FINANCE
INVESTMENTS & LOANS

Consolidated Financial Statements

For the Year Ended For the Year Ended 30 June 2018

Webster Dolilta Finance Ltd

Contents

For the Year Ended 30 June 2018

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Directors' Report

For the Year Ended 30 June 2018

Your directors present their report on the Company and its controlled entity for the financial year ended 30 June 2018.

Directors

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

Robert A. Baird B.A LL.B	Occupation: Solicitor and director of Baird & McGregor Pty Ltd. Special resonsibilities: Member of the Audit Committee. Owns 3,306 shares in Webster Dolilta Finance Ltd (directly and indirectly).
Timothy S. Bunning CPA B.Ec	Occupation: Certified Practising Accountant. Special responsibilities: Chairman, Member of the Loans Committee and Member of the Audit Committee. Owns 300 shares in Webster Dolilta Finance Ltd (indirectly).
Philip C. Cunningham FIPA AIFS	Occupation: Managing Director of Webster Dolilta Finance Ltd, Licensed Estate Agent and Director of Doepel Lilley & Taylor. Special responsibilities: Member of the Loans Committee. Owns 2,964 shares in Webster Dolilta Finance Ltd (directly and indirectly).
Robert G. Cunningham CEA (REIV)	Occupation: Licensed Estate Agent and Director of Doepel Lilley & Taylor. Member of the Real Estate Institute of Victoria. Special responsibilities: Audit Committee Chairman. Owns 2,884 shares in Webster Dolilta Finance Ltd (directly and indirectly).
Neale J. Gribble LL.B B.Com	Occupation: Solicitor and director of Baird & McGregor Pty Ltd. Special responsibilities: Member of the Audit Committee. Owns 3,055 shares in Webster Dolilta Finance Ltd (directly and indirectly).
William H. McGregor OAM LL.B	Occupation: Solicitor and consultant to Baird & McGregor Pty Ltd. Past President and Life Member of Provic Group Ltd. Special responsibilities: Chairman of the Loans Committee. Owns 1,765 shares in Webster Dolilta Finance Ltd (directly and indirectly).
Robert N. Whitcher FPNA AIFS	Occupation: Insurance agent and director of DLT Insurances Pty Ltd. Licensed Estate Agent and director of Doepel Lilley & Taylor. Special responsibilities: Member of the Loans Committee. Owns 2,087 shares in Webster Dolilta Finance Ltd (directly and indirectly).

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 person held the position of company secretary at the end of the financial year:

Mr Philip C. Cunningham FIPA AIFS. Mr Cunningham has worked for Webster Dolilta Finance Ltd for 23 years, the last 19 years as Managing Director. Mr Cunningham was appointed secretary on 31 July 1999.

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Directors' Report

For the Year Ended 30 June 2018

Principal activities

The principal activities of the Group during the financial 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.

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

Operating results

The consolidated profit of the Group after providing for income tax amounted to $637,492 (2017: consolidated loss of $4,907).

Dividends

Dividends of $14.50 per share totalling $318,565 were declared at the 12 September 2017 board meeting comprising $6.50 per share paid on 20 September 2017 and $8.00 per share paid on 26 March 2018.

Review of operations

Net profit of the Group after tax increased by $642,399 after providing for bad and doubtful debts of $161,846 (2017: provision for bad and doubtful debts of $1,160,149). The directors were satisfied with the operating performance of the Group during the year.

Meeting attendances

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

	Directors' Meetings		Loans Committee		Audit Committee	
	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend
Robert A. Baird	12	12	-	-	7	7
Timothy S. Bunning	12	12	17	17	6	7
Philip C. Cunningham	12	12	17	17	3	3
Robert G. Cunningham	11	12	-	-	6	7
Neale J. Gribble	12	12	17	17	6	7
William H. McGregor	11	12	12	17	-	-
Robert N. Whitcher	12	12	16	17	-	-

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Directors' Report

For the Year Ended 30 June 2018

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 $6,620 (2017: $7,515) 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.

Proceedings on behalf of the Company

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

After balance day events

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:	Director: ....
Philip C. Cunningham	William H. McGregor

Dated: 26 September 2018

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Webster Dolilta Finance Ltd for the year ended 30 June 2018, 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

John Findlay

JOHN FINDLAY
Partner

Dated this 26th day of September 2018
Ballarat, Victoria

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2018

		Consolidated	
		2018	**2017**
	Note	**$**	**$**
Interest received	2	**4,707,428**	4,904,702
Interest expense	2	**(2,972,972)**	(2,922,523)
Net interest revenue		**1,734,456**	1,982,179
Other income	3	**608,327**	608,320
Total operating income		**2,342,783**	2,590,499
Bad and doubtful debts	4	**(161,846)**	(1,160,149)
Operating expenses	5	**(1,574,792)**	(2,098,051)
Operating profit/(loss)		**606,145**	(667,701)
Net gain on disposal of investment property		**172,900**	450,385
Net gain on revaluation of investment property		**83,717**	278,169
Net profit before tax		**862,762**	60,853
Income tax expense	6	**(225,270)**	(65,760)
Net profit/(loss) after tax		**637,492**	(4,907)
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss			
Net gain on revaluation of land and buildings, net of tax	6(c)	**-**	47,351
Items that may be reclassified subsequently to profit or loss			
Net (loss)/gain on revaluation of financial investments, net of tax	6(c)	**(31,038)**	66,979
Other comprehensive income for the year, net of tax		**(31,038)**	114,330
Total comprehensive income for the year		**606,454**	109,423
Profit/(loss) attributable to:			
Members of the parent entity		**637,492**	(4,907)
Total comprehensive income attributable to:			
Members of the parent entity		**606,454**	109,423

The accompanying notes form part of these financial statements.

Webster Dolilta Finance Ltd

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Consolidated Statement of Financial Position

As At 30 June 2018

		Consolidated	
		2018	**2017**
	Note	**$**	**$**
ASSETS			
Cash and cash equivalents	8(a)	**3,735,529**	2,928,098
Due from other financial institutions	9	**16,789,000**	13,914,000
Receivables	10	**666,273**	152,580
Shares in listed entities	11	**977,799**	769,646
Shares in unlisted companies at cost	12	**5,000**	5,000
Loans and advances	13	**56,150,784**	57,757,302
Investment property	14	**4,027,129**	4,241,043
Property, plant and equipment	15	**3,014,377**	3,064,469
Tax assets	16(a)	**916,562**	1,122,476
Intangible assets	17	**244,473**	244,473
TOTAL ASSETS		**86,526,926**	84,199,087
LIABILITIES			
Secured notes	18	**77,248,423**	75,370,273
Payables	19	**955,047**	813,367
Tax liabilities	16(b)	**1,060,017**	1,052,433
Provisions	20	**139,932**	127,396
TOTAL LIABILITIES		**79,403,419**	77,363,469
NET ASSETS		**7,123,507**	6,835,618
EQUITY			
Issued capital	21	**2,710,712**	2,710,712
Financial investment revaluation reserve	22	**9,937**	40,975
Property revaluation reserve	22	**1,118,137**	1,118,137
Retained earnings		**3,284,721**	2,965,794
TOTAL EQUITY		**7,123,507**	6,835,618

The accompanying notes form part of these financial statements.

