



## **Consolidated Financial Statements**

**For the Half Year Ended 31 December 2019**

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

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**For the Half Year Ended 31 December 2019**

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## **Directors' Report**

### **For the Half Year Ended 31 December 2019**

The directors present their report, together with the consolidated financial statements of the Group, being the Company and its controlled entity, for the financial half year ended 31 December 2019.

#### **Directors**

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

Robert A. Baird B.A. LL.B  
Timothy S. Bunning CPA B.Ec  
Philip C. Cunningham FIPA GAICD  
Robert G. Cunningham CEA (REIV)  
Neale J. Gribble LL.B. B.Com  
William H. McGregor OAM LL.B  
Robert N. Whitcher FIPA

#### **Principal activities**

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

- Accept investments of money from the public in the form of secured notes; and
- Conduct lending on the security of registered mortgages over freehold properties.

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

#### **Operating results**

The consolidated profit of the Group for the half year after providing for income tax amounted to \$489,253 (31 December 2018: \$440,556).

#### **Dividends**

A special dividend of \$13.50 per share totalling \$296,595 was declared on 28 June 2019 and was provided for in the year ended 30 June 2019. The special dividend was paid on 11 July 2019.

A fully franked dividend of \$14.50 per share totalling \$318,564 was declared at the board meeting held on 10 September 2019. The dividend was paid on the 25 September 2019.

#### **Review of operations**

Net profit of the Group after tax increased for the half year by \$48,697 after providing for expected credit losses of \$102,149. The directors were satisfied with the operating performance of the Group during the half year.

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

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

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

No matters or circumstances have arisen since the end of the financial half 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.

**Directors' Report**  
**For the Half Year Ended 31 December 2019**

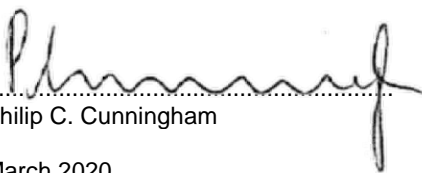
**Environmental matters**

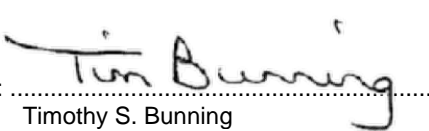
The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

**Auditor's independence declaration**

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the half year ended 31 December 2019 has been received and can be found on page 3 of the consolidated financial report.

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

Director:   
Philip C. Cunningham

Director:   
Timothy S. Bunning

Dated: 11 March 2020

**RSM Australia Partners**

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[www.rsm.com.au](http://www.rsm.com.au)**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Webster Dolilta Finance Ltd for the half year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

*RSM***RSM AUSTRALIA PARTNERS****JOHN FINDLAY**

Partner

Ballarat, Victoria

Dated this 11<sup>th</sup> day of March 2020**THE POWER OF BEING UNDERSTOOD****AUDIT | TAX | CONSULTING**

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RSM Australia Partners ABN 36 965 185 036

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**Consolidated Statement of Profit or Loss and Other Comprehensive Income  
 For the Half Year Ended 31 December 2019**

	Note	Consolidated	
		31 December 2019	31 December 2018
		\$	\$
Interest received	3	3,029,839	2,500,471
Interest expense	3	(1,721,521)	(1,623,237)
		<u>1,308,318</u>	<u>877,234</u>
Non interest revenue	4	252,233	259,434
<b>Total operating income</b>		<b>1,560,551</b>	<b>1,136,668</b>
Expected credit losses	5	(102,149)	8,670
Operating expenses	6	(839,885)	(790,629)
<b>Operating profit</b>		<b>618,517</b>	<b>354,709</b>
Net gain on disposal of investment property		39,537	232,450
<b>Profit before income tax</b>		<b>658,054</b>	<b>587,159</b>
Income tax expense		(168,801)	(146,603)
<b>Net profit after tax for the half year</b>		<b>489,253</b>	<b>440,556</b>
<b>Other comprehensive income, net of income tax</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Net loss on equity investments designated at FVOCI, net of tax	7	(80,613)	(63,102)
<b>Total comprehensive income for the half year</b>		<b>408,640</b>	<b>377,454</b>
<b>Profit attributable to:</b>			
Members of the parent entity		489,253	440,556
		<u>489,253</u>	<u>440,556</u>
<b>Total comprehensive income attributable to:</b>			
Members of the parent entity		408,640	377,454
		<u>408,640</u>	<u>377,454</u>

