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WHITEFIELD LIMITED

ABN 50 000 012 895

APPENDIX 4E

PRELIMINARY FINAL REPORT

Year Ended 31 March 2019

(Previous corresponding period being the
year ended 31 March 2018)

This report is based on accounts that have been audited.

All the documents contained within this report comprise the information required by listing rule 4.3A.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

A. Revenue and Net Profit

	FY 2019 \$'000	Change on prior year
Investment revenue from ordinary activities	21,654	Up 3.3%
Net Profit after tax attributable to members	19,406	Up 7.1%

Explanation of Results

Net Profit in the current year includes an accounting gain on the reset / conversion of preference shares. Ordinary shareholder entitlement to profit should also be considered after the impact of preference share dividends. Accordingly, greater clarity on the company's operations can be gained from the further dissection of Net Profit as follows:

	FY 2019 \$'000	Change On prior year
Net Profit after tax attributable to all members (including gain on conversion/reset of preference shares)	19,406	Up 7.1%
Less Preference Share Dividends	(2,300)	
Net Profit after tax attributable to Ordinary Shares (including gain on conversion/reset of preference shares)	17,106	Up 11.7%
Less Gain on conversion/reset of preference shares	(715)	
Net Profit after tax attributable to Ordinary Shares (excluding gain on conversion/reset of preference shares)	16,391	Up 7.1%

B. Dividends

Since the end of the financial year, the directors of Whitefield have declared the following dividends:

Final Dividends	Cents per security
Final Dividend Per Ordinary Share	10.00
Final Dividend Per 8% Preference Share	4.00
Final Dividend Per Convertible Resettable Preference Share	201.25
Record date for determining entitlement to the final dividend:	28 th May 2019
Payment date:	12 th June 2019
Franking:	Each dividend is fully franked at the 30% rate Each dividend will be 100% attributed to LIC Discount Capital Gains

Dividend Reinvestment Plan [DRP] and Bonus Share Plan [BSP]

The DRP and BSP will continue to be available for use with these dividends, however with listed investment companies generally (including Whitefield) trading at above normal discounts to asset backing at present, **no additional discount will be applied** to shares issued under these plans for the upcoming dividend.

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

C. Net Asset Backing

	31 Mar 2019	31 Mar 2018	Change %
Net Tangible Assets per share (post-deferred capital gains tax)	\$4.57	\$4.46	Up 2.5%
Net Tangible Assets per share (pre-deferred capital gains tax)	\$4.92	\$4.81	Up 2.3%

D. Commentary on the Results

Operating Results

Whitefield generated an Operating profit after tax and preference share dividends of \$17,106,396 an increase of 11.7% on the prior year. This strong result includes an accounting gain of \$714,914 arising on the reset and conversion of the company's convertible preference shares.

Underlying profit after tax and preference share dividends (and excluding the gain on reset and conversion of preference shares) amounted to \$16,391,482 an increase of 7.1% from the prior year result.

After allowing for growth in the number of ordinary shares on issue this outcome equated to earnings per ordinary share (excluding the gain on conversion/reset) of 18.5 cents an increase of 3.8% on the prior year. Earnings per share including the gain on reset amounted to 19.3 cents.

The result was driven by a good breadth of dividend growth across the portfolio with more than 75% of companies maintaining or increasing their dividend. Strongest growth came from Flight Centre, QBE, Pental, Magellan, IAG, Star Entertainment, Wesfarmers, Link, Janus Henderson, Aristocrat, CSL, Metcash, ALS, AGL, Woolworths, Macquarie Group and Treasury Wine. Cuts to dividends from Telstra, AMP and TPG provided a partial offset to the growth otherwise achieved.

In addition to Operating Profit, Whitefield recorded Other Comprehensive Income after tax of \$9,844,332 representing the after tax growth in capital values of the investment portfolio over the 12 month period.

Investment Outcomes

Whitefield's investment portfolio generated a return of 7.9% for the year. This return was marginally behind the return of the S&P ASX200 Industrials of 8.4% with Whitefield's slightly higher exposure to Boral, Ramsay Healthcare, Brambles and Metcash in the first quarter of the year to June 2018 the differentiating factor.

Investment performance relative to index strengthened as the year progressed. Notable contributors to return over the full year included CSL, Wesfarmers, Macquarie Group, Goodman Group, Woolworths, Transurban, QBE, GPT, Telstra, Mirvac, Charter Hall Group, Brambles, ASX, Magellan Financial and IAG. Net Asset Backing

The net asset backing (before providing for deferred capital gains tax) for each of the company's ordinary shares amounted to \$4.92 at 31 March 2019 compared to \$4.81 at the same time one year ago. The net asset backing per ordinary share (after a provision for deferred capital gains tax expenses (or benefits) including those which would arise in the event that the entire portfolio was realised) at 31 March 2019 amounted to \$4.57 compared to \$4.46 one year ago.

Dividend

Whitefield has declared and paid an interim dividend of 9.75 cents per Ordinary Share (prior year 8.75 cents) and has declared a final dividend of 10.0 cents per Ordinary share (prior year 9.0). Dividends on WHFPB (convertible resettable preference shares) were also declared in accordance with their terms (350 cents per share in December 2018 and 201.25 cents payable June 2019). All dividends were fully franked at 30%, with the June 2019 dividends also providing eligible investors with a LIC Discount Capital Gain deduction.

This represents the 29th consecutive year in which Whitefield has maintained or increased its ordinary share dividend.

Outlook

The Australian economy is currently experiencing moderate growth in employment supported by spending in infrastructure, education, commercial and industrial property, government, business services and general industrial activity. Notwithstanding these positives the economy continues to face some meaningful headwinds.

The ultra-low level of interest rates has two notable adverse impacts. On the one hand such low rates materially lower retiree incomes and spending, and secondarily they encourage excessive inflation of asset values which in turn lowers affordability of housing and drives up consumer indebtedness and consumer caution.

At an international level, US employment and economic activity are exceptionally strong. Conditions in China, Japan and Europe have not been as favourable, however these economies continue to display growth at low but positive levels. The US-China trade dispute has threatened the stability of investment markets over the last year, however its ultimate resolution has the potential to be a significant positive should that eventuate.

The current political and social landscape is increasingly susceptible to change. This is the case both for Australia and many of our trading partners. In such an environment we are likely to see a greater volume of policy adjustment over upcoming years than there has been for many decades. While this change will create periods of uncertainty for investment markets it is also likely to create opportunities.

As we have repeatedly highlighted, one of the larger challenges for investment markets over upcoming years will be to digest the ultimately inevitable move of interest rates away from their recent lows towards more normalised levels. With governments, regulators and economists increasingly focussed on the need for higher levels of wage growth, the necessity to properly address the challenges of climate change, resource sustainability and the need to improve living conditions for the less fortunate, there are an increasing range of factors with the potential to push both inflation and rates upwards. These considerations will be in the minds of decision makers, notwithstanding the loud voices of market commentators who continue to see rate cuts as a viable solution.

In line with Whitefield's strategy, the company will continue to invest in its strongly diversified portfolio of positions, using its quantitative process to emphasise those stocks and sectors which we consider carry a better probability of generating strength of return.