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Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2018

	Note	Issued capital $	Retained earnings $	Property revaluation reserve $	Financial investment revaluation reserve $	Total $
2018						
Balance at 1 July 2017		**2,710,712**	**2,965,794**	**1,118,137**	**40,975**	**6,835,618**
Profit attributable to members		**-**	**637,492**	**-**	**-**	**637,492**
Comprehensive income		**-**	**-**	**-**	**(31,038)**	**(31,038)**
Dividends paid or provided for	7	**-**	**(318,565)**	**-**	**-**	**(318,565)**
Balance at 30 June 2018		**2,710,712**	**3,284,721**	**1,118,137**	**9,937**	**7,123,507**
2017						
Balance at 1 July 2016		2,710,712	3,256,311	1,070,786	(26,004)	7,011,805
Loss attributable to members		-	(4,907)	-	-	(4,907)
Comprehensive income		-	-	47,351	66,979	114,330
Dividends paid or provided for	7	-	(285,610)	-	-	(285,610)
Balance at 30 June 2017		2,710,712	2,965,794	1,118,137	40,975	6,835,618

The accompanying notes form part of these financial statements.

Webster Dolilta Finance Ltd

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Consolidated Statement of Cash Flows

For the Year Ended 30 June 2018

	Note	Consolidated 2018 $	2017 $
Cash from operating activities:			
Interest received		**4,688,529**	4,935,917
Interest and other costs of finance paid		**(2,899,635)**	(3,143,525)
Fees, commissions and other income received		**451,112**	475,016
Rents received		**157,215**	133,304
Cash paid to suppliers and employees		**(1,447,130)**	(2,051,783)
Income taxes received		**-**	274,032
Net cash provided by operating activities	29	**950,091**	622,961
Cash flows from investing activities:			
Payments for property, plant and equipment		**-**	(17,396)
Payments for other investments		**(250,964)**	(100,124)
Proceeds from the redemption of investments		**150,000**	-
Net decrease/(increase) in loans and advances		**1,427,576**	(9,759,394)
Proceeds from investment properties		**1,193,614**	2,577,778
Payments for investment property		**(1,197,471)**	(358,240)
Net cash provided/(used by) by investing activities		**1,322,755**	(7,657,376)
Cash flows from financing activities:			
Net increase/(decrease) in secured notes		**1,878,150**	(6,036,823)
Dividends paid		**(318,565)**	(285,610)
Net cash provided by/(used by) financing activities		**1,559,585**	(6,322,433)
Net cash increase/(decrease) in cash and cash equivalents		**3,832,431**	(13,356,848)
Cash and cash equivalents at beginning of year		**16,692,098**	30,048,946
Cash and cash equivalents at end of year	8(b)	**20,524,529**	16,692,098

The financial report includes the consolidated financial statements and notes of Webster Dolilta Finance Ltd and controlled entity (the Group). Webster Dolilta Finance Ltd is a for-profit company limited by shares, incorporated and domiciled in Australia.

The separate financial statements of the parent entity, Webster Dolilta Finance Ltd, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on 26 September 2018 by the Directors of the company.

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies are consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated group has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated group.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting 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, 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 rounded to the nearest dollar.

(a) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, Webster Dolilta Finance Ltd, and the subsidiary. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of controlled entities is contained in Note 26.

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated group have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have the same financial year end as the parent entity.

(b) Income taxes

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

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 during the year.

Current and deferred tax (benefit)/expense that relate to an item of comprehensive income/(expense) is charged or credited directly against the relevant item of comprehensive income/(expense).

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) Fair value of assets and liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a marked-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs).

For non-financial assets, the fair value measurement also takes into account a market participants ability to use the asset in its highest or best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks. For the purposes of the cash flow statement, cash and cash equivalents also includes other short-term highly liquid investments due to mature within three months or less of the financial year end which are convertible to a known amount of cash and subject to an insignificant risk of change in value.

Details of cash and cash equivalents are disclosed in Note 8.

(e) Receivables

Receivables includes interest accrued on investments, prepayments and other sundry receivables. Receivables expected to be collected or consumed within 12 months of the end of the reporting period are classifed as current receivables. All other receivables are classifed as non-current.

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

(f) Loans and advances

Loans and advances comprise secured and unsecured loans made in accordance with the Group's lending and credit policies. Loans and advances on terms set to mature within 12 months of the end of the reporting period are classifed as current loans and advances. All other loans and advances are classified as non-current.

Loans and advances are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Provision for doubtful loans

A provision for doubtful loans is recognised for a loan when there is objective evidence that the loan is impaired and not all of the principal and interest can be collected in accordance with the terms of the loan agreement. Impairment is assessed by specific identification in relation to individual loans. The amount of the provision for doubtful loans is determined by comparing the amount of the loan to the recoverable amount of security held for the loan. The recoverable amount is determined by the Directors on the basis of independent valuations of properties by appropriately qualified valuers and by an assessment by the Directors of the value of other security held.

Loan amounts are written off as bad debts when all practicable avenues of recovery have been exhausted. If a provision for doubtful loans has previously been recognised in relation to a loan, write offs for bad debts are made against the provision. If no provision for doubtful loans has previously been recognised, bad debts are recognised as expenses in profit or loss.

Details of loans and advances and provisions for doubtful loans are disclosed in Note 13.

(g) 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. Details of property, plant and equipment are disclosed in Note 15.

Property

Property comprising freehold land and buildings used by the Group in their day to day business activities are shown at their fair value (being the amount for which an asset in its highest and best use could be exchanged in an orderly transaction between market participants under market conditions at the reporting date in the principal market for the asset or, in the absence of a principal market, in the most advantageous market for the asset) based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

In the periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct director's 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 recorded in the consolidated statement of comprehensive income and are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are recorded in the consolidated statement of comprehensive income and charged against the relevant revaluation reserve in equity; all other decreases are charged to the consolidated statement of profit or loss.