**Consolidated Statement of Financial Position**  
**As At 31 December 2019**

		<b>Consolidated</b>	
		<b>31 December</b>	<b>30 June</b>
		<b>2019</b>	<b>2019</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>			
Cash and cash equivalents	8	3,167,854	3,472,126
Other financial assets	9	22,069,000	11,789,000
Receivables	10	318,036	1,262,609
Financial assets at FVOCI	11	1,150,335	1,112,489
Loans and advances	12	68,631,561	71,255,964
Investment properties	13	3,265,431	3,712,343
Property, plant and equipment	14	3,394,405	3,434,462
Intangible assets	15	244,473	244,473
<b>Total Assets</b>		<b>102,241,095</b>	<b>96,283,466</b>
<b>Liabilities</b>			
Secured notes	16	91,880,240	85,779,009
Payables	17	730,092	1,175,906
Tax liabilities	18	991,758	853,534
Lease liabilities	19	68,209	-
Provisions	20	151,897	146,194
<b>Total Liabilities</b>		<b>93,822,196</b>	<b>87,954,643</b>
<b>Net Assets</b>		<b>8,418,899</b>	<b>8,328,823</b>
<b>Equity</b>			
Issued capital		2,710,712	2,710,712
Financial investment revaluation reserve		(48,801)	31,812
Property revaluation reserve		1,419,460	1,419,460
Retained earnings		4,337,528	4,166,839
<b>Total Equity</b>		<b>8,418,899</b>	<b>8,328,823</b>

The accompanying notes form part of these financial statements.

**Consolidated Statement of Changes in Equity**  
**For the Half Year Ended 31 December 2019**

	Note	Consolidated				Total
		Issued capital	Financial investment revaluation reserve	Property revaluation reserve	Retained earnings	
		\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>		2,710,712	31,812	1,419,460	4,166,839	8,328,823
Profit attributable to members		-	-	-	489,253	489,253
Comprehensive income	7	-	(80,613)	-	-	(80,613)
Dividends provided for or paid	24	-	-	-	(318,564)	(318,564)
<b>Balance at 31 December 2019</b>		<b>2,710,712</b>	<b>(48,801)</b>	<b>1,419,460</b>	<b>4,337,528</b>	<b>8,418,899</b>

	Note	Consolidated				Total
		Issued capital	Financial investment revaluation reserve	Property revaluation reserve	Retained earnings	
		\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>		2,710,712	9,937	1,118,137	3,284,721	7,123,507
Profit attributable to members		-	-	-	440,556	440,556
Comprehensive income	7	-	(63,102)	-	-	(63,102)
Dividends provided for or paid	24	-	-	-	(186,753)	(186,753)
<b>Balance at 31 December 2018</b>		<b>2,710,712</b>	<b>(53,165)</b>	<b>1,118,137</b>	<b>3,538,524</b>	<b>7,314,208</b>



## Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2019

	Consolidated	
	31 December 2019	31 December 2018
Note	\$	\$
<b>Cash flows from operating activities:</b>		
Interest received	3,013,909	2,501,456
Interest and other costs of finance paid	(1,833,162)	(1,721,585)
Recovery of CDOs	890,458	-
Fees, commissions and other income received	149,132	184,523
Rents received	103,101	74,911
Cash paid to suppliers and employees	(782,256)	(902,756)
<b>Net cash provided by operating activities</b>	<b>1,541,182</b>	<b>136,549</b>
25(a)		
<b>Cash flows from investing activities:</b>		
Payments for other investments	(149,037)	(99,516)
Proceeds/(payments) for property, plant and equipment	5,000	(36,898)
Net decrease in development costs receivable	13,145	377,746
Net decrease/(increase) in loans	2,522,254	(4,607,265)
Proceeds from disposal of investment properties	893,700	1,519,132
Payments for investment property	(328,983)	(764,551)
<b>Net cash provided by/(used in) investing activities</b>	<b>2,956,079</b>	<b>(3,611,352)</b>
<b>Cash flows from financing activities:</b>		
Net increase in secured notes	6,101,231	3,482,032
Lease payments - right-of-use assets	(7,605)	-
Dividends paid	(615,159)	(186,753)
<b>Net cash provided by financing activities</b>	<b>5,478,467</b>	<b>3,295,279</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	<b>9,975,728</b>	<b>(179,524)</b>
Cash and cash equivalents at beginning of the half year	15,261,126	20,524,529
<b>Cash and cash equivalents at end of the half year</b>	<b>25,236,854</b>	<b>20,345,005</b>
25(b)		

