



FINANCE

INVESTMENTS & LOANS

## **Financial Statements**

**For the Half Year Ended 31 December 2022**

**Webster Dolilta Finance Ltd**  
**ABN 49 004 664 322**

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**For the Half Year Ended 31 December 2022**

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## **Directors' Report**

### **For the Half Year Ended 31 December 2022**

The Directors present their report, together with the financial statements of the Company for the financial half year ended 31 December 2022.

#### **Directors**

The names of each person who has been a Director during the half year and to the date of this report are:

Robert A. Baird B.A. LL.B  
Timothy S. Bunning CPA B.Ec  
Paul D. Burke B.Bus (Appointed 1 July 2022)  
Philip C. Cunningham FIPA GAICD  
Robert G. Cunningham CEA (REIV)  
Neale J. Gribble LL.B. B.Com  
William H. McGregor OAM LL.B  
Robert N. Whitcher FIPA

#### **Principal activities**

The principal activities of the Company during the financial half year were:

- Accept investments of money from the public in the form of Secured Notes; and
- Conduct lending on the security of registered mortgages over freehold land and buildings.

No significant change in the nature of these activities occurred during the half year.

#### **Operating results**

The net profit of the Company for the half year after providing for income tax amounted to \$1,033,384 (31 December 2021: \$723,126).

#### **Dividends**

A fully franked dividend of \$23.00 per share totalling \$505,770 was declared at the board meeting held on 13 September 2022. The dividend was paid on the 30 September 2022.

#### **Review of operations**

The net profit of the Company after tax increased for the half year by \$310,258. The Directors were satisfied with the operating performance of the Company during the half year.

#### **Significant changes in state of affairs**

There have been no significant changes in the state of affairs of the Company during the half year.

**Directors' Report**  
**For the Half Year Ended 31 December 2022**

**Matters or circumstances arising after the end of the year**

Subsequent to the end of the reporting period:

The Company has undertaken a capital raising to strengthen the capital position of the Company. The Company issued 2000 new shares to existing shareholders on 28 February 2023 at a share price of \$545.00 per share raising a total of \$1,090,000.

The official cash rate has increased by 0.50% with market expectations of possible increases in coming months. The Board believes the increases in the cash rate will not significantly impact the operations of the Company.

The Company has entered into a contract for the purchase of an investment property for \$2,000,000. The contract is subject to and conditional upon the City of Ballarat granting a planning permit for a 9 lot subdivision by 15 May 2023. If the City of Ballarat does not issue the permit by the approval date the Company may withdraw from the contract

Except for the above, no other matters or circumstances have arisen since the end of the financial half year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

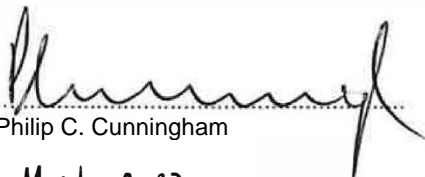
**Environmental matters**


The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

**Auditor's independence declaration**

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the half year ended 31 December 2022 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:   
Philip C. Cunningham

Director:   
Timothy S. Bunning

Dated: 14 March 2023

## AUDITOR'S INDEPENDENCE DECLARATION

### RSM Australia Partners

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As lead auditor for the review of the financial report of Webster Dolilta Finance Ltd for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

A stylized, handwritten signature of the letters 'RSM' in black ink.

### RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to be 'Rodney Miller', with a long horizontal flourish extending to the right.