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 and are therefore carried at cost less accumulated depreciation and any accumulated 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 not 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	6.67 - 12.5%
Plant and Equipment	6.67 - 33.33%
Motor Vehicles	12.5%
Leasehold improvements	10 - 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.

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

(h) Investment properties

Investment property, comprising land acquired for future 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 fair value as indicated, fair value determined annually by the directors based on periodic, but ordinarily triennial, valuations by external independent valuers. Changes to fair value are recorded in the consolidated statement of profit or loss as other income or other expenses. Details of investment properties are disclosed in Note 14.

(i) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either purchase or sell the asset (ie. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified as "at fair value through profit or loss", in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate as adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments. Accordingly, such interests are accounted for on a cost basis.

(i) *Financial assets at fair value through profit or loss*
Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amounts being included in profit or loss.

(ii) *Loans and receivables*
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale investments*
Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses or foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months of the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) *Financial liabilities*
Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to consititute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events include: indications that a debtor or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into acccount the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

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 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.

(j) 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 statement of comprehensive income.

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.

(k) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(l) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however, as additional information is known then the actual results may differ from the estimates.

Key judgments

(i) *Provision for impairment of loans and advances*
The Group initially recognises its loans and advances at fair value and subsequently measures them at amortised cost using the effective interest rate method, less any provision for impairment. A provision for doubtful loans is recognised for a loan when there is objective evidence that the loan is impaired and not all of the principal and interest can be collected in accordance with the terms of the loan agreement. Impairment is assessed by specific identification in relation to individual loans. The amount of the provision for doubtful loans is determined by comparing the amount of the loan to the recoverable amount of security held for the loan. The recoverable amount is determined by the Directors on the basis of independent valuations of properties by appropriately qualified valuers and by an assessment by the Directors of the value of other security held.

Key estimates

(i) *Fair value of land and buildings*
The Group carries its land and buildings at fair value with changes in the fair value recognised in revaluation reserve. Independent valuations are obtained at least triennially and at the end of each reporting period the directors update their assessment of the fair value of each property, taking into account the most recent valuations and movements in the market.

(ii) *Fair value of investment properties*
The Group carries its investment properties at fair value with changes in the fair value recognised in profit or loss. Independent valuations are obtained at least triennially and at the end of each reporting period the directors update their assessment of the fair value of each property, taking into account the most recent valuation and movements in the market.

(m) Revenue

The Group recognises revenue when the amount of revenue can be reliably measured and it is probable that the future economic benefits will flow to the Group. Revenue is measured at the fair value of the consideration received or receivable by the Group.

Interest revenue on loans and advances 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 recognised net of the amount of goods and services tax (GST).

(n) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

(o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of 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.

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

(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 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.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(q) Comparatives

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

(r) 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 not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

Standard Name and Date of Effect	Requirements	Expected Impact on Financial Statements
AASB 2017-1 Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-16 Cycle and Other Amendments Efffective for reporting periods commencing on or after 1 January 2018.	This standard makes the following changes to existing standards: - AASB 140 to reflect the principle that an entity transfers a property to, or from, investment property when, and only when, there is a change in the use of the property supported by evidence that a change in use has occurred. - AASB 128 to clarify that: (i) A venture capital organisation, or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture; and (ii) An entity that is not an investment entity may elect to retain the fair value measurement applied by its associates and joint ventures that are investment entities when applying the equity method. This choice is available separately for each investment entity associate or joint venture; and - AASB 1 to delete some short-term exemptions for first-time adopters that were available only for reporting periods that have passed and to add exemptions arising from AASB Interpretation 22 Foreign Currency Transactions and Advance Considerations.	The directors do not believe that the adoption of the amendments in AASB 2017-1 will have any significant impact on the group.

Standard Name and Date of Effect	Requirements	Expected Impact on Financial Statements
AASB 9 Financial Instruments and associated amending standards Effective for reporting periods commencing on or after 1 January 2018	AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and include a forward-looking 'expected loss' impairment model and a substantially changed approach to hedge accounting. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are: a) Financial assets that are debt instruments will be classified based on the objective of the entity's business model for managing the financial assets and the characteristics of the contractual cash flow. b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c) Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments. d) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising gains and losses from them, on different bases. e) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: - The change attributable to changes in credit risk are presented in other comprehensive income. - The remaining change is presented in profit or loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.	The directors do not believe that the adoption of AASB 9 will have any significant impact on the group.
AASB 2014-1 Amendments to Australian Accounting Standards [Part E Financial Instruments] Effective for reporting periods commencing on or after 1 January 2018	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018, and to amend reduced disclosure requirements.	This amending standard will defer the application period of AASB 9 to the 2018/19 reporting period in accordance with the transition requirements.

Standard Name and Date of Effect	Requirements	Expected Impact on Financial Statements
AASB 15 Revenue from Contracts with Customers Effective for reporting periods commencing on or after 1 January 2018	This standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers. The core princple of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers that reflects the consideration to which the Group expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process: - identify the contract(s) with customers; - identify the performance obligations in the contract(s); - determine the transaction price; - allocate the transaction price to the performance obligations in the contract(s); and - recognise revenue when (or as) the performance obligations are satisfied. This standard will require retrospective restatement, as well as enhanced disclosure regarding revenue.	The directors do not believe that the adoption of AASB 15 will have any significant impact on the group.
AASB 16 Leases Effective for reporting periods commencing on or after 1 January 2019	This standard replaces AASB 17 Leases and some lease-related Interpretations and requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases. The standard provides new guidance on the application of the definition of lease and on sale and lease back accounting. The standard largely retains the existing lessor accounting requirements in AASB 17 and requires new and different disclosures about leases.	The directors have determined that the operating leases that the Group is party to will be required to be recognised as a liability with an associated right to use asset in the Group's statement of financial position from the operative date of AASB 16. The directors do not believe that the adoption of AASB 16 will have any significant impact on the group.
AASB 2017-7 Amendments to Australian Accounting Standards - Long-term Interests in Associates and Joint Ventures Effective for reporting periods beginning on or after 1 January 2019	This standard amends AASB 128 to clarify that an entity is required to account for long-term interests in an assoicate or joint venture, which in substance for part of the net investment in the associate or joint venture but to which the equity method is not applied, using AASB 9 Financial Instruments before applying the loss allocation and impairment requirements of AASB 128.	The directors do not believe that the adoption of AASB 2017-7 will have any significant impact on the group.

