

 WHITEFIELD



ANNUAL REPORT

2014

CONTENTS

CEO's Review	2
Whitefield and its Investment Strategy	4
Financial Statistics	9
Corporate Governance Statement	13
Directors' Report	19
Auditor's Independence Declaration	25
Statement of Comprehensive Income	26
Statement of Financial Position	27
Statement of Changes in Equity	28
Statement of Cash Flows	29
Notes to the Financial Statements	30
Directors' Declaration	50
Independent Auditor's Report	51
Investment Holdings	53
Details of Shareholders	55
Other	57

CEO'S REVIEW

Operating Results

Whitefield is pleased to report an Operating Profit after Tax of \$11,986,286 for the financial year ended 31st March 2014. This outcome equated to Earnings Per Ordinary Share of 15.75 cents representing an increase of 16.8% on the prior year.

Included in the Operating Profit after Tax for this period are demerger distributions of \$1,012,907 which relate to underlying investment holdings which sought to demerge or distribute a segment of their business to investors.

Excluding these demerger distributions, Whitefield's Operating Result after Tax amounted to 14.42 cents per Ordinary Share, an increase of 6.7% on the prior financial year.

This favourable result was driven by dividend growth across the company's underlying investment portfolio. More than 80% of the entities in which Whitefield invests delivered an improvement in earnings.

Notable increases in dividends were provided by ResMed, Aurizon, Perpetual, IAG, Boral, Macquarie Group, Suncorp, Leighton Holdings, Asciano, Macquarie Atlas and CSL.

In addition to Operating Profit, Whitefield generated Realised and Unrealised Gains on Investments After Tax amounting to \$27,438,846 or 36.06 cents per Ordinary Share.

Total Comprehensive Income consisting of Operating Profit and Realised and Unrealised Gains After Tax amounted to 51.82 cents per Ordinary Share.

Investment Outcomes

Whitefield's investment portfolio generated a return of 17.68% over the year to 31st March. This return represented 2.15% outperformance compared to the S&P/ASX200 Industrials Accumulation Index which returned 15.53%, and was 4.22% higher than the S&P/ASX200 Accumulation Index return of 13.46%.

Holdings contributing most strongly to returns included Macquarie Atlas, Challenger, Macquarie Group, Fairfax Media, Crown Resorts, Sydney Airport, JB Hi-Fi, Aurizon, Perpetual Group, Amcor, Twenty-First Century Fox, Harvey Norman, Computershare and the major banks.

Investment Exposures

Over the financial year notable purchases, sales or changes in exposure included:

- Building/maintaining exposure to Brambles, Computershare, Mirvac and Stockland.
- Reductions in relative exposure to Sydney Airport, Asciano and CSL.

Net Asset Backing

The net asset backing before providing for deferred capital gains tax for each of the company's ordinary shares amounted to \$4.39 at 31 March 2014 compared to \$3.88 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 2014 amounted to \$4.16 compared to \$3.81 one year ago.

Outlook

In our prior year Outlook Commentary we highlighted the potential for European governments to become more supportive of their economies, for the US economic recovery to progress, and for China to become a lagging beneficiary of the improving outlook for US and Europe. We also noted the potential for such international conditions to drive the Australian dollar lower, and for Australian consumer, housing and financial markets activity to strengthen in the light of the prevailing economic influences.

Many of these outcomes have developed in line with our forecasts. Nevertheless, the outlook for 2015 is likely to be somewhat less clear-cut.

At this time we expect to see European economies progress further into recovery as the pressure on government and financial institution finances continues to recede. US activity is likely to grow supported by loose monetary policy, low cost energy resources, firmer housing activity and the spiralling influence of employment growth.

While China should be a lagging beneficiary of this growth, the Chinese economy must also confront some of its own domestic challenges. In particular, areas of industrial and construction overcapacity must be wound back, consequent credit defaults managed and new areas of productive industry developed in their place. This transition comes with some degree of financial and social risk.

Over the remainder of 2014 and into 2015 and beyond the US Federal Reserve will be firstly reducing and ultimately completing its bond buying program and secondarily increasing official cash rates. While these significant actions will come at a time of improving economic conditions, there is some potential for markets to destabilise as this occurs. Notably, the prospect of rising interest rates is likely to see investors questioning the validity and relativity of existing valuation metrics.

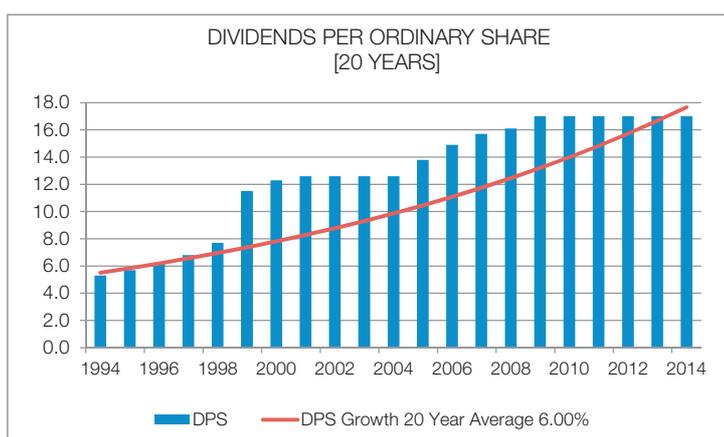
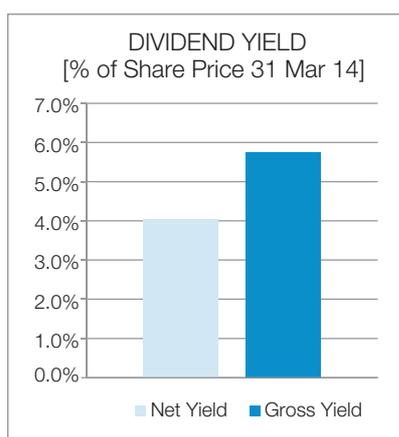
Continued low Australian interest rates, strengthening financial markets and housing activity, a lowering Australian dollar and surprising resilience in employment are likely to support improvements in activity and profitability across many Australian industries. The benefits of this are likely to be partially mitigated, but not outweighed, by the planned Governmental cuts to spending and increased taxes.

These drivers of the domestic Australian economy should also be viewed in the context of the potentially improving European, US and possibly Chinese conditions, while recognising the accompanying risks around monetary conditions, overcapacity and the near term instability in the Ukraine.

In aggregate, we consider that conditions for the majority of the entities in which Whitefield invests are likely to progress positively across the 2014/15 year, while recognising that there is some potential for market instability should risks develop less favourably.

Dividends to Ordinary Shareholders

The Board of Whitefield has approved a final fully franked dividend to ordinary shareholders of 8.5 cents per ordinary share. This brings total dividends on ordinary shares which relate to the 2014 financial year to 17.0 cents per share, identical to the prior year. This annual dividend rate on ordinary shares amounted to 4.7% of the price of a Whitefield share at the commencement of the financial year or 6.8% if grossed up for the benefit of franking credits. Whitefield expects to maintain the 17.0 cents per ordinary share dividend rate in 2015, which equates to a yield of 4.0% (or 5.8% including franking credits) compared to the share price at 31 March 2014. Dividends per ordinary share have grown at the compounding rate of 6.0% per annum over the last 20 years.



Dividends to Convertible Resettable Preference Share Holders

Whitefield paid half and full year dividends totalling 7% of the face value of its issued Convertible Resettable Preference Shares [CRPS]. All dividends were fully franked. CRPS pay six-monthly dividends in June and December at the fixed rate of 7% per annum until their first reset date in 2018. CRPS dividends are expected to be fully franked. Full details on Whitefield's CRPS are contained in the Prospectus lodged with ASIC on 4 July 2012. CRPS are listed on the ASX under the code WHFPB.

Angus Gluskie
Chief Executive Officer

WHITEFIELD AND ITS INVESTMENT STRATEGY

Whitefield Limited and Its Shareholders

Whitefield is one of Australia's oldest listed investment companies. Founded in 1923, Whitefield provides shareholders with a diversified exposure to the industrial (non-resource) segment of the Australian share market.

Whitefield has generated significant returns for shareholders over many decades. An investment of \$10,000 in Whitefield in 1970 would at 31 March 2014 be worth \$1,410,903¹ after allowing for the payment and provision of income tax at company rates on unfranked income and both realised and unrealised capital gains. This significant return reflects the benefits of long term investment in the Australian share market over this period, which have included:

- (a) the benefit of compounding investment returns over many successive years and
- (b) long term growth in the earnings of Australian industrial companies from activity, reinvestment of earnings in productive capacity and inflation.

Whitefield has also sought to manage its operations cost effectively, and to manage its investments using a disciplined and prudent investment strategy. As a result:

- (i) Whitefield has maintained a management expense ratio of approximately 0.35% of investment assets over the last 20 years;
- (ii) Whitefield's investment portfolio return has amounted to 9.6% per annum over the last 20 years; and
- (iii) Whitefield currently expects to pay fully franked dividends of 17 cents per share over the next financial year which equates to 4.0% of its share price on 31 March 2014 (5.8% gross of franking). Whitefield's dividend has grown at the compound annual rate of 6.0% per annum over the last 20 years.

Whitefield's Investment Objective

Whitefield aims to generate an investment return which is in excess of the return of the All Industrials Accumulation Index over the long term from investment in a portfolio of industrial (ie. all industries in the Australian market excluding resource) shares listed on the Australian Stock Exchange.

Whitefield's Core Investment Values

The Benefit of Investment Longevity: Whitefield considers that investment outcomes are best served by strategies oriented towards the more significant and longer lasting drivers of stock earnings and performance, and by an avoidance of short termism within the investment process. Such an approach not only seeks to avoid the significant costs which may be incurred by transacting with great frequency, but in capitalising on the larger and longer term drivers of return, also avoids the significant risk for shorter term investors of forgoing or missing the critical periods of strong return when outcomes are more favourable than expected.

Earnings Dictate Value while Earnings Relativity to Price Dictates Return: Investment returns are ultimately driven by the level of future earnings and future earnings growth relative to the price that must be paid to acquire an entitlement to those earnings. Strategies which focus predominantly on only one facet of this equation frequently fail to perform consistently across all economic environments. Accordingly Whitefield's investment framework seeks to embrace both an understanding of a stock's underlying earnings outlook as well as the equally important relativity of that outlook to price.

The More Significant Divergences of Price from Inherent Value Stem from the Influence of Human Behavioural Bias: Human behavioural traits influence not only the thinking of investors but also many of the underlying drivers of economic activity. While some of these influences are unpredictable, the systematic biases of anchoring and reinforcement frequently dominate investment markets and in turn drive the more significant divergences between price and inherent investment values. Rather than being swept-up by the short term tide of investment sentiment, Whitefield's investment process seeks to recognise and assess the systematic influence of fear, greed and reinforcement and as a result seeks to capitalise on the opportunities and avoid the risks that these human biases create.

¹ Calculated on the basis of net asset backing plus dividends, assuming all dividends were reinvested.

Whitefield's Investment Strategy

Maintenance of a Diverse Portfolio: Whitefield aims to invest across a diversity of stocks and industry segments, providing a level of insulation from the inherent uncertainties of economic conditions and stock specific business actions, an approach which both lowers aggregate portfolio risk while diversifying sources of potential outperformance.

A Strategic Emphasis on Stocks with Favourably Developing Structural Characteristics: Whitefield seeks to give emphasis within its portfolio to those stocks which are considered to have an above average propensity to generate a sufficient level of earnings, earnings growth and earnings surprise necessary to deliver strong investment returns relative to the price required to acquire the investment. In general this will include an emphasis towards stocks benefitting from super-cyclical, structural or managerial enhancements to their operations and market position, all factors with a tendency to drive outcomes over longer time horizons.

A Strategic Use of the Systematic Patterns of Divergence between Price and Inherent Value: Whitefield recognises the systematic patterns of divergence between price and inherent value that stem from human behavioural bias, and seeks to capitalise on the opportunities and avoid the risks that these biases create. In particular, Whitefield assesses the manner in which price and value divergence are developing and seeks to orient its portfolio towards stocks where likely favourable longer term developments in future earnings are at their most underappreciated by the market, and to avoid or limit exposure to stocks where likely adverse developments in future earnings create a high probability of capital loss or inadequate investment return.

Whitefield's Investment Process

Whitefield believes that consistent and successful investment outcomes can be provided with the greatest certainty through the implementation of a defined, disciplined and strategically sound investment process.

An Experienced Investment Team: Whitefield's investments are managed by a team of investment personnel with depth of skill and experience over many years. The average finance industry experience of the personnel within Whitefield's investment team is 18 years per person, of which an average of 12 years per person has been spent working with Whitefield.