The company's earnings per ordinary share will continue to benefit across 2020 from the full year effect of the recent reset and conversion of the company's WHFPBs. Whitefield will consider this, the average level of capital gains it incidentally realises in the course of managing its portfolio, and its underlying investment income in determining the scope for further increases to the Ordinary share dividend across the upcoming year.

We look forward to reporting on our progress during 2019 and into 2020.

Further Queries:

Should you require any further general information about Whitefield Ltd, please visit the company website www.whitefield.com.au

Should you have any specific queries relating to your shareholding, please contact the share registry, Computershare Investor Services Pty Ltd on 1300 850 505 (inside Australia) or +61 (0)3 9415 4000 (outside Australia).

For queries about the company operations or this report please contact Managing Director Angus Gluskie on +61 2 8215 7735 or Company Secretary Stuart Madeley on +61 2 8215 7722.

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Whitefield Limited
Statement of Comprehensive Income
For the year ended 31 March 2019

	Notes	2019 \$	Restated* 2018 \$
Investment income from ordinary activities	4	21,653,619	20,955,741
Expenses			
Management fees		(1,278,559)	(1,269,874)
Directors' fees		(49,986)	(43,750)
Audit fees		(28,278)	(28,113)
Other expenses		(610,966)	(505,438)
Finance costs - Convertible Resettable Preference Shares		(269,868)	(187,548)
Gain on reset/conversion of Convertible Resettable Preference Shares		714,914	-
Operating result before income tax		20,130,876	18,921,018
Income tax expense	5	(724,718)	(816,964)
Profit for the year		19,406,158	18,104,054
Other comprehensive income			
<i>Items that may not be reclassified to profit or loss</i>			
Net unrealised gains/(losses) on investments taken to equity		16,800,451	(33,140,524)
Income tax relating to net unrealised (gains)/losses on investments taken to equity		(5,319,332)	8,946,455
Net realised (losses)/gains on investments taken to equity		(2,473,576)	11,482,983
Income tax relating to net realised losses/(gains) on investments taken to equity		836,789	(2,624,492)
Other comprehensive income/(loss) for the year, net of tax		9,844,332	(15,335,578)
Total comprehensive income/(loss) for the year		29,250,490	2,768,476
		Cents	Cents
Earnings per share from continuing operations attributable to the ordinary equity holders of the Company (excluding all net realised gains/losses on investments)			
Basic earnings per share	22	19.26	17.79
Diluted earnings per share	22	19.26	17.79
Earnings per share from continuing operations attributable to the ordinary equity holders of the Company (excluding all net realised gains/losses on investments and excluding gain on reset/conversion of Convertible Resettable Preference Shares)			
Basic earnings per share	22	18.46	17.79
Diluted earnings per share	22	18.46	17.79

*Refer to Note 24 Prior period restatements

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

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Whitefield Limited
Statement of Financial Position
As at 31 March 2019

	Notes	2019 \$	Restated* 2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	6,485,068	7,987,283
Trade and other receivables	7	2,486,084	1,828,959
Current tax receivables		3,250,915	-
Other current assets		23,125	19,329
Total current assets		<u>12,245,192</u>	<u>9,835,571</u>
Non-current assets			
Financial assets at fair value through other comprehensive income	3, 8	474,031,614	452,901,823
Deferred tax assets	9	7,208,634	7,027,572
Total non-current assets		<u>481,240,248</u>	<u>459,929,395</u>
Total assets		<u>493,485,440</u>	<u>469,764,966</u>
LIABILITIES			
Current liabilities			
Trade and other payables		188,734	311,426
Dividends payable		431,193	-
Current tax liabilities		-	2,563,753
Other financial liabilities	10	-	41,793,001
Total current liabilities		<u>619,927</u>	<u>44,668,180</u>
Non-current liabilities			
Deferred tax liabilities	11	40,756,606	35,313,694
Other financial liabilities	10	32,169,679	-
Total non-current liabilities		<u>72,926,285</u>	<u>35,313,694</u>
Total liabilities		<u>73,546,212</u>	<u>79,981,874</u>
Net assets		<u>419,939,228</u>	<u>389,783,092</u>
EQUITY			
Issued capital	12	239,244,188	220,291,925
Reserves	13	135,654,753	125,810,421
Retained earnings		45,040,287	43,680,746
Total equity		<u>419,939,228</u>	<u>389,783,092</u>

*Refer to Note 24 Prior period restatement.

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

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Whitefield Limited
Statement of Changes in Equity
For the year ended 31 March 2019

	Notes	Issued capital \$	Reserves \$	Retained earnings \$	Total equity \$
Balance at 1 April 2017 (restated)	24	205,686,889	141,145,999	42,617,866	389,450,754
Profit for the year		-	-	18,104,054	18,104,054
Other comprehensive income/(losses) for the year					
Net unrealised losses on investments taken to equity		-	(33,140,524)	-	(33,140,524)
Income tax on net unrealised losses on investments taken to equity		-	8,946,455	-	8,946,455
Net realised gains on investments taken to equity		-	11,482,983	-	11,482,983
Income tax on net realised gains on investments taken to equity		-	(2,624,492)	-	(2,624,492)
Total other comprehensive losses for the year, net of tax		-	(15,335,578)	-	(15,335,578)
Total comprehensive income for the year		-	(15,335,578)	18,104,054	2,768,476
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax		14,605,036	-	-	14,605,036
Dividends provided for or paid	14	-	-	(17,041,174)	(17,041,174)
		14,605,036	-	(17,041,174)	(2,436,138)
Balance at 31 March 2018		220,291,925	125,810,421	43,680,746	389,783,092
Balance at 1 April 2018		220,291,925	125,810,421	43,680,746	389,783,092
Profit for the year		-	-	19,406,158	19,406,158
Other comprehensive income/(losses) for the year					
Net unrealised gains on investments taken to equity		-	16,800,451	-	16,800,451
Income tax on net unrealised gains on investments taken to equity		-	(5,319,332)	-	(5,319,332)
Net realised losses on investments taken to equity		-	(2,473,576)	-	(2,473,576)
Income tax on net realised losses on investments taken to equity		-	836,789	-	836,789
Total other comprehensive income for the year, net of tax		-	9,844,332	-	9,844,332
Total comprehensive income for the year		-	9,844,332	19,406,158	29,250,490
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax		18,952,263	-	-	18,952,263
Dividends provided for or paid	14	-	-	(18,046,617)	(18,046,617)
		18,952,263	-	(18,046,617)	905,646
Balance at 31 March 2019		239,244,188	135,654,753	45,040,287	419,939,228

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

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Whitefield Limited
Statement of Cash Flows
For the year ended 31 March 2019

