



FINANCE

INVESTMENTS & LOANS

Consolidated Financial Statements

For the Year Ended 30 June 2011

Webster Dolilta Finance Ltd

ABN 49 004 664 322

For the Year Ended 30 June 2011

CONTENTS

	<u>Page</u>
Consolidated Financial Statements	
Directors' Report	1 - 3
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	4
Consolidated Income Statement	5
Consolidated Statement of Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Financial Statements	10 - 39
Directors' Declaration	40
Independent Auditor's Report	41 - 42

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Directors' Report

For the Year Ended 30 June 2011

Your directors present their report on the company and its controlled entity for the financial year ended 30 June 2011.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Robert A. Baird
Geoffrey W. Cunningham (Resigned 31 December 2010)
Philip C. Cunningham
Neale J. Gribble
William H. McGregor
Robert N. Whitcher
Robert G. Cunningham

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

Company Secretary

The following persons held the position of company secretary at the end of the financial year:

Mr Philip C. Cunningham - FIPA GAICD. Mr Cunningham has worked for Webster Dolilta Finance Ltd for 17 years, the last 12 years as Managing Director. Mr Cunningham was appointed joint secretary on 31 July 1999.

Mr Phillip A. Pellissier. Mr Pellissier has worked for Webster Dolilta Finance Ltd for 11 years as Finance Manager. Mr Pellissier was appointed joint secretary on 15 December 2005.

Principal Activities

The principal activities of the Group during the financial year were:

- Accept deposits of money from the public
- Conduct lending on the security of registered mortgage and freehold land
- Conduct mortgage origination services
- Conduct mortgage management services

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

Dolilta Investments Ltd purchased the entire Share Capital of Webster Investments Ltd on the 23rd of November 2007 and at this date changed its name to Webster Dolilta Finance Ltd.

Operating Results

The consolidated profit of the Group after providing for income tax amounted to \$136,806.

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Directors' Report

For the Year Ended 30 June 2011

Dividends

Dividends totalling \$398,190 were declared at the 7 September 2010 board meeting at the rate of \$19.50 per share and was paid during the financial year in two equal instalments on or about 30 September 2010 and 31 March 2011.

Review of Operations

The company has enjoyed substantial growth since issuing its first prospectus in 1999.

The company achieved an increase in operating profit of 55% prior to providing for doubtful debts of \$1,894,725 (2010: \$20,337). The directors were satisfied with the performance of the Group during the financial year and are confident that the next year will provide good results.

Information on Directors

Name	Occupation	Special Responsibilities
Robert A. Baird	Solicitor	Loans Committee Chairman
Philip C. Cunningham	Managing Director	
Robert G. Cunningham	Licensed Estate Agent	
Neale J. Gribble	Solicitor	Audit Committee Chairman
William H. McGregor	Solicitor	
Robert N. Whitcher	Insurance Agent	

Meeting Attendances

The attendance of each director of the company at meetings during the year was:

	Meetings Attended	Meetings Eligible to Attend
Robert A. Baird	10	11
Geoffrey W. Cunningham	5	6
Philip C. Cunningham	11	11
Robert G. Cunningham	10	11
Neale J. Gribble	10	11
William H. McGregor	11	11
Robert N. Whitcher	11	11

Webster Dolittle Finance Ltd

ABN 49 004 664 322

Directors' Report

For the Year Ended 30 June 2011

Indemnifying Officers or Auditors

During the financial year the company has paid premiums to insure each of the directors and holders of proper authorities (but not the auditor of the Group) against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium was \$6,250 for each director.

Share Options

No options over issued shares or interests in the company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No Leave or proceedings

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Significant Changes in State of Affairs

No significant changes in the Group's state of affairs occurred during the financial year.

Environmental Regulation

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

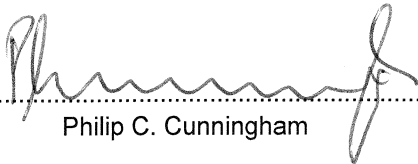
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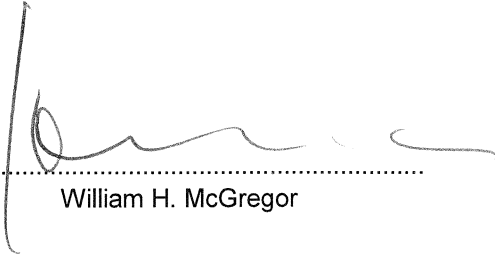
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 4.

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

Director: 
Philip C. Cunningham

Director: 
William H. McGregor

Dated 20 December 2011

Your ref: P. Cunningham
Our ref: TH / LB

20th December, 2011

Mr. Phil Cunningham
Managing Director
Webster Dolilta Finance Limited
44 Armstrong Street
BALLARAT VIC 3350

Dear Sir,

Re: WEBSTER DOLILTA FINANCE LIMITED. Audit for Year ended 30th June 2011
Auditor's Independence Declaration

To the best of the lead auditor's knowledge and belief, there have been: -

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

Yours faithfully



TONY HYNDMAN
ACCOUNTANTS & AUDITORS

WANGARATTA

53a Reid Street, PO Box 487, Wangaratta VIC 3676 Phone: **03 5722 9216**

WODONGA

Suite 22, Enterprise House, 3 Stanley Street, PO Box 1435, Wodonga VIC 3689 Phone: **02 6024 0426**

Fax: **02 6056 3722** Mobile: **0409 469 311**

Email: thyndman@draget.com.au Web: www.tonyhyndmanaccountants.com.au

Registered Company Auditor/Tax Agent



IPA INSTITUTE OF PUBLIC
ACCOUNTANTS

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Consolidated Income Statement

For the Year Ended 30 June 2011

		2011	2010
	Note	\$	\$
Interest received	2	8,705,989	6,801,788
Interest expense on customer deposits	2	5,984,986	4,813,022
Net interest revenue		2,721,003	1,988,766
Non-interest revenue	3	750,455	880,585
Total operating income		3,471,458	2,869,351
Bad and doubtful debts		1,894,725	20,337
Other expenses	4	1,381,353	1,519,095
Operating profit		195,380	1,329,919
Investment property fair value increment		-	114,503
Income before income taxes		195,380	1,444,422
Income tax expense	5	58,574	442,475
Profit attributable to members		136,806	1,001,947

The accompanying notes form part of these financial statements.