A Process Utilising Both Quantitative and Qualitative Assessment: The investment team monitor, review and assess a wide range of both quantitative and qualitative data pertaining to individual stocks and the many drivers of their future earnings. The use of factual numeric methodologies as one component of the investment process assists Whitefield in limiting exposure to the inadvertent human biases which have the potential to taint or undermine purely subjective investment strategies.

A Structured Assessment Framework: Whitefield's investment personnel use a defined and structured assessment and decision making framework which enables the investment process to be applied consistently across stocks and over time. Our framework and measurement tools are specifically designed to capture and portray the critical investment information relevant to our investment managers. Most notably our framework seeks to highlight improvements or deterioration in a stock's propensity to deliver earnings in line with its earnings outlook, the pattern of convergence or divergence of a stock's price with the inherent value of future earnings, our assessment of the stock's position in its price and earnings development path, and the relativities of such characteristics in the light of peers and precedent.

Whitefield's Executive Officers & Investment Personnel

Whitefield's Chief Executive Officer is Angus Gluskie (BEC, Graduate Diploma in Applied Finance & Investment, CA, FFin).

Angus Gluskie has over 25 years experience in the investment management and financial services fields. He has qualifications in investment management, economics and chartered accountancy. He specialised in the investment and insurance industries as a chartered accountant until 1995, and since that time has worked as a wholesale fund manager with Whitefield and associated entities.

Whitefield's Investment Team

Whitefield's investment personnel are employed by White Funds Management Pty Ltd. White Funds Management (and its predecessor entities and personnel) have been responsible for the business and investment of Whitefield since inception. White Funds Management purely undertakes wholesale investment management and its personnel are specialist investment managers, analysts and support staff.

Whitefield's Company Secretary is Stuart Madeley (BA(hons) Pure Maths, MBA).

Stuart has 22 years experience in financial services and funds management. He has worked with White Funds Management Pty Ltd and Whitefield since 2005.

Whitefield's Back Office

Whitefield's back office administration is provided by White Outsourcing Pty Ltd. White Outsourcing employs over 35 staff and provides wholesale investment administration services to investment managers around Australia. Its personnel are specialist accountants and funds management administrators.

An Efficient Operating Structure

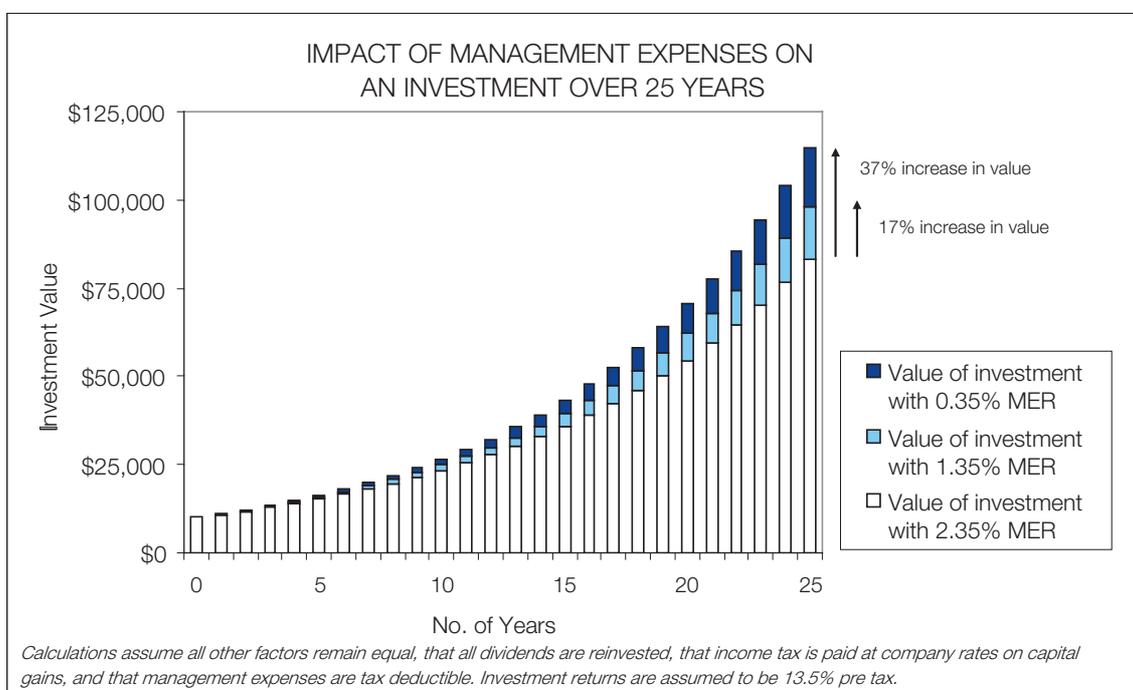
Whitefield's operating structure has provided the company with access to a significant depth of specialised senior personnel and operating systems in a cost efficient manner. Over many years this has enabled the company to continuously enhance and develop both its services to shareholders and the fundamental quality of its investment operations.

Whitefield's Management Expense Ratio [MER]

Whitefield seeks to provide investors with a cost efficient investment vehicle. To the extent possible Whitefield aims to maintain underlying expenses of operation at approximately 0.35%pa or less of operating assets. This percentage is called the management expense ratio.

Operating and management expenses on managed investment vehicles vary widely. In general, the costs of operating unlisted managed investment funds range from 0.30% - 3.00%pa of investments, with the majority of retail Australian share investment funds in the 0.70%-1.50%pa range. In general, the costs of operation for listed investment companies investing in Australian shares range from 0.12% - 1.50%pa.

The long term benefit of a cost-efficient investment vehicle can be material. Assuming investment returns are similar, an investment vehicle with an MER 1%pa [as a percentage of assets] lower than another; will be worth approximately 17% more in value after 25 years. An investment vehicle with an MER 2%pa [as a percentage of assets] lower than another, will be worth approximately 37% more in value after 25 years.



Whitefield Limited: A Listed Investment Company

Listed investment companies, like unlisted managed investment funds, provide investors with exposure to a managed portfolio of investments.

- (a) **Exposure to Underlying Investments:** By purchasing a share in a listed investment company, an investor obtains exposure to the diversified portfolio of investments held by the company.
- (b) **Company Structure:** Listed investment companies are “companies” with a fixed number of shares on issue at any point of time, and shareholders are the underlying investors in the company.
- (c) **Buying & Selling Shares:** Shareholders make or redeem an investment in a listed investment company by buying or selling shares in the listed investment company through a stockbroker.
- (d) **Company Tax:** Listed investment companies are taxed at company rates on their income and capital gains, but may pass on the benefit of the tax credit for tax paid to shareholders via the payment of franked dividends.
- (e) **Transparency of Future Tax Liabilities:** Listed investment companies calculate and report the capital gains tax that would be payable on all capital gains made whether realised or unrealised. (This is an important difference to a Managed Fund or ETF where investors are not aware of the potential capital gains tax liabilities that may exist on unrealised capital gains in the managed investment fund or ETF.)
- (f) **Share Price:** The market price at which a share in listed investment company may be bought or sold is primarily determined by the underlying value of the net investments (or asset backing) of the company. Accordingly listed investment companies disclose the underlying Net Asset Backing per ordinary share to the ASX every month. The market price of a listed investment company share however, may also be influenced by additional factors including:
 - (i) the number of buyers and sellers of the investment company’s shares and the volume of shares to be bought and sold;
 - (ii) the relative cost efficiency of the investment company’s management expenses;
 - (iii) expectations of future earnings, capital growth, company tax and dividends;
 - (iv) company tax payable in future periods on capital gains made by the investment company;
 - (v) the relative cost efficiency of the investment company’s management expenses.

Whitefield’s Tax Status

Whitefield pays income tax on its net taxable investment income at the company tax rate, and is entitled to the benefit of franking credits it receives on eligible franked income.

Whitefield pays tax at the company tax rate on net realised capital gains on its investment portfolio. In addition, Whitefield obtains the benefit of LIC Discount Capital Gains status on a large percentage of its capital gains.

In this way when Whitefield makes a qualifying LIC discount capital gain, the net gain may be paid to Whitefield’s underlying shareholders as a fully franked LIC discount dividend. Where this occurs, individual shareholders receiving the LIC discount dividend are entitled to claim a tax deduction equivalent to 50% of the gross LIC Discount Capital Gain. (Superannuation fund shareholders are entitled to a deduction for 33% of the Gain).

For example, a shareholder with a marginal tax rate of 46.5% pays tax at the effective rate of 23.25% on qualifying realised capital gains made by Whitefield and distributed to shareholders.

Capital gains made by Whitefield which are not qualifying discount capital gains, are subject to tax in the normal way at company tax rates.

Whitefield’s Dividend Policy

Whitefield aims to pay dividends each year which are approximately equal to its net operating profit after tax, excluding realised gains on investments. When Whitefield realises LIC Discount Capital Gains it will seek to pass the tax status of those gains to ordinary shareholders to the extent possible at appropriate points of time.

At the present time Whitefield's ordinary dividend per share is slightly higher than its net operating profit after tax per share. This stems from Whitefield's decision to continue to pay a dividend in line with the company's pre-financial crisis dividend level notwithstanding the reduction in dividend payments from many Australian listed companies as the result of the 2008/9 global financial crisis. This policy has provided Whitefield shareholders with consistency of income over this period of time. Whitefield would expect to increase its ordinary dividend rate once the company's underlying operating profit after tax per share exceeds the current dividend rate.

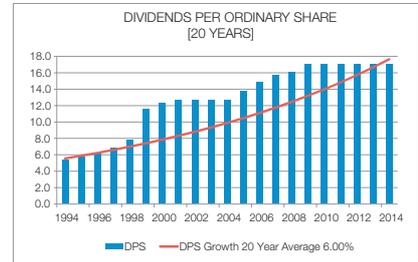
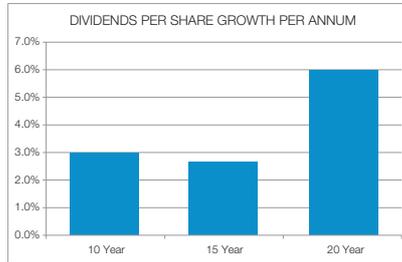
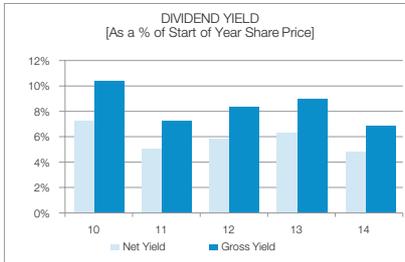
Risks Associated with Investment

All investment involves risk. An investment in Whitefield carries risks associated with investment in listed shares generally. Important risks and associated considerations for Whitefield shareholders include the following matters:

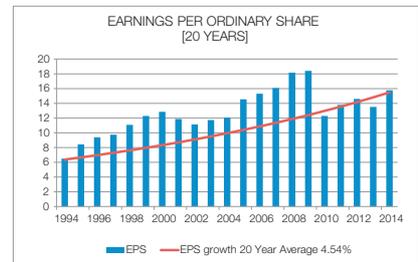
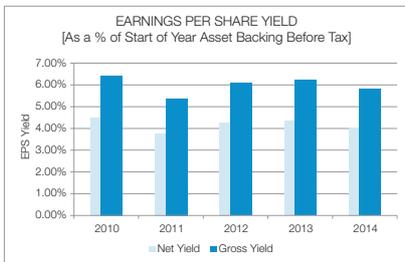
- (a) Investment outcomes are inherently uncertain and unpredictable. Investment returns in future may be positive or negative. The value of Whitefield shares in future may be higher or lower than today. The returns of the Australian share market have historically been volatile and included both significant rises and falls.
- (b) Investment returns in future years may differ materially from returns in prior years.
- (c) Investment returns in future years may be influenced by a very wide variety of factors including, but not limited to, Australian and international economic and business conditions, government policy and regulation, taxation, interest rates, inflation and decisions made by the Company and its personnel in the course of business.
- (d) The shares of Whitefield, and the price at which they may be bought or sold, may be influenced by a wide variety of factors including but not limited to returns of the company's investment portfolio, costs associated with the company's business, the volume of buyers and sellers of shares and the quantity of shares to be bought or sold. This may result in the market price of Whitefield's shares being higher or lower than the value of the Company's underlying assets.