## **Notes to the Financial Statements**

### **For the Half Year Ended 31 December 2019**

The consolidated financial report covers Webster Dolilta Finance Ltd and its 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 report was authorised for issue on 10 March 2020 by the Directors of the Company.

#### **1 Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The interim financial report is intended to provide users with an update on the latest annual financial statements of the Group. The financial report does not contain information that represents relatively insignificant changes occurring within the Group during the half year. It is recommended that the financial report be read in conjunction with the annual financial report of the Group for the year ended 30 June 2019, together with any public announcements made during the half year.

Compliance with Australian Accounting Standards ensures that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

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

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

The same accounting policies have been applied in this interim financial report as were applied in the most recent annual financial statements, with the exception of the adoption of new accounting standards as set out below.

##### **(a) Adoption of new and revised accounting standards**

All accounting standards which became effective for the first time in the reporting period ended 31 December 2019 have been adopted by the Group. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

##### **Leases - Adoption of AASB 16**

The Group has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the half year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2019**

**2 Summary of significant accounting policies**

**(a) Adoption of new and revised accounting standards**

**Impact of adoption of AASB 16**

The impact of adopting AASB 16 is described below:

**The Group as a lessee**

Under AASB 117, the Group assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Group or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the consolidated statement of financial position (except for short-term leases and leases of low value assets).

*Practical expedients used on transition*

AASB 16 includes a number of practical expedients which can be used on transition. The Group has used the following expedients:

- lease liabilities have been discounted using the Group's incremental borrowing rate at 1 July 2019;
- right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease; and
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are the same value as the leased asset and liability on 30 June 2019.

**Financial statement impact of adoption of AASB 16**

The Group has recognised right-of-use assets of \$75,814 and lease liabilities of \$75,814 at 1 July 2019, for leases previously classified as operating leases.

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 5.02%. The incremental borrowing rate is based on the borrowing rates advertised by one of the Group's bankers, National Australia Bank, at the adoption of AASB16.

**The Group as a lessor**

For the arrangements where the Group is a lessor, there have been no changes to accounting policies on adoption of AASB16.

**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2019**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>3 Interest</b>		
Interest received on loans	2,848,679	2,241,097
Interest received on deposits with other financial institutions	181,160	259,374
	<u>3,029,839</u>	<u>2,500,471</u>
Interest expense on secured notes	<u>(1,721,521)</u>	<u>(1,623,237)</u>
Net interest revenue	<u>1,308,318</u>	<u>877,234</u>
<b>4 Non interest revenue</b>		
Administration fees	11,752	12,367
Application fees	78,148	98,131
Commissions	-	3,237
Discharge fees	10,911	17,969
Dividends	43,985	52,194
Redraw fees	-	625
Rent received	103,101	74,911
Other income	4,336	-
	<u>252,233</u>	<u>259,434</u>
<b>5 Expected credit losses</b>		
(Increase)/decrease in provision for expected credit losses	(102,149)	10,768
Credit losses written off	-	(2,098)
	<u>(102,149)</u>	<u>8,670</u>
<b>6 Operating expenses</b>		
Auditor's remuneration		
Auditing or reviewing the financial report	(17,600)	(19,250)
Administration expenses		
Personnel costs	(250,482)	(195,699)
Superannuation	(17,007)	(15,614)
Other administrative expenses	(164,162)	(139,417)
Accounting fees	(38,995)	(35,420)
Depreciation	(37,633)	(25,226)
Directors remuneration	(173,138)	(173,138)
Legal fees	(1,869)	(9,045)
Provision for employee entitlements	(5,703)	(18,830)
Other expenses	(133,296)	(158,990)
	<u>(839,885)</u>	<u>(790,629)</u>