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2011

	2011	2010
	\$	\$
Net income for the period	136,806	1,001,947
Other comprehensive income:		
Available-for-sale financial assets - write-off reserve to income statement	-	357,000
Net gain on revaluation of land and buildings	-	196,067
Other comprehensive income for the year, net of tax	-	553,067
Total comprehensive income for the year	136,806	1,555,014
Total comprehensive income attributable to: Members of the parent entity	136,806	1,555,014
	136,806	1,555,014

The accompanying notes form part of these financial statements.

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Consolidated Statement of Financial Position

As At 30 June 2011

	Note	2011 \$	2010 \$
ASSETS			
Cash and cash equivalents	7	2,359,031	2,747,704
Due from other financial institutions	8	9,650,000	6,050,000
Receivables	9	245,274	87,841
Assets held in listed entities	10	100,000	150,000
Other financial investments	11	5,000	16,600
Loans and advances	12	79,805,023	72,412,117
Assets held for sale	13	-	688,362
Investment property	14	1,497,957	1,481,746
Property, plant and equipment	15	2,799,203	2,879,238
Tax assets	16(a)	615,706	255,425
Intangible assets	17	244,473	244,473
TOTAL ASSETS		97,321,667	87,013,506
LIABILITIES			
Deposits	18	90,883,040	79,734,502
Payables	19	1,448,308	1,227,032
Borrowings	20	-	1,000,000
Tax liabilities	16(b)	895,375	689,580
Provisions	21	109,170	102,103
TOTAL LIABILITIES		93,335,893	82,753,217
NET ASSETS		3,985,774	4,260,289
EQUITY			
Issued capital	22	2,400,712	2,400,712
Asset revaluation reserve	23	708,377	721,508
Retained earnings		876,685	1,138,069
TOTAL EQUITY		3,985,774	4,260,289

The accompanying notes form part of these financial statements.

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2011

	Issued Capital	Retained Earnings	Asset Revaluation Reserve	Available for Sale Investments Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2010	2,400,712	1,138,069	721,508	-	4,260,289
Comprehensive Income	-	136,806	-	-	136,806
Transfer to Deferred Tax Liability relating to movements in asset cost bases	-	-	(13,131)	-	(13,131)
Sub-total	2,400,712	1,274,875	708,377	-	4,383,964
Dividends paid or provided for	-	(398,190)	-	-	(398,190)
Balance at 30 June 2011	2,400,712	876,685	708,377	-	3,985,774

	Issued Capital	Retained Earnings	Asset Revaluation Reserve	Available for Sale Investments Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2009	2,400,712	26,869	634,694	(357,000)	2,705,275
Comprehensive Income	-	1,001,947	196,067	357,000	1,555,014
Asset Revaluation Reserve adjustment from prior period	-	109,253	(109,253)	-	-
Balance at 30 June 2010	2,400,712	1,138,069	721,508	-	4,260,289

The accompanying notes form part of these financial statements.

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2011

	2011	2010
Note	\$	\$
Cash from operating activities:		
Interest received	8,576,370	6,823,595
Interest and other costs of finance paid	(5,742,262)	(4,962,237)
Fees and commissions received	376,801	405,571
Rents received	104,352	107,927
Cash paid to suppliers and employees	(1,335,616)	(1,232,971)
Income taxes paid	(226,191)	(214,086)
	<u>1,753,454</u>	<u>927,799</u>
Net cash provided by (used in) operating activities	28 <u>1,753,454</u>	<u>927,799</u>
Cash flows from investing activities:		
Proceeds from the disposal of investments	62,100	690,120
Proceeds from the sale of land	939,316	864,947
Net movement in investment deposits	(3,500,000)	2,000,000
Purchase of property, plant and equipment	(9,581)	(38,731)
Net movements in loans	(9,285,947)	(15,891,780)
Assets held for sale net payments/(returns)	17,848	(388,429)
Investment property payments	(16,211)	(1,100)
	<u>(11,792,475)</u>	<u>(12,764,973)</u>
Net cash provided by (used in) investing activities	<u>(11,792,475)</u>	<u>(12,764,973)</u>
Cash flows from financing activities:		
Net increase (decrease) in savings and other deposit accounts	11,148,538	7,892,920
Dividends paid	(398,190)	-
	<u>10,750,348</u>	<u>7,892,920</u>
Net cash provided by (used in) financing activities	<u>10,750,348</u>	<u>7,892,920</u>
Net increase (decrease) in cash held	711,327	(3,944,254)
Cash at beginning of financial year	7,647,704	11,591,958
Cash at end of financial year	7(b) <u>8,359,031</u>	<u>7,647,704</u>

The accompanying notes form part of these financial statements.

Webster Doliita Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

The financial report includes the consolidated financial statements and notes of Webster Doliita Finance Ltd and controlled entities (the Group).