FINANCIAL STATISTICS

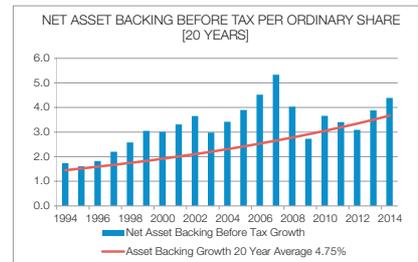
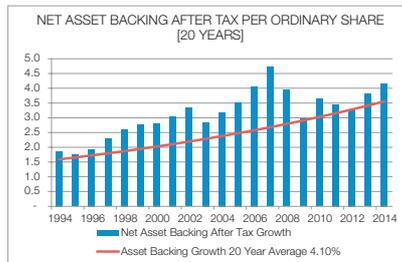
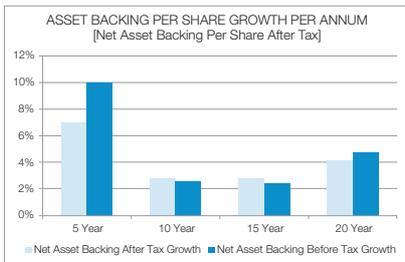
DIVIDEND YIELD AND DIVIDEND GROWTH



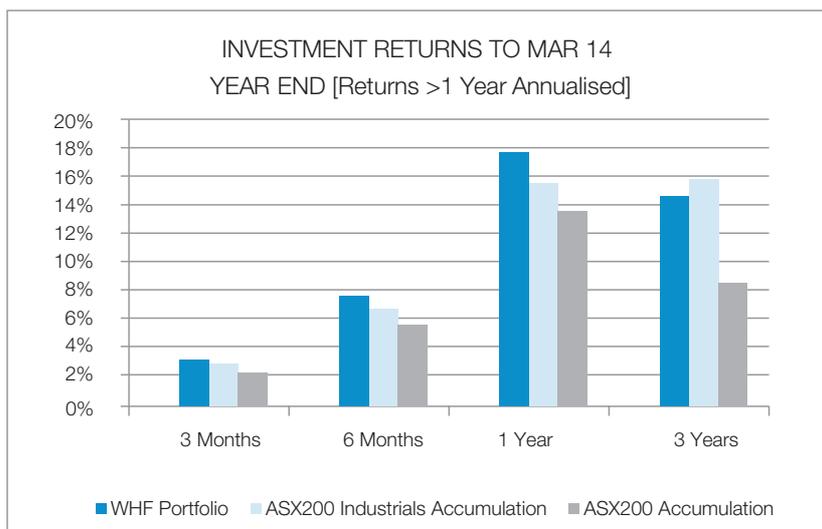
EARNINGS AND EARNINGS GROWTH



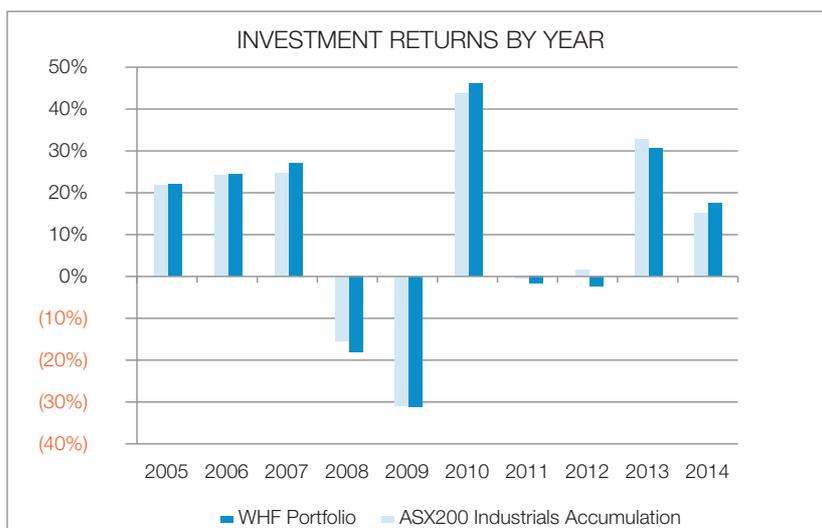
NET ASSET BACKING GROWTH



INVESTMENT PORTFOLIO RETURNS



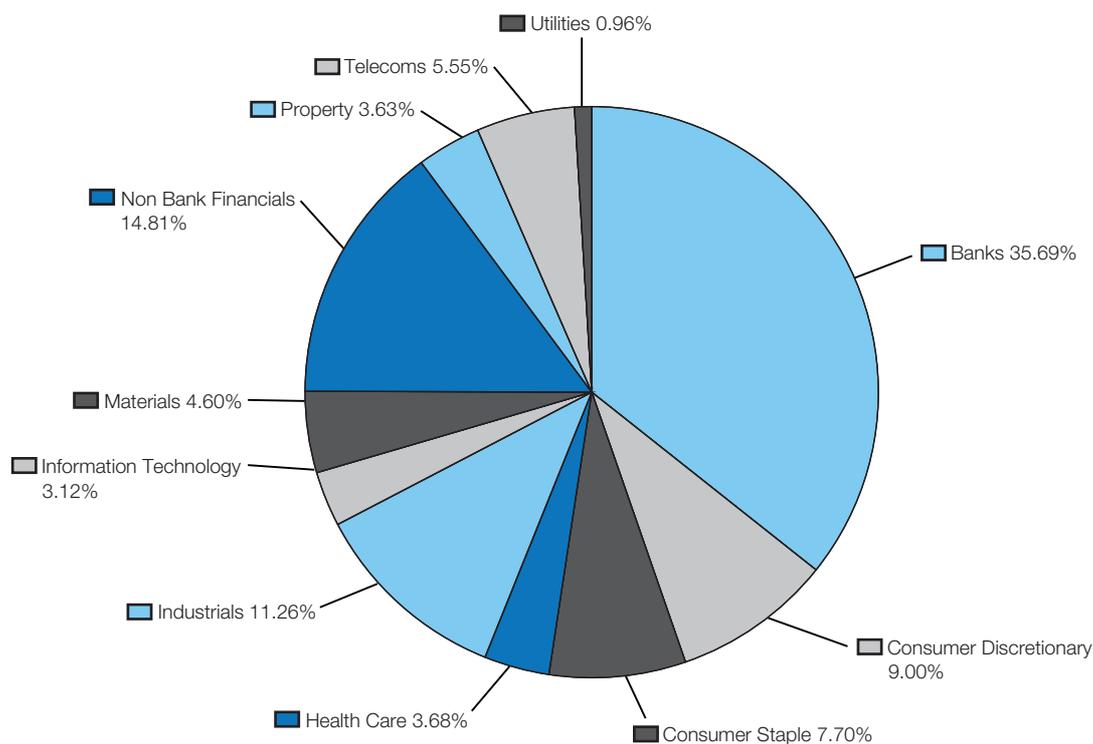
	WHF Portfolio	ASX 200 Industrials Accumulation	ASX 200 Accumulation
3 months	3.01%	2.82%	2.09%
1 year	17.68%	15.53%	13.46%
3 years	14.54%	15.86%	8.54%



	WHF Portfolio	ASX 200 Industrials Accumulation
2014	17.68%	15.53%
2013	30.64%	32.65%
2012	(2.25%)	1.48%
2011	(1.68%)	(0.47%)
2010	46.10%	43.78%
2009	(31.12%)	(30.95%)
2008	(18.13%)	(15.35%)
2007	27.01%	24.63%
2006	24.32%	24.29%
2005	21.97%	21.81%

PORTFOLIO COMPOSITION BY INDUSTRY SECTOR

As at 31 March 2014



TOP FIVE CONTRIBUTORS TO PERFORMANCE

Over One and Three Year Periods

Top Contributors to Portfolio Performance 1 Year*

1 Macquarie Group Limited	2.53%
2 Commonwealth Bank of Australia	2.15%
3 Westpac Banking Corporation	1.77%
4 Australia & New Zealand Banking Group	1.69%
5 National Australia Bank Limited	1.55%

Top Individual Stock Performance 1 Year**

1 Macquarie Atlas Roads Group	98.11%
2 Challenger Limited	73.00%
3 Macquarie Group Limited	66.21%
4 Aristocrat Leisure Limited	51.77%
5 Fairfax Media Limited	51.07%

Top Contributors to Portfolio Performance 3 Years*

1 Commonwealth Bank of Australia	7.50%
2 Westpac Banking Corporation	5.85%
3 Telstra Corporation Limited	5.07%
4 Australia & New Zealand Banking Group	4.49%
5 National Australia Bank Limited	4.05%

Top Individual Stock Performance 3 Years**

1 Twenty-First Century Fox Inc. - Class A	130.05%
2 Telstra Corporation Limited	121.02%
3 Crown Resorts Limited	118.35%
4 Twenty-First Century Fox Inc.	99.40%
5 CSL Limited	98.48%

*Weighted contribution to portfolio performance over period

**Only stocks included in portfolio

20 YEAR HISTORY

WHITEFIELD 20 YEAR FINANCIAL HISTORY

Year Ended	Ordinary Shares Issued	Capital Raised \$	Issued Shares		Operating Profit After Tax \$	Dividends Paid on Ordinary & 8% Pref Shares \$	Ordinary & 8% Preference shareholders' Equity \$	Dividends per Ordinary Share cps	Operating Profit After Tax per Share cps	NTA after Tax per Ordinary Share \$
			8% Preference	Convertible Resetable Preference						
1995	-	-	23,790		3,184,646	2,146,826	65,802,669	5.70	8.41	1.75
1996	-	-	23,790		3,543,244	2,334,977	73,145,190	6.20	9.36	1.94
1997	-	-	23,790		3,684,365	2,560,759	86,126,915	6.80	9.73	2.29
1998	-	-	23,790		4,188,379	2,899,431	98,008,523	7.70	11.06	2.60
1999	-	-	23,790		4,644,801	4,329,379	104,416,178	11.50	12.27	2.77
2000	-	-	23,790		4,854,287	4,630,421	103,324,176	12.30	12.82	2.75
2001	-	-	23,790		4,492,141	4,743,311	111,768,388	12.60	11.86	2.97
2002	-	-	23,790		4,296,005	4,743,311	123,252,523	12.60	11.12	3.27
2003	-	-	23,790		4,524,517	2,371,655	107,228,234	12.60	11.71	2.85
2004	1:10 Rights, DRP, Public Issue	13,564,135	23,790		42,555,648	4,984,418	135,419,974	12.60	12.04	3.18
2005	1:8 Rights, DRP	14,318,181	23,790		47,496,613	5,499,662	167,544,179	13.80	14.51	3.53
2006	DRP, SPP	13,187,620	23,790		51,236,819	7,873,034	207,894,752	14.90	15.28	4.06
2007	DRP, SPP, Placement	38,837,006	23,790		60,263,443	8,518,559	284,597,452	15.70	16.05	4.72
2008	DRP, SPP, Placement	45,858,006	23,790		70,192,733	11,981,188	276,278,441	16.10	18.12	3.94
2009	DRP, Buy-Back	(11,021,158)	23,790		66,323,391	11,864,370	196,414,691	17.00	18.37	2.96
2010	DRP, Buy-Back	(3,758,754)	23,790		65,193,933	8,120,642	237,242,675	17.00	12.26	3.64
2011	DRP, SPP, Buy-Back	(12,411,338)	23,790		61,176,470	8,518,170	206,452,551	25.50	13.77	3.37
2012	DRP, Merger	45,214,414	23,790		75,596,171	10,899,489	247,793,379	8.50	14.58	3.28
2013	DRP	940,651	23,790	300,000	75,983,662	10,228,821	289,587,611	17.00	13.49	3.81
2014	DRP	929,742	23,790	400,000	76,196,891	11,986,286	317,019,745	17.00	15.75	4.16

Note: Shareholders' Equity included the unrealised market value of publicly listed shares and notes in Australian companies and Trusts, less tax which would be payable on realisation of all investments and the estimated cost of such realisation. Operating Profit in this summary excludes gains or losses arising from the sale of investments. Per share calculations have been adjusted for bonus issues where appropriate.

CORPORATE GOVERNANCE STATEMENT

For the Year Ended 31st March 2014

This statement outlines the main corporate governance practices in place throughout the financial year, which comply with the ASX Corporate Governance Principles and Recommendations (2nd Edition, August 2007) unless otherwise stated.

Board of Directors

Structure of the Board

The skills, experience and expertise and period of office relevant to the position of each director in office at the date of the annual report are included on pages 20-21 of this Annual Report. Directors of Whitefield Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgment.

In the context of director independence, “materiality” is considered from both the company and individual director’s perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the directors in question to shape the direction of the company’s loyalty.

