitas Ltd	120,800	535,144	0.12%
NWS	News Corp	15,187	271,088	0.06%
NZM	NZME Ltd	47,400	40,290	0.01%
PMV	Premier Investments Ltd	50,100	717,432	0.16%
REA	REA Group Ltd	42,874	2,543,714	0.56%
RFG	Retail Food Group Ltd	52,500	279,825	0.06%
SGR	Star Entertainment Group Ltd	613,233	3,354,385	0.73%
SKC	Skycity Entertainment Group Ltd	212,749	806,319	0.18%
SKT	SKY Network Television Ltd	125,700	441,207	0.10%
SUL	Super Retail Group Ltd	63,500	650,875	0.14%
SWM	Seven West Media Ltd	487,081	382,359	0.08%
SXL	Southern Cross Media Group Ltd	241,900	338,660	0.07%
TAH	Tabcorp Holdings Ltd	278,395	1,322,376	0.29%
TME	Trade Me Group Ltd	127,500	594,150	0.13%
TTS	Tatts Group Ltd	483,381	2,141,378	0.47%
WEB	Webjet Ltd	32,750	375,970	0.08%
			33,066,661	7.24%
Consumer Staple				
A2M	a2 Milk Company Ltd	231,911	635,436	0.14%
AAC	Australian Agricultural Company Ltd	171,600	284,856	0.06%
AHY	Asaleo Care Ltd	194,800	342,848	0.08%
BAL	Bellamy's Australia Ltd	30,736	129,091	0.03%
BGA	Bega Cheese Ltd	49,100	310,803	0.07%
BKL	Blackmores Ltd	5,443	612,555	0.13%
CCL	Coca-Cola Amatil Ltd	248,447	2,688,197	0.59%
CGC	Costa Group Holdings Ltd	101,000	439,350	0.10%
GNC	Graincorp Ltd	73,800	670,842	0.15%
MTS	Metcash Ltd	299,000	738,530	0.16%
TGR	Tassal Group Ltd	46,900	212,457	0.05%
TWE	Treasury Wine Estates Ltd	243,863	2,982,444	0.65%
WES	Wesfarmers Ltd	370,546	16,700,508	3.66%
WOW	Woolworths Ltd	423,455	11,221,558	2.46%
			37,969,475	8.32%
Banks				
ANZ	Australia and New Zealand Banking Group Ltd	959,198	30,521,680	6.68%
BEN	Bendigo and Adelaide Bank Ltd	152,650	1,853,171	0.41%
BOQ	Bank of Queensland Ltd	120,732	1,468,101	0.32%
CBA	Commonwealth Bank of Australia	562,393	48,315,183	10.58%
CYB	CYBG PLC	233,142	1,053,802	0.23%
NAB	National Australia Bank Ltd	868,445	28,953,956	6.34%
WBC	Westpac Banking Corp	1,093,475	38,337,234	8.40%
			150,503,127	32.96%
Non Bank Financials				
AMP	AMP Ltd	960,684	4,976,343	1.09%
ASX	ASX Ltd	63,429	3,201,896	0.70%
BTT	BT Investment Management Ltd	97,453	974,530	0.21%
CCP	Credit Corp Group Ltd	15,200	262,808	0.06%
CGF	Challenger Ltd	282,027	3,539,439	0.78%
ECX	Eclix Group Ltd	86,788	339,341	0.07%
FXL	Flexigroup Ltd	121,510	280,688	0.06%
GMA	Genworth Mortgage Insurance Australia Ltd	167,353	525,488	0.12%
HGG	Henderson Group PLC	235,615	897,693	0.20%
IAG	Insurance Australia Group Ltd	1,243,232	7,521,554	1.65%
IFL	IOOF Holdings Ltd	96,500	823,145	0.18%
IRE	Iress Ltd	55,332	647,938	0.14%
MFG	Magellan Financial Group Ltd	56,112	1,325,927	0.29%
MPL	Medibank Private Ltd	894,510	2,522,518	0.55%
MQG	Macquarie Group Ltd	79,366	7,158,813	1.57%
PPT	Perpetual Ltd	40,670	2,120,941	0.46%
PTM	Platinum Investment Management Ltd	186,000	954,180	0.21%
QBE	QBE Insurance Group Ltd	447,763	5,771,665	1.26%
SDF	Steadfast Group Ltd	238,754	606,435	0.13%
SUN	Suncorp Group Ltd	270,511	3,573,450	0.78%
			48,024,792	10.52%

Code	Name	Shares	Market Value	Whitefield %
Health Care				
ANN	Ansell Ltd	48,270	1,161,859	0.25%
API	Australian Pharmaceutical Industries Ltd	156,000	318,240	0.07%
COH	Cochlear Ltd	18,719	2,531,370	0.55%
CSL	CSL Ltd	158,186	19,825,451	4.34%
EHE	Estia Health Ltd	85,332	263,676	0.06%
FPH	Fisher & Paykel Healthcare Corporation Ltd	182,634	1,614,485	0.35%
HSO	Healthscope Ltd	569,611	1,293,017	0.28%
JHC	Japara Healthcare Ltd	84,700	170,247	0.04%
MYX	Mayne Pharma Group Ltd	490,438	698,874	0.15%
NAN	Nanosonics Ltd	97,020	300,762	0.07%
PRY	Primary Health Care Ltd	165,900	592,263	0.13%
REG	Regis Healthcare Ltd	96,900	433,143	0.09%
RHC	Ramsay Health Care Ltd	66,276	4,632,030	1.01%
RMD	Resmed Inc	463,161	4,302,766	0.94%
SHL	Sonic Healthcare Ltd	135,442	2,995,977	0.66%
SIP	Sigma Pharmaceuticals Ltd	348,000	448,920	0.10%