**RODNEY MILLER**  
Partner

Canberra, Australian Capital Territory  
Dated this 14<sup>th</sup> day of March 2023

### THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

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**Statement of Profit or Loss and Other Comprehensive Income  
 For the Half Year Ended 31 December 2022**

|   |      | 31 December<br>2022     | 31 December<br>2021 |
|---|------|-------------------------|---------------------|
|   | Note | \$                      | \$                  |
| Interest received   | 3    | 3,937,623               | 2,876,062           |
| Interest expense  | 3    | <u>(1,909,615)</u>      | <u>(1,505,470)</u>  |
|   |      | <b>2,028,008</b>        | 1,370,592           |
| Non interest revenue  | 4    | <u>440,815</u>          | 436,031             |
| <b>Total operating income</b>   |      | <b>2,468,823</b>        | 1,806,623           |
| Expected credit loss expense  |      | <b>(100,000)</b>        | -                   |
| Operating expenses  | 5    | <u>(1,040,306)</u>      | <u>(882,974)</u>    |
| <b>Profit before income tax</b>   |      | <b>1,328,517</b>        | 923,649             |
| Income tax expense  |      | <u>(295,133)</u>        | <u>(200,523)</u>    |
| <b>Net profit after tax for the half year</b>                             |      | <u><b>1,033,384</b></u> | <u>723,126</u>      |
| <b>Other comprehensive income, net of income tax</b>                      |      |                         |                     |
| <i>Items that will not be reclassified subsequently to profit or loss</i> |      |                         |                     |
| Net gain / (loss) on equity investments designated at FVOCI, net of tax   | 6    | <u>239,227</u>          | <u>(70,598)</u>     |
| <b>Total comprehensive income for the half year</b>                       |      | <u><b>1,272,611</b></u> | <u>652,528</u>      |
| <b>Profit attributable to:</b>  |      |                         |                     |
| Members of the company  |      | <u>1,033,384</u>        | 723,126             |
|   |      | <u><b>1,033,384</b></u> | <u>723,126</u>      |
| <b>Total comprehensive income attributable to:</b>                        |      |                         |                     |
| Members of the company  |      | <u>1,272,611</u>        | 652,528             |
|   |      | <u><b>1,272,611</b></u> | <u>652,528</u>      |

The accompanying notes form part of these financial statements.

**Statement of Financial Position**  
**As At 31 December 2022**

|  |      | 31 December<br>2022 | 30 June<br>2022    |
|--|------|---------------------|--------------------|
|  | Note | \$                  | \$                 |
| <b>Assets</b>                            |      |                     |                    |
| Cash and cash equivalents                | 7    | 7,036,106           | 5,106,791          |
| Other financial assets                   | 8    | 24,714,000          | 14,664,000         |
| Receivables                              | 9    | 324,341             | 335,505            |
| Financial assets at FVOCI                | 10   | 2,908,947           | 2,570,756          |
| Loans and advances                       | 11   | 87,499,741          | 96,558,063         |
| Investment properties                    | 12   | 7,887,897           | 7,800,000          |
| Property, plant and equipment            | 13   | 4,008,777           | 4,041,594          |
| <b>Total Assets</b>                      |      | <b>134,379,809</b>  | <b>131,076,709</b> |
| <b>Liabilities</b>                       |      |                     |                    |
| Secured notes                            | 14   | 118,964,655         | 116,517,615        |
| Payables                                 | 15   | 859,156             | 938,058            |
| Tax liabilities                          | 16   | 1,621,739           | 1,468,879          |
| Provisions                               | 17   | 183,134             | 177,873            |
| <b>Total Liabilities</b>                 |      | <b>121,628,684</b>  | <b>119,102,425</b> |
| <b>Net Assets</b>                        |      | <b>12,751,125</b>   | <b>11,974,284</b>  |
| <b>Equity</b>                            |      |                     |                    |
| Issued capital                           |      | 2,720,712           | 2,710,712          |
| Financial investment revaluation reserve |      | 260,623             | 21,927             |
| Property revaluation reserve             |      | 2,208,602           | 2,208,602          |
| Retained earnings                        |      | 7,561,188           | 7,033,043          |
| <b>Total Equity</b>                      |      | <b>12,751,125</b>   | <b>11,974,284</b>  |

The accompanying notes form part of these financial statements.

