

 WHITEFIELD



ANNUAL REPORT

2016



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## CEO'S REVIEW

### Operating Results

Whitefield generated a Profit After Tax of \$13,198,884 for the financial year ended 31<sup>st</sup> March 2016. This outcome was 3.6% higher than the prior year. After allowing for increases in share capital across the period, earnings per ordinary share amounted to 16.6 cents, compared to 16.7 cents for the prior 12 months.

The company's investment income and profit compared to the prior year were influenced by a range of factors:

- Strong dividend growth from a significant majority of the company's investment holdings. Of note were dividend/distribution increases from Sydney Airport, Transurban, CSL, Amcor, Ramsay Healthcare, Macquarie Group, QBE and ResMed.
- The receipt of special dividends in the last quarter of the prior (2015) year from Tabcorp and Wesfarmers.
- Changes in the pattern of dividends as the result of the company's broader investment portfolio in 2016.

Reflecting the falls in the level of the Australian share market in 2016, Other Comprehensive Income consisting of portfolio revaluations net of tax amounted to (\$33,831,347), following a net upwards revaluation of \$41,800,323 in the prior financial year.

### Investment Outcomes

Whitefield's investment portfolio generated a return of (6.75%) for the year, slightly ahead of the S&P/ASX200 Industrials Accumulation Index return of (6.77%) and materially ahead of the S&P/ASX200 Accumulation Index return of (9.59%).

Stronger returning stocks included CIMIC, Sydney Airport, Scentre Group, Transurban, CSL, Asciano, AGL Energy, Dominos Pizza, Vocus Communications and Qantas.

Over the last 3 years Whitefield's portfolio has generated a return of 9.97% per annum, compared to the S&P/ASX200 Industrials Accumulation Index return of 9.24% per annum and the S&P/ASX200 Accumulation Index return of 5.40% per annum.

Gross of franking credits Whitefield's share price and dividend return over the last 3 years amounted to 12.41% per annum, and compares to the equivalent gross of franking return for the FTSE ASFA Australia 200 of 6.81% per annum.

### Investment Exposures

During the year the more material changes to Whitefield's investment portfolio exposures included:

- A continued broadening of the portfolio into a diversified range of mid-capitalisation stocks within the ASX200, funded by some reductions in exposure to our existing larger capitalisation holdings.
- Reductions in exposure to Crown Resorts, Macquarie Group, Macquarie Atlas, QBE, Seven Group.
- Exiting holdings in Twenty-First Century Fox.

At year end the company's portfolio was spread across 157 stocks, containing a diversified suite of approximately 60 overweight and underweight exposures relative to the company's benchmark index. More material overweights and underweights included:

- Overweight Exposures: Adelaide Brighton, Amcor, Brambles, Commonwealth Bank, Harvey Norman, Invocare, Star Entertainment and Sydney Airport.
- Underweight Exposures: AMP, GPT Group, IAG, Lend Lease, Mirvac Group, Macquarie Group, Orica, Seek, Suncorp and Woolworths.

## Net Asset Backing

The net asset backing (before providing for deferred capital gains tax) for each of the company's ordinary shares amounted to \$4.54 at 31 March 2016 compared to \$5.17 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 2016 amounted to \$4.27 compared to \$4.70 one year ago.

## Dividend

Whitefield has declared and paid dividends across the year amounting to 17 cents per Ordinary share, fully franked. This is slightly higher than the earnings per Ordinary share which amounted to 16.6 cents for the year.

As outlined in prior years, Whitefield has kept its dividend rate at this level since the Global Financial Crisis to provide consistency of income flow to shareholders. The company will consider increasing its own dividend to shareholders once the Company's earnings per ordinary share exceed the 17 cent level.

## Outlook

The medium term economic outlook for Australia remains much as it has been for some time – mildly positive.

Consumer activity is likely to be supported by moderate employment growth and a level of wealth appreciation stemming from the recent years' strength in house prices.

Business activity is also likely to remain positive. Financial services activity is continuing at a moderate level, residential construction is exceptionally strong, and export and manufacturing sectors are continuing to benefit from the low Australian dollar.

The global economic outlook is also mildly favourable. Employment and economic activity remain strong in the US, and Europe continues to progress through a slow recovery. While Japanese growth has been soft for many months, most recently the outlook for China has improved, with stimulus measures having some influence on activity.

On a less positive note, we consider the Reserve Bank's cutting of interest rates well-below long term, normalised levels to be extremely poor policy. Ultra low interest rates have the very perverse impact of lowering consumer income for the large retiree sector and feeding straight into higher house prices and higher debt levels. The increased debt levels promote increased caution in consumers which in turn constrains consumer spending. While we recognise the complicating influence of currencies on this policy balance, we would consider it far better for the Australian Reserve Bank, and central banks elsewhere, to adopt low, but still moderate interest rate policies instead.

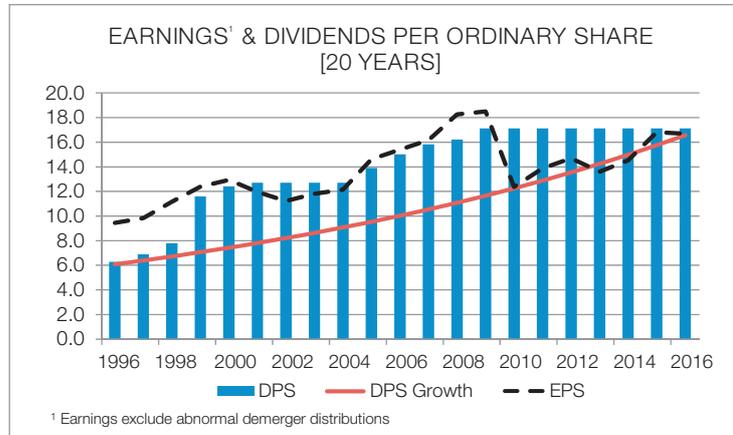
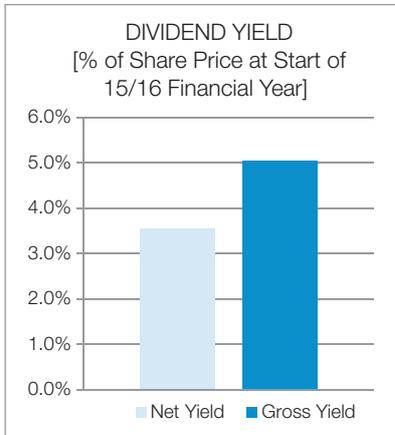
Most importantly we consider the longer term outlook for the Australian industrial economy to be both increasingly bright and underappreciated. Two of the largest drivers of economic prosperity, population and affluence, are likely to provide a strong and favourable tailwind to our economy for several decades.

In a global environment which will see many larger economies characterised by aging populations and stagnant population growth, Australia's comparatively stable political system, land size and attractive, unpolluted geography are likely to see Australia increasingly entrenched as one of the few preferred places of residence on the global stage. In this role, Australia is likely to experience population growth, particularly of higher wealth immigrants, at levels superior to many, if not the majority, of other developed economies.

This dynamic has significant implications for the growth outlook for Australian-based industrial companies. Business services, finance, consumer services, housing, construction, tourism, aged care and agriculture are all potential beneficiaries from these multi-decade trends. Capital city house prices will have a propensity to remain high in line with other global capitals. Importantly we see these dynamics to be under-recognised in investment markets, most notably with international investors. It is probable that in upcoming decades Australia will be viewed as a thriving service economy with growth rates higher than developed world averages, and that the simplistic and misguided view of Australia as a resource heavy economy will fade in line with the global decline in the use of fossil fuels.

Notwithstanding these encouraging longer term trends, in the short and medium term Australian companies must contend with the current combination of overly low inflation and interest rates, and high competition from offshore entrants who have had the foresight to seek access to our higher underlying population growth rate.

Whitefield's portfolio, which is not invested in the resource sector, provides a diversified exposure to the favourable longer term dynamic for the Australian industrial economy while avoiding direct exposure to the primary producers of fossil fuels. Within this universe, our objective is to provide our investors with an emphasis towards those stocks with the skills, structure and competitive market positioning that enables them to translate these positive underlying growth trends into profit and ultimately dividends and return.