1 Summary of Significant Accounting Policies

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements 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.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Webster Doliita Finance Ltd at the end of the reporting period. A controlled entity is any entity over which Webster Doliita Finance Ltd has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 24 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the the Group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

(b) Income taxes

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

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

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (continued)

(b) Income taxes (continued)

during the year as well as unused tax losses.

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

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

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

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

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Tax consolidation

Webster Dolilta Finance Ltd and its wholly-owned Australian subsidiary have formed an income tax consolidated group under the tax consolidation legislation. Each entity in the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the parent entity. The group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 1 July 2008. The tax consolidated group has entered into a tax funding arrangement whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution to the group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to, the parent entity.

(c) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (continued)

(c) Property, plant and equipment (continued)

In the periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors valuations to ensure the land and buildings carrying amount is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the consolidated income statement.

The revaluation of freehold land and buildings takes into account the potential capital gains tax on assets acquired after the introduction of capital gains tax.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Building Improvements at cost	13%
Plant and Equipment	5 - 40%
Motor Vehicles	12.5 - 25%
Leasehold improvements	11.11 - 15%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (continued)

(c) Property, plant and equipment (continued)

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the consolidated income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Investment properties

Investment property, comprising land acquired for subdivision and rental properties, are held to generate capital gains and long-term rental yields. All tenant leases are on an arms length basis. Investment property is carried at cost and fair value as indicated, fair value determined annually by the directors based on independent valuations. Changes to fair value are recorded in the consolidated income statement as other income.

(e) Impairment of assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits have been measured at the nominal amounts expected to be paid when the liability is settled. This approach approximates employee benefits being measured at the present value of the estimated future cash outflows to be made for those benefits.

(g) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(h) Revenue

Interest revenue on loans is calculated on the daily balance outstanding and recognised when charged to loans on a monthly basis. Interest on investments is recognised when received and also accrued on a proportional basis taking into account the interest rate applicable to the related financial assets.

Fees, commissions and rental income are recognised as revenues when received.

All revenue is stated net of the amount of goods and services tax (GST).

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (continued)

(i) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in income in the period in which they are incurred.

(j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

(k) Assets Held for Sale

Assets held for sale represent property subdivisions where all improvements have been completed and the allotments are held in a condition for sale. Assets held for sale are carried at the lower of cost and net realisable value.

(l) Valuation of Investments

The relevant Australian Accounting Standard is AASB 139 Financial Instruments: Recognition and Measurement. Financial instruments can be valued according to three separate criteria:

1. Financial assets bought and sold as trading stock. These investments are always to be accounted for at market value with profits and losses taken directly to the Income Statement.
2. Investments purchased on the basis that they will be held until maturity: These are non-derivative financial assets that have fixed maturities and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost, and
3. Investments that are classified as "available for sale" but which are generally intended to be held for the long term. ie, not purchased for short term trading.

The biggest part of the entity's investments is classified as held to maturity as displayed in note 8. The entity also holds shares in listed entities to the value of \$100,000 which is classified as available for sale, as displayed in note 10.

(m) Financial Instruments

Initial Recognition and Measurement

Financial instruments, incorporating financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention. Financial instruments are measured at fair value plus transaction costs.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (continued)

extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(n) Loans and Receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Interest income is recognised by applying the effective interest rate.

(o) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. The following table summarises those future requirements, and their impact on the Group:

Standard name	Effective date for entity	Requirements	Impact
AASB 124 Related Party Disclosures and amending standard AASB 2009-12	30 June 2012	<ul style="list-style-type: none"> - Clarification of the definition of a related party - Requirement to disclose commitments to related parties - Disclosure exemptions for government-related entities 	Minimal impact expected
AASB 9 Financial Instruments and amending standards AASB 2009-11 / AASB 2010-7	30 June 2014	<ul style="list-style-type: none"> - Changes to the classification and measurement requirements for financial assets and financial liabilities. - New rules relating to derecognition of financial instruments. 	The impact of AASB 9 has not yet been determined.
AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement	30 June 2012	Changes where the entity is subject to minimum funding requirements and makes an early payment to cover these requirements in relation to defined benefit plans.	No significant impact expected.
AASB 2010-4 / 2010-5 Amendments and further amendments to Australian Accounting Standards arising from the Annual Improvements Project	30 June 2012	Makes changes to a number of standards / interpretations including: <ul style="list-style-type: none"> - Clarification of the content of the statement of changes in equity - Financial instrument disclosures - Fair value of award credits 	No impact expected.
AASB 2010-6 Amendment to Australian Accounting Standards – Disclosures on transfers of financial assets	30 June 2012	Requires additional disclosures regarding for example, remaining risks where an entity has transferred a financial asset	No impact expected.

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (continued)

Standard name	Effective date for entity	Requirements	Impact
AASB 2010-8 Amendment to Australian Accounting Standards – Deferred tax: Recovery of underlying assets	30 June 2013	Adds a presumption to AASB 112 that the recovery of the carrying amount of an investment property at fair value will be through sale.	No impact expected.
AASB 2010-9 / 2010-10 Amendment to Australian Accounting Standards – Severe hyperinflation and removal of fixed dates for first-time adopters	30 June 2012	Makes amendments to AASB 1	No impact since the entity is not a first-time adopter of IFRS.
AASB 1054 Additional Australian disclosures / AASB 2011-1 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence	30 June 2012	Collates the Australian specific disclosures into one Accounting Standard rather than including them within a number of different standards.	Little impact since most of the disclosures required by AASB 1054 are already included within the financial statements.
AASB 2011-2 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence – Reduced Disclosure Requirements	30 June 2014	Highlights the disclosures not required in AASB 1054 for entities applying the RDR.	FOR RDR ENTITIES Little impact since the disclosures are not included in the RDR financials. FOR NON RDR ENTITIES The entity is not adopting the RDR and therefore this standard is not relevant.
AASB 2011-3 Amendments to Australian Accounting Standards – Orderly Adoption of Changes to ABS GFS Manual and Related Amendments	30 June 2013	Standard is applicable for whole of government and general government financial statements only. AASB 2011 provides details of changes in accounting treatment due to the Government Finance Statistics manual.	Standard is not applicable and therefore there will be no impact on adoption.