**Statement of Changes in Equity**  
**For the Half Year Ended 31 December 2022**

|   | Note | Issued capital   | Financial investment revaluation reserve | Property revaluation reserve | Retained earnings | Total             |
|---|------|------------------|--|------------------------------|-------------------|-------------------|
|   |      | \$               | \$                                       | \$                           | \$                | \$                |
| <b>Balance at 1 July 2022</b>                             |      | <b>2,710,712</b> | <b>21,927</b>                            | <b>2,208,602</b>             | <b>7,033,043</b>  | <b>11,974,284</b> |
| Profit attributable to members                            |      | -                | -  | -                            | 1,033,384         | 1,033,384         |
| Other comprehensive income                                | 6    | -                | 239,227                                  | -                            | -                 | 239,227           |
| Dividends provided for or paid                            | 20   | -                | -  | -                            | (505,770)         | (505,770)         |
| Issue of shares   |      | 10,000           | -  | -                            | -                 | 10,000            |
| Transfer from reserve on disposal of financial investment |      | -                | (531)                                    | -                            | 531               | -                 |
| <b>Balance at 31 December 2022</b>                        |      | <b>2,720,712</b> | <b>260,623</b>                           | <b>2,208,602</b>             | <b>7,561,188</b>  | <b>12,751,125</b> |

|                                    | Note | Issued capital   | Financial investment revaluation reserve | Property revaluation reserve | Retained earnings | Total            |
|------------------------------------|------|------------------|--|------------------------------|-------------------|------------------|
|                                    |      | \$               | \$                                       | \$                           | \$                | \$               |
| <b>Balance at 1 July 2021</b>      |      | <b>2,710,712</b> | <b>252,247</b>                           | <b>1,632,669</b>             | <b>5,000,925</b>  | <b>9,596,553</b> |
| Profit attributable to members     |      | -                | -  | -                            | 723,126           | 723,126          |
| Other comprehensive income         | 6    | -                | (70,598)                                 | -                            | -                 | (70,598)         |
| Dividends provided for or paid     | 20   | -                | -  | -                            | (417,430)         | (417,430)        |
| <b>Balance at 31 December 2021</b> |      | <b>2,710,712</b> | <b>181,649</b>                           | <b>1,632,669</b>             | <b>5,306,621</b>  | <b>9,831,651</b> |

The accompanying notes form part of these financial statements.



**Statement of Cash Flows**  
 For the Half Year Ended 31 December 2022

|  | 31 December<br>2022 | 31 December<br>2021 |
|--|---------------------|---------------------|
| Note   | \$                  | \$                  |
| <b>Cash flows from operating activities:</b>                 |                     |                     |
| Interest received  | 3,858,252           | 2,873,317           |
| Interest and other costs of finance paid                     | (1,898,125)         | (1,619,390)         |
| Fees, commissions and other income received                  | 286,489             | 317,824             |
| Rents received   | 150,787             | 118,207             |
| Cash paid to suppliers and employees                         | (1,010,399)         | (860,981)           |
| Income taxes paid  | (222,016)           | (26,920)            |
| <b>Net cash provided by operating activities</b>             | <b>1,164,988</b>    | <b>802,057</b>      |
| 21   |                     |                     |
| <b>Cash flows from investing activities:</b>                 |                     |                     |
| Repayments of investment property bonds/costs                | 31,664              | 13,043              |
| Repayments of loans and advances                             | 48,249,957          | 36,330,620          |
| Funding of loans   | (39,291,635)        | (47,686,705)        |
| Payments for financial investments                           | (19,221)            | (284,913)           |
| Payments for investment property                             | (107,708)           | (12,047)            |
| Payment of deposit for investment properties                 | -                   | (464,950)           |
| Payment for other investments                                | -                   | (11,000)            |
| <b>Net cash provided by / (used in) investing activities</b> | <b>8,863,057</b>    | <b>(12,115,952)</b> |
| <b>Cash flows from financing activities:</b>                 |                     |                     |
| Proceeds from issue of shares                                | 10,000              | -                   |
| Proceeds from secured notes                                  | 16,463,544          | 24,284,274          |
| Repayment of secured notes                                   | (14,016,504)        | (10,663,065)        |
| Dividends paid   | (505,770)           | (417,430)           |
| <b>Net cash provided by financing activities</b>             | <b>1,951,270</b>    | <b>13,203,779</b>   |
| <b>Net increase in cash and cash equivalents held</b>        | <b>11,979,315</b>   | <b>1,889,884</b>    |
| Cash and cash equivalents at beginning of the half year      | 19,770,791          | 24,430,522          |
| <b>Cash and cash equivalents at end of the half year</b>     | <b>31,750,106</b>   | <b>26,320,406</b>   |
| 21(a)  |                     |                     |