	2019	2018
Notes	\$	\$
Cash flows from operating activities		
Dividends and trust distributions received	20,793,589	21,673,286
Interest received	29,364	124,954
Payments for other expenses	(2,031,932)	(1,862,378)
Income taxes paid	(5,741,259)	(557,574)
Net cash inflow from operating activities	20 <u>13,049,762</u>	<u>19,378,288</u>
Cash flows from investing activities		
Proceeds from sale of financial assets at fair value through other comprehensive income	118,454,327	100,991,003
Payments for financial assets at fair value through other comprehensive income	(125,248,015)	(118,974,437)
Net cash (outflow) from investing activities	<u>(6,793,688)</u>	<u>(17,983,434)</u>
Cash flows from financing activities		
Proceeds from issues of shares	9,285,999	13,358,537
Share issue and buy-back transaction costs	(88,541)	(121,227)
Dividends paid to Company's shareholders	(14,155,747)	(12,909,816)
Dividends paid on convertible resettable preference shares	(2,800,000)	(2,800,000)
Net cash (outflow) from financing activities	<u>(7,758,289)</u>	<u>(2,472,506)</u>
Net (decrease) in cash and cash equivalents	(1,502,215)	(1,077,652)
Cash and cash equivalents at the beginning of the year	7,987,283	9,064,935
Cash and cash equivalents at the end of year	6 <u>6,485,068</u>	<u>7,987,283</u>

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

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1 General information

Whitefield Limited (the "Company") is a listed public company domiciled in Australia. The address of Whitefield Limited's registered office is Suite 16.01 Level 16, 68 Pitt Street, Sydney, NSW, 2000. The financial statements of Whitefield Limited are for the year ended 31 March 2019. The Company is primarily involved in making investments, and deriving revenue and investment income from listed securities and unit trusts in Australia.

2 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of market risks, and ratings agency analysis for credit risk.

(a) Market risk

AASB 7 *Financial Instruments: Disclosures* defines this as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Price risk

The Company is exposed to equity securities price risk. This arises from investments held by the Company and classified in the Statement of Financial Position as financial assets at fair value through other comprehensive income.

The Company's investment portfolio is spread across the following sectors:

Sector	2019 (%)	2018 (%)
Information technology	3.68	2.42
Financials	39.31	41.16
Healthcare and biotechnology	11.07	10.07
Consumer staples	7.56	10.53
Industrials	10.19	9.14
Consumer discretionary	8.26	5.49
Utilities	2.85	2.97
Materials	3.41	5.91
Telecommunications services	4.47	3.42
Property	9.20	8.89
Total	100.00	100.00

2 Financial risk management (continued)

(a) Market risk (continued)

Securities representing over 5 per cent of the investment portfolio at 31 March 2019 were:

	2019 (%)
Commonwealth Bank of Australia	8.91
CSL Limited	6.74
Westpac Banking Corporation	6.18
ANZ Banking Group Limited	5.75
National Australia Bank Limited	5.27
	32.85

Securities representing over 5 per cent of the investment portfolio at 31 March 2018 were:

	2018 (%)
Commonwealth Bank of Australia	9.35
Westpac Banking Corporation	7.60
National Australia Bank Limited	6.17
ANZ Banking Group Limited	5.98
	29.10

The following table illustrates the effect on the Company's equity from possible changes in the value of equity investments, assuming a flat tax rate of 30 per cent:

	Impact on other components of equity	
	2019 \$	2018 \$
Change in value - 10%	(33,182,213)	(31,703,127)
Change in value - 30%	(99,546,639)	(95,109,383)

Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as financial assets at fair value through other comprehensive income.

(ii) Cash flow and fair value interest rate risk

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The Company's CRPS are subject to fixed interest rates and are carried at amortised cost. They are therefore not subject to interest rate risk as defined in AASB 7, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

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2 Financial risk management (continued)

(b) Credit risk

The standard defines this as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

None of these assets are over-due or considered to be impaired.

(c) Liquidity risk

The standard defines this as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Investment Manager monitors its cash-flow requirements daily in relation to the investing account taking into account upcoming dividends, tax payments and investing activity.

The Company's inward cash flows depend upon the level of dividend and distribution revenue received. Should these decrease by a material amount, the Company would amend its outward cash flows accordingly. As the Company's major cash outflows are the purchase of securities and dividends paid to shareholders, the level of both of these is managed by the Board and CEO.

The assets of the Company are largely in the form of readily tradeable securities which can be sold on-market if necessary.

Maturities of financial liabilities

Except for the CRPS which will mature in 2021 (2018: within 1 year), the other liabilities of the Company in the current and prior year have maturities of less than one month.

3 Fair value measurements

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

- Financial assets at fair value through other comprehensive income (FVOCI)

The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

(a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy (consistent with the hierarchy applied to financial assets and financial liabilities):

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

3 Fair value measurements (continued)

(a) Fair value hierarchy (continued)

(i) Recognised fair value measurements

The following table presents the Company's assets and liabilities measured and recognised at fair value and the valuation input levels utilised in accordance with AASB 13.

At 31 March 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements				
Financial assets				
Financial assets at FVOCI				
Equity securities	474,031,614	-	-	474,031,614
Total financial assets	474,031,614	-	-	474,031,614
<hr/>				
At 31 March 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements				
Financial assets				
Financial assets at FVOCI				
Equity securities	452,901,823	-	-	452,901,823
Total financial assets	452,901,823	-	-	452,901,823

There were no transfers between levels for recurring fair value measurements during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Disclosed fair values

The Company also has Convertible Resettable Preference Shares (CRPS) which are not measured at fair value within the Statement of Financial Position. The fair value is noted in the accounts and would represent the market value at balance sheet date less the dividend separately provided.

Details of the carrying amount and fair value are shown below.

	2019 \$	2018 \$
Carrying amount	32,169,679	41,793,001
Fair value	32,607,288	42,200,000

For all financial instruments other than those measured at fair value or otherwise disclosed above, their carrying value approximates fair value.

The carrying amounts of trade and other receivables and payables are assumed to approximate their fair values due to their short-term nature.

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4 Revenue

	2019	2018
	\$	\$
From continuing operations		
Dividends on investments held at the end of the year	18,621,948	17,484,492
Dividends on investments sold during the year	333,091	293,853
Interest	30,634	119,443
Distributions	2,667,946	3,057,953
	21,653,619	20,955,741

5 Income tax expense

(a) Income tax expense through profit or loss

	2019	2018
	\$	\$
Income tax expense	724,718	816,964

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

Profit from continuing operations before income tax expense	20,130,876	18,921,018
Tax at the Australian tax rate of 30.0% (2018 - 30.0%)	6,039,263	5,676,305
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Franking credits on dividends received	(6,950,857)	(6,784,354)
Finance expense items	(185,790)	56,264
Imputation gross up on dividends income	2,083,284	2,038,937
Permanent differences from adjustments to prior year income tax expense	(263,155)	(158,085)
Foreign tax credits on dividends received	1,973	(12,103)
Income tax expense	724,718	816,964

(c) Amounts recognised directly in equity

Aggregate current tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:

Share issue expenses	15,155	36,368
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(d) Tax expense/(benefit) relating to items of other comprehensive income

Net unrealised gains/(losses) on investments taken to equity	5,319,332	(8,946,455)
Net realised (losses)/gains on investments taken to equity	(836,789)	2,624,492
	4,482,543	(6,321,963)

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6 Current assets - Cash and cash equivalents

	2019	2018
	\$	\$
Current assets		
Cash at bank and in hand	<u>6,485,068</u>	<u>7,987,283</u>

7 Current assets - Trade and other receivables

	2019	2018
	\$	\$
Net other receivables	57,267	225,209
Dividends and distributions receivable	2,376,884	1,576,618
Interest receivable	1,270	-
GST receivable	50,663	27,132
	<u>2,486,084</u>	<u>1,828,959</u>

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

	2019	2018
	\$	\$
Investment in shares and equities		
Listed securities	<u>474,031,614</u>	<u>452,901,823</u>

The list showing investments treated as equity instruments and revalued through Other Comprehensive Income can be found on pages 36-38 of this report.