**Angus Gluskie**  
Chief Executive Officer

# WHITEFIELD AND ITS INVESTMENT STRATEGY

## Whitefield, delivering value to shareholders since 1923

Whitefield is an ASX listed investment company founded in 1923. Whitefield invests in shares and securities listed on the Australian Securities Exchange and has a long track record of strong investment outcomes over many years.

Whitefield provides investors with:

- exposure to a diversified portfolio of listed Australian industrial shares;
- a growing stream of dividend income;
- a cost efficient investment structure; and
- a soundly based investment strategy that has produced strong compounding returns for investors over many decades.

An investment of \$10,000 in Whitefield in 1970 would at 31 March 2016 be worth \$1,589,911<sup>1</sup> 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's Investment Objective

Whitefield aims to provide investors with:

- capital growth and franked income from investment in a diversified portfolio of industrial shares listed on the Australian Stock Exchange; and
- an investment return exceeding the ASX200 Industrials Accumulation Index over the long term.

## Whitefield's Investment Strategy

**Whitefield seeks to own a portfolio of attractively priced, high-quality businesses with a proven or strengthening ability to deliver shareholder value.**

We utilise a disciplined quantitative and qualitative process to identify and assess Quality, Intrinsic Value and Mispricing, and seek to invest where these important elements are favourable for our investors.

Our Style Neutral approach is designed to provide a diversified return despite our industrials-only focus. (Our portfolio is not invested in the resource sector).

## Whitefield's Core Investment Values

**The quality of a business is fundamentally important to an investor.**

Over the long term businesses benefitting from favourable or improving industry structures, competitive position, management application and longer term economic trends have a propensity to generate higher returns on investment than companies that are not. A company's relative ability to generate shareholder value forms the basis for our definition of Quality which we measure and rank through our Structural Attractiveness Assessment.

**Patterns of mispricing materially influence investment returns.**

Mispricing occurs when share prices diverge from the intrinsic value of a company. The share market routinely misprices stocks, in some cases by large amounts and over extended periods, creating ongoing opportunities and risks for investors. There is much empirical evidence in the field of Human Behavioural Bias (HBB) which supports our view that the dominant causes of mispricing are the errors of judgment which are systematically made by the investment community.

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

Whitefield seeks to classify stocks in terms of the scale of mispricing and how it is likely to develop in future through our Price-to-Value Cycle Assessment. This assessment characterises companies through combinations of Value, Quality, Revisions and Momentum, and assists us in capitalising on the opportunities and avoiding the risks that result from mispricing.

## Whitefield's Investment Process

**Whitefield believes that consistent and successful investment outcomes can be provided with the greatest reliability through a defined and disciplined process.**

**Our investment process has five stages:**

**Raw Data Collection:** We utilise a range of data sources across a variety of subject matter including historical company financials, broker forecasts and revisions, economic data, raw materials data and market data.

**Proprietary Stock Models:** Our proprietary stock models combine proprietary valuation inputs and assumptions with consensus data in a manner designed to minimise our own judgment biases through the accurate assessment of long term drivers of shareholder value creation.

**Data Processing:** Our customised analytical processes and measures utilise the raw data and stock model outputs, and have been designed to suit our ultimate purpose of assessing companies' relative Quality and Intrinsic Value.

**Stock Classification:** Based on the outputs of our data processing analysis, stocks in our coverage universe are assessed, ranked and allocated against our Structural Attractiveness (SA) and Price-to-Value-Cycle (PVC) criteria. These quantitative conclusions are qualitatively assessed by analysts and either confirmed or overruled based on a rigorous set of criteria designed to minimise the influence of our own judgment biases.

**Portfolio Construction & Risk Management:** Whitefield's portfolio is then constructed by the Portfolio Manager using the SA and PVC assessments and with reference to our overarching portfolio framework which utilises the most profitable and suitable combinations of SA and PVC classes in the light of our experience and process back-testing.

We also embrace a philosophy of continuous process enhancement to ensure that our methodology is best able to satisfy our objectives in the light of technological advancements and changes in the market environment. Our process of continual enhancement draws upon the experience of our investment personnel, an active process of methodology research and review and rigorous empirical testing of enhancements prior to implementation.

## Whitefield's Investment Personnel

**Whitefield's operating structure is designed to provide a high level of independent, prudential control coupled with depth and experience of personnel and systems.**

Our operating structure involves:

- An independent Board of Directors with legal, audit and investment experience responsible for prudential oversight and review of all company activities;
- An experienced investment team with a core of four senior investment executives having an average of 19 years experience per person in financial markets;
- A well-resourced independent back office who administer over \$35bn of wholesale investment funds;
- A multi-person office administration team providing underlying office and systems infrastructure.

## Executive Personnel

### Angus Gluskie

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, White Funds Management Pty Ltd and associated entities.

## Will Seddon

Will Seddon (BEc, CFA, CAIA, SAFin) has over 10 years experience as a wholesale investment manager and analyst and has worked with White Funds Management Pty Ltd and Whitefield since 2006.

## Peter Borkovec

Peter Borkovec (MCom (Funds Management), BBus) has over 14 years experience in wholesale funds management. He has worked with White Funds Management Pty Ltd and Whitefield since 2007.

## Stuart Madeley

Whitefield's Company Secretary is Stuart Madeley (BA(hons) Pure Maths, MBA). Stuart has 23 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 provides wholesale investment administration services to over 70 investment managers around Australia and has in excess of \$35bn under administration. Its personnel are specialist accountants and funds management administrators.

## Whitefield's Office & Systems Infrastructure

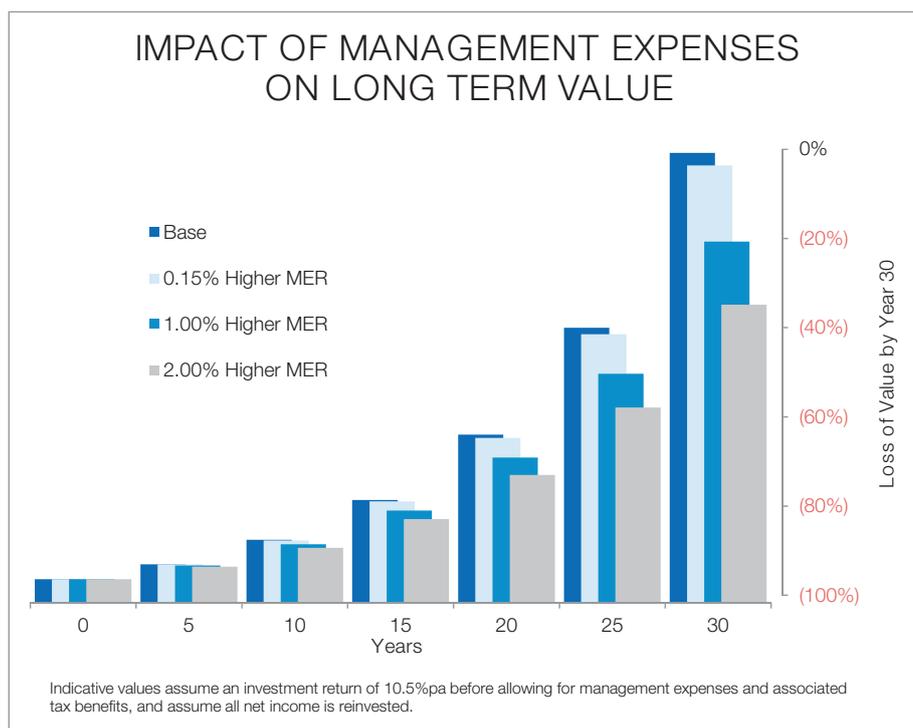
Whitefield's office and systems infrastructure are provided by a six-person team.

## Whitefield's Management Expense Ratio [MER]

Whitefield seeks to provide investors with a cost efficient investment vehicle. Underlying expenses of operation have amounted to approximately 0.35%pa of investment 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 or listed managed investment funds and companies range from 0.15% – 3.00%pa of investments.

The long term benefit of a cost-efficient investment vehicle can be material. Assuming investment returns and other factors are similar, an investment vehicle with an MER 1%pa higher than another will be worth approximately 20% less in value after 30 years. An investment vehicle with an MER 2%pa higher than another, will be worth approximately 34% less in value after 30 years.



## Whitefield Limited: A Listed Investment Company

Whitefield provides investors with exposure to a managed portfolio of investments, through its listed company structure. The primary elements of the listed investment company structure are explained below.