## **Notes to the Financial Statements**

### **For the Half Year Ended 31 December 2022**

The financial report covers Webster Dolilta Finance Ltd as a stand-alone entity. Webster Dolilta Finance Ltd is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The financial report was authorised for issue on 9 March 2023 by the Directors of the Company.

#### **1 Basis of preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The interim financial report is intended to provide users with an update on the latest annual financial statements of the Company. The financial report does not contain information that represents relatively insignificant changes occurring within the Company during the half year. It is recommended that the financial report be read in conjunction with the annual financial report of the Company for the year ended 30 June 2022, together with any public announcements made during the half year.

Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been presented in Australian dollars and have been rounded to the nearest dollar.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

#### **2 Summary of significant accounting policies**

The same accounting policies have been applied in this interim financial report as were applied in the most recent annual financial statements.

##### **(a) New or amended Accounting Standards and Interpretations adopted**

The company has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the company.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

|   | <b>31 December<br/>2022</b> | <b>31 December<br/>2021</b> |
|---|-----------------------------|-----------------------------|
|   | <b>\$</b>                   | <b>\$</b>                   |
| <b>3 Interest</b>   |                             |                             |
| Interest received on loans                                      | <b>3,645,014</b>            | 2,840,204                   |
| Interest received on deposits with other financial institutions | <b>292,609</b>              | 35,858                      |
|   | <b>3,937,623</b>            | 2,876,062                   |
| Interest expense on secured notes                               | <b>(1,909,615)</b>          | (1,505,470)                 |
| Net interest revenue  | <b>2,028,008</b>            | 1,370,592                   |

**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2022**

|  | 31 December<br>2022<br>\$ | 31 December<br>2021<br>\$ |
|--|---------------------------|---------------------------|
| <b>4 Non interest revenue</b>  |                           |                           |
| Administration fees  | 10,093                    | 10,051                    |
| Application fees   | 127,730                   | 186,764                   |
| Discharge fees   | 21,087                    | 22,623                    |
| Dividends  | 116,495                   | 98,386                    |
| Rent received  | 150,787                   | 118,207                   |
| Other income   | 14,623                    | -                         |
|  | <u>440,815</u>            | <u>436,031</u>            |
| <b>5 Operating expenses</b>  |                           |                           |
| Auditor's remuneration   |                           |                           |
| Auditing or reviewing the financial report                                 | (20,163)                  | (17,600)                  |
| Administration expenses  |                           |                           |
| Personnel costs  | (278,703)                 | (253,983)                 |
| Superannuation   | (26,834)                  | (23,200)                  |
| Other administrative expenses  | (200,976)                 | (166,070)                 |
| Accounting fees  | (36,498)                  | (39,138)                  |
| Depreciation   | (32,816)                  | (28,990)                  |
| Directors' remuneration  | (207,158)                 | (180,420)                 |
| Legal fees   | (22,595)                  | (8,527)                   |
| Provision for employee entitlements  | (5,262)                   | (928)                     |
| Other operating expenses   | (209,301)                 | (164,118)                 |
|  | <u>(1,040,306)</u>        | <u>(882,974)</u>          |
| <b>6 Other comprehensive income, net of income tax</b>                     |                           |                           |
| <b>Analysis of other comprehensive income by each class of reserve:</b>    |                           |                           |
| Net gain / (loss) on revaluation of equity investments designated at FVOCI | 318,969                   | (94,130)                  |
| Income tax effect of revaluation   | (79,742)                  | 23,532                    |
|  | <u>239,227</u>            | <u>(70,598)</u>           |