In accordance with the definition of independence above, and the materiality thresholds set, the Board has a majority of directors who are independent, in assessing this, the following directors are considered to be independent:

Name	Position
David J. Iliffe	Independent Chairman
Graeme J. Gillmore	Independent Director
Martin J. Fowler	Independent Director

The term in office held by each director in office at the date of this report is as follows:

Name	Term in office
David J. Iliffe	15 March 1990 to current
Angus J. Gluskie	4 February 2003 to current
Graeme J. Gillmore	1 November 1995 to current
Martin J. Fowler	29 May 2008 to current

The Chief Executive Officer of the Company is Mr A. J. Gluskie (for more information refer “Executive Management” in this Statement). Mr A.J Gluskie is not an independent director.

Functions of the Board

The Board’s primary function is the protection and enhancement of long-term shareholder value. To fulfil this role the Board seeks to address:

- the prudential control of the Company’s operations;
- the resourcing, review and monitoring of executive management;
- the timeliness and accuracy of reporting to shareholders; and
- the determination of the Company’s broad objectives.

Board Processes

The Board has established a number of Board Committees including a Nomination Committee, a Remuneration Committee and an Audit Committee. These committees have written mandates and operating procedures which are reviewed on a regular basis. The Board has also established a range of policies which govern its operation.

The Board will hold four scheduled meetings each year plus any other strategic meetings as and when necessitated by the Company's operations. The agenda for meetings is prepared through the input of the Chairman and the Company Secretary. Standing items include matters of compliance and reporting, financials, shareholder communications and investment strategy and outcomes. Submissions are circulated in advance.

Composition of the Board

The names of the directors of the Company in office at the date of this Statement are set out in the Directors' Report on page 19.

The composition of the Board is determined using the following principles:

- A minimum of three and not more than five directors;
- An independent, non-executive director as Chairman; and
- A majority of independent non-executive directors.

An independent director is considered to be a director:

- (a) who is not a member of management;
- (b) who has not within the last three years been employed in an executive capacity by the Company or been a principal of a professional adviser or consultant to the Company;
- (c) is not a significant supplier to the Company;
- (d) has no material contractual relationship with the Company other than as a director; and
- (e) is free from any interest or business or other relationship which could materially interfere with the director's ability to act in the best interests of the Company.

No Directors other than the Chief Executive Officer shall hold office for a period in excess of three years or until the third AGM following their appointment without submitting their self for re-election.

Nomination Committee

The Nomination Committee considers the appropriate size and composition of the Board, criteria for membership, identification of potential candidates and the terms and conditions of appointment to and retirement from the Board.

The Committee is responsible for:

- Conducting an annual review of the Board membership with regard to the present and future requirements of the Company and make recommendations as to composition and appointments;
- Review of Board succession plans, including succession of the Chairman, to maintain an appropriate balance of skills, experience and expertise;
- Conducting an annual review of the time required from non-executive directors, and whether the directors are meeting this;
- Requesting non-executive directors to inform the Chair and the Chair of the nomination committee before accepting any new appointments as directors;
- Conducting an annual review of the independence of directors; and
- Recommendations to the Board on necessary and desirable competencies of directors.

The Committee's target is to ensure that (as a minimum) directors collectively have investment accounting, general business experience and shareholder representation. The terms and conditions of the appointment and retirement of non-executive directors are set out in a letter of appointment.

The Committee is responsible for the performance review of the Board and its Committees. In respect of the current financial year all necessary performance evaluations of the Board and its Committees have taken place in the reporting period in accordance with the processes disclosed.

The Nomination Committee comprised the following members during the year:

- Mr D. J. Iliffe (Chairman) - Independent Non-Executive
- Mr G. J. Gillmore - Independent Non-Executive
- Mr M. J. Fowler - Independent Non-Executive
- Mr A. J. Gluskie - Executive

The Nomination Committee meets annually unless otherwise required. For details on the number of meetings of the Nomination Committee held during the year and the attendees at those meetings, refer to page 22 of the Director's Report.

Performance Evaluation of Directors

The Nomination Committee is responsible for the review of the Board and its Committee's performance as a whole.

In order for a specific opportunity for performance matters to be discussed with each Director, each year the Chairman of the Board conducts a formal review process. The Chairman meets with each Director individually to discuss issues including performance and discusses with each Director the effectiveness of the Board as a whole, its Committees, individual Directors and the Chairman with the intention of providing mutual feedback. The Chairman reports on the general outcome of these meetings to the Nomination Committee. Directors whose performance is unsatisfactory are asked to retire. In respect of the current financial year all assessments under this process have taken place in accordance with the process disclosed.

Director Dealing in Company Shares

Directors and senior management may transact in shares as described in the Securities Trading Policy. Generally Directors and senior management can acquire shares in the Company, but are prohibited from dealing in Company shares (a) between the close of a month and the release of the Company's net asset backing to the ASX or (b) whilst in possession of price-sensitive information.

Independent Professional Advice and Access to Company Information

Each director has the right of access to all relevant company information and to the Company's executives and subject to prior consultation with the Chairman, may seek independent professional advice at the entity's expense. A copy of advice received by the director is made available to all other members of the Board.

Remuneration Committee

The Remuneration Committee reviews and makes recommendations to the Board on remuneration of the directors themselves. The Remuneration Committee meets once a year. Full details on Directors' remuneration are provided in the Directors' Report.

The members of the Remuneration Committee during the year were:

- David J. Iliffe (Chairman) – Independent Non-Executive
- Graeme J. Gillmore – Independent Non-Executive
- Martin J. Fowler – Independent Non-Executive

The executive function of the Company has been outsourced to White Outsourcing Pty Limited (accounting and administration) and White Funds Management Pty Limited (funds management). The responsibility for considering and recommending appropriate remuneration of the non-executive directors' packages for the Board lies with the Remuneration Committee. Non-executive directors are remunerated by way of cash payments. Mr A.J Gluskie does not receive remuneration directly from the Company.

Only non-executive directors' receive remuneration in the form of directors fees paid either as cash or superannuation contributions.

For details on the number of meetings of the Remuneration Committee held during the year and the attendees at those meetings, refer to page 22 of the Director's Report.

Audit Committee

The Audit Committee has a documented Charter, approved by the Board. All members must be non-executive directors. The Chairman is not the Chairman of the Board. The Committee is responsible for considering the effectiveness of the systems and standards of internal control, financial reporting and any other matter at the request of the Board. The Audit Committee will meet at least two times per year.

The Audit Committee may have in attendance at their meeting such members of management as may be deemed necessary to provide information and explanations. The external auditors attend meetings by invitation to report to the Committee.

The members of the Audit Committee during the year were:

- Martin J. Fowler (Chairman) – Independent Non-Executive
- David J. Iliffe – Independent Non-Executive
- Graeme J. Gillmore – Independent Non-Executive

The responsibilities of the Audit Committee are to ensure that:

1. Relevant, reliable and timely information is available to the Board to monitor the performance of the Company;
2. External reporting is consistent with committee members' information and knowledge and is adequate for shareholder needs;
3. Management processes support external reporting in a format which facilitates ease of understanding by shareholders and institutions;
4. The external audit arrangements are adequate to ensure the maintenance of an effective and efficient external audit. This involves:
 - (a) reviewing the terms of engagement, scope and auditor's independence;
 - (b) recommendations as to the appointment, removal and remuneration of an auditor; and
 - (c) reviewing the provision of non-audit services provided by the external auditor ensuring they do not adversely impact on audit independence;
5. Review the Company's risk profile including material business risks and assess the operation of the Company's internal control system;
6. Conduct an annual review of the Chief Executive Officer's performance.

The external auditor is required to attend the Annual General Meeting and is available to answer shareholder questions.

For details on the number of meetings of the Audit Committee held during the year and the attendees at those meetings, refer to page 22 of the Director's Report. The qualifications and experience of Committee members are shown on pages 20-21 of this Annual Report.

The Board as a whole monitor the performance of the annual & half-yearly audit performed by the external auditor. If the Board considers that the external auditor of the Company should be changed a special resolution will be put to shareholder vote at the following Annual General Meeting. External audit engagement partners are required by legislation to rotate their appointment every five years.

The Audit Committee undertakes a review of the Chief Executive Officers performance against relevant qualitative and quantitative measures and brings to the Board an assessment of the Chief Executive Officers performance. In respect of the current financial year the performance review of the Chief Executive Officer has been undertaken in accordance with the process disclosed.

Risk Management Policy

The Board acknowledges that it is responsible for the overall system of internal control but recognises that no cost effective internal control system will preclude all errors and irregularities. The Board has delegated responsibility for reviewing the risk profile including material business risks and reporting on the operation of the internal control system to the Audit Committee.

The Audit Committee (a) requires executive management to report annually on the operation of internal controls, (b) reviews the external audit of internal controls and liaises with the external auditor and (c) conducts any other investigations and obtains any other information it requires in order to report to the Board on the effectiveness of the internal control system. In respect of the current financial year all necessary declarations have been submitted to the Board.

The Board identifies the following business risks as having the potential to significantly or materially impact the company's performance (a) administrative risks including operational, compliance and financial reporting and (b) market related risks.

Administrative Risks

The Company has outsourced its administrative functions to service providers, J.P.Morgan Nominees (custody), White Outsourcing Pty Limited (accounting) and White Funds Management Pty Limited (investment management and Company Secretarial). Accordingly risk issues associated with these activities are handled in accordance with the service providers' policies and procedures. White Outsourcing Pty Limited is responsible for recognising and managing administrative risks including (a) operational, (b) compliance and (c) financial reporting.

The Administrator provides a declaration to the Board twice annually, to certify that the Company's financial statements and notes present a true and fair view, in all material respects, of the Company's financial condition and operational results and that they have been prepared and maintained in accordance with relevant Accounting Standards and the Corporations Act 2001. In respect of the current financial year all necessary declarations have been submitted to the Board. In addition, White Outsourcing Pty Ltd (accounting) will confirm half-yearly in writing to the Board that the declaration provided above is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Market Risks

The Board is primarily responsible for recognising and managing market related risks. By its nature as a Listed Investment Company, the Company will always carry investment risk because it must invest its capital in securities which are not risk free. However, the Company seeks to reduce this investment risk by a policy of diversification of investments across industries and companies operating in various sectors of the market. White Funds Management Pty Ltd (investment manager), is required to act in accordance with the Board approved investment management agreement and reports to the Board quarterly on the portfolio's performance, material actions of the investment manager during that quarter and an explanation of the investment manager's material proposed actions for the upcoming quarter. In addition, the investment manager is required to report half-yearly that White Funds Management Pty Ltd have invested the Company's assets in accordance with the approved investment mandate and complied with the Investment Management Agreement requirements during the reporting period. In respect of the current financial year all necessary declarations have been submitted to the Board. In assessing the Company's risk tolerance level the Board considers any instance which materially affects the Company's monthly Net Tangible Asset backing announcement released to the ASX.

The Audit Committee and the Board perform regular risk reviews to ensure that adequate controls are in place to mitigate risk associated with investment manager performance, market risk, fraud, transaction reporting errors, material reporting risks and compliance risk.

Executive Management

The companies operations are conducted through White Funds Management Pty Ltd (Investment Manager) and White Outsourcing Pty Limited (Administration Manager). These entities incorporate the specialist wholesale investment and administration personnel who undertake the Company's executive operations.

The Company's executive management arrangements have been structured to provide investors with a cost efficient investment vehicle and access to a significant depth of professional resources.

Ethical Standards

The Board expects all executive and non-executive directors to act professionally in their conduct and with the utmost integrity and objectivity. All executive and non-executive directors must comply with the Company's Code of Conduct and Ethics.

Shareholder Rights

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and are able to receive the annual and interim financial statements if requested. Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of Whitefield Limited, to lodge questions to be responded by the Board, and are able to appoint proxies.

Shareholder Communications

It is the intention of the Board to promote effective communication with shareholders and to encourage shareholder participation at AGM's. The Board informs shareholders of all major developments affecting the Company's state of affairs as follows:

- All information lodged with the ASX is available on the Company's website at www.whitefield.com.au via a direct link to the ASX website;
- An Annual Report will be mailed to shareholders at the close of the financial year, where requested; and
- Net asset backing per share is released to the ASX by the 14th day following each month-end.

The Chief Executive Officer is responsible for ensuring Whitefield Limited complies with its continuous disclosure obligations. All relevant staff of White Outsourcing Pty Limited and White Funds Management Pty Limited are made aware of these obligations and are required to report any price sensitive information to the Chief Executive Officer immediately once they become aware of it. The Chief Executive Officer will decide whether the information should be disclosed to the ASX.

Where possible, all continuous disclosure releases to the ASX are approved by the Board, except the monthly net asset backing per share which is approved by White Outsourcing Pty Limited in consultation with White Funds Management Pty Limited. Where time does not permit approval by the Board, the Chief Executive Officer must approve the release.