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (continued)

Standard name	Effective date for entity	Requirements	Impact
AASB 10 Consolidated Financial Statements / AASB 11 Joint Arrangements / AASB 12 Disclosures of Interests in Other Entities, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates. [These are expected to be released by the AASB in June / July].	30 June 2014	<p>AASB 10 includes a new definition of control, which is used to determine which entities are consolidated, and describes consolidation procedures. The Standard provides additional guidance to assist in the determination of control where this is difficult to assess.</p> <p>AASB 11 focuses on the rights and obligations of a joint venture arrangement, rather than its legal form (as is currently the case). IFRS 11 requires equity accounting for joint ventures, eliminating proportionate consolidation as an accounting choice.</p> <p>AASB 12 includes disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.</p>	<p>The Group will review its controlled entities to determine whether they should be consolidated under AASB 10, no changes are anticipated.</p> <p>All joint ventures of the group are equity accounted and therefore minimal impact is expected due to the adoption of AASB 11.</p> <p>Additional disclosures will be required under AASB 12 but there will be no changes to reported position and performance.</p>
AASB 13 Fair Value Measurement	30 June 2014	<p>AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted.</p> <p>There are a number of additional disclosure requirements.</p>	<p>Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required.</p> <p>The entity has not yet determined the magnitude of any changes which may be needed.</p> <p>Some additional disclosures will be needed.</p>

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (continued)

(p) Goods and Services Tax (GST)

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

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

(q) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

2 Interest

	2011	2010
	\$	\$
Interest received on loans	8,093,466	6,177,634
Interest received on deposits with other financial institutions	<u>612,523</u>	624,154
	8,705,989	6,801,788
Interest expense on customer deposits	<u>5,984,986</u>	4,813,022
Net interest revenue	<u>2,721,003</u>	<u>1,988,766</u>

3 Non-interest revenue

Administration fees	41,415	45,554
Application fees	252,578	289,006
Discharge fees	35,673	23,331
Redraw fees	3,495	4,535
Commissions	43,640	43,047
Rental received	104,352	107,927
Gain on disposal of assets	269,302	367,087
Other income	-	98
	<u>750,455</u>	<u>880,585</u>

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

4 Other operating expenses

	2011	2010
	\$	\$
Auditor's remuneration		
Auditing the financial report	15,650	18,000
Administration expenses		
Personnel costs	462,411	406,761
Superannuation	45,588	39,474
Other	127,868	148,923
Accounting fees	26,378	27,691
Depreciation	87,766	90,871
Directors remuneration	216,000	162,303
Legal fees	8,811	8,197
Provision for employee entitlements	7,067	23,579
Loss on disposal of assets	1,850	271,380
Other expenses	381,964	321,916
	<u>1,381,353</u>	<u>1,519,095</u>

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

5 Income tax expense

(a) The components of tax expense comprise:

	2011	2010
	\$	\$
Current tax liability	440,099	-
Net movement in deferred tax asset and liability	(372,937)	441,344
Restatement of prior period deferred tax liability	(8,588)	-
Under/(over) provision in respect of prior years	-	1,131
	<u>58,574</u>	<u>442,475</u>

(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax expense as follows:

Prima facie tax payable on profit from ordinary activities before income tax at 30% (2010: 30%)		
- economic entity	<u>58,614</u>	<u>433,328</u>
	58,614	433,328
Add:		
Tax effect of:		
- non-allowable items	8,548	8,016
- under provision for income tax in prior year	-	1,131
-	<u>67,162</u>	<u>442,475</u>
Less:		
Tax effect of:		
- Restatement of prior period deferred tax liability	<u>8,588</u>	<u>-</u>
Income tax attributable to entity	<u>58,574</u>	<u>442,475</u>

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

6 Dividends

(a) Dividends paid

	2011	2010
	\$	\$
Fully franked ordinary dividend of \$19.50 (2010: Nil) dollars per share franked at the tax rate of 30% (2010: 30%)	<u>398,190</u>	<u>-</u>

(b) Balance of franking account

Balance of franking account at period end adjusted for franking credits arising from:

- payment of provision for income tax
- dividends recognised as receivables, and franking debits arising from payment of proposed dividends

<u>1,657,547</u>	<u>1,388,101</u>
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7 Cash and cash equivalents

(a) Cash at bank and on hand

Current

Cash on hand	14,814	10,638
Cash at bank	2,305,217	2,717,066
Deposits at call	39,000	20,000
	<u>2,359,031</u>	<u>2,747,704</u>

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

7 Cash and cash equivalents (continued)

(b) Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows:

Cash and cash equivalents
Short term deposits
Bank overdraft

Note	2011 \$	2010 \$
7(a)	2,359,031	2,747,704
8	6,000,000	5,900,000
20	-	(1,000,000)
	<u>8,359,031</u>	<u>7,647,704</u>