	Consolidated 2018 $	Consolidated 2017 $
2 Interest		
Interest received on loans	**4,231,943**	4,388,602
Interest received on deposits with other financial institutions	**475,485**	516,100
	4,707,428	4,904,702
Interest expense on secured notes	**(2,972,972)**	(2,922,523)
Net interest revenue	**1,734,456**	1,982,179
3 Other income		
Administration fees	**24,662**	27,123
Application fees	**293,998**	221,638
Commissions	**12,944**	15,714
Discharge fees	**71,616**	168,734
Dividends	**44,753**	41,427
Redraw fees	**2,775**	380
Rent received	**157,215**	133,304
Other income	**364**	-
	608,327	608,320
4 Bad and doubtful debts		
Decrease in provision for bad and doubtful debts	**(591,258)**	(2,335,264)
Bad debts written off	**753,104**	3,495,413
	161,846	1,160,149

Details of the calculation of the provision for bad and doubtful debts is disclosed in Note 13.

	Consolidated 2018 $	Consolidated 2017 $
5 Operating expenses		
Auditor's remuneration		
Auditing the financial report	**77,000**	78,965
Other audit services	**8,250**	19,650
Administration expenses		
Personnel costs	**417,358**	461,092
Superannuation	**33,321**	38,876
Other administrative expenses	**289,468**	275,088
Accounting fees	**60,137**	52,525
Depreciation	**49,509**	54,673
Director's remuneration	**327,038**	327,250
Legal fees	**21,627**	476,629
Provision for employee entitlements	**12,536**	146
Other expenses	**278,548**	313,157
	1,574,792	2,098,051

6 Income tax expense

	Consolidated 2018 $	Consolidated 2017 $
(a) The components of tax expense comprise:		
Current tax expense	**11,773**	30,259
Net movement in deferred tax assets and liabilities	**213,497**	35,501
	225,270	65,760
(b) Reconciliation of income tax to accounting profit:		
Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2017: 27.5%)	**237,260**	16,735
Add tax effect of non-allowable items	**2,000**	5,880
Add tax effect of change in corporate tax rate on deferred tax assets and liabilities	**-**	56,017
Less tax effect of rebateable fully franked dividends received	**(13,990)**	(12,872)
Income tax attributable to entity	**225,270**	65,760

(c) Income tax relating to each component of other comprehensive income:

	2018			2017		
	Before-tax amount	Tax (expense) benefit	Net-of-tax amount	Before-tax amount	Tax (expense) benefit	Net-of-tax amount
	$	$	$	$	$	$
Gain on land and buildings revaluation	**-**	**-**	**-**	-	47,351	47,351
Gain/(loss) on financial investment revaluation	**(42,811)**	**11,773**	**(31,038)**	93,666	(26,687)	66,979
	(42,811)	**11,773**	**(31,038)**	93,666	20,664	114,330

	Consolidated 2018	Consolidated 2017
	$	$

7 Dividends

(a) Dividends paid

	2018	2017
Fully franked ordinary dividend of $14.50 per share franked at the tax rate of 27.5% (2017: $13.00 per share franked at the tax rate of 27.5%)	**318,565**	285,610

(b) Balance of franking account

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

- payment of provision for income tax
- dividends recognised as receivables, and

	2018	2017
- franking debits arising from payment of proposed dividends	**2,808,660**	2,910,199

Webster Dolilta Finance Ltd

ABN 49 004 664 322

Notes to the Financial Statements

For the Year Ended 30 June 2018

		Consolidated 2018 $	Consolidated 2017 $

8 Cash and cash equivalents

(a) Cash at bank and on hand

		2018 $	2017 $
Current			
Cash on hand		**7,638**	6,942
Cash at bank		**3,727,891**	2,921,156
		3,735,529	2,928,098

(b) Reconciliation of cash

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

	Note	2018 $	2017 $
Cash and cash equivalents	8(a)	**3,735,529**	2,928,098
Short term deposits	9(a)	**16,789,000**	13,764,000
		20,524,529	16,692,098

9 Due from other financial institutions

		2018 $	2017 $
Held to maturity			
Interest earning deposits		**16,789,000**	13,914,000
		16,789,000	13,914,000

(a) Maturity analysis

	Note	2018 $	2017 $
Not longer than three months	8(b)	**16,789,000**	13,764,000
Longer than three and not longer than twelve months		**-**	150,000
		16,789,000	13,914,000

10 Receivables

	2018 $	2017 $
Current		
Rental bonds	**1,200**	1,200
Interest receivable - liquid reserves	**58,123**	39,223
Prepayments	**36,088**	40,682
Property sale debtors	**32,238**	-
Refundable development bonds	**33,494**	-
Recoverable development costs	**505,130**	71,475
	666,273	152,580

		Consolidated 2018 $	Consolidated 2017 $
11 Shares in listed entities			
Non-current			
Available for sale			
Shares in listed companies		**977,799**	769,646
		977,799	769,646
12 Shares in unlisted companies at cost			
Non-current			
Available for sale			
Shares in unlisted companies at cost		**5,000**	5,000
		5,000	5,000
13 Loans and advances			
Loans - secured by mortgage		**55,325,392**	56,507,937
Loans - mortgagee in possession		**-**	751,090
Loans - other (i)		**1,585,479**	1,849,620
	13(a)	**56,910,871**	59,108,647
Less provision for impairment	13(b)	**(760,087)**	(1,351,345)
		56,150,784	57,757,302

(i) The company holds security in respect of two loans that are in default totalling $1,585,479. The Directors have either sold the properties previously held as mortgagee in possession or the Directors have no current intention to exercise the right to hold the properties as mortgagee in possession. The properties and other security held for the two loans are recorded based on the assessment of their current market value.

The market value of the properties held as security for the two loans has been determined as follows:
- The valuation of property totalling $200,000 in respect of one loan was adopted by the Directors effective to 30 June 2018 based on an independent valuation dated 31 July 2018. The difference of $76,628 between the balance of the loan and the valuation of the property held as security for the loan is included in the provision for impairment.
- The valuation of one property totalling $310,000 in respect of one loan was adopted by the Directors on 30 June 2017 based on an independent valuation dated 10 August 2017. The valuation of one property totalling $315,392 in respect of the same loan has been adopted based on an assessment of the security by the Directors. The difference of $683,459 between the loan balance and the valuation of the properties is included in the provision for impairment.