Any information of a material nature affecting the Company is disclosed to the market through release to the ASX as soon as the Company becomes aware of such information, in accordance with the ASX Continuous Disclosure requirement.

Board policies and charters covering the following are available on the Company's website at www.whitefield.com.au:

- Board charter
- Nomination Committee charter
- Audit Committee charter
- Remuneration Committee charter
- Continuous Disclosure policy
- Shareholder Communications policy
- Risk Management policy
- Trading policy
- Code of Conduct and Ethics

DIRECTORS' REPORT

For the Year Ended 31st March 2014

Your Directors present their report on the Company for the year ended 31 March 2014.

Directors

The following persons were Directors of Whitefield Limited during the financial year and up to the date of this report:

David J. Iliffe

Graeme J. Gillmore

Angus J. Gluskie

Martin J. Fowler

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

Principal Activities

During the year, the principal activities of the Company included investments in companies and trusts listed on the Australian Stock Exchange.

There was no significant change in the nature of the activity of the Company during the year.

Dividends

Dividends paid to members since the end of the previous financial year were as follows:

	Dividend Rate cps	Total Amount \$	Date of Payment	% Franked
2014				
8% Preference shares - interim	4.0	951	12/12/2013	100
Ordinary shares - interim	8.5	6,466,055	12/12/2013	100
Convertible Resetable Preference Shares - Six-Monthly	350.0	1,400,000	12/12/2013	100
2013				
8% Preference shares - final	4.0	951	11/06/2013	100
Ordinary shares - final	8.5	6,454,783	11/06/2013	100
Convertible Resetable Preference Shares - Six-Monthly	350.0	1,050,000	11/06/2013	100

In addition to the above dividends, since the end of the financial year the Directors have announced:

- A final ordinary dividend of 8.5 cents per fully paid share (2013: 8.5 cents per fully paid share), and a final dividend on 8% preference shares of 4.0 cents per 8% preference share (2013: 4.0 cents per 8% preference share) to be paid on 13 June 2014 out of retained earnings at 31 March 2014;
- A six-monthly dividend on Convertible Resetable Preference Shares of 350.0 cents per convertible resetable preference share to be paid on 13 June 2014.

Review of operations and financial position

Information on the operations and financial position of the Company and its business strategies and prospects is set out in the Chief Executive Officer's review on page 2 of this Annual Report.

The profit from ordinary activities after income tax amounted to \$11,986,286 (2013: \$10,228,821). Total comprehensive income amounted to \$39,425,132 (2013: \$53,722,267).

Net asset backing after deferred tax per ordinary share at 31 March 2014 amounted to \$4.16 (2013: \$3.81), while net assets amounted to \$317,019,745 (2013: \$289,587,611).

Significant changes in the state of affairs

Whitefield issued an additional 100,000 \$100 Convertible Resettable Preference Shares (CRPS) in June 2013. CRPS are non-cumulative, convertible, resettable preference shares which pay a 7% per annum dividend until the first reset date in November 2018. CRPS dividends are expected to be fully franked.

Matters subsequent to the end of the financial year

Other than the dividend paid after year end, no other matter or circumstance has occurred subsequent to year end 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 or economic entity in subsequent financial years.

Likely developments and expected results of operations

The Directors have no plans for new developments in the operations of the Company and propose to continue to invest available funds in the publicly listed equities of Australian companies. Further comments on the outlook for the Company are included in the Chief Executive Officer's Review.

Environmental regulation

The Company is not affected by any significant environmental regulation in respect of its operations.

To the extent that any environmental regulations may have an incidental impact on the Company's operations, the Directors of the Company are not aware of any breach by the Company of those regulations.

Information on directors

David J. Iliffe *Chair - independent non-executive director*

Experience and expertise

David has been a Director of Whitefield Ltd since March 1990, and was appointed Chairman in 2003. David has over 35 years experience as a Chartered Accountant, a Member of the Australian Institute of Company Directors and is a Fellow of the Institute of Chartered Accountants.

Other current directorships

Director of Employers Mutual Ltd

Former directorships in last 3 years

None

Special responsibilities

Chairman, Member of Audit Committee, Nomination and Remuneration Committees

Interests in shares and options

2,191,703 Ordinary Shares

1,300 8% Preference Shares

Graeme J. Gillmore*Independent non-executive director***Experience and expertise**

John has practiced as a Chartered Accountant and Solicitor for over 25 years, appointed as a Director of Whitefield Ltd since November 1995. John holds a Bachelor of Commerce and a Bachelor of Laws.

Other current directorships

None

Former directorships in last 3 years

None

Special responsibilities

Member of Nomination and Remuneration Committees

Interests in shares and options

572,081 Ordinary Shares

Angus J. Gluskie*Chief Executive Officer***Experience and expertise**

Angus has been Chief Executive Officer of Whitefield Ltd since 1996 and was appointed as a Director in 2003. Angus has over 25 years experience in the fields of funds management and financial services. Angus is a member of the Institute of Chartered Accountants and a Fellow of the Financial Services Institute of Australasia, and holds a Bachelor of Economics and a Graduate Diploma in Applied Finance & Investment.

Other current directorships

Managing Director of White Funds Management Pty Ltd.

Former directorships in last 3 years

None

Special responsibilities

Chief Executive Officer, Member of Nomination Committee, Investment manager

Interests in shares and options

16,999,097 Ordinary Shares
200 8% Preference Shares

Martin J. Fowler*Independent non-executive director***Experience and expertise**

Martin has over 20 years experience in the field of financial analysis and specialises in personal investment advice. Martin is a Member of the Institute of Chartered Accountants and Fellow of Finsia. Martin holds a Bachelor of Business, a Graduate Diploma in Applied Finance & Investment and a Graduate Diploma in Financial Planning.

Other current directorships

Partner and Director of Moore Stephens Sydney Pty Ltd

Former directorships in last 3 years

None

Special responsibilities

Chairman of Audit Committee, Member of Nomination and Remuneration Committees

Interests in shares and options

Martin Fowler has no interests in Whitefield Limited.

Company secretary

The Company secretary is Mr Stuart Madeley. Mr Madeley was appointed to the position of Company secretary on 6 February 2014 in replacement of Mr Peter Roberts. Mr Madeley has over 22 years experience in the financial services industry in both Australia and the United Kingdom. Mr Madeley has been involved in the executive management of the Company since 2005.

Meetings of directors

The numbers of meetings of the Company's board of Directors and of each board committee held during the year ended 31 March 2014, and the numbers of meetings attended by each Director were:

	Full meetings of directors	Meetings of non-executive directors	Meetings of committees		
			Audit	Nomination	Remuneration
David J. Iliffe	4	-	2	1	1
Graeme J. Gillmore	4	-	2	1	1
Angus J. Gluskie	4	-	-	1	-
Martin J. Fowler	4	-	2	1	1

Remuneration Report

This report details the nature and amount of remuneration for each Director and Key Management Person of Whitefield Limited in accordance with the *Corporations Act 2001*.

Remuneration Policy

The Board and Remuneration Committee determine the remuneration structure of Non-Executive Directors having regard to the scope of the Company's operations and other relevant factors including the frequency of Board meetings as well as directors' length of service, particular experience and qualifications. The Board makes a recommendation to shareholders as to the level of Non-Executive Directors remuneration which is then put to shareholders at the Annual General Meeting for approval.

The Company pays no direct remuneration to executives. Mr Angus J. Gluskie is a shareholder and officer of White Funds Management Pty Ltd and was a shareholder of White Outsourcing Pty Limited. Mr Peter A. Roberts was a shareholder and officer of White Outsourcing Pty Limited. White Funds Management Pty Ltd and White Outsourcing Pty Limited are contracted by the Company as the Investment Manager and Administrator respectively. Those entities receive fees for service on normal commercial terms and conditions.

As the Company does not pay performance fees, nor provide share or option schemes to Directors and executives, remuneration of Executives and Non-executives is not explicitly linked to the Company's performance. Notwithstanding this, Board members and Company executives are subject to ongoing performance monitoring and regular performance reviews.

Details of remuneration

The following tables show details of the remuneration received by the Directors and the key management personnel of the Company for the current and previous financial year.

2014	Short-term employee benefits		Post-employment benefits	Total
	Cash salary and fees	Other*	Super-annuation	
Name	\$	\$	\$	\$
Non-executive Directors				
David J. Iliffe	11,442	-	1,058	12,500
Graeme J. Gillmore	11,442	-	1,058	12,500
Martin J Fowler	11,442	-	1,058	12,500
Sub-total non-executive directors	34,326	-	3,174	37,500
Executive Directors				
Angus J. Gluskie*	-	765,393	-	765,393
Sub-total executive directors	-	765,393	-	765,393
Other key management personnel				
Peter A. Roberts*	-	148,845	-	148,845
Sub-total other key management personnel	-	148,845	-	148,845
Total key management personnel compensation	34,326	914,238	3,174	951,738

2013	Short-term employee benefits		Post-employment benefits	Total
	Cash salary and fees	Other*	Super-annuation	
Name	\$	\$	\$	\$
Non-executive Directors				
David J. Iliffe	9,633	-	867	10,500
Graeme J. Gillmore	9,633	-	867	10,500
Martin J Fowler	9,633	-	867	10,500
Sub-total non-executive directors	28,899	-	2,601	31,500
Executive Directors				
Angus J. Gluskie*	-	497,206	-	497,206
Sub-total executive directors	-	497,206	-	497,206
Other key management personnel				
Peter A. Roberts*	-	129,393	-	129,393
Sub-total other key management personnel	-	129,393	-	129,393
Total key management personnel compensation	28,899	626,599	2,601	658,099

* Mr Angus J. Gluskie and Mr Peter A. Roberts received no fees as individuals. Mr Angus J. Gluskie is a shareholder and officer of White Funds Management Pty Ltd and was a shareholder of White Outsourcing Pty Limited. Mr Peter A. Roberts was a shareholder and officer of White Outsourcing Pty Limited and acted as Company Secretary until 6 February 2014. During the year, White Funds Management Pty Ltd and White Outsourcing Pty Limited received fees of \$914,238 inclusive of 10% GST (2013: \$626,599 inclusive of 10% GST) for the management of the Company, out of which costs of accounting, administration and investment management are paid.

Shares under option

No options are on issue.

Insurance and indemnification of officers and auditors

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and any related body corporate against liability incurred as such by a Director or Secretary to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid during or since the end of the financial year, for any person who is or has been an auditor of the Company.

Proceedings on behalf of the company

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

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

No non-audit services were performed by the auditors during the year ended 31 March 2014.

Details of the amounts paid to the auditors and their related parties are disclosed in Note 18 to the Financial Statements.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 25.

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



David J. Iliffe
Director

Sydney
19th May 2014

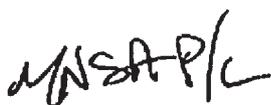
AUDITOR'S INDEPENDENCE DECLARATION

WHITEFIELD LIMITED ABN 50 000 012 895

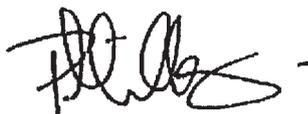
Auditor's independence declaration under section 307C of the *Corporations Act 2001* to the Directors of Whitefield Limited.