### A Professionally Managed Investment Portfolio

A listed investment company, such as Whitefield, holds a professionally managed portfolio of Australian shares in the same way as a managed investment fund may hold a professionally managed portfolio of Australian shares.

### A Company Structure

Listed investment companies however are “companies” with a fixed number of shares on issue at any point of time, and shareholders are the underlying investors in the company. [Managed investment funds are trusts.]

### Increasing or Decreasing Your Investment

Shareholders make or redeem an investment in a listed investment company by buying or selling shares in the listed investment company through a stockbroker, or may periodically have the opportunity to take up new shares in the investment company via share issues such as rights issues, new share issues or dividend reinvestment plans. [This compares to investors in a managed investment fund who make deposits or request redemptions from an investment fund].

### The Market Price at Which Shares May be Bought or Sold

The market price at which a share in listed investment company may be bought or sold primarily depends on the underlying net asset backing of the company, but is also influenced by a range of other factors. [The application price of a managed investment fund is purely based on the underlying asset backing of the fund plus or minus any application or redemption fee or spread.] Other factors which may influence the market price of a listed investment company include (but are not limited to):

- (i) the number of buyers and sellers of the company’s shares at a point in time and the volume of shares to bought and sold at that time;
- (ii) company tax payable in future periods or future years on capital gains already made by the company;
- (iii) the relative cost efficiency of the company’s management expenses.

### Regular Transparent Reporting of Embedded but Not Realised Capital Gains 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. [Investors making a deposit into a managed investment fund may not be aware of the potential capital gains tax liabilities that may exist on unrealised capital gains in the managed investment fund.]

### Distribution of Income

Listed Investment Companies distribute income to shareholders by way of dividends. Depending on the availability of franking credits the dividends may be franked or unfranked.

Where a listed investment company chooses not to pay a dividend, the income is retained and invested by the company and forms part of the company’s asset backing.

## Whitefield’s Tax Status

Whitefield pays income tax at the company tax rate on its net taxable investment income (consisting of dividends, distributions and interest net of expenses), and is entitled to the benefit of franking credits on tax it pays or on franked dividends it receives. Whitefield may in turn pay franked dividends to its own shareholders, effectively passing on the benefit of those franking credits to investors.

Whitefield also pays tax at the company tax rate on any net realised capital gains. A large percentage of Whitefield’s capital gains will also be considered LIC Discount Capital Gains for tax purposes.

Qualifying LIC Discount Capital Gains made by Whitefield may be passed through to Whitefield’s underlying shareholders as a fully franked LIC Discount Dividend so that individual shareholders become entitled to the usual 50% capital gains tax discount applicable to that gain. (Superannuation fund shareholders would be entitled to their usual 33% capital gains tax discount on such a gain).

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

## Whitefield's Dividend Policy

Whitefield aims to pay ordinary dividends in each year which are approximately equal to its net operating profit after tax, excluding realised gains on investments. Dividends will be franked to the extent that franking credits are available at the time of payment of the dividend. Whitefield's dividends have been fully franked since 1988, shortly after the introduction of the dividend imputation system.

In addition to ordinary dividends, Whitefield may periodically pay fully franked LIC discount dividends. LIC discount dividends are distributions of eligible LIC discount capital gains made by the Listed Investment Company (LIC). In addition to the benefit of franking credits, these dividends also provide investors with a tax deduction for 50% (in the case of individuals) and 33% (in the case of super funds) of the gross value of the attributable LIC discount dividend. This process provides investors with the benefit of the capital gains discount regime on eligible capital gains made by Whitefield.

Whitefield will generally seek to pay LIC discount dividends to shareholders at appropriate points of time to the extent that LIC discount capital gains are available.

## Risks Associated with Investment

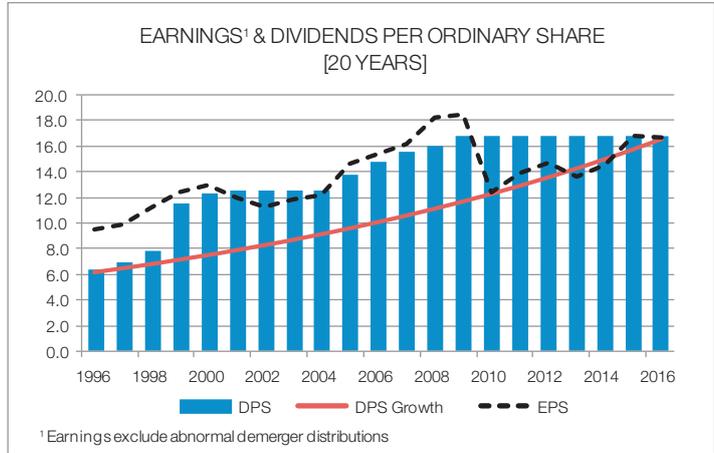
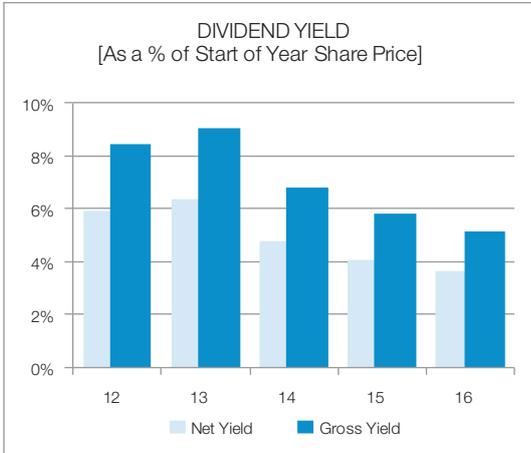
All investment involves risk. An investment in Whitefield carries risks associated with investment in listed shares generally. Important risks and associated considerations for Whitefield shareholders include, but are not limited to, the following matters:

- (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.

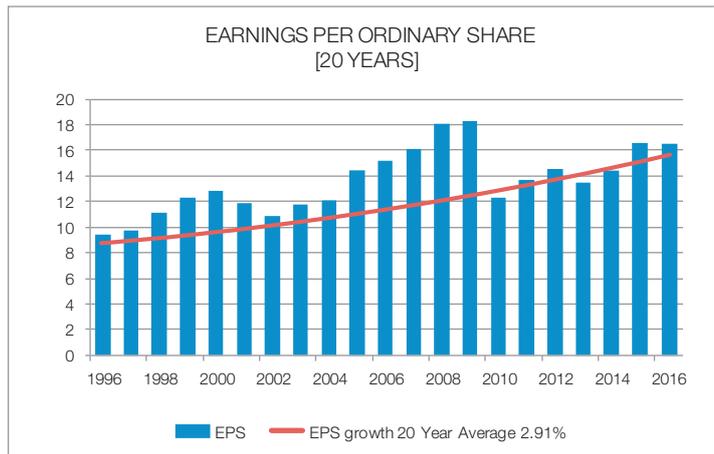
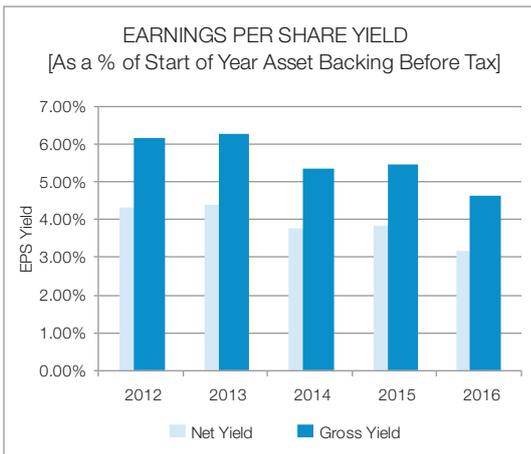
Investors may wish to seek the advice of a Professional Adviser when considering the risks associated with an investment in Whitefield.