		Consolidated 2018 $	Consolidated 2017 $
(a)	**Maturity analysis**		
	Due within 1 year	**33,455,855**	34,300,417
	Due after 1 year and not later than 2 years	**12,192,825**	13,741,194
	Due after 2 years and not later than 5 years	**6,790,977**	7,302,612
	Due after 5 years and not later than 30 years	**4,471,214**	3,764,424
		56,910,871	59,108,647
(b)	**Provision for impairment**		
	Opening balance	**(1,351,345)**	(3,686,610)
	Charge for the year	**(161,846)**	(1,160,149)
	Amounts written off	**753,104**	3,495,414
		(760,087)	(1,351,345)
(c)	**Loans by state**		
	Victoria	**55,020,243**	56,375,535
	New South Wales	**1,539,760**	894,706
	Queensland	**323,860**	1,811,166
	Tasmania	**27,008**	27,240
		56,910,871	59,108,647
(d)	**Loans by sector**		
	Commercial & Industrial	**10,956,734**	17,257,151
	Property Development	**7,602,959**	6,814,545
	Residential	**15,100,009**	12,814,286
	Residential Investment	**18,808,699**	20,017,761
	Rural	**4,330,428**	2,099,741
	Other	**112,042**	105,163
		56,910,871	59,108,647

	Consolidated	
	2018	**2017**
	$	**$**
14 Investment property		
Current		
At valuation (i)	**1,357,129**	1,701,043
Non-current		
At valuation (ii)	**2,670,000**	2,540,000
	4,027,129	4,241,043

The Directors value investment properties annually based on periodic, but ordinarily triennial, independent valuations by an appropriately qualified property valuer. The fair value model is applied to all investment properties held by the Group. Further information in relation to the fair value model is disclosed in Note 24.

(i) The current investment property comprises:
- One property subdivision of 24 allotments held by the parent entity. The investment property is intended to be on the market for sale during the 2018/19 financial year. An independent valuation of the investment property was carried out by Darren Evans (AAPI Certified Practising Valuer) on 30 June 2017.
- One property subdivision of 35 allotments held by the parent entity. The investment property is on the market for sale with 2 allotments remaining on hand at 30 June 2018. The remaining allotments have been valued at fair value based on the amount paid for the property and development costs incurred since 18 May 2015.

The Directors have assessed that the carrying value at 30 June 2018 is not materially different to the fair value of the investment property.

(ii) The non current investment property comprises:
- One investment property held by the parent entity valued at fair value based on an independent valuation of the investment property carried out by Anthony J. Carter (AAPI Certified Practising Valuer) on 27 July 2016.
- One investment property held by the parent entity valued at fair value based on an independent valuation of the investment property carried out by Darren Evans (AAPI Certified Practising Valuer) on 30 June 2017 together with development costs that have been paid for the development of the property subsequent to that date.
- One investment property held by the parent entity valued at fair value based on an independent valuation of the investment property carried out by Chris Torpy (AAPI Certified Practising Valuer) on 6 June 2017.
- One investment property held by the parent entity (previously held by the subsidiary of the parent entity) valued at fair value based on an independent valuation carried out by Chris Bradshaw (AAPI Certified Practising Valuer) on 15 June 2017.
- One investment property held by the parent entity valued at fair value based on an independent valuation carried out by Darren Evans (AAPI Certified Practising Valuer) on 14 June 2018 together with development costs.

The Directors have assessed that the carrying value of each of the properties at 30 June 2018 are not materially different to the fair value of the investment properties.

	Consolidated 2018 $	Consolidated 2017 $
(a) Movements in carrying amounts		
Balance at the beginning of year	**4,241,043**	5,803,502
Additions from subsequent expenditure	**730,322**	286,765
Revaluation increments	**83,717**	278,169
Disposals	**(1,027,953)**	(2,127,393)
Total	**4,027,129**	4,241,043

	Consolidated 2018 $	Consolidated 2017 $
15 Property plant and equipment		
Non-current		
LAND AND BUILDINGS		
Freehold land		
At valuation (i)	**1,535,000**	1,535,000
Total freehold land	**1,535,000**	1,535,000
Buildings		
At valuation (i)	**1,532,396**	1,532,396
Less accumulated depreciation	**(79,401)**	(38,900)
Total buildings	**1,452,995**	1,493,496
Total land and buildings	**2,987,995**	3,028,496
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	**88,753**	88,753
Less accumulated depreciation	**(76,070)**	(69,149)
Total plant and equipment	**12,683**	19,604
Motor vehicles		
At cost	**21,359**	55,525
Less accumulated depreciation	**(7,660)**	(39,156)
Total motor vehicles	**13,699**	16,369
Total plant and equipment	**26,382**	35,973
Total property, plant and equipment	**3,014,377**	3,064,469

The fair value model is applied to all land and buildings held by the Group. Revaluations of land and buildings are made in accordance with a policy of regular revaluation of land and buildings based on periodic, but ordinarily triennial, independent valuations by an appropriately qualified property valuer. Further information in relation to the fair value model is disclosed in Note 24.

(i) The revaluation of freehold land and buildings held by the parent entity was based on an independent valuation carried out by Alan J. Hives (FAPI Certified Practising Valuer) on 9 August 2016. The Directors have assessed that the carrying value at 30 June 2018 is not materially different to the fair value.

The revaluation of freehold land and buildings held by the subsidiary were based on an independent valuation carried out by Alan J. Hives (FAPI Certified Practising Valuer) on 9 August 2016. The Directors have assessed that the carrying value at 30 June 2018 is not materially different to the fair value.

(a) Movements in carrying amounts

	Land	Buildings	Plant and equipment	Motor vehicles	Total
	$	**$**	**$**	**$**	**$**
2018					
Balance at the beginning of year	**1,535,000**	**1,493,496**	**19,604**	**16,369**	**3,064,469**
Disposals at written down value	**-**	**(583)**	**-**	**-**	**(583)**
Depreciation expense	**-**	**(39,918)**	**(6,921)**	**(2,670)**	**(49,509)**
Carrying amount at the end of year	**1,535,000**	**1,452,995**	**12,683**	**13,699**	**3,014,377**
2017					
Balance at the beginning of year	1,535,000	1,515,000	32,715	19,032	3,101,747
Additions	-	17,396	-	-	17,396
Depreciation expense	-	(38,900)	(13,111)	(2,663)	(54,674)
Carrying amount at the end of year	1,535,000	1,493,496	19,604	16,369	3,064,469

	Consolidated	
	2018	2017
	$	$

(b) Historical cost

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

	2018 $	2017 $
Cost	**1,318,999**	1,319,583
Accumulated depreciation	**(331,157)**	(308,973)
Net book value	**987,842**	1,010,610

16 Tax

(a) Assets

Non-current

Deferred tax assets comprise:

	2018 $	2017 $
Expenses not tax deductible until paid	**16,430**	14,858
Provisions not tax deductible until written off or paid	**247,505**	406,654
Tax losses available for set off against future taxable income	**652,627**	700,964
	916,562	1,122,476

(b) Liabilities

	2018 $	2017 $
Current		
Provision for income tax	**-**	-
Non-current		
Deferred tax liability from asset revaluation	**1,060,017**	1,052,433
	1,060,017	1,052,433

17 Intangible assets

	2018 $	2017 $
Non-current		
Goodwill on consolidation	**244,473**	244,473

	Consolidated	
	2018	**2017**
	$	**$**

18 Secured notes

Secured notes	**77,248,423**	75,370,273

Concentration of secured notes

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

(a) Maturity analysis

Due within 1 year	**61,918,896**	66,897,612
Due after 1 year and not later than 3 years	**15,329,527**	8,472,661
	77,248,423	75,370,273

19 Payables

Current		
Accrued interest payable	**739,718**	666,381
Other payables and accrued expenses	**115,724**	95,148
GST liability	**99,605**	51,838
	955,047	813,367

20 Provisions

Employee entitlements

Current		
Annual leave	**70,617**	67,609
Long service leave	**69,315**	59,787
	139,932	127,396

	Consolidated 2018 $	Consolidated 2017 $
21 Issued capital		
21,970 (2017: 21,970) Fully Paid Ordinary Shares	**2,710,712**	2,710,712
	2,710,712	2,710,712

The Company has authorised share capital of 21,970 shares. The shares do not have a 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 Group can fund its operations and continue as a going concern. The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. The Group needs to meet certain capital requirements imposed by its Trustee. These capital requirements have been met for the year ended 30 June 2018. Management effectively manages the Group's capital by assessing the Group'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 secured note and loan levels and management of distributions to shareholders.

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

	Note	Consolidated 2018 $	Consolidated 2017 $
Gearing Ratio			
Secured notes	18	**77,248,423**	75,370,273
Payables	19	**955,047**	813,367
Less cash and cash equivalents	8(a)	**(3,735,529)**	(2,928,098)
Less due from other financial institutions	9	**(16,789,000)**	(13,914,000)
Net debt		**57,678,941**	59,341,542
Total equity		**7,123,507**	6,835,618
Total capital		**64,802,448**	66,177,160
Gearing ratio (net debt / total capital)		**89.00 %**	89.67 %

Equity Capital Benchmark

ASIC Regulatory Guide 69 - Debentures and notes: Improving disclosure for retail investors sets a non-mandatory benchmark of 8% equity capital ratio for issuers of unlisted secured notes whose activities do not include significant levels of property development or lending for property development and a non-mandatory benchmark of 20% equity capital ratio for issuers of unlisted secured notes whose activities include significant levels of property development or lending for property development. For the purpose of this benchmark the Group is considered to have significant levels of property development or lending for property development.

The company has not met the equity capital ratio benchmark set by ASIC in the current or previous financial years. The Directors of the Group believe that its current level of equity capital is adequate for its current activities but the Group's aim is to continue to increase the equity capital ratio.

The equity capital ratio for the years ended 30 June 2018 and 30 June 2017 are as follows:

	2018	2017
	$	$
Equity capital	**7,123,507**	6,835,618
Total liabilities	**79,403,419**	77,363,469
Total equity plus liabilities	**86,526,926**	84,199,087
Equity capital ratio (equity capital / total equity plus liabilities)	**8.23 %**	8.12 %

Other Capital Requirements

The Group is required to meet capital requirements imposed by its Trustee. The capital requirements imposed by the Trustee prohibits the Group from issuing new secured notes if either its total tangible assets do not exceed its total external liabilities by $500,000 or if total external liabilities exceed 98% of the total tangible assets of the Group.

The Group's total tangible assets exceeded its total external liabilities by greater than $500,000 for the years ended 30 June 2018 and 30 June 2017 and, accordingly, the capital requirements imposed by the Trustee have been met for these years.

The total external liabilities ratio for the years ended 30 June 2018 and 30 June 2017 are as follows:

	Consolidated	
	2018	2017
	$	$
Total secured notes	**77,248,423**	75,370,273
Total payables	**955,047**	813,367
Tax liabilities	**1,060,017**	1,052,433
Provisions	**139,932**	127,396
Total external liabilities	**79,403,419**	77,363,469
Total assets	**86,526,926**	84,199,087
Less receivables	**(666,273)**	(152,580)
Less deferred tax assets	**(916,562)**	(1,122,476)
Less intangible assets	**(244,473)**	(244,473)
Total tangible assets	**84,699,618**	82,679,558
Net tangible assets minus total external liabilities	**5,296,199**	5,316,089
Total external liabilities ratio (total external liabilities / total tangible assets)	**93.75 %**	93.57 %

22 Reserves

(a) Asset revaluation reserves

The Asset Revaluation Reserves comprise the Land and Buildings Revaluation Reserve and the Financial Investment Revaluation Reserve. The Land and Buildings Revalation Reserve comprises unrealised gains on freehold land and buildings used by the Group in their day to day operations arising from their revaluation to fair value. The Financial Investment Revaluation Reserve comprises unrealised gains on financial investments available for sale by the Group arising from their revaluation to fair value.

	Consolidated	
	2018	2017
	$	$
(b) Analysis of each class of reserve		
Financial investment revaluation reserve		
Financial investment revaluation reserve	**9,937**	40,975
Property revaluation reserve		
Land and buildings revaluation reserve	**1,118,137**	1,118,137
Total reserves	**1,128,074**	1,159,112

23 Leasing commitments

(a) Assets

	Consolidated 2018 $	Consolidated 2017 $
Minimum lease receipts:		
- not later than one year	**137,930**	131,193
- between one year and five years	**133,346**	259,746
	271,276	390,939

The Group have rental leases in place over five investment properties owned by the Group. Commercial property leases that are in place normally have a term of 5 years with options for renewal by the tenant. Residential property leases that are in place have an initial term of 12 months and are in accordance with the Residential Tenancy Agreement requirements.

(b) Liabilities

	Consolidated 2018 $	Consolidated 2017 $
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	**17,680**	9,668
- between one year and five years	**27,254**	-
	44,934	9,668

The Group has a rental lease in place for one commercial rental property which had an initial term of 3 years with the option of an additional two terms of 3 years each. The lease is currently in the second term under the lease agreement.