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2014 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



Phillip Miller
Director

Dated in Sydney this 19th day of May 2014

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31st MARCH, 2014

	Notes	31 March 2014 \$	31 March 2013 \$
Investment income from ordinary activities	7	15,665,209	13,333,320
Expenses			
Management fees		(713,207)	(463,305)
Accounting fees		(138,694)	(120,571)
Share registry fees		(120,076)	(125,001)
Custody fees		(53,335)	(32,362)
Tax fees		(16,858)	(21,643)
Legal fees		(1,876)	(12,512)
Directors' fees		(37,500)	(31,500)
ASX fees		(48,882)	(41,022)
Audit fees		(28,139)	(27,347)
Other expenses		(70,647)	(82,214)
Finance costs - Convertible Resettable Preference Shares		(2,819,075)	(1,502,904)
Operating result before income tax		11,616,920	10,872,939
Current tax	8	(643,541)	(644,118)
Operating result for the year		10,973,379	10,228,821
Dividends and distributions on demergers		1,087,865	-
Income tax relating to above		(74,958)	-
		1,012,907	-
Profit for the year		11,986,286	10,228,821
Other comprehensive income			
<i>Items that may not be reclassified to profit or loss</i>			
Net unrealised gains on investments taken to equity		35,225,622	63,439,477
Income tax relating to net unrealised gains on investments taken to equity		(10,718,420)	(19,113,111)
Net realised gains/(losses) on investments taken to equity		4,235,604	(1,226,485)
Income tax relating to net realised (gains)/losses on investments taken to equity		(1,303,960)	393,565
Other comprehensive income for the year, net of tax		27,438,846	43,493,446
Total comprehensive income for the year		39,425,132	53,722,267
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	26	15.75 Cents	13.49 Cents
Diluted earnings per share	26	15.75 Cents	13.49 Cents

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

STATEMENT OF FINANCIAL POSITION

AS AT 31ST MARCH, 2014

	Notes	31 March 2014 \$	31 March 2013 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	8,193,549	5,334,994
Trade and other receivables	10	2,982,936	2,464,848
Other current assets	11	26,698	23,720
Total current assets		11,203,183	7,823,562
Non-current assets			
Financial assets at fair value through other comprehensive income	12	364,437,250	316,525,361
Deferred tax assets	13	21,368,622	23,234,196
Total non-current assets		385,805,872	339,759,557
Total Assets		397,009,055	347,583,119
LIABILITIES			
Current liabilities			
Trade and other payables	14	228,890	105,500
Other current liabilities		-	9,059
Total current liabilities		228,890	114,559
Non-current Liabilities			
Deferred tax liabilities	15	38,625,875	27,886,430
Other financial liabilities	16	41,134,545	29,994,519
Total non-current liabilities		79,760,420	57,880,949
Total liabilities		79,989,310	57,995,508
Net assets		317,019,745	289,587,611
EQUITY			
Issued capital	20	176,664,099	175,734,357
Reserves	21(a)	120,282,798	92,843,952
Retained earnings	21(b)	20,072,848	21,009,302
Total equity		317,019,745	289,587,611

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31st MARCH, 2014

	Notes	Issued capital \$	Reserve \$	Retained earnings \$	Total equity \$
Balance at 1 April 2012		174,793,706	49,350,506	23,649,168	247,793,380
Profit for the year		-	-	10,228,821	10,228,821
Other comprehensive income for the year					
Net unrealised gains on investments taken to equity		-	63,439,477	-	63,439,477
Income tax on net unrealised gains on investments taken to equity		-	(19,113,111)	-	(19,113,111)
Net realised losses on investments taken to equity		-	(1,226,485)	-	(1,226,485)
Income tax on net realised (gains)/losses on investments taken to equity		-	393,565	-	393,565
Total other comprehensive income for the year, net of tax		-	43,493,446	-	43,493,446
Total comprehensive income for the year		-	43,493,446	10,228,821	53,722,267
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	20	940,651	-	-	940,651
Dividends provided for or paid	23	-	-	(12,868,687)	(12,868,687)
		940,651	-	(12,868,687)	(11,928,036)
Balance at 31 March 2013		175,734,357	92,843,952	21,009,302	289,587,611
Balance at 1 April 2013		175,734,357	92,843,952	21,009,302	289,587,611
Profit for the year		-	-	11,986,286	11,986,286
Other comprehensive income for the year					
Net unrealised gains on investments taken to equity		-	35,225,622	-	35,225,622
Income tax on net unrealised gains on investments taken to equity		-	(10,718,420)	-	(10,718,420)
Net realised gains on investments taken to equity		-	4,235,604	-	4,235,604
Income tax on net realised (gains)/losses on investments taken to equity		-	(1,303,960)	-	(1,303,960)
Total other comprehensive income for the year, net of tax		-	27,438,846	-	27,438,846
Total comprehensive income for the year		-	27,438,846	11,986,286	39,425,132
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	20	929,742	-	-	929,742
Dividends provided for or paid	23	-	-	(12,922,740)	(12,922,740)
		929,742	-	(12,922,740)	(11,992,998)
Balance at 31 March 2014		176,664,099	120,282,798	20,072,848	317,019,745

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2014

	Notes	31 March 2014 \$	31 March 2013 \$
Cash flows from operating activities			
Dividends and trust distributions received		15,531,315	12,252,097
Interest received		141,616	451,351
Other revenue		-	4,680
Payments for other expenses		(1,285,018)	(953,262)
Net cash inflow from operating activities	25	14,387,913	11,754,866
Cash flows from investing activities			
Proceeds from sale of financial assets at fair value through other comprehensive income		17,904,258	8,349,919
Payments for financial assets at fair value through other comprehensive income		(25,683,487)	(34,188,180)
Net cash (outflow) from investing activities		(7,779,229)	(25,838,261)
Cash flows from financing activities			
Share issue and buy-back transaction costs		(53,991)	1,986
Dividends paid to company's shareholders	23	(11,955,205)	(11,929,426)
Proceeds from convertible resettable preference shares, net of transaction costs		10,709,067	28,831,738
Dividends paid on convertible resettable preference shares		(2,450,000)	(655,888)
Net cash (outflow)/inflow from financing activities		(3,750,129)	16,248,410
Net increase in cash and cash equivalents		2,858,555	2,165,015
Cash and cash equivalents at the beginning of the period		5,334,994	3,169,979
Cash and cash equivalents at end of year	9	8,193,549	5,334,994

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2014

1. General Information

Whitefield Limited (the "Company") is a listed public company domiciled in Australia. The address of Whitefield Limited's registered office is Level 15, 135 King Street, Sydney, NSW, 2000. The financial statements of Whitefield Limited are for the year ended 31 March 2014. The Company is primarily involved in making investments, and deriving revenue and investment income from listed securities and unit trusts in Australia.

2. 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 19 May 2014.

(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 Company has applied the following standards and amendments for the first time in their annual reporting period commencing 1 April 2013:

- AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13*

Change in accounting policy: fair value measurement

AASB 13 *Fair Value Measurement* aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards. The standard does not extend the use of fair value accounting but provides guidance on how it should be applied where its use is already required or permitted by other Australian Accounting Standards.

The Company has adopted AASB 13 *Fair Value Measurement* with effect from annual reporting period ended 31 March 2014. As a result, the Company has adopted a new definition of fair value, as set out below. The change had no material impact on the measurement of the Company's assets and liabilities. However the Company has included new disclosures in the financial statements which are required under AASB 13.

Fair value is 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. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements. The fair value of a liability reflects its non-performance risk.

When applicable, the Company measures the fair value of an instrument using the quoted prices in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

AASB 13 removes the requirement to use bid/ask prices for actively quoted financial instruments. Rather the most representative price within the bid/ask spread is used. Management has elected to use last traded price, consistent with its unit pricing policy.

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st MARCH, 2014

Where last traded price is used by an entity, management has ensured at balance date that the last traded price falls within the bid/ask spread as at that date. Where it falls outside the bid/ask spread, an alternative basis most representative of fair value within the bid/ask spread will be used.

(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) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 5.

(b) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

(i) Investment income

Profits and losses realised from the sale of investments and unrealised gains and losses on securities held at fair value are included in the statement of comprehensive income in the year they are incurred.

(ii) Dividends and trust distributions

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

(iii) Interest income

Interest income is recognised using the effective interest method.

(iv) Other income

The Company recognises other income when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(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.

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st MARCH, 2014

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) Impairment of assets

Financial assets excluding investments are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The amount of the impairment loss would be recognised in profit or loss within other expenses.

(e) 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 balance sheet.

(f) 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.

(g) Investments

Classification

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

The Company has designated 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.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st MARCH, 2014

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.

The Company's accounting policy on fair value measurements is discussed in Note 2(a)(ii).

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.

(h) Other financial liabilities

Convertible Resettable Preference Shares are classified as a financial liability for accounting purposes under Australian Accounting Standard *AASB132 Financial Instruments Presentation*. They are initially recognised at fair value less transaction costs. After initial recognition, the liabilities are 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 within the finance expense recorded.

(i) 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.

(j) 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 within the finance expense recorded.

(k) Issued capital

Ordinary and 8% Perpetual 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.

(l) 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.

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st MARCH, 2014

(m) 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.

(n) 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.

(o) Functional and presentation currency

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

(p) Comparatives

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

(q) Operating Segments

The Company operated in Australia only and the principal activity is investment.

(r) New accounting standards and interpretations

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

3. Financial risk management

(a) Market risk

(i) Foreign exchange risk

The Company is not directly exposed to currency risk as all its investments are quoted in Australian dollars.

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st MARCH, 2014

(ii) 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	2014 (%)	2013 (%)
Information technology	3.12	3.14
Financials	50.50	49.07
Healthcare and biotechnology	3.68	5.54
Consumer staples	7.70	7.83
Industrials	11.26	11.81
Consumer discretionary	9.00	8.76
Utilities	0.96	1.12
Materials	4.60	4.70
Telecommunications services	5.55	4.22
Property	3.63	3.81
Total	100.00	100.00

Securities representing over 5 per cent of the investment portfolio at 31 March 2014 were:

	2014 (%)
Commonwealth Bank of Australia	10.97
Westpac Banking Corporation	9.43
ANZ Banking Group Limited	7.97
National Australia Bank Limited	7.32
Telstra Corporation	5.55
Macquarie Group	5.30
	46.54

Securities representing over 5 per cent of the investment portfolio at 31 March 2013 were:

	2013 (%)
Commonwealth Bank of Australia	10.81
Westpac Banking Corporation	9.49
ANZ Banking Group Limited	7.78
National Australia Bank Limited	7.17
	35.25

No other security represents over 5 per cent of the investment portfolio at 31 March 2014 and 31 March 2013.

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st MARCH, 2014

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:

Index	Impact on other components of equity	
	2014 \$	2013 \$
Decrease 10% (10%)	(25,510,608)	(22,435,916)
Decrease 30% (30%)	(76,531,823)	(67,307,747)

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.

(iii) 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 table below summarises the Company's exposure to interest rate risks. It includes the Company's assets and liabilities at fair values, categorised by the earlier of contractual repricing or maturity dates.

31 March 2014	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
Financial assets				
Cash and cash equivalents (i)	8,193,549	-	-	8,193,549
Trade and other receivables	-	-	2,982,936	2,982,936
Financial assets held at fair value through other comprehensive income	-	-	364,437,250	364,437,250
	8,193,549	-	367,420,186	375,613,735
Financial liabilities				
Trade and other payables	-	-	(228,890)	(228,890)
Other financial liabilities	-	(41,134,545)	-	(41,134,545)
	-	(41,134,545)	(228,890)	(41,363,435)
Net exposure	8,193,549	(41,134,545)	367,191,296	334,250,300

31 March 2013	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
Financial assets				
Cash and cash equivalents (i)	5,334,994	-	-	5,334,994
Trade and other receivables	-	-	2,464,848	2,464,848
Financial assets held at fair value through other comprehensive income	-	-	316,525,361	316,525,361
	5,334,994	-	318,990,209	324,325,203
Financial liabilities				
Trade and other payables	-	-	(105,500)	(105,500)
Other financial liabilities	-	(29,994,519)	-	(29,994,519)
	-	(29,994,519)	(105,500)	(30,100,019)
Net exposure	5,334,994	(29,994,519)	318,884,709	294,225,184

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st MARCH, 2014

- (i) The weighted average interest rate of the Company's Cash and Cash Equivalents at 31 March 2014 is 1.06% pa (2013: 2.75% pa).
- (ii) The weighted average interest rate of the Company's financial liabilities at 31 March 2014 is 7% pa (2013: 7% pa).

(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.

There are no material amounts of collateral held as security at 31 March 2014.

Credit risk is managed as noted in Note 9 with respect to cash and cash equivalents and Note 10 for trade and other receivables. 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

The tables below analyse the Company's non-derivative financial liabilities into relevant maturity groupings based on their contractual maturities at year end date.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities

	Less than 1 month \$	Over 5 years \$
At 31 March 2014		
Non-derivatives		
Trade and other payables	228,890	-
Other financial liabilities	-	41,134,545
Total non-derivatives	228,890	41,134,545

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st MARCH, 2014

Contractual maturities of financial liabilities (continued)

	Less than 1 month \$	Over 5 years \$
At 31 March 2013		
Non-derivatives		
Trade and other payables	105,500	-
Other financial liabilities	-	29,994,519
Total non-derivatives	105,500	29,994,519

4. Fair value measurements

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

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

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):

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

31 March 2014	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements				
Financial assets				
Financial assets at FVTOCI				
Equity securities	364,437,250	-	-	364,437,250
Total financial assets	364,437,250	-	-	364,437,250
31 March 2013	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements				
Financial assets				
Financial assets at FVTOCI				
Equity securities	316,525,361	-	-	316,525,361
Total financial assets	316,525,361	-	-	316,525,361

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st MARCH, 2014

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

	2014 \$	2013 \$
Carrying amount	41,134,545	29,994,519
Fair value	45,900,000	34,275,000

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.

5. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no critical estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

6. Segment information

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

7. Revenue

	2014 \$	2013 \$
From continuing operations		
Dividends on long term investments held at the end of the year	14,304,518	11,812,005
Dividends on long term investments sold during the year	29,823	81,578
Interest	147,481	445,760
Distributions	1,183,387	993,977
	15,665,209	13,333,320
Demerger Dividends and Distributions	1,087,865	-
	16,753,074	13,333,320

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st MARCH, 2014

	2014 \$	2013 \$
8. Income tax expense		
(a) Income tax expense through profit or loss		
Income tax expense	718,499	644,118
Income tax expense/(benefit) is attributable to:		
Profit from continuing operations	643,541	644,118
Dividends and distributions on demergers	74,958	-
Aggregate income tax expense	718,499	644,118
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax expense	11,616,920	10,872,939
Dividends and distributions on demergers	1,087,865	-
	12,704,785	10,872,939
Tax at the Australian tax rate of 30.0% (2013 - 30.0%)	3,811,436	3,261,882
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Franking credits on dividends received	(5,256,567)	(4,002,971)
Imputation gross up on dividends income	1,576,970	1,200,891
Timing differences	488,418	119,753
Permanent differences from adjustments to prior year income tax expense	98,242	64,563
Income tax expense	718,499	644,118
The applicable weighted average effective tax rates are as follows:	5.66%	5.92%
(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	10,545	8,604
(d) Tax expense (income) relating to items of other comprehensive income		
Net unrealised gains on investments taken to equity	10,718,420	19,113,111
Net realised gains/(losses) on investments taken to equity	1,303,960	(393,565)
	12,022,380	18,719,546
9. Current assets - Cash and cash equivalents		
Cash at bank and in hand	6,200,924	1,347,273
Other cash and cash equivalents	1,992,625	3,987,721
	8,193,549	5,334,994
(a) Reconciliation to cash at the end of the year		
The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:		
Balances as above	8,193,549	5,334,994

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st MARCH, 2014

	2014 \$	2013 \$
(b) Risk exposure		
The Company's exposure to interest rate risk is discussed in Note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.		
10. Current assets - Trade and other receivables		
Net other receivables	123,458	-
Dividends and distributions receivable	2,828,626	2,425,780
Interest receivable	5,866	7,277
GST receivable	24,986	31,791
	2,982,936	2,464,848

(a) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

11. Current assets - Other current assets

Prepayments	26,698	23,720
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12. Non-current assets - Financial assets at fair value through other comprehensive income

Listed securities		
Investment in shares and equities	364,437,250	316,525,361

The list showing investments treated as equity instruments and revalued through Other Comprehensive Income can be found on pages 53-54 of this report.

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 period was \$17.9m (2013: \$8.3m). The cumulative gain on these disposals was \$4.2m for the period before tax (2013: Loss \$1.2m), which has been transferred from the revaluation reserve to the realisation reserve (refer to statement of changes in equity).

(a) Investment transactions

The total brokerage paid on these contract notes was \$105,691 (2013: \$104,098).

	2014 \$	2013 \$
13. Non-current assets - Deferred tax assets		
Movements:		
Opening balance	23,234,196	23,092,235
Charged/credited:		
- to profit or loss	(561,614)	240,889
- to other comprehensive income	(1,303,960)	(98,928)
	21,368,622	23,234,196

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st MARCH, 2014

	2014 \$	2013 \$
14. Current liabilities - Trade and other payables		
Management fees payable	141,574	60,035
Other payables	87,316	45,465
	228,890	105,500
(a) Risk exposure		
Information about the Company's exposure to foreign exchange risk is provided in Note 3.		
15. Non-current liabilities - Deferred tax liabilities		
Net unrealised gains on investments	38,424,830	27,706,410
Other temporary differences	201,045	180,020
	38,625,875	27,886,430
Movements:		
Opening balance	27,886,430	8,696,491
Charged/credited:		
- profit or loss	21,025	76,828
- to other comprehensive income	10,718,420	19,113,111
	38,625,875	27,886,430
16. Non-current liabilities - Other financial liabilities		
Convertible resettable preference shares	41,134,545	29,994,519

The redeemable preference shares represent 400,000 fully paid cumulative redeemable preference shares. The shares are entitled to dividends at the rate of 7% per annum. If insufficient profits are available in a particular financial year, the dividends accumulate and are payable when sufficient profits are available.

Convertible Resettable Preference Shares must be either reset, redeemed or converted into a specified value of securities on a specified date and are recognised as liabilities.

17. Key management personnel disclosures

(a) Key management personnel compensation

	2014 \$	2013 \$
Short-term employee benefits	948,564	655,498
Post-employment benefits	3,174	2,601
	951,738	658,099

Detailed remuneration disclosures are provided in the remuneration report on pages 22-23.

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st MARCH, 2014

(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.

Name	Balance at the start of the year	Net movement	Other changes during the year	Balance at the end of the year
2014				
Directors of Whitefield Limited				
Ordinary shares				
David J. Iliffe	2,191,703	-	-	2,191,703
Graeme J. Gillmore	277,312	-	294,769	572,081
Angus J. Gluskie	16,999,097	-	-	16,999,097
	19,468,112	-	294,769	19,762,881
8% Preference shares				
David J. Iliffe	1,300	-	-	1,300
Angus J. Gluskie	200	-	-	200
	1,500	-	-	1,500
2013				
Directors of Whitefield Limited				
Ordinary shares				
David J. Iliffe	2,191,703	-	-	2,191,703
Graeme J. Gillmore	277,141	171	-	277,312
Angus J. Gluskie	7,908,522	-	9,090,575	16,999,097
	10,377,366	171	9,090,575	19,468,112
8% Preference shares				
David J. Iliffe	1,300	-	-	1,300
Angus J. Gluskie	-	-	200	200
	1,300	-	200	1,500

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st MARCH, 2014

18. 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 2014 \$	31 March 2013 \$
Audit and other assurance services		
Audit and review of financial statements	28,140	27,350
Total remuneration for audit and other assurance services	28,140	27,350

19. Contingencies

The Company had no contingent liabilities at 31 March 2014 (2013: nil).

20. Issued capital

(a) Share capital

	Notes	31 March 2014 Shares	31 March 2013 Shares	2014 \$	2013 \$
Ordinary shares - fully paid		76,196,891	75,938,622	176,640,309	175,710,567
8cps Non-redeemable preference shares - fully paid		23,790	23,790	23,790	23,790
		76,220,681	75,962,412	176,664,099	175,734,357

(b) Movements in ordinary share capital

Date	Details	Notes	Number of Shares	Issue price	\$
1 April 2012	Opening balance		75,596,171		174,769,916
	Dividend reinvestment plan issues	(e)	181,568	2.63	477,524
	Dividend reinvestment plan issues	(e)	160,883	2.87	461,734
	Balance		75,938,622		175,709,174
	Less: Transaction costs arising on share issue - DRP		-		(4,612)
	Add: Other adjustment		-		6,005
31 March 2013	Balance		75,938,622		175,710,567
1 April 2013	Opening balance		75,938,622		175,710,567
	Dividend reinvestment plan issues	(e)	132,610	3.61	478,722
	Dividend reinvestment plan issues	(e)	125,659	3.89	488,814
	Less: Transaction costs arising on share issue - DRP		-		(37,794)
	Add: Other adjustment		-		-
31 March 2014	Balance		76,196,891		176,640,309

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st MARCH, 2014

(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 8% preference shares

The 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) 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.

(f) 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.

	Notes	2014 \$	2013 \$
21. Reserves and retained earnings			
(a) Reserves			
Investment portfolio revaluation reserve		35,137,515	10,630,313
Investment portfolio realised gains reserve		85,145,283	82,213,639
		120,282,798	92,843,952
Movements:			
Investment portfolio revaluation reserve			
Opening balance		10,630,313	(33,696,053)
Net unrealised gains/(losses) on investments (excluding transfer)		38,157,266	62,606,557
Transfer to investment portfolio realised gains/(losses) reserve		(2,931,644)	832,920
Income tax on these items	8, 15	(10,718,420)	(19,113,111)
Balance 31 March		35,137,515	10,630,313
Investment portfolio realised gains/losses reserve			
Opening balance		82,213,639	83,046,559
Transfer from investment portfolio revaluation reserve		2,931,644	(832,920)
Balance 31 March		85,145,283	82,213,639

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st MARCH, 2014

	Notes	2014 \$	2013 \$
(b) Retained earnings			
Movements in retained earnings were as follows:			
Balance 1 April		21,009,302	23,649,168
Profit for the year		11,986,286	10,228,821
Dividends	23	(12,922,740)	(12,868,687)
Balance 31 March		20,072,848	21,009,302

(c) Nature and purpose of reserves

For a description of the nature and purpose of the reserves, refer to Note 2(h).

22. Related party transactions

(a) Key management personnel

Disclosures relating to key management personnel are set out in Note 17.

(b) Transactions with other related parties

The following transactions occurred with related parties:

	31 March 2014 \$	31 March 2013 \$
Management fees paid or payable	914,238	626,599

(c) Outstanding balances

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

	2014 \$	2013 \$
Management fees payable (including GST)	141,574	60,035

(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 Outsourcing Pty Ltd acts as the administrator of its portfolio, pursuant to an Administration Agreement. Under the agreement, the Administrator is entitled to monthly fees payable for the provision of back office services calculated at a percentage per annum of the market value of investments which ranges between 0.0250%-0.0075% depending on scale. The Administrator is also entitled to monthly fees for the provision of accounting services.

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 our investments. The Investment Manager is entitled to receive a monthly investment management fee of 0.02083% of the average market value of the Portfolio over the month, subject to a reduction where the total monthly ongoing costs of operation (excluding the Investment Management Fee) would exceed 0.00833% of the average market value of the Portfolio over the month.

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st MARCH, 2014

	2014 \$	2013 \$
23. Dividends		
(a) Ordinary shares		
Final dividend - prior year	6,454,784	6,425,675
Interim dividend - current year	6,466,055	6,441,108
	12,920,839	12,866,783
(b) Non-redeemable participating preference shares		
Final dividend - prior year	951	951
Interim dividend - current year	951	951
	1,902	1,902
Total dividends provided for or paid	12,922,741	12,868,685

(c) Convertible Resettable Preference Shares

Dividends on Convertible Resettable Preference Shares are recorded as a financial expense (rather than a "dividend") for accounting purposes.

(d) Dividends

Dividends paid during the year are shown below. All franked dividends were franked at the 30% Company tax rate.

	Dividend Rate cps	Total Amount \$	Date of Payment	% Franked
2014				
8% Preference shares - interim	4.0	951	12/12/2013	100
Ordinary shares - interim	8.5	6,466,055	12/12/2013	100
Convertible Resettable Preference Shares - Six-Monthly	350.0	1,400,000	12/12/2013	100
2013				
8% Preference shares - final	4.0	951	11/06/2013	100
Ordinary shares - final	8.5	6,454,783	11/06/2013	100
Convertible Resettable Preference Shares - Six-Monthly	350.0	1,050,000	11/06/2013	100

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st MARCH, 2014

	Dividend Rate cps	Total Amount \$	Date of Payment	% Franked
2013				
8% Preference shares - interim	4.0	951	12/12/2012	100
Ordinary shares - interim	8.5	6,441,108	12/12/2012	100
Convertible Resetable Preference Shares - Six-Monthly	218.6	655,889	12/12/2012	100

(e) **Dividend not recognised at the end of the reporting period**

	2014 \$
In addition to the above dividends, since year end the Directors have approved the payment of a final dividend of 8.5 cents per fully paid ordinary share, 4.0 cents per fully paid 8% preference share and 350 cents per fully paid Convertible Resetable Preference Share, fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 13 June 2014 out of retained earnings at 31 March 2014, but not recognised as a liability at year end, is	7,877,687

	2014 \$	2013 \$
(f) Dividend franking account		
Opening balance of franking account	20,078,485	21,188,328
Franking credits on dividends received	5,256,567	4,002,892
Franking credits on dividends paid	(5,538,317)	(5,112,606)
Loss of franking credits under 45 day rule	-	(129)
Closing balance of franking account	19,796,735	20,078,485
Adjustments for tax payable/refundable in respect of the current year's profits and the receipt of dividends	1,016,262	893,278
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	(3,376,152)	(3,216,743)
	17,436,845	17,755,020

24. Events occurring after the reporting period

Other than the dividend declared after year end, no other matter or circumstance has occurred subsequent to year end 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 or economic entity in subsequent financial years.