**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2019**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>7 Other comprehensive income</b>		
<b>Analysis of other comprehensive income by each class of reserve:</b>		
Net loss on revaluation of equity investments designated at FVOCI	(111,190)	(87,038)
Income tax effect of revaluation	30,577	23,936
	<u>(80,613)</u>	<u>(63,102)</u>
	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June</b>
	<b>2019</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>8 Cash and cash equivalents</b>		
<b>Current</b>		
Cash on hand	5,129	4,532
Cash at bank	3,162,725	3,467,594
	<u>3,167,854</u>	<u>3,472,126</u>
<b>9 Other financial assets</b>		
Interest earning deposits	<u>22,069,000</u>	<u>11,789,000</u>
<b>(a) Interest earning deposits - maturity analysis</b>		
Not longer than three months	<u>22,069,000</u>	<u>11,789,000</u>
<b>10 Receivables</b>		
<b>Current</b>		
Interest receivable - liquid reserves	53,247	37,317
Prepayments	16,432	39,541
Rental bonds	1,200	1,200
Refundable development bonds	29,734	47,112
Recoverable development costs	217,423	224,067
Recoverable CDO debtor	-	890,458
GST refundable	-	22,914
	<u>318,036</u>	<u>1,262,609</u>

**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2019**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June</b>
	<b>2019</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>11 Financial assets at FVOCI</b>		
<b>Non-current</b>		
Investments in unlisted entities at FVOCI	-	5,000
Investments in listed entities at FVOCI	<b>1,150,335</b>	1,107,489
	<b>1,150,335</b>	<b>1,112,489</b>
<b>12 Loans and advances</b>		
Loans secured by mortgage	<b>68,331,561</b>	70,532,490
Loans - other	<b>1,251,468</b>	1,572,793
	<b>69,583,029</b>	72,105,283
Less provision for expected credit losses	<b>(951,468)</b>	(849,319)
	<b>68,631,561</b>	<b>71,255,964</b>
<b>(a) Maturity analysis</b>		
Due within 1 year	<b>46,086,713</b>	51,208,589
Due after 1 year and not later than 2 years	<b>17,951,218</b>	13,518,306
Due after 2 years and not later than 5 years	<b>1,118,131</b>	2,620,452
Due after 5 years and not later than 30 years	<b>4,426,967</b>	4,757,936
	<b>69,583,029</b>	<b>72,105,283</b>
<b>13 Investment properties</b>		
<b>Owned assets</b>		
<b>Current</b>		
At valuation	-	837,692
<b>Non-current</b>		
At valuation	<b>3,198,041</b>	2,874,651
	<b>3,198,041</b>	<b>3,712,343</b>
<b>Right-of-use assets</b>		
Land and buildings	<b>75,814</b>	-
Depreciation	<b>(8,424)</b>	-
	<b>67,390</b>	-
<b>Total investment properties</b>	<b>3,265,431</b>	<b>3,712,343</b>

Investment property includes properties that are held as right to use assets, as well as properties that are owned by the Group.

**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2019**

	Consolidated	
	31 December 2019	30 June 2019
	\$	\$
<b>14 Property, plant and equipment</b>		
<b>Non current</b>		
<b>Land and buildings</b>		
Freehold land		
At valuation	1,700,000	1,700,000
	<u>1,700,000</u>	<u>1,700,000</u>
Buildings		
At valuation	1,680,000	1,680,000
Less accumulated depreciation	(21,173)	-
	<u>1,658,827</u>	<u>1,680,000</u>
Total land and buildings	<u>3,358,827</u>	<u>3,380,000</u>
<b>Plant and equipment</b>		
Office and other equipment		
At cost	130,588	130,589
Less accumulated depreciation	(95,010)	(87,156)
	<u>35,578</u>	<u>43,433</u>
Motor vehicles		
At cost	-	21,359
Less accumulated depreciation	-	(10,330)
	<u>-</u>	<u>11,029</u>
Total plant and equipment	<u>35,578</u>	<u>54,462</u>
<b>Total property, plant and equipment</b>	<u>3,394,405</u>	<u>3,434,462</u>
<b>15 Intangible assets</b>		
<b>Non-current</b>		
Goodwill on consolidation	244,473	244,473
	<u>244,473</u>	<u>244,473</u>

**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2019**

Consolidated	
31 December	30 June
2019	2019
\$	\$

**16 Secured notes**

Secured notes	91,880,240	85,779,009
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**Concentration of secured notes**

Practically all secured note holders are residents of Victoria. The Group do not actively seek funds from non-Victorian residents.