24 Fair value measurement

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

- Property, plant and equipment
- Investment property
- Financial assets

Fair value hierarchy

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 Group:

30 June 2018		**Level 1** $	**Level 2** $	**Level 3** $	**Total** $
Recurring fair value measurements					
Assets					
Financial investments - listed entities	11	**977,799**	**-**	**-**	**977,799**
Investment property	14	**-**	**4,027,129**	**-**	**4,027,129**
Property, plant and equipment - land and buildings	15	**-**	**2,987,995**	**-**	**2,987,995**
Total assets		**977,799**	**7,015,124**	**-**	**7,992,923**

30 June 2017		**Level 1** $	**Level 2** $	**Level 3** $	**Total** $
Recurring fair value measurements					
Assets					
Financial investments - listed entities	11	769,646	-	-	769,646
Investment property	14	-	4,241,043	-	4,241,043
Property, plant and equipment - land and buildings	15	-	3,028,496	-	3,028,496
Total assets		769,646	7,269,539	-	8,039,185

Level 1 measurements

The revaluation of Financial Investments - Listed Entities are based on the quoted price for the investments on the Australian 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 Group are made in accordance with a regular policy of revaluation and, except for acquisition 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. Details of the investment properties held and the specific basis for revaluations are disclosed at Note 14. Details of the land and buildings held and the specific basis for revaluations are disclosed at Note 15.

Highest and best use

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

25 Segmental reporting

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

26 Controlled entities

Name	Country of incorporation	Percentage owned (%)* 2018	Percentage owned (%)* 2017
Parent entity:			
Webster Dolilta Finance Ltd	Australia		
Subsidiaries of parent entity:			
Webster Investments Pty Ltd	Australia	**100**	100

* Percentage of voting power is in proportion to ownership

27 Parent entity

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

The financial information for the parent entity, Webster Dolilta 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 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.

	Parent	
	2018	**2017**
	$	**$**
Statement of financial position		
Assets		
Current assets	**56,087,070**	52,432,217
Non-current assets	**30,912,775**	32,374,368
Total Assets	**86,999,845**	84,806,585
Liabilities		
Current liabilities	**63,456,540**	68,417,249
Non-current liabilities	**16,116,340**	9,247,982
Total Liabilities	**79,572,880**	77,665,231
Equity		
Issued capital	**2,710,712**	2,710,712
Retained earnings	**3,931,365**	3,614,715
Property revaluation reserve	**774,952**	774,952
Financial investment revaluation reserve	**9,936**	40,975
Total Equity	**7,426,965**	7,141,354
Income statement		
Profit/(loss) attributable to members	**635,215**	(18,532)
Other comprehensive income	**(31,038)**	88,784
Total comprehensive income	**604,177**	70,252

28 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
Timothy S. Bunning	Director
Philip C. Cunningham	Managing Director
Robert G. Cunningham	Director
Neale J. Gribble	Director
William H. McGregor	Director
Robert N. Whitcher	Director

(c) Key management personnel compensation

	Salary & fees	Non-cash benefits	Superannuation	Total
	$	$	$	$
2018	**411,160**	**15,766**	**57,318**	**484,244**
2017	398,692	12,384	65,571	476,647

	Consolidated 2018 $	Consolidated 2017 $

29 Cash flow information

	2018 $	2017 $
Reconciliation of cash flow from operations with profit after income tax		
Net profit/(loss) for the period	**637,492**	(4,907)
Cash flows excluded from profit attributable to operating activities		
Profit on disposal of investment properties	**(172,900)**	(450,385)
Non-cash flows in profit		
Depreciation	**49,499**	54,674
Bad debts written off	**753,104**	3,495,414
Net loss on disposal of property, plant and equipment	**593**	-
Net gain on revaluation of investment properties	**(83,717)**	(278,169)
Changes in assets and liabilities attributable to operating activities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in receivables	**(14,305)**	31,291
Decrease in provision for impairment	**(591,258)**	(2,335,265)
Increase/(decrease) in payables	**133,776**	(229,630)
Increase in income taxes payable	**-**	321,385
Increase in deferred taxes payable	**225,271**	18,407
Increase in provisions	**12,536**	146
Cashflow from operations	**950,091**	622,961

30 Financial risk management

The company's financial instruments consist mainly of cash and cash equivalents, deposits with other financial institutions and loans secured by mortgage. The company's overall risk management strategy seeks to assist in meeting its financial targets, while minimising the risks of potential adverse effects on financial performance.

Credit risk

Credit risk is the risk that the other party to the financial instrument will fail to discharge the obligation or commitment that it has entered into with the company. The company has a credit policy in place and, to the extent possible, actively assesses the credit worthiness of borrowers and entities with whom deposits are held. The credit policy permits the company to make loans secured by first mortgages over property with a lending ration not exceeding 80% of the value of the property. The credit policy permits the company to make unsecured loans of not more than $5,000 per loan. The company monitors the receipt of loan repayments from borrowers and acts in accordance with the credit policy when loan repayments become in arrears.

The maximum exposure to credit risk at the balance date to recognised financial assets, excluding the value of any collateral or other security, 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 mortgage loans at the balance date in arrears but not impaired was $583,477 (2017: $5,364,616) the ageing of which is set out in the table below. The total value of the properties held as security over mortgage loans in arrears but not impaired was $1,073,000 (2017: $10,392,000).

	2018		2017	
	Loan amounts	Repayments In arrears	Loan amounts	Repayments in arrears
	$	$	$	$
Composition of loans in arrears but not impaired				
Greater than 30 days but less than 60 days	**-**	**-**	2,464,868	27,907
Greater than 90 days	**583,477**	**25,091**	2,899,748	219,533
	583,477	**25,091**	5,364,616	247,440

The company holds cash and cash equivalent assets and deposits with other financial institutions. The company manages the risk of default by other financial institutions by only investing with organisations that have maintained a high credit rating.

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.

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 at call secured note holders withdrawals at any time as well as the risk of needing to meet term 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 18.

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 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.

The cash and cash equivalents available to the company as a proportion of total secured notes on issue at 30 June 2018 and 30 June 2017 is set out below:

	Consolidated	
	2018	2017
	$	$
Cash and cash equivalents	**3,735,529**	2,928,098
Short term deposits	**16,789,000**	13,764,000
	20,524,529	16,692,098
Secured notes	**77,248,423**	75,370,273
Liquidity ratio (cash and short term deposits / secured notes)	**26.57 %**	22.15 %

Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect future cash flows or the fair value of fixed rate financial investments. The company is exposed to earnings volatility on floating instruments as the investments of the company largely comprise first registered mortgages with variable interest rates. The company has in place a policy to manage interest rate risk by monitoring and controlling the level of fixed and floating rate deposits and loans on a regular basis.

The interest rate risk financial instrument composition and maturity analysis is shown at page 46.