**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2022**

|  | 31 December<br>2022<br>\$ | 30 June<br>2022<br>\$    |
|--|---------------------------|--------------------------|
| <b>7 Cash and cash equivalents</b>                       |                           |                          |
| <b>Current</b>   |                           |                          |
| Cash on hand   | 5,218                     | 9,474                    |
| Cash at bank   | <u>7,030,888</u>          | <u>5,097,317</u>         |
|  | <u><u>7,036,106</u></u>   | <u><u>5,106,791</u></u>  |
| <b>8 Other financial assets</b>                          |                           |                          |
| Interest earning deposits                                | <u>24,714,000</u>         | 14,664,000               |
|  | <u><u>24,714,000</u></u>  | <u><u>14,664,000</u></u> |
| <b>(a) Interest earning deposits - maturity analysis</b> |                           |                          |
| Not longer than three months                             | <u>24,714,000</u>         | 14,664,000               |
|  | <u><u>24,714,000</u></u>  | <u><u>14,664,000</u></u> |
| <b>9 Receivables</b>                                     |                           |                          |
| <b>Current</b>   |                           |                          |
| Dividends receivable                                     | 3,539                     | -                        |
| Interest receivable                                      | 92,355                    | 12,984                   |
| Prepayments  | 64,847                    | 127,549                  |
| Refundable development bonds                             | 163,600                   | 180,334                  |
| GST refundable   | -                         | 3,437                    |
| Other receivables  | -                         | 11,201                   |
|  | <u>324,341</u>            | <u>335,505</u>           |
| <b>10 Financial assets at FVOCI</b>                      |                           |                          |
| <b>Non-current</b>                                       |                           |                          |
| Investments in listed entities at FVOCI                  | <u>2,908,947</u>          | 2,570,756                |
|  | <u><u>2,908,947</u></u>   | <u><u>2,570,756</u></u>  |

**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2022**

|   | 31 December<br>2022<br>\$ | 30 June<br>2022<br>\$ |
|---|---------------------------|-----------------------|
| <b>11 Loans and advances</b>                  |                           |                       |
| Loans secured by mortgage                     | 87,799,741                | 96,758,063            |
| Less provision for expected credit losses     | <b>(300,000)</b>          | (200,000)             |
|   | <b>87,499,741</b>         | <b>96,558,063</b>     |
| <b>(a) Maturity analysis</b>                  |                           |                       |
| Due within 1 year                             | 57,124,449                | 55,335,882            |
| Due after 1 year and not later than 2 years   | 23,843,144                | 30,940,849            |
| Due after 2 years and not later than 5 years  | 3,818,635                 | 6,990,894             |
| Due after 5 years and not later than 30 years | 3,013,513                 | 3,490,438             |
|   | <b>87,799,741</b>         | <b>96,758,063</b>     |
| <b>12 Investment properties</b>               |                           |                       |
| <b>Non-current</b>                            |                           |                       |
| At valuation                                  | 7,887,897                 | 7,800,000             |
|   | <b>7,887,897</b>          | <b>7,800,000</b>      |
| <b>13 Property, plant and equipment</b>       |                           |                       |
| <b>Non current</b>                            |                           |                       |
| <b>Land and buildings</b>                     |                           |                       |
| Freehold land                                 |                           |                       |
| At valuation                                  | 2,010,000                 | 2,010,000             |
|   | <b>2,010,000</b>          | <b>2,010,000</b>      |
| Buildings                                     |                           |                       |
| At valuation                                  | 2,020,000                 | 2,020,000             |
| Less accumulated depreciation                 | <b>(25,458)</b>           | -                     |
|   | <b>1,994,542</b>          | <b>2,020,000</b>      |
| Total land and buildings                      | <b>4,004,542</b>          | <b>4,030,000</b>      |
| <b>Plant and equipment</b>                    |                           |                       |
| Office and other equipment                    |                           |                       |
| At cost                                       | 140,258                   | 140,258               |
| Less accumulated depreciation                 | <b>(136,023)</b>          | (128,664)             |
| Total plant and equipment                     | <b>4,235</b>              | <b>11,594</b>         |
| <b>Total property, plant and equipment</b>    | <b>4,008,777</b>          | <b>4,041,594</b>      |