(a) Investment transactions

Certain securities within the investment portfolio were disposed during the financial year during the normal course of the Company's business as a listed Investment Company. The fair value of the investments sold during the year was \$118.2m (2018: \$101.0m). The cumulative loss on these disposals was \$2.5m for the year before tax (2018: gain of \$11.5m), which has been transferred from the revaluation reserve to the realisation reserve (refer to statement of changes in equity).

The total brokerage paid on total purchases and sales was \$405,043 (2018: \$324,369).

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9 Non-current assets - Deferred tax assets

	2019	2018
	\$	\$
Movements:		
Opening balance	7,027,572	7,628,308
Charged/credited:		
- to profit or loss	(2,029)	(637,104)
- to other comprehensive income	167,936	-
- directly to equity	15,155	36,368
	7,208,634	7,027,572

10 Other financial liabilities

	2019	2018
	\$	\$
Convertible Resetable Preference Shares - current	-	41,793,001
Convertible Resetable Preference Shares - non-current	32,169,679	-
	32,169,679	41,793,001

Convertible Resetable Preference Shares (CRPS) are non-cumulative, convertible, resettable, preference shares in the capital of Whitefield. The key terms of the CRPS are:

CRPS Face Value: \$100 per CRPS

Dividend Rate: The CRPS are entitled to a non-cumulative fixed dividend of 5.75% x (1-Tax Rate) per annum which is expected to be fully franked. The Dividend Rate may be increased or decreased on the relevant reset dates, the next of which is 30 November 2021.

Dividend payment: Dividends are non-cumulative and only payable where the directors determine that a dividend is payable and only to the extent permitted by law.

Dividend ranking: The CRPS will rank in priority to the Company's fully paid ordinary shares (Ordinary Shares) in respect of the payment of the dividends on the CRPS but will rank behind the Company's 8% Preference Shares.

Resetting: On each reset date, the Company can reset the dividend rate payable on the CRPS, the discount which applies on the conversion of the CRPS into Ordinary Shares and determine when resets are to take place in the future. The next reset date is on 30 November 2021.

Conversion: The Company can convert CRPS into Ordinary Shares on any reset date and on the occurrence of certain events. The CRPS holders can request the Company to convert the CRPS into Ordinary Shares on any reset date and on the occurrence of certain holder trigger events. However, the Company can override conversion requests received from CRPS holders and instead redeem the CRPS. On conversion each CRPS will convert into a number of Ordinary Shares calculated generally by reference to the volume weighted average sale price of Ordinary Shares on ASX for the ten days prior to conversion and applying the conversion discount, subject to certain adjustments.

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10 Other financial liabilities (continued)

Redemption: The Company can redeem the CRPS on any reset date and on the occurrence of certain trigger events. CRPS holders cannot seek to have the CRPS redeemed. Redemption is for the face value of the CRPS which will be \$100.

Voting rights: CRPS holders are only entitled to vote on certain limited matters such as a proposal that affects the rights of CRPS holders or for the disposal of the whole of the property, business and undertaking of Whitefield. However, this restriction on voting does not apply when a dividend is not paid in full on the CRPS or during a winding up of the Company.

Return of capital: The face value of the CRPS and due but unpaid dividends on them will rank upon a winding-up of the Company after the 8% Preference Shares and in priority to Ordinary Shares. The CRPS have no right to participate in surplus assets or profits of the Company on a winding-up other than as set out above.

11 Non-current liabilities - Deferred tax liabilities

	2019 \$	2018 \$
Net unrealised gains on investments taken to equity	40,357,415	35,038,083
Other temporary differences	399,191	275,611
	40,756,606	35,313,694
Opening balance	35,313,694	44,577,124
Charged/(credited)		
- profit or loss	123,580	(2,941,467)
- to other comprehensive income	5,319,332	(6,321,963)
	40,756,606	35,313,694

12 Issued capital

(a) Share capital

	2019 Shares	2018 Shares	2019 \$	2018 \$
Ordinary shares - fully paid	91,841,004	87,254,548	239,220,398	220,268,135
8% Non-redeemable preference shares - fully paid	23,790	23,790	23,790	23,790
	91,864,794	87,278,338	239,244,188	220,291,925

(b) Movements in ordinary share capital

Details	Notes	Number of shares	\$
Opening balance 1 April 2017		83,808,193	205,663,099
Share purchase		3,036,937	13,358,510
Dividend reinvestment plan issue - final dividend	(f)	142,182	617,070
Bonus share plan - final dividend	(e)	55,232	-
Dividend reinvestment plan issue - interim dividend	(f)	155,280	714,288
Bonus share plan - interim dividend	(e)	56,724	-
Less: Transaction costs arising on share issue - DRP, BSP and SPP		-	(84,832)
Balance 31 March 2018		87,254,548	220,268,135

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12 Issued capital (continued)

(b) Movements in ordinary share capital (continued)

Details	Notes	Number of shares	\$
Opening balance 1 April 2018		87,254,548	220,268,135
Share purchase		2,190,445	9,286,000
Dividend reinvestment plan issue - final dividend	(f)	173,460	756,286
Bonus share plan - final dividend	(e)	66,483	-
Dividend reinvestment plan issue - interim dividend	(f)	197,815	836,757
Bonus share plan - interim dividend	(e)	82,010	-
CRPS reset conversion - December 2018		1,876,243	8,135,233
Less: Transaction costs arising on share issue - DRP, BSP and SPP		-	(62,013)
Balance 31 March 2019		91,841,004	239,220,398

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company after repayment of preference capital in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(d) Non-redeemable preference shares

The 8% preference shares carry the right to cumulative dividends of 8.0 cents per share per annum, the repayment of face value in a winding up, are not redeemable and carry no further right to participate in profits. Preference shares are entitled to vote at shareholder meetings. There were no arrears of dividend at balance date.

(e) Bonus Share Plan

The Company has established a Bonus Share Plan, under which holders of ordinary shares may elect to relinquish their right to a dividend, and instead receive bonus shares of equivalent market value. Shares are issued under the plan at a discount to the market price as specified by the Company from time to time.

(f) Dividend Reinvestment Plan

The Company has established a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. Shares are issued under the plan at a discount to the market price as specified by the Company from time to time.

(g) Capital risk management

The Board's policy is to maintain an appropriate level of liquidity in the Company's shares.

The Company is not subject to any externally imposed capital requirements.