8 Due from other financial institutions

Interest earning deposits

Held to maturity

9,650,000	6,050,000
<u>9,650,000</u>	<u>6,050,000</u>

Interest earning deposits - maturity analysis

Not longer than three months
Longer than three and not
longer than twelve months

7(b)	6,000,000	5,900,000
	3,650,000	150,000
	<u>9,650,000</u>	<u>6,050,000</u>

9 Receivables

Current

Interest receivable - liquid reserves
Prepayments
Sundry debtors

189,786	60,167
54,053	26,239
1,435	1,435
<u>245,274</u>	<u>87,841</u>

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

10 Assets held in listed entities

	2011	2010
Note	\$	\$
Non-current		
Fixed interest securities held	100,000	150,000
	<u>100,000</u>	<u>150,000</u>

11 Other financial investments

Non-current		
Shares in unlisted companies at cost	5,000	5,000
Debentures held	-	11,600
	<u>5,000</u>	<u>16,600</u>

12 Loans and advances

Current		
Loans - secured by mortgage	72,383,045	72,412,117
Loans - mortgagee in possession (i)	9,315,019	-
	<u>81,698,064</u>	<u>72,412,117</u>
Less Provision for impairment	12(b) (1,893,041)	-
	<u>79,805,023</u>	<u>72,412,117</u>

- (i) Valuations of these commercial properties of \$7,420,294 were adopted by the Directors as at 30 June 2011 based on independent advice received on 8 December 2011. The properties are held with a view to a possible sale when market conditions are favourable at the discretion of the Directors. The difference of \$1,894,725 between the \$9,315,019 and the \$7,420,294 is provided for in the provision for impairment.

(a) Maturity analysis

Due within 1 year	46,358,768	24,624,923
Due after 1 year	35,339,296	47,787,194
	<u>81,698,064</u>	<u>72,412,117</u>

(b) Provision for impairment

Opening balance	-	(50,000)
Charge for the year	(1,894,725)	-
Amounts written off	1,684	50,000
	<u>(1,893,041)</u>	<u>-</u>

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

13 Assets held for sale

	2011	2010
	\$	\$
Current		
Subdivisions at cost	-	688,362
	<u>-</u>	<u>688,362</u>
	<u>-</u>	<u>688,362</u>

Summary of subdivisions at cost

	Blocks Remaining	2011 \$	2010 \$
Spencer Road, Ballan	-	-	688,362
	<u>-</u>	<u>-</u>	<u>688,362</u>
	<u>-</u>	<u>-</u>	<u>688,362</u>

Movements in Carrying Amounts

	Assets held for sale \$
Balance at the beginning of year	688,362
Additions	2,971
Return of deposit	(20,819)
Disposals	(670,514)
Total	<u>-</u>

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

14 Investment property

	2011	2010
	\$	\$
Non-current		
Investment property		
- at independent valuation 2010 (i)	980,000	980,000
- at independent valuation 2008 (ii)	501,746	501,746
- at cost	16,211	-
	<u>1,497,957</u>	<u>1,481,746</u>

(i) The revaluation of these investment properties held at independent valuation were based on the assessment of their current market value. The independent revaluation of investment property held by the parent entity was carried out by Anthony J Carter (AAPI Certified Practising Valuer) on 29 June 2010 and was adopted as at 30 June 2010 by the Directors and the independent revaluation of investment property held by the subsidiary was carried out on 13 July 2010 by Gareth Kent (AAPI Certified Practising Valuer) and was adopted as at 30 June 2010 by the Directors.

(ii) Valuations were adopted by the Directors as at 31 December 2008 based on independent advice.

The fair value model is applied to all investment property apart from investment property at cost which represents the initial costs associated with land under development as specified in Note 1(d). The revaluations were made in accordance with a regular policy of revaluing investment property. Values are based on an active liquid market value and are performed by a registered independent valuer unless otherwise specified.

Movements in Carrying Amounts

	Investment property \$
Balance at the beginning of year	1,481,746
Additions	16,211
Total	<u>1,497,957</u>

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

15 Property plant and equipment

	2011	2010
	\$	\$
Non-current		
LAND AND BUILDINGS		
Freehold land at directors' valuation 2010 (i)	<u>1,310,000</u>	1,310,000
Total freehold land	<u>1,310,000</u>	1,310,000
Buildings at directors' valuation 2010 (i)	1,460,000	1,460,000
Improvements at cost	2,571	-
Less accumulated depreciation	<u>(46,167)</u>	-
Total buildings	<u>1,416,404</u>	1,460,000
Total land and buildings	<u>2,726,404</u>	2,770,000
PLANT AND EQUIPMENT		
Plant and equipment at cost	489,541	495,495
Less accumulated depreciation	<u>(454,371)</u>	(438,018)
Total plant and equipment	<u>35,170</u>	57,477
Motor vehicles		
At cost	77,719	77,719
Less accumulated depreciation	<u>(45,633)</u>	(33,537)
Total motor vehicles	<u>32,086</u>	44,182
Leasehold improvements		
At cost	16,445	16,445
Less accumulated depreciation	<u>(10,902)</u>	(8,866)
Total leasehold improvements	<u>5,543</u>	7,579
Total plant and equipment	<u>72,799</u>	109,238
Total property, plant and equipment	<u>2,799,203</u>	2,879,238

- (i) The revaluation of freehold land and buildings held at independent valuation was based on the assessment of their current market value. The independent revaluation of freehold land and buildings held by the parent entity was carried out by Alan J Hives (FAPI Certified Practising Valuer) on 5 August 2010 and was adopted as at 30 June 2010 by the Directors and the independent revaluation of freehold land and buildings held by the subsidiary was carried out on 5 August 2010 by Alan J Hives (FAPI Certified Practising Valuer) and was adopted as at 30 June 2010 by the Directors.

These revaluations were made in accordance with a regular policy of revaluing freehold land and buildings.