# FINANCIAL STATISTICS

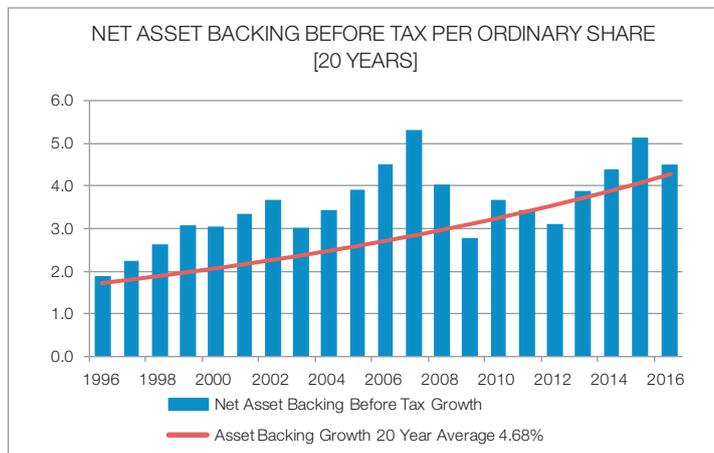
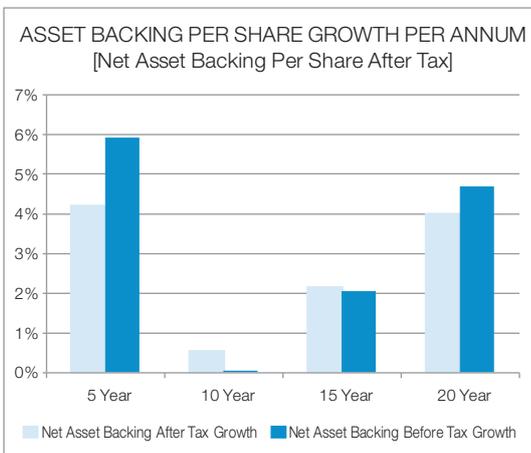
## DIVIDEND YIELD AND DIVIDEND GROWTH



## EARNINGS AND EARNINGS GROWTH



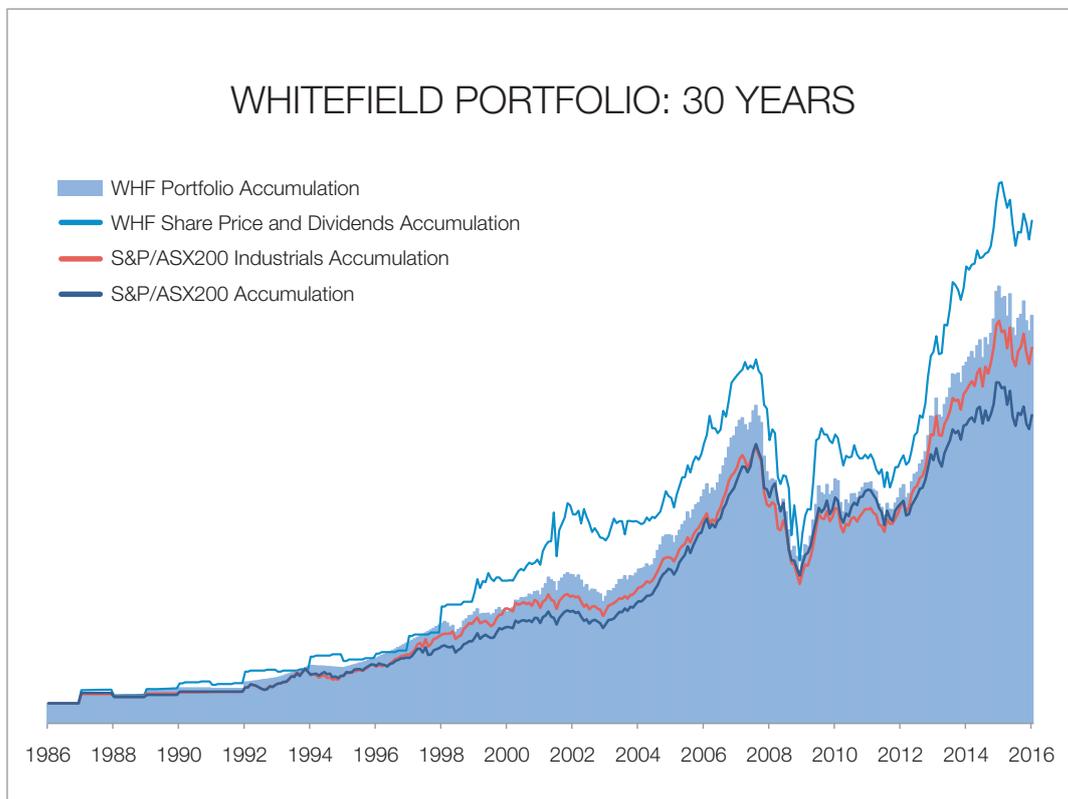
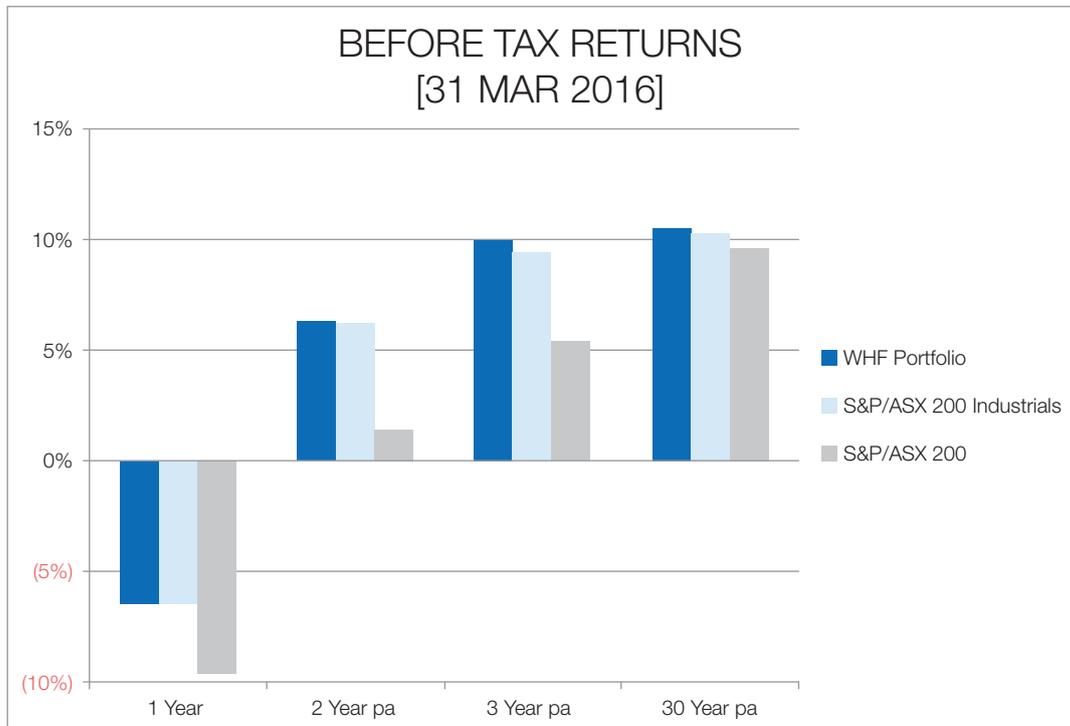
## NET ASSET BACKING GROWTH