**(a) Maturity Analysis**

Due within 1 year	78,126,080	74,881,358
Due after 1 year and not later than 3 years	13,754,160	10,897,651
	91,880,240	85,779,009

**17 Payables**

**Current**

Accrued interest payable	691,821	803,462
Dividend payable	-	296,595
GST liability	5,514	-
Other payables and accrued expenses	32,757	75,849
	730,092	1,175,906

**18 Tax liabilities**

**Current**

Provision for income tax	228,420	26,622
	228,420	26,622

**Non-current**

Net deferred tax liabilities comprises:

Deferred tax liability from asset revaluation	1,085,820	1,105,040
Deferred tax (asset)/liability from financial investment revaluation	(18,511)	12,067
Deferred tax asset from expenses deductible when paid	(321)	(16,430)
Deferred tax asset from provisions not deductible until paid or written off	(303,425)	(273,765)
Deferred tax assets from other timing differences	(225)	-
	763,338	826,912
	991,758	853,534



**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2019**

**19 Leases**

The Group has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

**The Group as a lessee**

The Group has a lease over an investment property.

The Group has chosen not to apply AASB 16 to leases of intangible assets.

Information relating to the leases in place and associated balances and transactions are provided below.

*Terms and conditions of leases*

The investment property lease relates to business premises in Ballarat which are sub-leased to an unrelated tenant. The property lease is being retained as a planning contingency for possible future use of the property by the Group. The lease was in place at 1 January 2019 and at that date had a remaining term of 12 months with an option for a further extension of 36 months.

**(a) Right-of-use assets**

	Investment property	Total
	\$	\$
<b>Consolidated</b>		
<b>Half year ended 31 December 2019</b>		
Changes due to the adoption of AASB 16	75,814	75,814
Depreciation charge	(8,424)	(8,424)
<b>Balance at end of half year</b>	<u>67,390</u>	<u>67,390</u>

**(b) Lease liabilities**

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	<b>Consolidated</b>			<b>Lease liabilities included in this Consolidated Statement Of Financial Position</b>
	<b>&lt; 1 year</b>	<b>1 - 5 years</b>	<b>Total undiscounted lease liabilities</b>	<b>Financial Position</b>
	\$	\$	\$	\$
<b>31 December 2019</b>				
Lease liabilities	15,793	52,416	68,209	68,209

**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2019**

**19 Leases**

**Consolidated Statement of Profit or Loss and Other Comprehensive Income**

The amounts recognised in the consolidated statement of profit or loss and other comprehensive income relating to lease where the Group is a lessee are shown below:

	<b>Consolidated</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Rental income from sub-leasing right-of-use assets	9,418	-
Interest expense on lease liabilities	(1,824)	-
Depreciation of right-of-use assets	(8,424)	-
	<u>(830)</u>	<u>-</u>

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June</b>
	<b>2019</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>

**20 Provisions**

**Current**

**Employee entitlements**

Annual leave	77,221	57,253
Long service leave	74,676	88,941
	<u>151,897</u>	<u>146,194</u>

**21 Composition of the Group**

<b>Name</b>	<b>Country of incorporation</b>	<b>Percentage owned (%)*</b>	<b>Percentage owned (%)*</b>
		<b>31 December 2019</b>	<b>30 June 2019</b>
<b>Parent entity:</b>			
Webster Dolilta Finance Ltd	Australia	-	-
<b>Subsidiaries:</b>			
Webster Investments Pty Ltd	Australia	100	100

\*The percentage of ownership interest held is equivalent to the percentage of voting rights for all subsidiaries.