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

15 Property plant and equipment (continued)

(a) Movements in Carrying Amounts

	Land	Buildings	Plant and Equipment	Motor Vehicles	Leasehold Improvements	Total
	\$	\$	\$	\$	\$	\$
Current Year						
Balance at the beginning of year	1,310,000	1,460,000	57,477	44,182	7,579	2,879,238
Additions	-	2,571	7,010	-	-	9,581
Disposals	-	-	(1,850)	-	-	(1,850)
Depreciation expense	-	(46,167)	(27,468)	(12,096)	(2,035)	(87,766)
Carrying amount at the end of year	<u>1,310,000</u>	<u>1,416,404</u>	<u>35,169</u>	<u>32,086</u>	<u>5,544</u>	<u>2,799,203</u>
Prior Year						
Balance at the beginning of year	1,200,000	1,354,822	83,983	58,886	9,613	2,707,304
Additions	-	32,636	6,095	-	-	38,731
Disposals	110,000	114,074	-	-	-	224,074
Depreciation expense	-	(41,532)	(32,601)	(14,704)	(2,034)	(90,871)
Carrying amount at the end of year	<u>1,310,000</u>	<u>1,460,000</u>	<u>57,477</u>	<u>44,182</u>	<u>7,579</u>	<u>2,879,238</u>

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

15 Property plant and equipment (continued)

(b) Historical cost

If land and buildings had been stated at historical cost, amounts would be as follows:

	Note	2011 \$	2010 \$
Cost		1,184,988	1,184,988
Accumulated depreciation		(238,656)	(219,820)
Net book value		<u>946,332</u>	<u>965,168</u>

16 Tax

(a) Assets

Non-current

Deferred tax assets comprise:

Expenses not tax deductible until paid

Temporary timing differences

Tax losses available for set off against
future taxable income

	605,885	36,140
	9,821	5,902
	-	213,383
	<u>615,706</u>	<u>255,425</u>

(b) Liabilities

Current

Provision for income tax

Temporary timing differences

	213,908	-
	-	7,825

Non-current

Deferred tax liability - asset
revaluation

	681,467	681,755
	<u>895,375</u>	<u>689,580</u>

17 Intangible assets

Non-current

Goodwill on consolidation

24	<u>244,473</u>	<u>244,473</u>
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Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

18 Deposits

Maturity analysis

	2011	2010
	\$	\$
At call	8,294,291	9,643,207
Due within 1 year	75,790,423	61,430,233
Due after 1 year	6,798,326	8,661,062
	<u>90,883,040</u>	<u>79,734,502</u>

Concentration of Deposits

Practically all depositors are residents of Victoria. Webster Dolilta Finance Limited does not actively seek funds from non-Victorian residents.

19 Payables

Current

Accrued interest payable	1,411,332	1,168,608
Sundry payables and accrued expenses	36,976	58,424
	<u>1,448,308</u>	<u>1,227,032</u>

20 Borrowings

Current

Unsecured liabilities

Bank overdraft	-	1,000,000
	<u>-</u>	<u>1,000,000</u>

Bank overdraft

Security held in relation to the bank overdraft of the parent entity consists of unsupported directors' guarantees.

21 Provisions

Employee entitlements

Current

Annual leave	39,765	35,854
Long service leave	69,405	66,249
	<u>109,170</u>	<u>102,103</u>

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

22 Issued Capital

	2011	2010
	\$	\$
20,420 (2010: 20,420) Fully Paid Ordinary	2,400,712	2,400,712
Total	2,400,712	2,400,712

The company has authorised share capital of 20,420 shares amounting to \$20,420. Shares have no Par value.

Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and to ensure that the company can fund its operations and continue as a going concern. The company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. The entity needs to meet certain capital requirements imposed by its Trustee. These capital requirements have been met for the year ended 30 June 2011. Management effectively manages the company's capital by assessing the company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of depositor and loan levels and distributions to shareholders.

There have been no changes in the strategy adopted by management.

The gearing ratios for the year ended 30 June 2011 and 30 June 2010 are as follows:

		2011	2010
	Note	\$	\$
Total debentures	18	90,883,040	79,734,502
Payables	19	1,448,308	1,227,032
Borrowings	20	-	1,000,000
Total provisions	21	109,170	102,103
Current tax liabilities	16(b)	213,908	7,825
Less Cash and cash equivalents	7	(2,359,031)	(2,747,704)
Less Due from other financial institutions	8	(9,650,000)	(6,050,000)
Less Assets held in listed entities	10	(100,000)	(150,000)
Less Loans secured by mortgage	12	(81,540,756)	(72,144,022)
Net debt		(995,361)	979,736
Total equity		3,985,775	4,260,289
Total capital		2,990,414	5,240,025
Gearing ratio		(33.00)%	19.00 %

Webster Doliita Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

23 Reserves

Asset Revaluation Reserve

The Asset Revaluation Reserve accounts for the unrealised gains on assets due to revaluation to fair value.

24 Controlled Entities

Name	Country of Incorporation	Percentage Owned (%)* 2011	Percentage Owned (%)* 2010
Parent Entity: Webster Doliita Finance Ltd	Australia		
Subsidiaries of parent entity: Webster Investments Pty Ltd	Australia	100	100

* Percentage of voting power is in proportion to ownership

Doliita Investments Ltd purchased the entire Share Capital (100% of voting equity) of Webster Investments Ltd on the 23rd of November 2007 and at this date changed its name to Webster Doliita Finance Ltd. The purchase consideration was \$2,390,502 which was raised through the issue of 10,210 shares. Net assets acquired totalled \$2,146,029 which culminated in Goodwill on consolidation of \$244,473 (see Note 17). During the year ended 30 June 2010 Webster Investments Ltd changed its status to that of a private company, becoming Webster Investments Pty Ltd.