## INVESTMENT PORTFOLIO RETURNS

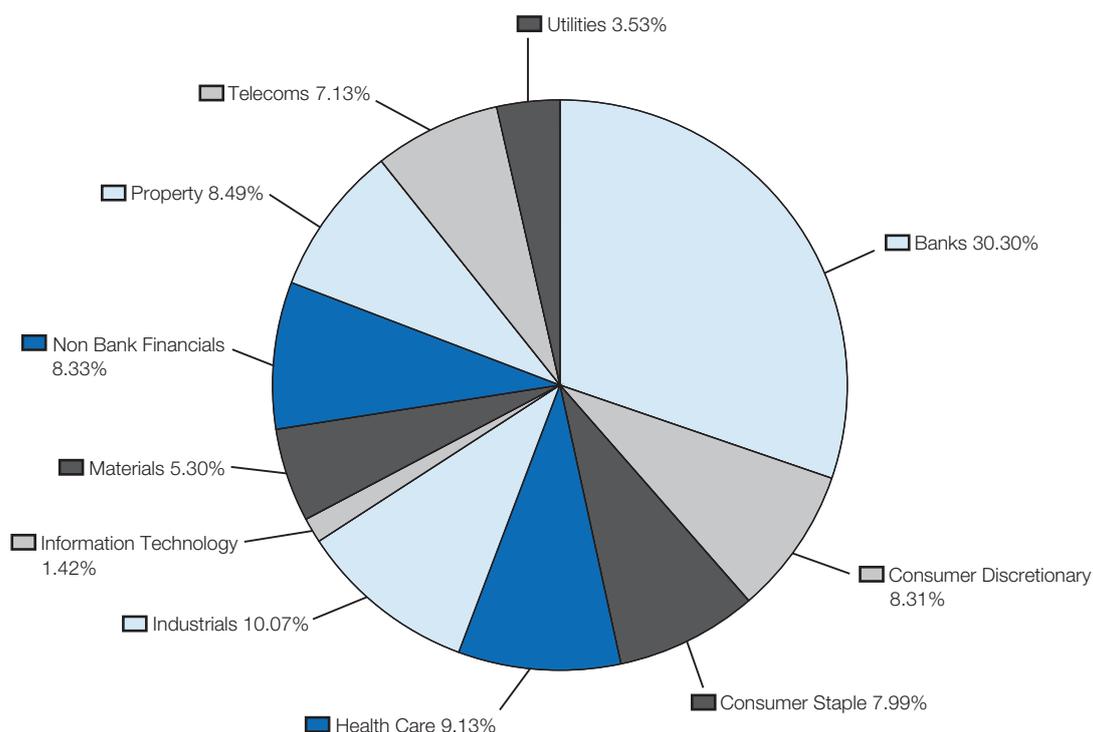
	1 Year	2 Years*	3 Years*	30 Years*
Whitefield Portfolio	(6.75%)	6.30%	9.97%	10.64%
ASX 200 Industrials Accumulation	(6.77%)	6.22%	9.24%	10.34%
ASX 200 Accumulation	(9.59%)	1.58%	5.40%	9.61%

\* Annualised



## PORTFOLIO COMPOSITION BY INDUSTRY SECTOR

As at 31 March 2016



## TOP FIVE CONTRIBUTORS TO PERFORMANCE

Over One and Three Year Periods

### Top Contributors to Portfolio Performance 1 Year\*

1 Scentre Group	0.42%
2 CSL Limited	0.39%
3 Transurban Group Limited	0.38%
4 CIMIC Group Limited	0.34%
5 Sydney Airport	0.33%

### Top Individual Stock Performance 1 Year\*\*

1 CIMIC Group Limited	64.35%
2 Dominos Pizza Enterprises	54.64%
3 Vocus Communications Limited	41.91%
4 Asciano Limited	41.32%
5 Sirtex Medical	39.04%

### Top Contributors to Portfolio Performance 3 Years\*

1 Macquarie Group Limited	4.25%
2 Commonwealth Bank of Australia	3.51%
3 Telstra Corporation Limited	2.04%
4 Westpac Banking Corporation Limited	1.95%
5 CSL Limited	1.69%

### Top Individual Stock Performance 3 Years\*\*

1 Altium Limited	2640.43%
2 Aristocrat Leisure Limited	258.77%
3 CSL Limited	197.19%
4 Macquarie Group Limited	166.73%
5 Sydney Airport	165.33%

\*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 Resetttable Preference						
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		4,984,418	4,967,050	135,419,974	12.60	12.04	3.18
2005	1:8 Rights, DRP	14,318,181	23,790		6,467,049	5,499,662	167,544,179	13.80	14.51	3.53
2006	DRP, SPP	13,187,620	23,790		7,873,034	6,805,255	207,894,752	14.90	15.28	4.06
2007	DRP, SPP, Placement	38,837,006	23,790		8,518,559	7,952,691	284,597,452	15.70	16.05	4.72
2008	DRP, SPP, Placement	45,858,006	23,790		11,981,188	11,043,079	276,278,441	16.10	18.12	3.94
2009	DRP, Buy-Back	(11,021,158)	23,790		11,864,370	11,410,021	196,414,691	17.00	18.37	2.96
2010	DRP, Buy-Back	(3,758,754)	23,790		8,120,642	11,229,188	237,242,675	17.00	12.26	3.64
2011	DRP, SPP, Buy-Back	(12,411,338)	23,790		8,518,170	15,749,249	206,452,551	25.50	13.77	3.37
2012	DRP, Merger	45,214,414	23,790		10,899,489	6,407,119	247,793,379	8.50	14.58	3.28
2013	DRP, CRPS Issue	29,772,389	23,790	300,000	10,228,821	12,868,685	289,587,611	17.00	13.49	3.81
2014	DRP	929,742	23,790	400,000	11,986,286	12,920,839	317,019,745	17.00	15.75	4.16
2015	DRP	1,083,190	23,790	400,000	12,702,722	12,963,201	359,678,893	17.00	16.69	4.70
2016	DRP, BSP, SPP	14,708,886	23,790	400,000	13,198,884	11,288,714	342,464,700	17.00	16.60	4.27

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.

# DIRECTORS' REPORT

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

Your Directors present their report on the Company for the year ended 31 March 2016.

## 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 activity of the Company was investing in companies and trusts listed on the Australian Securities 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
<b>2016</b>				
8% Preference shares - interim	4.0	951	11/12/2015	100
Ordinary shares - interim	8.5	5,634,970	11/12/2015	100
Convertible Resetable Preference Shares - Six-Monthly	350.0	1,400,000	11/12/2015	100
<b>2015</b>				
8% Preference shares - final	4.0	951	12/06/2015	100
Ordinary shares - final	8.5	5,653,744	12/06/2015	100
Convertible Resetable Preference Shares - Six-Monthly	350.0	1,400,000	12/06/2015	100

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

- (a) A final ordinary dividend of 8.5 cents per fully paid share (2015: 8.5 cents per fully paid share), and a final dividend on 8% preference shares of 4.0 cents per 8% preference share (2015: 4.0 cents per 8% preference share) to be paid on 14 June 2016 out of retained earnings at 31 March 2016;
- (b) A six-monthly dividend on Convertible Resetable Preference Shares of 350.0 cents per convertible resetable preference share (2015: 350.0 cents per convertible resetable preference share) to be paid on 14 June 2016.

## 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 \$13,198,884 (2015: \$12,740,740). Total comprehensive loss amounted to (\$20,632,463) after taking account of the net revaluation after tax on investments in a year where the broad stock market declined in value. This compares to the prior year total comprehensive income of \$54,541,063.

Net asset backing after deferred tax per ordinary share at 31 March 2016 amounted to \$4.27 (2015: \$4.70), while net assets amounted to \$342,464,700 (2015: \$359,678,893).

## Significant changes in the state of affairs

Directors are not aware of any other significant changes in the state of affairs of the Company, other than the changes in the normal course of operations disclosed in this Report and the accompanying Financial Statements.

## Matters subsequent to the end of the financial year

Apart from the items disclosed below, and the dividends paid after year end, no other matter or circumstance has arisen since 31 March 2016 that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

- (a) On 9 May 2016 the Company announced that it was offering a Share Purchase Plan to shareholders, capped at \$40,800,000. Under the Share Purchase Plan shareholders on the register at 6 May 2016 may apply for up to \$15,000 of Whitefield Ordinary Shares each at the lower of \$4.08, or an amount equal to a 2.5% discount to the volume weighted average market price of Whitefield's Shares traded on ASX over the five trading days up to, and including the Plan closing date (ie, 10 June 2016). Shares issued under the plan on 24<sup>th</sup> June 2016 will rank equally with the existing Ordinary Shares and be entitled to the interim dividend expected to be paid in December 2016.
- (b) The Board intends to ask the company's shareholders to approve an amendment to the Company's Investment Management Agreement at the Company's Annual General Meeting. Broadly the proposed amendment would retain the services of the existing investment manager for a further term of 5 years. Details of the proposed amendment shall be finalised and issued to shareholders in an Explanatory Memorandum to be attached to the Notice of Annual General Meeting.

## 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

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### 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

None

#### Former directorships in last 3 years

Past director of Employers Mutual Ltd

#### Special responsibilities

Chairman, Member of Audit Committee, Nomination and Remuneration Committees

#### Interests in shares and options

2,201,402 Ordinary Shares  
1,300 8% Preference Shares

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### 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 Audit, Nomination and Remuneration Committees

#### Interests in shares and options

572,140 Ordinary Shares

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### 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

17,404,509 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 Pitcher Partners (formerly 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 Stuart Madeley. Stuart has been Company Secretary since 2014. Stuart has over 22 years experience in the financial services industry in both Australia and the United Kingdom. Stuart 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 2016, 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. White Funds Management Pty Ltd is contracted by the Company as the Investment Manager and receives 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.