**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2022**

|  | 31 December<br>2022<br>\$ | 30 June<br>2022<br>\$     |
|--|---------------------------|---------------------------|
| <b>14 Secured notes</b>  |                           |                           |
| Secured notes  | <u>118,964,655</u>        | 116,517,615               |
|  | <u><u>118,964,655</u></u> | <u><u>116,517,615</u></u> |
| <b>Concentration of secured notes</b>  |                           |                           |
| Practically all secured note holders are residents of Victoria. The Company does not actively seek funds from non-Victorian residents. |                           |                           |
| <b>(a) Maturity Analysis</b>   |                           |                           |
| Due within 1 year  | <u>107,306,526</u>        | 101,449,621               |
| Due after 1 year and not later than 3 years  | <u>11,658,129</u>         | 15,067,994                |
|  | <u><u>118,964,655</u></u> | <u><u>116,517,615</u></u> |
| <b>15 Payables</b>   |                           |                           |
| <b>Current</b>   |                           |                           |
| Accrued interest payable   | <u>724,017</u>            | 712,527                   |
| GST liability  | <u>2,976</u>              | -                         |
| Development creditor   | <u>40,064</u>             | 25,134                    |
| Other payables and accrued expenses  | <u>92,099</u>             | 200,397                   |
|  | <u><u>859,156</u></u>     | <u><u>938,058</u></u>     |
| <b>16 Tax liabilities</b>  |                           |                           |
| <b>Current</b>   |                           |                           |
| Provision for income tax   | <u>389,050</u>            | 273,102                   |
|  | <u><u>389,050</u></u>     | <u><u>273,102</u></u>     |
| <b>Non-current</b>   |                           |                           |
| Net deferred tax liabilities comprises:  |                           |                           |
| Deferred tax liability from property revaluation   | <u>1,318,961</u>          | 1,327,599                 |
| Deferred tax liability from financial investment revaluation   | <u>86,874</u>             | 7,132                     |
| Deferred tax liability from amount deductible prior to being expensed  | <u>16,212</u>             | 31,887                    |
| Deferred tax liability from expenses deductible when paid  | <u>(6,945)</u>            | (14,744)                  |
| Deferred tax asset from provisions not deductible until paid or written off  | <u>(120,784)</u>          | (94,468)                  |
| Deferred tax asset from capital losses carried forward   | <u>(61,629)</u>           | (61,629)                  |
|  | <u><u>1,232,689</u></u>   | <u><u>1,195,777</u></u>   |
|  | <u><u>1,621,739</u></u>   | <u><u>1,468,879</u></u>   |

**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2022**

|                              | 31 December<br>2022<br>\$ | 30 June<br>2022<br>\$ |
|------------------------------|---------------------------|-----------------------|
| <b>17 Provisions</b>         |                           |                       |
| <b>Current</b>               |                           |                       |
| <b>Employee entitlements</b> |                           |                       |
| Annual leave                 | 84,165                    | 84,266                |
| Long service leave           | 98,969                    | 93,607                |
|                              | <u>183,134</u>            | <u>177,873</u>        |

**18 Fair value measurement**

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

- Property, plant and equipment - land and buildings;
- Investment properties; and
- Financial assets.