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13 Reserves

	Notes	2019 \$	Restated 2018 \$
Movements:			
<i>Investment portfolio revaluation reserve</i>			
Opening balance		42,131,957	66,326,026
Net unrealised gains/(losses) on investments (excluding transfer)		15,163,664	(24,282,033)
Transfer to investment portfolio realised gains/losses reserve		1,636,787	(8,858,491)
Income tax on these items	5, 11	(5,319,332)	8,946,455
Balance 31 March		53,613,076	42,131,957
<i>Investment portfolio realised gains/losses reserve</i>			
Opening balance		83,678,464	74,819,973
Transfer to investment portfolio revaluation reserve		(1,636,787)	8,858,491
Balance 31 March		82,041,677	83,678,464
Total		135,654,753	125,810,421

Nature and purpose of reserves

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

14 Dividends

	2019 \$	2018 \$
a) Ordinary shares		
Final dividend - prior year (9.0 cents and 8.5 cents per fully paid ordinary share, fully franked based on tax paid at 30%, paid 12/06/2018 and 13/06/2017, respectively)	7,563,044	6,883,990
Interim dividend - current year (9.75 cents and 8.75 cents per fully paid ordinary share, fully franked based on tax paid at 30%, paid 12/12/2018 and 12/12/2017, respectively)	8,183,811	7,355,282
	15,746,855	14,239,272
(b) Non-redeemable participating preference shares		
Final dividend - prior year (4.0 cents per fully paid ordinary share, fully franked based on tax paid at 30%)	951	951
Interim dividend - current year (4.0 cents per fully paid ordinary share, fully franked based on tax paid at 30%)	951	951
	1,902	1,902

14 Dividends (continued)

(c) Convertible Resettable Preference Shares

	2019	2018
	\$	\$
Dividends on CRPS - six-monthly (350.0 cents per fully paid ordinary share, fully franked based on tax paid at 30%, paid 12 June 2018 and 12 December 2018 (2018: 13 June 2017 and 12 December 2017)	1,866,667	2,800,000
Dividends on CRPS - six-monthly (201.25 cents per fully paid ordinary share, fully franked based on tax paid at 30%, payable 12 June 2019)	431,193	-
	2,297,860	2,800,000
 Total dividends provided for or paid	 18,046,617	 17,041,174

(d) Dividends not recognised at the end of the reporting period

	2019
	\$
In addition to the above dividends, since year end the Directors have approved the payment of a final dividend of 10.0 cents per fully paid ordinary share, 4 cents per fully paid 8% preference share and 201.25 cents per fully paid Convertible Resettable Preference Share, fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 12 June 2019 out of retained earnings at 31 March 2019, but not recognised as a liability at year end, is	9,400,647

(e) Dividend franking account

	2019	2018
	\$	\$
Opening balance of franking account	16,797,165	16,971,530
Franking credits on dividends received	6,682,414	6,785,066
Tax paid during the year	3,250,915	559,205
Franking credits on dividends paid	(8,222,368)	(7,517,924)
Loss of franking credits under 45 day rule	(3,324)	(712)
Closing balance of franking credits	18,504,802	16,797,165
 Impact on the franking account of dividends proposed or declared before the financial report authorised for issue but not recognised as a distribution to equity holders during the period	 (4,213,646)	 (3,965,940)
	14,291,156	12,831,225

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15 Key management personnel disclosures

(a) Key management personnel compensation

Detailed remuneration disclosures are provided in the remuneration report.

(b) Equity instrument disclosures relating to key management personnel

(i) Share holdings

The numbers of shares in the Company held during the financial year by each Director of Whitefield Limited and other key management personnel of the Company, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2019 Name	Balance at the start of the year	Net movement	Other changes during the year	Balance at the end of the year
<i>Directors of Whitefield Limited</i>				
Ordinary shares				
David J. Iliffe ²	2,223,038	-	(2,223,038)	-
Angus J. Gluskie	17,650,578	7,076	-	17,657,654
Martin J. Fowler ²	1,000	-	(1,000)	-
William R. Seddon	50,761	34,621	-	85,382
Lance W. Jenkins	58,700	32,838	-	91,538
Mark A Beardow	400	22,708	-	23,108
Jenelle B. Webster	-	2,046	-	2,046
	19,984,477	99,289	(2,224,038)	17,859,728
8% Preference shares				
Angus J. Gluskie	200	-	-	200
David J. Iliffe ²	1,300	-	(1,300)	-
	1,500	-	(1,300)	200

² Retired on 26 September 2018 and shareholding no longer included within this schedule.

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15 Key management personnel disclosures (continued)

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

2018	Balance at the start of the year	Net movement	Other changes during the year	Balance at the end of the year
Name				
<i>Directors of Whitefield Limited</i>				
Ordinary shares				
David J. Iliffe	2,216,218	6,820	-	2,223,038
Angus J. Gluskie	17,633,528	17,050	-	17,650,578
Martin J. Fowler	-	1,000	-	1,000
William R. Seddon	-	50,761	-	50,761
Lance W. Jenkins	-	58,700	-	58,700
Mark A Beardow	-	400	-	400
Graeme J. Gillmore ¹	572,171	-	(572,171)	-
	<u>20,421,917</u>	<u>134,731</u>	<u>(572,171)</u>	<u>19,984,477</u>
8% Preference shares				
Angus J. Gluskie	200	-	-	200
David J. Iliffe	1,300	-	-	1,300
	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>1,500</u>

¹ Retired on 15 May 2017 and shareholding no longer included within this schedule.

16 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

(a) MNSA Pty Limited

	31 March 2019 \$	31 March 2018 \$
<i>Audit and other assurance services</i>		
Audit and review of financial statements	<u>28,278</u>	28,113
Total remuneration for audit and other assurance services	<u>28,278</u>	28,113

17 Contingencies

The Company had no contingent liabilities at 31 March 2019 (2018: nil).

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18 Related party transactions

(a) Key management personnel

Disclosures relating to key management personnel are set out in Note 15.

(b) Transactions with other related parties

The following transactions occurred with related parties:

	31 March 2019 \$	31 March 2018 \$
Management fees paid or payable	1,372,112	1,362,792
Taxation services	-	26,950
	<u>1,372,112</u>	<u>1,389,742</u>

Management fees and system reimbursement costs represent fees paid to White Funds Management Pty Ltd out of which the costs of personnel, systems, premises and other operating overheads are paid. White Funds Management employs the Executive Directors, Company Secretary and other investment personnel. The Executive Directors are also shareholders of White Funds Management Pty Ltd.

(c) Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2019 \$	2018 \$
Management fees payable (including GST)	118,791	222,679

(d) Terms and conditions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

White Funds Management Pty Ltd is appointed as the Investment Manager for Whitefield under an Investment Management Agreement. The Investment Manager employs all of the executives involved in managing the investments and business of Whitefield. The Investment Manager is entitled to receive a monthly investment management fee of 0.02083% and an expense reimbursement levy of 0.0012% of the average market value of the Portfolio over the month.

19 Events occurring after the reporting period

Apart from the dividends declared after year end, no other matter or circumstance has arisen since 31 March 2019 that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

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20 Reconciliation of profit after income tax to net cash inflow from operating activities

	2019	2018
	\$	\$
Profit for the year	19,406,158	18,104,054
Finance cost on Convertible Resettable Preference Shares	269,868	187,548
Gain on reset/conversion of Convertible Resettable Preference Shares	(714,914)	-
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(657,125)	710,375
Increase in other current assets	(3,753)	(1,857)
(Decrease)/Increase in trade and other payables	(122,692)	118,778
(Decrease)/increase in deferred taxes	(5,098,091)	259,390
Dividends reinvested	(29,689)	-
Net cash inflow from operating activities	<u>13,049,762</u>	<u>19,378,288</u>

21 Non-cash investing and financing activities

	2019	2018
	\$	\$
Shareholder dividends reinvested	1,593,010	1,315,223
Shareholder dividends foregone via Bonus Share Plan	636,768	500,640
	<u>2,229,778</u>	<u>1,815,863</u>

22 Earnings per share

(a) Basic and diluted earnings per share

	2019	2018
	Cents	Cents
From continuing operations attributable to the ordinary equity holders of the company (excluding all net realised gains/losses on investments)	<u>19.26</u>	17.79
From continuing operations attributable to the ordinary equity holders of the company (excluding all net realised gains/losses on investments and excluding gain on reset/conversion of Convertible Resettable Preference Shares)	<u>18.46</u>	17.79

Diluted earnings per share is the same as basic earnings per share. The Company has no securities outstanding which have the potential to convert to ordinary shares and dilute the basic earnings per share.