2016	Short-term employee benefits		Post-employment benefits	Total
	Cash salary and fees	Other*	Super-annuation	
Name	\$	\$	\$	\$
<b>Non-executive Directors</b>				
David J. Iliffe	12,176	-	1,157	13,333
Graeme J. Gillmore	12,176	-	1,157	13,333
Martin J Fowler	12,177	-	1,157	13,334
<b>Sub-total non-executive directors</b>	<b>36,529</b>	<b>-</b>	<b>3,471</b>	<b>40,000</b>
<b>Executive Directors</b>				
Angus J. Gluskie*	-	953,321	-	953,321
<b>Sub-total executive directors</b>	<b>-</b>	<b>953,321</b>	<b>-</b>	<b>953,321</b>
<b>Total key management personnel compensation</b>	<b>36,529</b>	<b>953,321</b>	<b>3,471</b>	<b>993,321</b>

2015	Short-term employee benefits		Post-employment benefits	Total
	Cash salary and fees	Other*	Super-annuation	
Name	\$	\$	\$	\$
<b>Non-executive Directors</b>				
David J. Iliffe	11,872	-	1,128	13,000
Graeme J. Gillmore	11,872	-	1,128	13,000
Martin J Fowler	11,872	-	1,128	13,000
<b>Sub-total non-executive directors</b>	<b>35,616</b>	<b>-</b>	<b>3,384</b>	<b>39,000</b>
<b>Executive Directors</b>				
Angus J. Gluskie*	-	903,330	-	903,330
<b>Sub-total executive directors</b>	<b>-</b>	<b>903,330</b>	<b>-</b>	<b>903,330</b>
<b>Total key management personnel compensation</b>	<b>35,616</b>	<b>903,330</b>	<b>3,384</b>	<b>942,330</b>

\* Mr Angus J. Gluskie received no fees as an individual. Mr Angus J. Gluskie is a shareholder and officer of White Funds Management Pty Ltd. During the year, White Funds Management Pty Ltd received fees of \$953,321 (2015: \$903,330 inclusive of 10% GST) for the management of the Company, out of which costs of corporate 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 2016.

Details of the amounts paid to the auditors and their related parties are disclosed in Note 16 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 20.

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



**David J. Iliffe**  
Director

Sydney  
19<sup>th</sup> May 2016

## 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 2016 there have been no contraventions of:

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

MNSA Pty Ltd

MNSA Pty Ltd



Mark Schiliro  
Director

Dated in Sydney this 19<sup>th</sup> day of May 2016

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

	Notes	31 March 2016 \$	31 March 2015 \$
<b>Investment income from ordinary activities</b>	4	18,546,435	17,779,952
<b>Expenses</b>			
Management fees		(888,322)	(841,739)
Directors' fees		(40,000)	(39,000)
Audit fees		(25,960)	(25,960)
Other expenses		(523,779)	(467,363)
Finance costs - Convertible Resetable Preference Shares		(2,956,564)	(2,942,950)
<b>Operating result before income tax</b>		<b>14,111,810</b>	<b>13,462,940</b>
Current tax	5	(912,926)	(722,200)
<b>Profit for the year</b>		<b>13,198,884</b>	<b>12,740,740</b>
<b>Other comprehensive income</b>			
<i>Items that may not be reclassified to profit or loss</i>			
Net unrealised gains/(losses) on investments taken to equity		(68,660,264)	47,948,463
Income tax relating to net unrealised (gains)/losses on investments taken to equity		20,444,455	(14,398,750)
Net realised gains/(losses) on investments taken to equity		20,500,571	11,258,686
Income tax relating to net realised (gains)/losses on investments taken to equity		(6,116,109)	(3,008,076)
<b>Other comprehensive (loss)/income for the year, net of tax</b>		<b>(33,831,347)</b>	<b>41,800,323</b>
<b>Total comprehensive (loss)/income for the year</b>		<b>(20,632,463)</b>	<b>54,541,063</b>
<b>Earnings per share from continuing operations attributable to the ordinary equity holders of the Company (excluding all net realised gains/losses on investments)</b>			
Basic earnings per share	22	16.60 Cents	16.69 Cents
Diluted earnings per share	22	16.60 Cents	16.69 Cents

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

# STATEMENT OF FINANCIAL POSITION

AS AT 31<sup>ST</sup> MARCH, 2016

	Notes	31 March 2016 \$	31 March 2015 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	5,455,632	7,330,634
Trade and other receivables	7	2,498,983	3,261,495
Other current assets		17,493	32,402
<b>Total current assets</b>		<b>7,972,108</b>	<b>10,624,531</b>
<b>Non-current assets</b>			
Financial assets at fair value through other comprehensive income	3, 8	398,111,557	425,835,956
Deferred tax assets	9	10,832,196	17,747,732
<b>Total non-current assets</b>		<b>408,943,753</b>	<b>443,583,688</b>
<b>Total Assets</b>		<b>416,915,861</b>	<b>454,208,219</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		258,402	122,699
<b>Total current liabilities</b>		<b>258,402</b>	<b>122,699</b>
<b>Non-current Liabilities</b>			
Deferred tax liabilities	10	32,758,700	53,129,132
Other financial liabilities	11	41,434,059	41,277,495
<b>Total non-current liabilities</b>		<b>74,192,759</b>	<b>94,406,627</b>
<b>Total liabilities</b>		<b>74,451,161</b>	<b>94,529,326</b>
<b>Net assets</b>		<b>342,464,700</b>	<b>359,678,893</b>
<b>EQUITY</b>			
Issued capital	12	192,456,175	177,747,289
Reserves	13	128,251,773	162,083,120
Retained earnings		21,756,752	19,848,484
<b>Total equity</b>		<b>342,464,700</b>	<b>359,678,893</b>

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

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

	Notes	Issued capital \$	Reserve \$	Retained earnings \$	Total equity \$
<b>Balance at 1 April 2014</b>		<b>176,664,099</b>	<b>120,282,798</b>	<b>20,072,848</b>	<b>317,019,745</b>
<b>Profit for the year</b>		-	-	<b>12,740,740</b>	<b>12,740,740</b>
<b>Other comprehensive income/(losses) for the year</b>					
Net unrealised gains on investments taken to equity		-	47,948,462	-	47,948,462
Income tax on net unrealised (gains)/losses on investments taken to equity		-	(14,398,750)	-	(14,398,750)
Net realised gains on investments taken to equity		-	11,258,686	-	11,258,686
Income tax on net realised (gains)/losses on investments taken to equity		-	(3,008,076)	-	(3,008,076)
<b>Total other comprehensive income for the year, net of tax</b>		-	<b>41,800,322</b>	-	<b>41,800,322</b>
<b>Total comprehensive income for the year</b>		-	<b>41,800,322</b>	<b>12,740,740</b>	<b>54,541,062</b>
<b>Transactions with owners in their capacity as owners:</b>					
Contributions of equity, net of transaction costs and tax	12	1,083,190	-	-	1,083,190
Dividends provided for or paid	14	-	-	(12,965,104)	(12,965,104)
		<b>1,083,190</b>	-	<b>(12,965,104)</b>	<b>(11,881,914)</b>
<b>Balance at 31 March 2015</b>		<b>177,747,289</b>	<b>162,083,120</b>	<b>19,848,484</b>	<b>359,678,893</b>
<b>Balance at 1 April 2015</b>		<b>177,747,289</b>	<b>162,083,120</b>	<b>19,848,484</b>	<b>359,678,893</b>
<b>Profit for the year</b>		-	-	<b>13,198,884</b>	<b>13,198,884</b>
<b>Other comprehensive income/(losses) for the year</b>					
Net unrealised losses on investments taken to equity		-	(68,660,264)	-	(68,660,264)
Income tax on net unrealised (gains)/losses on investments taken to equity		-	20,444,455	-	20,444,455
Net realised gains on investments taken to equity		-	20,500,571	-	20,500,571
Income tax on net realised (gains)/losses on investments taken to equity		-	(6,116,109)	-	(6,116,109)
<b>Total other comprehensive loss for the year, net of tax</b>		-	<b>(33,831,347)</b>	-	<b>(33,831,347)</b>
<b>Total comprehensive income/(loss) for the year</b>		-	<b>(33,831,347)</b>	<b>13,198,884</b>	<b>(20,632,463)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Contributions of equity, net of transaction costs and tax	12	14,708,886	-	-	14,708,886
Dividends provided for or paid	14	-	-	(11,290,616)	(11,290,616)
		14,708,886	-	(11,290,616)	3,418,270
<b>Balance at 31 March 2016</b>		<b>192,456,175</b>	<b>128,251,773</b>	<b>21,756,752</b>	<b>342,464,700</b>