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st MARCH, 2014

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

	2014 \$	2013 \$
Profit for the year	11,986,286	10,228,821
Finance cost on convertible resettable preference shares	2,819,075	1,502,904
Change in operating assets and liabilities:		
Increase in trade and other receivables	(1,195,598)	(627,053)
Increase in other current assets	(2,978)	(1,667)
Increase in trade and other payables	62,629	7,411
Increase in provision for income taxes payable	718,499	644,450
Net cash inflow from operating activities	14,387,913	11,754,866

26. Earnings per share

(a) Basic earnings per share

	2014 Cents	2013 Cents
From continuing operations attributable to the ordinary equity holders of the company (excluding all net realised gains/losses on investments)	15.75	13.49

(b) Diluted earnings per share

	2014 Cents	2013 Cents
From continuing operations attributable to the ordinary equity holders of the company (excluding all net realised gains/losses on investments)	15.75	13.49

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.

(c) Weighted average number of shares used as denominator

	2014 Number	2013 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	76,082,599	75,792,847
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	76,082,599	75,792,847

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 11 to 39 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with 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 2014 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 2(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 chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

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



David J. Iliffe
Director

Sydney
19 May 2014

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WHITEFIELD LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Whitefield Limited, which comprises the statement of financial position as at 31 March 2014, 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.

Directors Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

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 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Report on the Remuneration Report

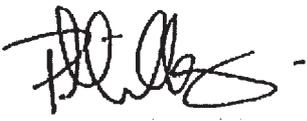
We have audited the remuneration report included in the directors' report for the year ended 31 March 2014. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the remuneration report of Whitefield Limited for the year ended 31 March 2014 complies with s300A of the *Corporations Act 2001*.



MNSA Pty Ltd



Phillip Miller
Director

Dated in Sydney this 19th day of May 2014.

TABLE OF INVESTMENT HOLDINGS

Code	Name	Market Value	Whitefield (%)
Consumer Discretionary			
ALL	Aristocrat Leisure Limited	844,122	0.23%
CWN	Crown Resorts Limited	9,449,233	2.59%
DJS	David Jones Limited	1,144,000	0.31%
FOX	Twenty-First Century Fox Inc Class B	2,945,768	0.81%
FOXLV	Twenty-First Century Fox Inc Class A NV	5,779,456	1.59%
FXJ	Fairfax Media Limited	1,747,266	0.48%
HVN	Harvey Norman Holdings Limited	2,674,320	0.73%
IVC	InvoCare Limited	5,526,153	1.52%
JBH	JB Hi-Fi Limited	601,875	0.17%
MYR	Myer Holdings Limited	926,723	0.25%
NWS	News Corporation Inc. Class B	388,631	0.11%
NWSLV	News Corporation Inc. Class A Non-Voting	777,768	0.21%
		32,805,313	9.00%
Consumer Staple			
TWE	Treasury Wine Estates	643,872	0.18%
WES	Wesfarmers Limited	13,128,653	3.60%
WOW	Woolworths Limited	14,275,212	3.92%
		28,047,738	7.70%
Banks			
ANZ	Australia and New Zealand Banking Group Limited	29,047,409	7.97%
CBA	Commonwealth Bank of Australia	39,989,629	10.97%
NAB	National Australia Bank Limited	26,683,615	7.32%
WBC	Westpac Banking Corporation	34,360,969	9.43%
		130,081,621	35.69%
Non Bank Financials			
AMP	AMP Limited	6,861,200	1.88%
ASX	ASX Limited	2,210,694	0.61%
CGF	Challenger Financial Services Group Limited	1,108,800	0.30%
HFA	HFA Holdings Limited	1,742,785	0.48%
IAG	Insurance Australia Group Limited	2,485,785	0.68%
LLC	Lend Lease Group	3,613,184	0.99%
MQG	Macquarie Group Limited	19,327,765	5.30%
PPT	Perpetual Limited	2,069,300	0.57%
QBE	QBE Insurance Group Limited	7,889,607	2.16%
SDF	Steadfast Group Limited	1,365,217	0.37%
SUN	Suncorp Group Limited	5,304,718	1.46%
		53,979,056	14.81%
Health Care			
COH	Cochlear Limited	1,026,000	0.28%
CSL	CSL Limited	8,005,660	2.20%
RMD	ResMed Inc.	2,249,600	0.62%
SHL	Sonic Healthcare Limited	2,129,391	0.58%
		13,410,651	3.68%

Code	Name	Market Value	Whitefield (%)
Industrials			
AIO	Asciano Group	4,156,844	1.14%
AZJ	Aurizon Holdings Limited	3,533,303	0.97%
BXB	Brambles Limited	9,772,976	2.68%
DOW	Downer EDI Limited	688,117	0.19%
LEI	Leighton Holdings Limited	2,260,417	0.62%
MQA	Macquarie Atlas Roads Group	4,114,814	1.13%
QAN	Qantas Airways Limited	782,891	0.21%
REC	Recall Holdings Limited	981,517	0.27%
SVW	Seven Group Holdings Limited	6,268,514	1.72%
SYD	Sydney Airports	1,481,199	0.41%
TCL	Transurban Group	2,377,650	0.65%
TOL	Toll Holdings Limited	2,682,056	0.74%
UGL	UGL Limited	992,284	0.27%
VAH	Virgin Australia Holdings Limited	955,457	0.26%
		41,048,039	11.26%
Information Technology			
CPU	Computershare Limited	11,355,427	3.12%
		11,355,427	3.12%
Materials			
AMC	Amcor Limited	5,827,751	1.60%
BLD	Boral Limited	1,404,138	0.39%
FBU	Fletcher Building Limited	1,931,040	0.53%
IPL	Incitec Pivot Limited	4,281,344	1.17%
ORA	Orora Limited	771,238	0.21%
ORI	Orica Limited	2,551,208	0.70%
		16,766,719	4.60%
Property			
DXS	DEXUS Property Group	1,228,837	0.34%
GMG	Goodman Group	2,060,388	0.57%
GPT	General Property Trust	1,564,430	0.43%
MGR	Mirvac Group	1,980,801	0.54%
SGP	Stockland	2,751,008	0.75%
WDC	Westfield Group	3,630,550	1.00%
		13,216,014	3.63%
Telecommunication Services			
TLS	Telstra Corporation Limited	20,227,646	5.55%
		20,227,646	5.55%
Utilities			
AGK	AGL Energy Limited	2,621,328	0.72%
SPN	SP AusNet	877,700	0.24%
		3,499,028	0.96%
Total		364,437,250	100.00%

DETAILS OF SHAREHOLDERS

Distribution of Shareholdings

At 30th April 2014, 3,346 members held 76,196,891 ordinary shares in the Company, 22 members held 23,790, 8% Cumulative Preference shares in the Company and 784 members held 400,000 Convertible Resetable Preference Shares in the Company. The twenty largest ordinary shareholdings were equivalent to 40.16% of the 76,196,891 ordinary shares issued, the twenty largest 8% preference shareholdings were equivalent to 99.15% of the total 23,790 preference shares issued and the twenty largest Convertible Resetable Preference shareholdings were equivalent to 23.62% of the Convertible Resetable Preference Shares Issued. The distribution of shares was as follows:

No. of Ordinary Shares Held	No. of Ordinary Shareholders	No. of Preference Shareholders	No. of Convertible Resetable Preference Shares
1 - 1,000	508	16	720
1,001 - 5,000	983	4	60
5,001 - 10,000	721	2	2
10,001- 100,000	1,056	0	2
100,001 and over	78	0	0
Total	3,346	22	784

Top Twenty Shareholders

The top twenty ordinary shareholders of Whitefield at 30th April 2014 were:

Shareholder	Units	% of Units
1 CAITHNESS NOMINEES PTY LTD	5,522,004	7.25%
2 LAURENCE JOHN GLUSKIE	4,840,564	6.35%
3 SHANE CAROLYN GLUSKIE	4,470,011	5.87%
4 FIDUCIO PTY LTD	2,121,255	2.78%
5 MR HERMAN ROCKEFELLER	2,151,711	2.82%
6 NELROSE INVESTMENTS PTY LIMITED	1,705,602	2.24%
7 CLYDE GREEN PTY LTD	1,250,816	1.64%
8 MERRAN K DUNLOP	1,015,352	1.33%
9 HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	1,015,096	1.33%
10 JEAN MARY DECK	994,898	1.31%
11 MRS MARGARET ELIZABETH DOBBIN	876,000	1.15%
12 MR ALLAN L HOLDEN	818,039	1.07%
13 NATIONAL NOMINEES LIMITED	552,924	0.73%
14 PATTERSON CARRIERS PTY LTD	500,000	0.66%
15 PONT PTY	482,956	0.63%
16 DRUMTOCHTY PTY LTD <JAMES BUTLER MED P/L S/F A/C>	473,521	0.62%
17 MRS DOROTHY JOY BURGESS + MR JEREMY LIAM BURGESS <SIROD SUPER FUND A/C>	471,662	0.62%
18 DR RICHARD WOODLEY DAVIS & MRS PATRICIA MADGE DAVIS <RW & PM DAVIS SUPERFUND A/C>	459,302	0.60%
19 DAVID J ILIFFE	442,278	0.58%
20 MR PAUL KEARNES <KEARNES FAMILY S/FUND A/C>	435,103	0.57%
Total Top 20 Shareholders	30,599,094	40.16%
Total Remaining Holders Balance	45,597,797	59.84%
Total Shares On Issue	76,196,891	100.00%

Substantial Shareholders

Notice has been received of substantial shareholdings as follows:

Shareholder	Ordinary Shares	Preference Shares
A.J. Gluskie, D.M. Gluskie, Fiducio Pty Ltd & Caithness Nominees Pty Ltd	16,999,097	200
L.J. Gluskie & S.C. Gluskie	14,832,579	200

The Corporations Law requires shares in which an associate has a relevant interest to be included in each declaration of interest and as a result shareholdings may be included in the declarations of several different shareholders.

Voting Rights

On a show of hands, every member present has one vote and upon a poll, every member present in person or by proxy has one vote for each share held. For voting purposes there is no distinction between ordinary and 8% perpetual preference shares. Convertible Resettable Preference Shares [CRPS] are not entitled to vote at any General Meeting of Whitefield except in a limited number of specific circumstances relating to the rights attached to CRPS or to the capital and business of Whitefield as a whole.

OTHER

Investment Transactions

The total number of contract notes that were issued for transactions in securities during the financial year was 75. Each contract note may involve multiple transactions. The total brokerage paid on these contract notes was \$105,691.

Registered Office

The address of the registered office and principal place of business of the Company is:

Level 15, 135 King Street
Sydney NSW 2000 Australia

Phone: (02) 8215 7900

Fax: (02) 8215 7901

Share Registry

Share registry functions are maintained by Computershare Investor Services Pty Limited and their contact details are as follows:

Level 4, 60 Carrington Street
Sydney NSW 2000 Australia

Phone: 1300 850 505 (inside Australia)
(03) 9415 4000 (outside Australia)

Fax: (03) 9473 2500

Stock Exchange Listing

Quotation has been granted for all the ordinary and preference shares of the Company on all Member Exchanges of the Australian Stock Exchange Limited (ASX).

Best Practice

The Company has followed all applicable best practice recommendations set by ASX Corporate Governance Council during the reporting period, unless otherwise stated.

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DIRECTORY

Whitefield Ltd

ABN 50 000 012 895

Registered Office:

Level 15, 135 King Street
Sydney NSW 2000 Australia
Phone: (02) 8215 7900
Fax: (02) 8215 7901

Share Registry:

Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street
Sydney NSW 2000 Australia
Phone: 1300 850 505 (inside Australia)
(03) 9415 4000 (outside Australia)
Fax: (03) 9473 2500

Directors:

David J. Iliffe, *F.C.A, Chairman*
Angus J. Gluskie, *B.Ec, C.A., Graduate Diploma Applied Finance and Investment, F.Fin, Chief Executive Officer*
Graeme J. Gillmore, *C.A., B.Com, LLB*
Martin J. Fowler, *B.Bus, C.A., Graduate Diploma Applied Finance and Investment, F.Fin, Graduate Diploma in Financial Planning*

Company Secretary:

Stuart A. Madeley, *BA(hons), MBA.*

Chief Executive Officer:

Angus J. Gluskie, *B.Ec, C.A., Graduate Diploma Applied Finance and Investment, F.Fin*

Auditors:

MNSA Pty Limited
Level 1, 283 George Street,
SYDNEY NSW 2000

Stock Exchange Listing:

Australian Stock Exchange

Other Information:

Whitefield Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

ABN 50 000 012 895

LEVEL 15, 135 KING STREET | SYDNEY NSW 2000
PHONE 61 2 8215 7900 | FAX 61 2 8215 7901