SRX	Sirtex Medical Ltd	18,700	334,730	0.07%
VRT	Virtus Health Ltd	25,900	149,702	0.03%
			42,067,512	9.21%
Industrials				
ALQ	ALS Ltd	164,235	1,008,403	0.22%
AZJ	Aurizon Holdings Ltd	669,884	3,516,891	0.77%
BXB	Brambles Ltd	289,689	2,708,592	0.59%
CIM	CIMIC Group Ltd	105,865	3,803,729	0.83%
CWY	Cleanaway Waste Management Ltd	503,750	604,500	0.13%
DOW	Downer EDI Ltd	474,674	2,748,362	0.60%
GWA	GWA Group Ltd	89,772	260,339	0.06%
IPH	IPH Ltd	59,270	288,645	0.06%
MMS	Mcmillan Shakespeare Ltd	26,900	355,618	0.08%
MND	Monadelphous Group Ltd	24,053	296,573	0.06%
MQA	Macquarie Atlas Roads Group	166,340	851,661	0.19%
QAN	Qantas Airways Ltd	671,588	2,612,477	0.57%
QUB	Qube Holdings Ltd	476,872	1,220,792	0.27%
RWC	Reliance Worldwide Corporation (Aust) Pty Ltd	172,517	496,849	0.11%
SPO	Spotless Group Holdings Ltd	353,600	383,656	0.08%
SVW	Seven Group Holdings Ltd	89,878	962,593	0.21%
SYD	Sydney Airport Holdings Ltd	741,870	5,022,460	1.10%
TCL	Transurban Group	671,549	7,836,977	1.72%
			34,979,119	7.66%
Information Technology				
ACX	Aconex Ltd	62,036	243,801	0.05%
ALU	Altium Ltd	42,000	319,200	0.07%
CAR	Carsales.Com Ltd	77,400	863,784	0.19%
CPU	Computershare Ltd	159,249	2,239,041	0.49%
ISD	Isentia Group Ltd	64,000	96,000	0.02%
LNK	Link Administration Holdings Ltd	115,550	893,202	0.20%
MYO	Myob Group Ltd	188,000	669,280	0.15%
NXT	NEXTDC Ltd	91,220	372,178	0.08%
TNE	TechnologyOne Ltd	100,100	513,513	0.11%
			6,209,999	1.36%
Materials				
ABC	Adelaide Brighton Ltd	215,278	1,222,779	0.27%
AMC	Amcor Ltd	490,067	7,380,409	1.62%
BKW	Brickworks Ltd	47,306	694,452	0.15%
BLD	Boral Ltd	355,983	2,078,941	0.46%
CSR	CSR Ltd	456,393	2,058,332	0.45%
FBU	Fletcher Building Ltd	180,530	1,363,002	0.30%
IPL	Incitec Pivot Ltd	552,811	2,078,569	0.46%
JHX	James Hardie Industries PLC	40,086	824,569	0.18%
NUF	Nufarm Ltd	85,700	831,290	0.18%
ORA	Orora Ltd	388,300	1,149,368	0.25%
ORI	Orica Ltd	230,637	4,059,211	0.89%
PGH	Pact Group Holdings Ltd	95,200	666,400	0.15%
			24,407,322	5.35%
Real Estate				
ABP	Abacus Property Group	181,279	587,344	0.13%
AOG	Aveo Group	190,879	612,722	0.13%
BWP	BWP Trust	227,046	647,081	0.14%
CHC	Charter Hall Group	133,500	736,920	0.16%
CMW	Cromwell Property Group	560,100	534,896	0.12%
DXS	DEXUS Property Group	377,372	3,686,924	0.81%
GMG	Goodman Group Pty Ltd	588,370	4,553,984	1.00%
GOZ	Growthpoint Properties Australia Ltd	210,584	667,551	0.15%
GPT	GPT Group	554,675	2,856,576	0.63%
GTY	Gateway Lifestyle Group	80,000	167,200	0.04%
INM	Iron Mountain Inc	15,867	727,661	0.16%
IOF	Investa Office Fund	198,000	940,500	0.21%
LLC	LendLease Group	65,987	1,028,077	0.23%
MGR	Mirvac Group	748,521	1,639,261	0.36%
NSR	National Storage REIT	165,172	236,196	0.05%
SCG	Scentre Group	2,138,046	9,172,217	2.01%
SCP	Shopping Centres Australasia Property Group Re Ltd	240,050	537,712	0.12%
SGP	Stockland Corporation Ltd	777,219	3,606,296	0.79%
VCX	Vicinity Centres Re Ltd	1,241,842	3,514,413	0.77%
VR	Viva Energy Reit Ltd	223,176	531,159	0.12%
WFD	Westfield Corp	507,172	4,503,687	0.99%
			41,488,378	9.09%
Telecommunication Services				
SPK	Spark New Zealand Ltd	591,136	1,879,812	0.41%
TLS	Telstra Corporation Ltd	3,587,466	16,717,592	3.66%
TPM	TPG Telecom Ltd	276,126	1,924,598	0.42%
VOC	Vocus Group Ltd	203,754	880,217	0.19%
			21,402,220	4.69%

Code	Name	Shares	Market Value	Whitefield %
Utilities				
AGL	AGL Energy Ltd	328,047	8,650,599	1.89%
APA	APA Group	363,146	3,253,788	0.71%
AST	AusNet Services Ltd	456,503	769,208	0.17%
DUE	DUET Group	802,286	2,238,378	0.49%
IFN	Infigen Energy Ltd	261,446	262,753	0.06%
SKI	Spark Infrastructure Group	541,182	1,282,601	0.28%
			16,457,328	3.60%
Total			456,575,930	100.00%