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

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

	Notes	31 March 2016 \$	31 March 2015 \$
<b>Cash flows from operating activities</b>			
Dividends and trust distributions received		19,229,099	17,352,218
Interest received		78,383	127,306
Payments for other expenses		(1,300,114)	(1,457,027)
<b>Net cash inflow from operating activities</b>	20	<b>18,007,368</b>	<b>16,022,497</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of financial assets at fair value through other comprehensive income		161,893,045	79,128,676
Payments for financial assets at fair value through other comprehensive income		(182,328,339)	(81,320,233)
<b>Net cash (outflow) from investing activities</b>		<b>(20,435,294)</b>	<b>(2,191,557)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issues of shares		13,656,500	-
Share issue and buy-back transaction costs		(131,586)	(16,270)
Dividends paid to Company's shareholders		(10,146,120)	(11,870,524)
Dividends paid on convertible resettable preference shares		(2,800,000)	(2,800,000)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>578,794</b>	<b>(14,686,794)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,849,132)</b>	<b>(855,854)</b>
Cash and cash equivalents at the beginning of the year		7,330,634	8,193,549
Effects of exchange rate changes on cash and cash equivalents		(25,870)	(7,061)
<b>Cash and cash equivalents at end of year</b>	6	<b>5,455,632</b>	<b>7,330,634</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

## 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 22, MLC Centre 19 Martin Place, Sydney, NSW, 2000. The financial statements of Whitefield Limited are for the year ended 31 March 2016. The Company is primarily involved in making investments, and deriving revenue and investment income from listed securities and unit trusts in Australia.

## 2. Financial risk management

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

### (a) Market risk

The standard defines this as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

#### (i) Price risk

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

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

Sector	2016 (%)	2015 (%)
Information technology	1.42	0.75
Financials	38.63	50.19
Healthcare and biotechnology	9.13	7.60
Consumer staples	7.99	6.35
Industrials	10.07	8.48
Consumer discretionary	8.31	8.40
Utilities	3.53	0.49
Materials	5.30	4.04
Telecommunications services	7.13	6.41
Property	8.49	7.29
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

Securities representing over 5 per cent of the investment portfolio at 31 March 2016 were:

	2016 (%)
Commonwealth Bank of Australia	10.65
Westpac Banking Corporation	8.08
National Australia Bank Limited	5.54
Telstra Corporation	5.48
ANZ Banking Group Limited	5.31
	35.06

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

Securities representing over 5 per cent of the investment portfolio at 31 March 2015 were:

	2015 (%)
Commonwealth Bank of Australia	11.35
Westpac Banking Corporation	9.38
ANZ Banking Group Limited	7.59
National Australia Bank Limited	7.10
Telstra Corporation	6.04
	41.46

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	
	2016 \$	2015 \$
Change in value – 10%	(27,867,809)	(29,808,517)
Change in value – 30%	(83,603,427)	(89,425,551)

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

### (ii) Cash flow and fair value interest rate risk

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

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

### (b) Credit risk

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

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

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

### (c) Liquidity risk

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

### Maturities of financial liabilities

Except for the CRPS which will mature between 2 and 5 years, the other liabilities of the Company in the current and prior year have maturities of less than one month.

### 3. Fair value measurements

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

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

At 31 March 2016	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Recurring fair value measurements</b>				
<b>Financial assets</b>				
Financial assets at FVTOCI				
Equity securities	398,111,557	-	-	398,111,557
<b>Total financial assets</b>	<b>398,111,557</b>	<b>-</b>	<b>-</b>	<b>398,111,557</b>
At 31 March 2015	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Recurring fair value measurements</b>				
<b>Financial assets</b>				
Financial assets at FVTOCI				
Equity securities	425,835,956	-	-	425,835,956
<b>Total financial assets</b>	<b>425,835,956</b>	<b>-</b>	<b>-</b>	<b>425,835,956</b>

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.

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

(ii) *Disclosed fair values*

The Company also has Convertible Resetable 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.

	2016 \$	2015 \$
Carrying amount	41,434,059	41,277,495
Fair value	44,960,000	46,400,000

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.

	2016 \$	2015 \$
<b>4. Revenue</b>		
<b>From continuing operations</b>		
Dividends on long term investments held at the end of the year	15,623,503	14,342,034
Dividends on long term investments sold during the year	315,086	1,615,644
Interest	67,730	132,107
Distributions	2,540,116	1,690,167
	<b>18,546,435</b>	<b>17,779,952</b>
<b>5. Income tax expense</b>		
(a) <b>Income tax expense through profit or loss</b>		
Income tax expense	912,926	722,200
(b) <b>Numerical reconciliation of income tax expense to prima facie tax payable</b>		
Profit from continuing operations before income tax expense	14,054,096	13,462,940
Tax at the Australian tax rate of 30.0% (2015 - 30.0%)	4,216,229	4,027,476
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Franking credits on dividends received	(6,310,866)	(5,648,723)
Imputation gross up on dividends income	1,900,545	1,705,316
Timing differences	1,091,829	728,702
Permanent differences from adjustments to prior year income tax expense	39,472	(54,906)
Foreign tax credits on dividends received	(24,283)	(35,665)
Income tax expense	912,926	722,200
(c) <b>Amounts recognised directly in equity</b>		
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	39,476	4,881

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

	2016 \$	2015 \$
<b>(d) Tax expense (income) relating to items of other comprehensive income</b>		
Net unrealised gains/(losses) on investments taken to equity	(20,444,455)	14,398,750
Net realised gains/(losses) on investments taken to equity	6,116,109	3,008,076
	(14,328,346)	17,406,826
<b>6. Current assets - Cash and cash equivalents</b>		
Cash at bank and in hand	5,455,632	3,349,702
Other cash and cash equivalents	-	3,980,932
	5,455,632	7,330,634
<b>7. Current assets - Trade and other receivables</b>		
Net other receivables	91,486	86,547
Dividends and distributions receivable	2,375,622	3,126,016
Interest receivable	13	10,666
GST receivable	31,862	38,266
	2,498,983	3,261,495
<b>8. Non-current assets - Financial assets at fair value through other comprehensive income</b>		
Investment in shares and equities		
Listed securities	398,111,557	425,835,956

The list showing investments treated as equity instruments and revalued through Other Comprehensive Income can be found on pages 46-49 of this report.

### (a) Investment transactions

Certain securities within the investment portfolio were disposed during the financial year during the normal course of the Company's business as a Listed Investment Company. The fair value of the investments sold during the year was \$161.9m (2015: \$79.1m). The cumulative gain on these disposals was \$20.5m for the year before tax (2015: \$11.3m), which has been transferred from the revaluation reserve to the realisation reserve (refer to statement of changes in equity).

690 Contract Notes were issued for transactions during the financial period, each contract note may involve multiple transactions. The total brokerage paid on these contract notes was \$827,831 (2015: \$430,031).

	2016 \$	2015 \$
<b>9. Non-current assets - Deferred tax assets</b>		
Movements:		
Opening balance	17,747,732	21,368,622
Charged/credited:		
- to profit or loss	(799,427)	(612,813)
- to other comprehensive income	(6,116,109)	(3,008,077)
	10,832,196	17,747,732

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

	2016 \$	2015 \$
<b>10. Non-current liabilities - Deferred tax liabilities</b>		
Net unrealised gains/(losses) on investments taken to equity	32,379,126	52,823,581
Other temporary differences	379,574	305,551
	32,758,700	53,129,132
Movements:		
Opening balance	53,129,132	38,625,875
Charged/credited:		
- profit or loss	74,023	104,507
- to other comprehensive income	(20,444,455)	14,398,750
	32,758,700	53,129,132
<b>11. Non-current liabilities - Other financial liabilities</b>		
Convertible Resetable Preference Shares	41,434,059	41,277,495

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

*CRPS Face Value:* \$100 per CRPS

*Dividend Rate:* The CRPS are entitled to a non-cumulative fixed dividend of 7% per annum which is expected to be fully franked. The Dividend Rate may be increased or decreased on the relevant reset dates, the first of which is 30 November 2018.