Interest rate risk sensitivity analysis

At 30 June 2018, 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:

	Consolidated	
	2018	2017
	$	$
Change in profit after tax		
- Increase in interest rates of 2%	**2,711**	6,966
- Decrease in interest rates of 2%	**(2,711)**	(6,966)
Change in equity		
- Increase in interest rates of 2%	**2,711**	6,966
- Decrease in interest rates of 2%	**(2,711)**	(6,966)

Webster Dolilta Finance Ltd is bound only by 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 secured notes and lending products it offers to the market.

Net fair values

The net fair values of listed investments have been valued at the quoted market bid price at the balance date. For other assets and othe liabilities the net fair value approximate their carrying values. No financial assets or liabilities of the Group are readily traded on organised markets in standarised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the Group intends to hold these assets to maturity.

The aggregate fair values and carrying amounts of financial assets and financial liabilities at the balance date are disclosed in the statement of financial position and in the notes to the financial statements. Fair values are in line with carrying values.

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 interest rate		Floating term		Maturing within 1 Year		Maturing after 1 Year		Non-interest Bearing		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	%	%	$	$	$	$	$	$	$	$	$	$
Financial assets:												
Cash and cash equivalents	**0.10**	0.10	**3,735,529**	2,928,098	**-**	-	**-**	-	**-**	-	**3,735,529**	2,928,098
Due from other financial institutions	**2.49**	2.40	**-**	-	**16,789,000**	13,914,000	**-**	-	**-**	-	**16,789,000**	13,914,000
Loans and advances	**7.63**	7.85	**-**	-	**33,455,855**	34,300,417	**23,455,016**	24,808,230	**-**	-	**56,910,871**	59,108,647
Total financial assets			**3,735,529**	2,928,098	**50,244,855**	48,214,417	**23,455,016**	24,808,230	**-**	-	**77,435,400**	75,950,745
Financial liabilities:												
Secured notes	**4.03**	3.74	**-**	-	**61,918,896**	66,897,612	**15,329,527**	8,472,661	**-**	-	**77,248,423**	75,370,273
Accrued interest payable	**-**	-	**-**	-	**-**	-	**-**	-	**739,718**	666,381	**739,718**	666,381
Total financial liabilities			**-**	-	**61,918,896**	66,897,612	**15,329,527**	8,472,661	**739,718**	666,381	**77,988,141**	76,036,654

31 Related party transactions

(a) Transactions with related parties

During the year the Group has transactions with Baird & McGregor Pty Ltd, a firm of solicitors of which two of the current directors of the Group are directors and with Doepel, Lilley & Taylor, a firm of real estate agents of which two of the current directors of the Group are directors. The details of transactions with these and other related parties during the year are set out below:

(i) During the year rental income of $42,000 (2017: $33,000) was received from Baird & McGregor Pty Ltd. The rent was charged at commercial rates for the use of office space in Ballarat.

(ii) During the year rental income of $42,000 (2017: $33,000) was received from Doepel Lilley & Taylor. The rent was charged at commercial rates for the use of office space in Ballarat.

(iii) During the year the Baird Cullenward Family Trust reimbursed the Group for $193,165 (2017: $40,177) in development costs incurred on its behalf. The Baird Cullenward Family Trust is controlled by a current director of the Group.

(iv) During the year legal fees were paid to Baird & McGregor Pty Ltd of $35,648 (2017: $50,649) for services provided for conveyencing on the sale of investment properties owned by the Group and for legal services provided to the Group. The amounts paid were either at commercial rates or at a discount to commercial rates.

(v) During the year agents commissions were paid to Doepel Lilley & Taylor of $52,994 (2017: $80,026) for services provided in selling investment properties owned by the Group. The amounts paid were either at commercial rates or at a discount to commercial rates.

(vi) During the year rental commissions were paid to Doepel Lilley & Taylor of $5,618 (2017: $6,547) for services provided in managing the rental properties owned by and held as mortgagee in possession by the Group. The amounts were charged at commercial rates.

(vii) During the year a management fee of $33,000 (2017: $46,200) was paid to Doepel Lilley & Taylor for administrative services provided by the company.

(viii) During the year a management fee of $33,000 (2017: nil) was paid to Baird & McGregor Pty Ltd for administrative services provided by the company.

(ix) Details of key management personnel remuneration are disclosed in Note 28 to the accounts.

(x) The shares owned by the Directors in Webster Dolilta Finance Ltd are disclosed in the Directors Report on page 1.

(b) Loans and advances to related parties

The Group has made loans to directors, key management personnel and other related parties. The loans to related parties are subject to the same requirements under the credit and lending policies of the Group and to the same terms and approval process as other loans made by the Group. Interest is payable on the loans at a variable rate which was 5.75% at 30 June 2018 (5.75% at 30 June 2017).

The total number and balances of loans to related parties are as follows:

	Number		Total loan balances	
	2018	2017	2018	2017
	#	#	$	$
Secured loans	**9**	10	**1,060,497**	1,779,523
Unsecured loans	**2**	3	**7,096**	10,077
Total	**11**	13	**1,067,593**	1,789,600

Loans to related parties represent 1.89% (2017: 3.03%) of the total loans made by the Group by value.

(c) Secured note investments by related parties

The Group has received investments from directors, key management personnel and other related parties in secured notes. The terms of the investments in secured notes by the related parties are on the same terms and conditions as apply to other investors in secured notes. As the investments in secured notes are on the same terms as apply to other investors it is not considered necessary to disclose the individual investments of the related parties as it would potentially breach the obligations of the company to the privacy of investors.

The total number and amount of investments in secured notes held by related parties are as follows:

	Number		Total investment balances	
	2018	2017	2018	2017
	#	#	$	$
30 day notice notes	**28**	32	**1,017,890**	1,129,634
Term notes	**29**	14	**463,132**	517,360
Total	**57**	46	**1,481,022**	1,646,994

Deposits from related parties represent 1.92% (2017: 2.18%) of the total secured notes issued by the Group by value.

32 Contingencies

The Group has no known material contingent assets or contingent liabilities as at 30 June 2018.

33 Events occurring after the reporting date

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

34 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 49, 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 2018 and of the performance for the year ended on that date of the Company and consolidated entities.

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: 26 September 2018

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INDEPENDENT AUDITOR'S REPORT
To The Members of Webster Dolilta Finance Ltd

Opinion

We have audited the financial report of Webster Dolilta Finance Ltd ("the company") and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

RSM

RSM AUSTRALIA PARTNERS

John Findlay

JOHN FINDLAY
Partner

Dated this 26th day of September 2018
Ballarat, Victoria