**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2019**

**22 Fair value measurement**

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

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

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

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

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

<b>Consolidated</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>31 December 2019</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Recurring fair value measurements</b>				
Financial assets at FVOCI	1,150,335	-	-	1,150,335
Investment properties	-	3,198,041	-	3,198,041
Property, plant and equipment - land and buildings	-	3,358,827	-	3,358,827
	<b>1,150,335</b>	<b>6,556,868</b>	<b>-</b>	<b>7,707,203</b>

<b>Consolidated</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>30 June 2019</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Recurring fair value measurements</b>				
Financial assets at FVOCI	1,107,489	-	5,000	1,112,489
Investment properties	-	3,712,343	-	3,712,343
Property, plant and equipment - land and buildings	-	3,380,000	-	3,380,000
	<b>1,107,489</b>	<b>7,092,343</b>	<b>5,000</b>	<b>8,204,832</b>

**Level 1 measurements**

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

**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2019**

**22 Fair value measurement**

**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 acquisitions or additions recorded at cost, are based on market valuations provided by appropriately qualified and independent registered valuers conducted on a periodic, but at least triennial, basis.

**Level 3 measurements**

The revaluation of Financial assets at FVOCI under Level 3 relate to investments in unlisted entities are based on the Directors assessment of the fair value at the reporting date. The Directors have determined that the carrying value at the reporting date is not materially different to the fair value of the investment.

**Highest and best use**

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

**23 Segment information**

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

**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2019**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>24 Dividends paid</b>		
Interim fully franked ordinary dividends paid of \$14.50 per share franked at the tax rate of 27.5% (31 December 2018: \$8.50 per share franked at the tax rate of 27.5%)	<b>(318,564)</b>	<b>(186,753)</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>25 Cash Flow Information</b>		
<b>(a) Reconciliation of cash flow from operations with profit after income tax</b>		
Net profit for the period	<b>489,253</b>	440,556
Non-cash flows in profit:		
Depreciation	<b>43,481</b>	25,226
Expected credit losses written off	-	2,098
Net profit on disposal of investment properties	<b>(39,537)</b>	(232,450)
Changes in assets and liabilities attributable to operating activities		
Decrease in receivables	<b>874,723</b>	42,394
(Increase)/decrease in deferred tax asset	<b>(32,996)</b>	146,605
Increase/(decrease) in expected credit losses	<b>102,149</b>	(10,768)
Increase in income taxes payable	<b>201,798</b>	-
(Decrease) in payables	<b>(103,392)</b>	(295,942)
increase in provisions	<b>5,703</b>	18,830
Cashflows from operations	<b>1,541,182</b>	136,549
	<hr/> <hr/>	<hr/> <hr/>
<b>(b) Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	<b>3,167,854</b>	1,056,005
Short term deposits	<b>22,069,000</b>	19,289,000
	<hr/> <hr/>	<hr/> <hr/>
	<b>25,236,854</b>	20,345,005

**26 Statutory Information**

The registered office of the company is:  
 Webster Doliita Finance Ltd  
 44 Armstrong Street South  
 Ballarat Victoria 3350

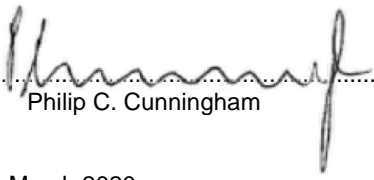
## **Directors' Declaration**

The directors of the Company declare that:

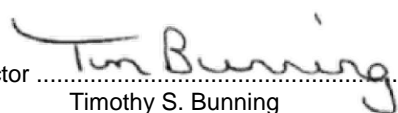
1. the consolidated financial statements and notes for the financial half year ended 31 December 2019, as set out on pages 4 to 19, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the consolidated financial 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 31 December 2019 and performance of the consolidated group for the financial half year ended on that date;
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director .....

  
Philip C. Cunningham

Director .....

  
Timothy S. Bunning

Dated: 11 March 2020



**RSM Australia Partners**

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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Webster Doliita Finance Ltd

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

We have reviewed the accompanying half-year financial report of Webster Doliita Finance Ltd which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end.

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

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

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Webster Doliita Finance Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Webster Doliita Finance Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

## THE POWER OF BEING UNDERSTOOD

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*Conclusion*

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

*RSM*

**RSM AUSTRALIA PARTNERS**



**JOHN FINDLAY**

Partner

Ballarat, Victoria

Dated this 11<sup>th</sup> day of March 2020