(b) Weighted average number of shares used as denominator

	2019	2018
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	<u>88,795,923</u>	<u>86,014,492</u>

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23 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the entity Whitefield Limited.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Whitefield Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements were authorised for issue by the directors on 17 May 2019.

(i) Compliance with IFRS

The financial statements of the Company also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Company

The Fund had to change some of its accounting policies as a result of new and revised accounting standards which became effective for the first time in the current reporting period. The affected policies are:

- AASB 9 *Financial Instruments (and applicable amendments)*

AASB 9 became effective for annual periods beginning on or after 1 July 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in AASB 139. The derecognition rules have not changed from the previous requirements, and the Company does not apply hedge accounting.

- AASB 15 *Revenue from Contracts with Customers*

AASB 15 replaces AASB 118 *Revenue* which covers contracts for goods and services and AASB 111 *Construction Contracts* which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

The Company's main sources of income are gains on financial instruments held at fair value, dividends, distributions and interest. All of these are outside the scope of the new revenue standard. As a consequence, the adoption of AASB 15 does not have a significant impact on the Company's accounting policies or the amounts recognised in the financial statements.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 April 2018 that have a material impact on the Fund.

(iii) Historical cost convention

These financial statements have been prepared under the accruals basis and are based on historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income.

(iv) New standards and interpretations not yet adopted

There are no standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(b) Revenue recognition

(i) Dividends and trust distributions

Dividends and trust distributions are recognised as revenue when the right to receive payment is established.

(ii) Interest income

Interest income is recognised using the effective interest method.

23 Summary of significant accounting policies (continued)

(c) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(e) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade and other receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly.

(f) Investments

Classification

(i) Financial assets at fair value through other comprehensive income

The Company has classified long-term investments as "fair value through other comprehensive income". All realised and unrealised gains or losses on long-term investments and tax thereon are presented in other comprehensive income as part of the Statement of Comprehensive Income.

23 Summary of significant accounting policies (continued)

(f) Investments (continued)

Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date - the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent changes in fair value are recognised through the investment portfolio revaluation reserve after deducting a provision for the potential deferred capital gains tax liability as these investments are long-term holding of equity investments.

When an investment is disposed of, the cumulative gain or loss, net of tax thereon, is transferred from the investment portfolio reserve/asset revaluation reserve to the realised gains/losses reserve.

Determination of fair value

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

Under AASB 13, if an investment has a bid price and an ask price, the price within the bid-ask spread that is more representative of fair value in the circumstances shall be used to measure fair value. Accordingly, the Company uses the last sale price as a basis of measuring fair value.

(g) Other financial liabilities

Convertible Resettable Preference Shares are classified as a compound financial instrument consisting of a financial liability and an equity for accounting purposes under Australian Accounting Standard AASB132 Financial Instruments: Presentation. The liability is initially recognised at fair value less transaction costs. After initial recognition, the liability is carried at amortised cost using the effective interest method.

In accordance with this Standard, a financial expense on the liability is brought to account which includes the amortisation of any difference between the original proceeds net of transaction costs and the settlement value of the obligation. Dividends on Convertible Resettable Preference Shares are recognised as an allocation of retained profit, and a provision for the dividend is brought to account in each period.

(h) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(i) Finance costs

Finance costs are recognised as expenses in the year in which they are incurred using the effective interest rate method.

Dividends on Convertible Resettable Preference Shares are recognised as an allocation of retained profit, and a provision for the dividend is brought to account in each period.

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23 Summary of significant accounting policies (continued)

(j) Issued capital

Ordinary and 8% Non-Redeemable Preference Shares are classified as equity.

Preference shares which are redeemable or convertible for a specified consideration are classified as liabilities.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(k) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(l) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(n) Functional and presentation currency

The functional and presentation currency of the Company is Australian dollars.

(o) Comparatives

Where necessary, comparative information has been reclassified to be consistent with current reporting period.

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23 Summary of significant accounting policies (continued)

(p) Operating segments

The Company operated in Australia only and the principal activity is investment. The Company has only one reportable segment and in one industry being the securities industry, deriving revenue from dividend income, interest income and from the sale of its investment portfolio.

24 Prior period restatements

Comparative figures disclosed in the financial statements have been restated to account for the following changes:

(a) Dividends on Convertible Resettable Preference Shares

Following the reset of the Convertible Resettable Preference Shares on 30 November 2018 the Company has classified those preference shares as a compound financial instrument (containing both a financial liability and an equity). The preference shares were previously classified solely as a financial liability.

The only impact of the new classification is to show the cost of the preference share dividend as an allocation or use of profits rather than as a deduction prior to the determination of profit.

The new classification has no impact on the financial position of the Company and no impact on the Company's earnings per ordinary share, the latter of which is calculated after deducting preference shares dividends.

(b) Reallocation of reserves and retained earnings

For technical accounting purposes the Company has restated the allocation between (but not the total of) the opening balance of the prior period Asset Revaluation Reserve, Capital Profits Reserve and Retained Earnings. This restatement has no impact on the past or present earnings, earnings per share or asset backing of the Company.

The line items in the financial statements that have been restated are disclosed below:

	Year ended 31 March 2018 \$	Restatement \$	Restated Year ended 31 March 2018 \$
Statement of Comprehensive Income (extract)			
Finance costs - Convertible Resettable Preference Shares	(2,971,394)	2,783,846	(187,548)
	As at 31 March 2017 \$	Restatement \$	Restated As at 31 March 2017 \$
Statement of Financial Position			
Equity			
Reserves	160,583,938	(19,437,939)	141,145,999
Retained earnings	23,179,927	19,437,939	42,617,866

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In the Directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 28 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the entity's financial position as at 31 March 2019 and of its performance for the year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 23(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the managing director and chief financial officer required by section 295A of the *Corporations Act 2001*.

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



Angus J. Gluskie
Director

Sydney
17 May 2019

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WHITEFIELD LIMITED
ABN 50 000 012 895

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001
TO THE DIRECTORS OF WHITEFIELD LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2019 there have been no contraventions of:

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

MNSA Pty Ltd

MNSA Pty Ltd

Mark Schiliro
Director

Dated in Sydney this 17th day of May 2019

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

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Whitefield Limited, which comprises the statement of financial position as at 31 March 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion:

- (a) the financial report of Whitefield Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Company's financial position as at 31 March 2019 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- (b) the financial report also complies with the International Financial Reporting Standards as disclosed in Note 23.