25 Parent entity

The following information has been extracted from the books and records of the parent, Webster Doliita Finance Ltd and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Webster Doliita Finance Ltd has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investment in subsidiary

Investment in subsidiary is accounted for at cost in the financial statements of the parent entity. Dividends received from the subsidiary are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of the investment.

Tax consolidation legislation

Webster Doliita Finance Ltd and its wholly-owned Australian subsidiary have formed an income tax consolidated group.

Each entity in the tax consolidated group accounts for their own current and deferred tax amounts. These tax amounts are measured using the 'stand-alone taxpayer' approach to allocation.

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the parent entity.

The tax consolidated group has entered into a tax funding agreement whereby each entity within the group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding agreement are recognised as either a contribution by, or distribution to, the parent entity.

	2011	2010
	\$	\$
Consolidated Statement of Financial Position		
Assets		
Current assets	92,769,682	81,585,458
Non-current assets	4,782,282	5,627,729
Total Assets	<u>97,551,964</u>	<u>87,213,187</u>
Liabilities		
Current liabilities	92,970,580	82,388,375
Total Liabilities	<u>92,970,580</u>	<u>82,388,375</u>
Equity		
Issued capital	2,400,712	2,400,712
Retained earnings	1,589,230	1,840,758
Asset revaluation reserve	591,442	609,581
Total Equity	<u>4,581,384</u>	<u>4,851,051</u>
Consolidated Income Statement		
Total profit or loss for the year	146,661	998,326
Other comprehensive income	-	441,140
Total comprehensive income	<u>146,661</u>	<u>1,439,466</u>

26 Segmental reporting

The Group operates as a member of Provic Group Incorporated in the financial services industry within the state of Victoria.

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

27 Key Management Personnel Compensation

(a) Compensation Practices

The board's policy for determining the nature and amount of compensation of key management for the Group is as follows:

(i) Directors

The compensation structure for directors is based on the overall performance of the Group.

(b) Key Management Personnel

Names and positions held of key management personnel in office at any time during the financial year are:

Key Management Person	Position
Robert A. Baird	Director
Geoffrey W. Cunningham	Director
Philip C. Cunningham	Director
Robert G. Cunningham	Director
Neale J. Gribble	Director
William H. McGregor	Director
Robert N. Whitcher	Director

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

27 Key Management Personnel Compensation (continued)

(c) Key Management Personnel Compensation

2011	Short-term benefits		Post employment benefits	Total
	Salary & fees	Non-cash Benefits	Superannuation	
	\$	\$	\$	
Robert A. Baird	-	-	36,000	36,000
Geoffrey W. Cunningham	20,250	-	-	20,250
Philip C. Cunningham	121,290	-	13,359	134,649
Robert G. Cunningham	26,591	-	2,659	29,250
Neale J. Gribble	24,546	-	11,454	36,000
William H. McGregor	16,364	-	19,636	36,000
Robert N. Whitcher	26,591	-	2,659	29,250
	235,632	-	85,767	321,399

2010	Short-term benefits		Post employment benefits	Total
	Salary & fees	Non-cash Benefits	Superannuation	
	\$	\$	\$	
Robert A. Baird	-	-	27,000	27,000
Geoffrey W. Cunningham	20,250	-	-	20,250
Philip C. Cunningham	98,409	-	9,841	108,250
Robert G. Cunningham	18,409	-	1,841	20,250
Neale J. Gribble	24,545	-	2,455	27,000
William H. McGregor	-	-	27,000	27,000
Robert N. Whitcher	18,409	-	1,841	20,250
	180,022	-	69,978	250,000

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

28 Cash Flow Information

Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2011	2010
	\$	\$
Net income for the period	136,806	1,001,947
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	87,766	90,871
Net loss on disposal of property, plant and equipment	1,850	-
Net gain on sale of land	(269,302)	(367,087)
Net loss on disposal of listed investments	-	271,380
Deferred tax asset derecognised from equity	-	(153,000)
Investment property revaluation increment	-	(114,503)
Tax effect of land and building revaluation	-	(28,007)
Change in the tax cost bases of land and buildings	(13,131)	-
changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in receivables	(157,433)	23,135
(Increase)/decrease in deferred tax asset	(360,281)	563,207
Increase/(decrease) in provision for impairment	1,893,041	(50,000)
Increase/(decrease) in payables	221,276	(179,912)
Increase/(decrease) in income taxes payable	206,083	(218,005)
Increase/(decrease) in deferred taxes payable	(288)	64,194
Increase/(decrease) in provisions	7,067	23,579
Cashflow from operations	1,753,454	927,799

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

29 Financial instruments

Credit Risk

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 consolidated statement of financial position and notes to the financial statements. The total value of loans in arrears but not impaired was \$2,812,245 (2010: \$12,729,710) the ageing of which is set out in the table below.

	2011	2010
	\$	\$
Composition of loans in arrears but not impaired		
Current balance of loans not in arrears	2,751,610	12,235,679
Greater than 30 days but less than 60 days	39,198	123,582
Greater than 60 days but less than 90 days	5,263	68,453
Greater than 90 days	16,174	301,996
	<u>2,812,245</u>	<u>12,729,710</u>

The total value of the properties held as security over mortgage loans in arrears but not impaired was \$5,232,500 (2010: \$23,074,400).

The consolidated group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the consolidated group.

Net Fair Values

The net fair values of listed investments have been valued at cost which approximate the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying values. No financial assets or financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the consolidated group intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements at balance date:

Fair values are in line with carrying values.