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

|         |  |
|---------|--|
| Level 1 | Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.     |
| Level 2 | Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. |
| Level 3 | Unobservable inputs for the asset or liability.  |

The table below shows the assigned level for each asset and liability held at fair value by the Company:

|  | Level 1<br>\$    | Level 2<br>\$     | Level 3<br>\$ | Total<br>\$       |
|--|------------------|-------------------|---------------|-------------------|
| <b>31 December 2022</b>                            |                  |                   |               |                   |
| <b>Recurring fair value measurements</b>           |                  |                   |               |                   |
| Financial assets at FVOCI                          | 2,908,947        | -                 | -             | 2,908,947         |
| Investment properties                              | -                | 7,887,897         | -             | 7,887,897         |
| Property, plant and equipment - land and buildings | -                | 4,004,542         | -             | 4,004,542         |
|  | <u>2,908,947</u> | <u>11,892,439</u> | <u>-</u>      | <u>14,801,386</u> |
| <b>30 June 2022</b>                                |                  |                   |               |                   |
| <b>Recurring fair value measurements</b>           |                  |                   |               |                   |
| Financial assets at FVOCI                          | 2,570,756        | -                 | -             | 2,570,756         |
| Investment properties                              | -                | 7,800,000         | -             | 7,800,000         |
| Property, plant and equipment - land and buildings | -                | 4,030,000         | -             | 4,030,000         |
|  | <u>2,570,756</u> | <u>11,830,000</u> | <u>-</u>      | <u>14,400,756</u> |

**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2022**

**18 Fair value measurement**

There were no transfers between levels during the financial half-year.

**Level 1 measurements**

The revaluation of financial assets at FVOCI under Level 1 relate to investments in listed entities and are based on the quoted price for the investments on the relevant stock exchange at the reporting date.

**Level 2 measurements**

The revaluation of investment property and property, plant and equipment - land and buildings are based on the assessment of their current market value on the assumption of the asset's highest and best use. The revaluations of investment property and property, plant and equipment - land and buildings held by the Company are made in accordance with a regular policy of revaluation and, except for acquisitions or additions recorded at cost, are based on market valuations provided by appropriately qualified and independent registered valuers conducted on a periodic, but at least triennial, basis.

**Highest and best use**

The current use of each asset measured at fair value is considered to be its highest and best use.

**19 Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due and payable. The Company is exposed to the liquidity risk of needing to meet secured note holders withdrawals at the end of the term of the secured note. The proportions of secured notes due within 1 year and due after 1 year are disclosed in Note 14.

The Company manages liquidity by monitoring actual and forecast cashflows on a quarterly basis to ensure that it has sufficient liquidity to meet its liabilities when they become due. The Company's liquidity is measured as the cash and short term deposits held as a proportion of total secured notes on issue. The Company's policy includes ensuring a minimum level of 7.5% liquidity is maintained and, in the event the Company's liquidity nears 7.5% the Company stops lending in order to increase its liquidity level.

|  | <b>31 December<br/>2022</b> | <b>30 June<br/>2022</b> |
|--|-----------------------------|-------------------------|
|  | <b>\$</b>                   | <b>\$</b>               |
| <i>Liquidity ratio</i>   |                             |                         |
| Cash and cash equivalents                                      | <b>7,036,106</b>            | 5,106,791               |
| Short term deposits  | <b>24,714,000</b>           | 14,664,000              |
| Investments in listed entities at FVOCI                        | <b>2,908,947</b>            | 2,570,756               |
|  | <b>34,659,053</b>           | 22,341,547              |
|  | <b>118,964,655</b>          | 116,517,615             |
| Secured notes  | <b>118,964,655</b>          | 116,517,615             |
|  | <b>29.13 %</b>              | 19.17 %                 |
| Liquidity ratio (cash and short term deposits / secured notes) |                             |                         |