Basis for Opinion

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

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

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

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p><i>Valuation and Existence of Investments</i></p> <p>The investment portfolio at 31 March 2019 comprised of listed equity investments of \$474 million.</p> <p>We focused on the valuation and existence of investments because investments represent the principal element of the net asset value disclosed on the Balance Sheet in the financial statements.</p>	<p>We tested the valuation of a sample of listed investments by vouching the share prices to external market information to ensure they are fairly stated.</p> <p>We agreed the existence of a sample of listed investments by confirming shareholdings with supporting information.</p> <p>No differences were identified.</p>
<p><i>Revenue from Investments</i></p> <p>ASAs presume there are risks of fraud in revenue recognition unless rebutted.</p> <p>We focused on the cut-off, accuracy and completeness of dividend revenue and dividend receivables.</p>	<p>We assessed the accounting policy for revenue recognition for compliance with the accounting standards and performed testing to ensure that revenue had been accounted for in accordance with the accounting policy.</p> <p>We found that the accounting policies implemented were in accordance with the accounting standards, and that revenue has been accounted for in accordance with the accounting policy.</p> <p>We tested the accuracy and completeness of dividend revenue by agreeing the dividends and distributions of a sample of investments to supporting documentation obtained from share registries.</p> <p>We tested the cut-off of dividend revenue and dividend receivables by checking the dividend details of a sample of investments from external market information and ensured that dividends that were declared before, but payable after, the reporting date were recorded.</p> <p>No differences were identified.</p>

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Other Information

The directors of Whitefield Limited are responsible for the other information. The other information comprises the information in the annual report for the year ended 31 March 2019, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of Whitefield Limited are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 23, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, the financial statements comply with *International Financial Reporting Standards*.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on the Remuneration Report

Opinion on the Remuneration Report


We have audited the Remuneration Report included within the directors' report for the year ended 31 March 2019.

In our opinion the remuneration report of Whitefield Limited for the year ended 31 March 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of Whitefield Limited are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Name of Firm: MNSA Pty Ltd

Name of Auditor: 
Mark Schiliro
Director

Address: Level 1, 283 George Street, Sydney NSW 2000

Dated this 17th day of May 2019

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Whitefield Limited
Table of Investment Holdings
31 March 2019

Code	Name	Shares	Market Value	Whitefield %
Banks				
ANZ	Australia and New Zealand Banking Group Ltd	1,061,935	27,642,168	5.83%
BEN	Bendigo and Adelaide Bank Ltd	176,908	1,712,469	0.36%
BOQ	Bank of Queensland Ltd	145,775	1,326,552	0.28%
CBA	Commonwealth Bank of Australia	605,821	42,795,195	9.03%
CYB	CYBG PLC	253,320	929,684	0.20%
NAB	National Australia Bank Ltd	1,001,349	25,304,089	5.34%
WBC	Westpac Banking Corp	1,146,365	29,713,781	6.27%
			129,423,938	27.30%
Communication Services				
CAR	Carsales.Com Ltd	88,381	1,118,020	0.24%
CNU	Chorus Ltd	19,281	107,974	0.02%
DHG	Domain Holdings Australia Ltd	84,344	215,077	0.05%
NEC	Nine Entertainment Co Holdings Ltd	579,132	990,316	0.21%
NWS	News Corp	23,342	411,986	0.09%
OML	Ooh!Media Ltd	312,453	1,215,442	0.26%
REA	REA Group Ltd	17,882	1,335,785	0.28%
SDA	SpeedCast International Ltd	22,490	84,337	0.02%
SPK	Spark New Zealand Ltd	551,298	2,001,212	0.42%
SWM	Seven West Media Ltd	321,746	157,656	0.03%
SXL	Southern Cross Media Group Ltd	276,553	323,567	0.07%
TLS	Telstra Corporation Ltd	3,816,298	12,670,109	2.67%
TPM	TPG Telecom Ltd	41,581	288,988	0.06%
VOC	Vocus Group Ltd	70,884	261,562	0.06%
			21,182,031	4.47%
Consumer Discretionary				
ALG	Ardent Leisure Ltd	149,490	169,671	0.04%
ALL	Aristocrat Leisure Ltd	233,759	5,729,433	1.21%
ARB	ARB Corp Ltd	7,477	128,604	0.03%
BAP	Bapcor Ltd	94,061	519,217	0.11%
BRG	Breville Group Ltd	33,291	541,977	0.11%
CTD	Corporate Travel Management Ltd	29,193	743,254	0.16%
CWN	Crown Resorts Ltd	131,423	1,512,679	0.32%
DMP	Domino's Pizza Enterprises Ltd	38,993	1,693,076	0.36%
FLT	Flight Centre Travel Group Ltd	260	10,933	0.00%
GUD	GUD Holdings Ltd	154,900	1,847,957	0.39%
HVN	Harvey Norman Holdings Ltd	231,554	930,847	0.20%
IEL	IDP Education Ltd	44,633	650,303	0.14%
IVC	InvoCare Ltd	38,619	548,776	0.12%
JBH	JB Hi-Fi Ltd	194	4,840	0.00%
NVT	Navitas Ltd	345,455	1,996,730	0.42%
PMV	Premier Investments Ltd	92,768	1,508,408	0.32%
SGR	Star Entertainment Group Ltd	301,660	1,260,939	0.27%
SKC	Skycity Entertainment Group Ltd	107,864	396,940	0.08%
SUL	Super Retail Group Ltd	152,139	1,221,676	0.26%
TAH	Tabcorp Holdings Ltd	87,065	402,240	0.08%
TME	Trade Me Group Ltd	355,530	2,175,844	0.46%
WES	Wesfarmers Ltd	437,154	15,147,386	3.20%
			39,141,730	8.26%
Consumer Staple				
A2M	A2 Milk Company Ltd	266,496	3,629,676	0.77%
BAL	Bellamy's Australia Ltd	32,022	355,444	0.07%
BGA	Bega Cheese Ltd	78,119	357,004	0.08%
BKL	Blackmores Ltd	181	16,857	0.00%
CCL	Coca-Cola Amatil Ltd	185,945	1,608,424	0.34%
CGC	Costa Group Holdings Ltd	117,029	601,529	0.13%
COL1	Coles Group Ltd	416,028	4,929,932	1.04%
ELD	Elders Ltd	38,444	233,355	0.05%
GNC	Graincorp Ltd	111,834	1,026,636	0.22%
ING	Inghams Group Ltd	523,266	2,286,672	0.48%
MTS	Metcash Ltd	333,679	884,249	0.19%
TGR	Tassal Group Ltd	2,010	9,769	0.00%
TWE	Treasury Wine Estates Ltd	351,172	5,242,998	1.11%
WOW	Woolworths Group Ltd	481,868	14,648,787	3.09%
			35,831,332	7.56%