Liquidity Risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate liquid investments are held.

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

29 Financial instruments (continued)

Interest Rate Risk - Financial instrument composition and maturity analysis

The consolidated group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective		Floating Interest Rate		Maturing within 1 Year		Maturing 1 to 5 Years		Non-interest Bearing		Total	
	Interest Rate		2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:												
Cash and cash equivalents	1.00	2.00	2,359,031	2,747,704	-	-	-	-	-	-	2,359,031	2,747,704
Due from other financial institutions	5.99	5.65	-	-	9,650,000	6,050,000	-	-	-	-	9,650,000	6,050,000
Other financial investments	-	-	-	-	-	-	-	-	105,000	166,600	105,000	166,600
Loans and advances	10.61	10.54	81,698,064	72,412,117	-	-	-	-	-	-	81,698,064	72,412,117
Total Financial Assets			84,057,095	75,159,821	9,650,000	6,050,000	-	-	105,000	166,600	93,812,095	81,376,421
Financial Liabilities:												
Bank overdraft	-	7.68	-	1,000,000	-	-	-	-	-	-	-	1,000,000
Deposits	7.09	6.68	8,294,291	9,643,207	75,790,423	61,430,233	6,798,326	8,661,062	-	-	90,883,040	79,734,502
Other creditors and accruals	-	-	-	-	-	-	-	-	1,411,332	1,168,608	1,411,332	1,168,608
Total Financial Liabilities			8,294,291	10,643,207	75,790,423	61,430,233	6,798,326	8,661,062	1,411,332	1,168,608	92,294,372	81,903,110

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

29 Financial instruments (continued)

Interest rate risk sensitivity analysis

At 30 June 2011, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2011	2010
	\$	\$
Change in profit		
- Increase in interest rates of 2%	56,481	9,506
- Decrease in interest rates of 2%	(56,481)	(9,506)
Change in equity		
- Increase in interest rates of 2%	56,481	9,506
- Decrease in interest rates of 2%	(56,481)	(9,506)

Webster Dolilta Finance Ltd is bound by only the interest rates available to it within its liquidity portfolio. Apart from the liquidity portfolio the Directors use their discretion to set interest rates in respect of the deposit and lending products it offers to the market.

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2011

30 Bank Guarantees

A Bank Guarantee of \$50,000, provided by the Bendigo Bank Ltd, exists in relation to transfers of funds by the Subsidiary over the Internet.

31 Related Party Transactions

- (i) During the year rental income of \$28,800 (2010: \$28,800) was received from Baird & McGregor, a firm of solicitors of which the current directors of the Company are Partners. The rent was charged at commercial rates for the use of office space in Ballarat.
- (ii) During the year rental income of \$28,800 (2010: \$28,800) was received from Doepel Lilley & Taylor, a firm of real estate agents of which three of the current directors of the Company are Partners. The rent was charged at commercial rates for the use of office space in Ballarat.
- (iii) Deposits and loans with the Company in the name of directors or director related entities receive interest on the same terms and conditions available to other depositors and borrowers.
- (iv) Details of directors' remuneration are disclosed in Note 27 to the accounts.

32 Company Details

Registered office

The registered office of the company is:

Webster Dolilta Finance Ltd
44 Armstrong Street South
Ballarat Vic 3350

Webster Dolilta Finance Ltd

ABN 49 004 664 322

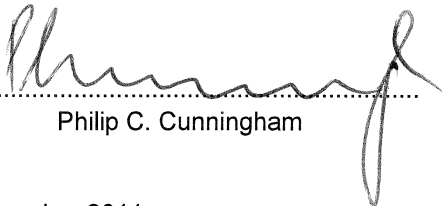
Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 39, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (AIFRS); and
 - (b) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the company and consolidated group.
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.

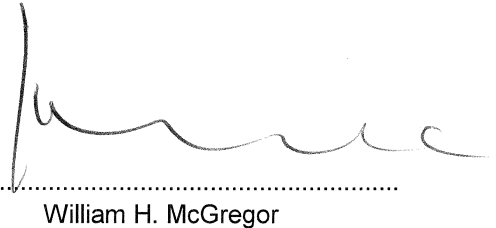
This declaration is made in accordance with a resolution of the Board of Directors.

Director



Philip C. Cunningham

Director



William H. McGregor

Dated 20 December 2011

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Independent Auditor's Report to the members of Webster Dolilta Finance Ltd

Report on the Financial Report

We have audited the accompanying financial report of Webster Dolilta Finance Ltd, which comprises the consolidated statement of financial position as at 30 June 2011, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended that date a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the Webster Dolilta Finance Ltd and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's 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 company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

WANGARATTA

53a Reid Street, PO Box 487, Wangaratta VIC 3676 Phone: **03 5722 9216**

WODONGA

Suite 22, Enterprise House, 3 Stanley Street, PO Box 1435, Wodonga VIC 3689 Phone: **02 6024 0426**

Fax: **02 6056 3722** Mobile: **0409 469 311**

Email: thyndman@dragnet.com.au Web: www.tonyhyndmanaccountants.com.au

Registered Company Auditor/Tax Agent



INSTITUTE OF PUBLIC
ACCOUNTANTS

Independent Auditor's Report to the members of Webster Doliita Finance Ltd

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Webster Doliita Finance Ltd on 1 December 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion:

(a) the financial report of Webster Doliita Finance Ltd is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Signed this 20th day of December, 2011

TONY HYNDMAN ACCOUNTANTS & AUDITORS

Institute of Public Accountants
53A Reid Street
Wangaratta VICTORIA 3677



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Tony Hyndman - FPNA