**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2022**

|  | 31 December<br>2022<br>\$ | 31 December<br>2021<br>\$ |
|--|---------------------------|---------------------------|
| <b>20 Dividends paid</b>   |                           |                           |
| Interim fully franked ordinary dividends paid of \$23.00 per share<br>franked at the tax rate of 25% (31 December 2021: \$19.00 per share<br>franked at the tax rate of 25%) | <u>505,770</u>            | 417,430                   |
|  | <u><u>505,770</u></u>     | <u><u>417,430</u></u>     |
| <b>21 Cash flow information</b>  |                           |                           |
| <b>Reconciliation of cash flow from operations with profit after income tax</b>  |                           |                           |
| Total profit or loss for the year  | 1,033,384                 | 723,126                   |
| Cash flows excluded from profit attributable to operating activities   |                           |                           |
| Loss on revaluation of investment properties   | 19,811                    | -                         |
| Non-cash flows in profit:  |                           |                           |
| Depreciation   | 32,816                    | 28,990                    |
| Changes in assets and liabilities attributable to operating activities   |                           |                           |
| (Increase) decrease in receivables   | (23,644)                  | 28,693                    |
| Increase (decrease) in deferred tax asset  | (42,831)                  | (1,471)                   |
| Increase in expected credit losses   | 100,000                   | -                         |
| Increase (decrease) in income taxes payable  | 115,948                   | 175,074                   |
| (Decrease) in payables   | (75,757)                  | (153,283)                 |
| Increase in provisions   | 5,261                     | 928                       |
| Cashflows from operations  | <u><u>1,164,988</u></u>   | <u><u>802,057</u></u>     |
| <b>(a) Reconciliation of cash</b>  |                           |                           |
| Cash at the end of the financial half year as shown in the cash flow<br>statement is reconciled to items in the statement of financial position<br>as follows:               |                           |                           |
| Cash and cash equivalents  | 7,036,106                 | 5,656,406                 |
| Short term deposits  | <u>24,714,000</u>         | <u>20,664,000</u>         |
|  | <u><u>31,750,106</u></u>  | <u><u>26,320,406</u></u>  |

**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2022**

**22 Segment information**

The Company operates primarily in the State of Victoria in the financial services industry as a member of Provincial Finance Group Incorporated.

**23 Events occurring after the reporting date**

Subsequent to the end of the reporting period:

The Company has undertaken a capital raising to strengthen the capital position of the Company. The Company issued 2000 new shares to existing shareholders on 28 February 2023 at a share price of \$545.00 per share raising a total of \$1,090,000.

The official cash rate has increased by 0.50% with market expectations of possible increases in coming months. The Board believes the increases in the cash rate will not significantly impact the operations of the Company.

The Company has entered into a contract for the purchase of an investment property for \$2,000,000. The contract is subject to and conditional upon the City of Ballarat granting a planning permit for a 9 lot subdivision by 15 May 2023. If the City of Ballarat does not issue the permit by the approval date the Company may withdraw from the contract.

Except for the above, no other matters or circumstances have arisen since the end of the financial half year which significantly affected or could significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

**24 Statutory information**

The registered office of the company is:

Webster Dolilta Finance Ltd  
44 Armstrong Street South  
Ballarat Victoria 3350


## **Directors' Declaration**

The Directors of the Company declare that:

1. the financial statements and notes for the financial half year ended 31 December 2022, as set out on pages 4 to 16, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standard AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - b. give a true and fair view of the financial position as at 31 December 2022 and performance of the Company for the financial half year ended on that date;
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.


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

Director



Philip C. Cunningham

Director



Timothy S. Bunning

Dated: 14 March 2023

## INDEPENDENT AUDITOR'S REVIEW REPORT To the Members of Webster Dolilta Finance Ltd

**RSM Australia Partners**

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### **Report on the Half-Year Financial Report**

#### *Conclusion*

We have reviewed the accompanying half-year financial report of Webster Dolilta Finance Ltd which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Webster Dolilta Finance Ltd is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

#### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the company 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* (including Independence Standards) (the Code) that are relevant to our audit of the annual 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 Webster Dolilta Finance Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

## **THE POWER OF BEING UNDERSTOOD** AUDIT | TAX | CONSULTING

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



**RSM AUSTRALIA PARTNERS**



**RODNEY MILLER**  
Partner

Canberra, Australian Capital Territory  
Dated this 14<sup>th</sup> day of March 2023