Code	Name	Shares	Market Value	Whitefield %
Non Bank Financials				
AMP	AMP Ltd	774,321	1,626,074	0.34%
ASX	ASX Ltd	71,020	4,960,037	1.05%
CCP	Credit Corp Group Ltd	17,165	380,891	0.08%
CGF	Challenger Ltd	210,479	1,742,766	0.37%
ECX	Eclipx Group Ltd	112,503	72,002	0.02%
GMA	Genworth Mortgage Insurance Australia Ltd	7,568	18,088	0.00%
IAG	Insurance Australia Group Ltd	1,082,291	8,311,995	1.75%
IFL	IOOF Holdings Ltd	108,973	666,915	0.14%
MFG	Magellan Financial Group Ltd	51,135	1,862,848	0.39%
MPL	Medibank Private Ltd	1,867,615	5,154,617	1.09%
MQG	Macquarie Group Ltd	116,116	15,027,733	3.17%
NHF	NIB Holdings Ltd	166,926	874,692	0.18%
PDL	Pendal Group Ltd	176,117	1,629,082	0.34%
PPT	Perpetual Ltd	17,008	657,869	0.14%
PTM	Platinum Asset Management Ltd	77,169	354,206	0.07%
QBE	QBE Insurance Group Ltd	500,801	6,164,860	1.30%
SDF	Steadfast Group Ltd	284,551	902,027	0.19%
SUN	Suncorp Group Ltd	475,535	6,552,872	1.38%
			56,959,574	12.02%
Health Care				
ANN	Ansell Ltd	49,128	1,248,834	0.26%
API	Australian Pharmaceutical Industries Ltd	813,739	1,232,815	0.26%
COH	Cochlear Ltd	25,943	4,495,403	0.95%
CSL	CSL Ltd	166,018	32,363,549	6.83%
EHE	Estia Health Ltd	87,014	234,068	0.05%
FPH	Fisher & Paykel Healthcare Corporation Ltd	56,425	841,861	0.18%
HLS	Healius Ltd	177,099	465,770	0.10%
HSO	Healthscope Ltd	467,211	1,135,323	0.24%
NAN	Nanosonics Ltd	93,951	409,626	0.09%
RHC	Ramsay Health Care Ltd	47,452	3,053,536	0.64%
RMD	Resmed Inc	186,318	2,692,295	0.57%
SHL	Sonic Healthcare Ltd	167,066	4,103,141	0.87%
SIG	Sigma Healthcare Ltd	358,843	188,393	0.04%
			52,464,614	11.07%
Industrials				
ALQ	ALS Ltd	380,115	2,885,073	0.61%
ALX	Atlas Arteria Group	241,944	1,746,836	0.37%
AZJ	Aurizon Holdings Ltd	1,050,360	4,779,138	1.01%
BIN	Bingo Industries Ltd	50,558	77,354	0.02%
BXB	Brambles Ltd	582,710	6,852,670	1.45%
CIM	CIMIC Group Ltd	49,022	2,365,802	0.50%
CWY	Cleanaway Waste Management Ltd	724,623	1,608,663	0.34%
DOW	Downer EDI Ltd	74,619	573,074	0.12%
EHL	Emeco Holdings Ltd	89,864	173,438	0.04%
GWA	GWA Group Ltd	99,481	316,350	0.07%
IPH	IPH Ltd	69,306	487,914	0.10%
MMS	Mcmillan Shakespeare Ltd	28,367	340,404	0.07%
MND	Monadelphous Group Ltd	11,197	194,268	0.04%
QAN	Qantas Airways Ltd	825,551	4,672,619	0.99%
QUB	Qube Holdings Ltd	137,648	385,414	0.08%
RWC	Reliance Worldwide Corporation Ltd	68,611	295,713	0.06%
SEK	Seek Ltd	887	15,558	0.00%
SIQ	Smartgroup Corporation Ltd	32,282	255,673	0.05%
SVW	Seven Group Holdings Ltd	42,329	744,990	0.16%
SYD	Sydney Airport Holdings Pty Ltd	928,372	6,897,804	1.46%
TCL	Transurban Group	956,852	12,630,446	2.66%
			48,299,201	10.19%
Information Technology				
ALU	Altium Ltd	43,014	1,390,212	0.29%
APT	Afterpay Touch Group Ltd	61,594	1,290,394	0.27%
APX	Appen Ltd	32,607	726,484	0.15%
BVS	Bravura Solutions Ltd	424,989	2,324,690	0.49%
CPU	Computershare Ltd	285,045	4,868,569	1.03%
IRE	Iress Ltd	49,303	644,390	0.14%
LNK	Link Administration Holdings Ltd	192,958	1,424,030	0.30%
MYO	Myob Group Ltd	365,109	1,215,813	0.26%
NXT	NEXTDC Ltd	2,251	14,204	0.00%
TNE	TechnologyOne Ltd	88,580	708,640	0.15%
WTC	WiseTech Global Ltd	41,718	964,520	0.20%
XRO	Xero Ltd	38,351	1,865,776	0.39%
			17,437,722	3.68%

Code	Name	Shares	Market Value	Whitefield %
Materials				
ABC	Adelaide Brighton Ltd	141,877	638,447	0.13%
AMC	Amcor Ltd	424,936	6,539,765	1.38%
BKW	Brickworks Ltd	62,988	1,090,952	0.23%
BLD	Boral Ltd	430,142	1,974,352	0.42%
CSR	CSR Ltd	189,305	628,493	0.13%
DLX	DuluxGroup Ltd	139,846	1,034,860	0.22%
FBU	Fletcher Building Ltd	34,651	162,513	0.03%
IPL	Incitec Pivot Ltd	614,861	1,918,366	0.40%
JHX	James Hardie Industries PLC	43,916	796,636	0.17%
ORA	Orora Ltd	434,795	1,300,037	0.27%
PGH	Pact Group Holdings Ltd	29,872	83,343	0.02%
			16,167,764	3.41%
Real Estate				
ABP	Abacus Property Group	118,323	440,161	0.09%
AOG	Aveo Group	5,029	9,907	0.00%
BWP	BWP Trust	177,382	663,409	0.14%
CHC	Charter Hall Group	169,846	1,744,318	0.37%
CMW	Cromwell Property Group	604,059	661,445	0.14%
CQR	Charter Hall Retail REIT	270,004	1,255,519	0.26%
DXS	Dexus	370,257	4,717,074	1.00%
GMG	Goodman Group	588,049	7,850,454	1.66%
GOZ	Growthpoint Properties Australia Ltd	97,419	404,289	0.09%
GPT	GPT Group	658,511	4,089,353	0.86%
MGR	Mirvac Group	1,359,395	3,738,336	0.79%
NSR	National Storage REIT	237,694	419,530	0.09%
SCG	Scentre Group	1,953,488	8,028,836	1.69%
SCP	Shopping Centres Australasia Property Group Re Ltd	323,815	854,872	0.18%
SGP	Stockland Corporation Ltd	893,240	3,438,974	0.73%
URW	WFD Unibail Rodamco NV	157,111	1,817,774	0.38%
VCX	Vicinity Centres	1,179,068	3,065,577	0.65%
VVR	Viva Energy Reit Ltd	156,685	397,980	0.08%
			43,597,808	9.20%
Utilities				
AGL	AGL Energy Ltd	274,725	5,980,763	1.26%
APA	APA Group	432,919	4,320,532	0.91%
AST	AusNet Services Ltd	634,431	1,126,115	0.24%
IFN	Infigen Energy Ltd	1,628,729	716,641	0.15%
SKI	Spark Infrastructure Group	606,074	1,381,849	0.29%
			13,525,900	2.85%
Total			474,031,614	100.00%