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

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

*Resetting:* On each reset date, the Company can reset the dividend rate payable on the CRPS, the discount which applies on the conversion of the CRPS into Ordinary Shares and determine when resets are to take place in the future. The first reset date will be 30 November 2018.

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

### 12. Issued capital

#### (a) Share capital

	31 March 2016 Shares	31 March 2015 Shares	2016 \$	2015 \$
Ordinary shares - fully paid	80,208,773	76,467,723	192,432,385	177,723,499
8% Preference shares - fully paid	23,790	23,790	23,790	23,790
	80,232,563	76,491,513	192,456,175	177,747,289

#### (b) Movements in ordinary share capital

Date	Details	Notes	Number of Shares	\$
1 April 2014	Opening balance		76,196,891	176,640,309
	Dividend reinvestment plan issues	(f)	114,462	461,281
	Dividend reinvestment plan issues	(f)	156,370	633,298
	Less: Transaction costs arising on share issue - DRP		-	(11,389)
31 March 2015	Balance		76,467,723	177,723,499
	Share purchase		2,943,611	13,656,500
	Dividend reinvestment plan issues	(f)	129,279	575,292
	Dividend reinvestment plan issues	(f)	140,198	569,204
	Bonus share plan	(e)	257,957	-
	Bonus share plan	(e)	270,005	-
	Less: Transaction costs arising on share issue - DRP		-	(92,110)
31 March 2016	Balance		80,208,773	192,432,385

#### (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) 8% Preference shares

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

#### (e) Bonus Share Plan

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

#### (f) Dividend Reinvestment Plan

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

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

### (g) Capital risk management

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

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

	Notes	2016 \$	2015 \$
<b>13. Reserves</b>			
<b>Movements:</b>			
Investment portfolio revaluation reserve			
Opening balance		68,687,227	35,137,514
Net unrealised gains/(losses) on investments (excluding transfer)		(54,275,802)	56,199,072
Transfer to investment portfolio realised gains/(losses) reserve		(14,384,462)	(8,250,609)
Income tax on these items	5, 10	20,444,455	(14,398,750)
Balance 31 March		20,471,418	68,687,227
Investment portfolio realised gains/losses reserve			
Opening balance		93,395,893	85,145,284
Transfer from investment portfolio revaluation reserve		14,384,462	8,250,609
Balance 31 March		107,780,355	93,395,893
Total		128,251,773	162,083,120

### Nature and purpose of reserves

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

	2016 \$	2015 \$
<b>14. Dividends</b>		
<b>(a) Ordinary shares</b>		
Final dividend - prior year (8.5 cents per fully paid ordinary share, fully franked based on tax paid at 30%, paid 12/06/2015 and 13/06/2014, respectively)	5,653,744	6,476,737
Interim dividend - current year (8.5 cents per fully paid ordinary share, fully franked based on tax paid at 30%, paid 11/12/2015 and 12/12/2014, respectively)	5,634,970	6,486,465
	11,288,714	12,963,202
<b>(b) 8% preference shares</b>		
Final dividend - prior year (4.0 cents per 8% preference share, fully franked based on tax paid at 30%)	951	951
Interim dividend - current year (4.0 cents per 8% preference share, fully franked based on tax paid at 30%)	951	951
	1,902	1,902
Total dividends provided for or paid	11,290,616	12,965,104

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

	2016 \$	2015 \$
<b>(c) Convertible Resettable Preference Shares</b>		
Dividends on CRPS - six-monthly (350.0 cents per share, fully franked based on tax paid at 30%, paid 12/06/2015 and 13/06/2014, respectively)	1,400,000	1,400,000
Dividends on CRPS - six-monthly (350.0 cents per share, fully franked based on tax paid at 30%, paid 11/12/2015 and 12/12/2014, respectively)	1,400,000	1,400,000
	2,800,000	2,800,000

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

### (d) Dividend not recognised at the end of the reporting period

	2016 \$
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 cents per fully paid 8% preference share and 350 cents per fully paid Convertible Resettable Preference Share, fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 14 June 2016 out of retained earnings at 31 March 2016, but not recognised as a liability at year end, is	8,217,746

### (e) Dividend franking account

	2016 \$	2015 \$
Opening balance of franking account	16,998,470	18,106,220
Franking credits on dividends received	6,267,779	5,648,723
Franking credits on dividends paid	(7,000,605)	(6,756,473)
Closing balance of franking account	16,265,644	16,998,470
Adjustments for tax payable/refundable in respect of the current year's profits and the receipt of dividends	-	1,179,677
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	(3,521,891)	(3,386,017)
	12,743,753	14,792,130

# NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

## 15. Key management personnel disclosures

### (a) Key management personnel compensation

Detailed remuneration disclosures are provided in the remuneration report.

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

#### (i) Share holdings

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

	Balance at the start of the year	Net movement	Other changes during the year	Balance at the end of the year
<b>2016</b>				
<b>Name</b>				
<b>Directors of Whitefield Limited</b>				
<b>Ordinary shares</b>				
David J. Iliffe	2,191,703	9,699	-	2,201,402
Graeme J. Gillmore	572,111	29	-	572,140
Angus J. Gluskie	16,999,097	405,412	-	17,404,509
	19,762,911	415,140	-	20,178,051
<b>8% Preference shares</b>				
David J. Iliffe	1,300	-	-	1,300
Angus J. Gluskie	200	-	-	200
	1,500	-	-	1,500

	Balance at the start of the year	Net movement	Other changes during the year	Balance at the end of the year
<b>2015</b>				
<b>Name</b>				
<b>Directors of Whitefield Limited</b>				
<b>Ordinary shares</b>				
David J. Iliffe	2,191,703	-	-	2,191,703
Graeme J. Gillmore	572,081	30	-	572,111
Angus J. Gluskie	16,999,097	-	-	16,999,097
	19,762,881	30	-	19,762,911
<b>8% Preference shares</b>				
David J. Iliffe	1,300	-	-	1,300
Angus J. Gluskie	200	-	-	200
	1,500	-	-	1,500

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

### 16. Remuneration of auditors

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

#### (a) MNSA Pty Limited

	31 March 2016 \$	31 March 2015 \$
Audit and other assurance services		
Audit and review of financial statements	25,960	25,960
Total remuneration for audit and other assurance services	25,960	25,960

### 17. Contingencies

The Company had no contingent liabilities at 31 March 2016 (2015: nil).

### 18. Related party transactions

#### (a) Key management personnel

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

#### (b) Transactions with other related parties

The following transactions occurred with related parties:

	31 March 2016 \$	31 March 2015 \$
Management fees paid or payable	953,321	903,330
Taxation Services	18,700	23,100
	972,021	926,430

Management fees represent fees paid to White Funds Management Pty Ltd out of which the costs of personnel, systems, premises and other operating overheads are paid. White Funds Management employs both the Chief Executive Officer, Company Secretary and other investment personnel. The Chief Executive Officer is also a shareholder of White Funds Management Pty Ltd.

Taxation services are provided by Pitcher Partners (formerly Moore Stephens Sydney Pty Ltd) on normal terms and conditions. Martin Fowler, Director, is also a director of Pitcher Partners.

#### (c) Outstanding balances

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

	2016 \$	2015 \$
Management fees payable (including GST)	169,839	86,990

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

### (d) Terms and conditions

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

White Funds Management Pty Ltd is appointed as the Investment Manager for Whitefield under an Investment Management Agreement. The Investment Manager employs all of the executives involved in managing 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.

### 19. Events occurring after the reporting period

Apart from the items disclosed below, and the dividends paid after year end, no other matter or circumstance has arisen since 31 March 2016 that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

- (a) On 9 May 2016 the Company announced that it was offering a Share Purchase Plan to shareholders, capped at \$40,800,000. Under the Share Purchase Plan shareholders on the register at 6 May 2016 may apply for up to \$15,000 of Whitefield Ordinary Shares each at the lower of \$4.08, or an amount equal to a 2.5% discount to the volume weighted average market price of Whitefield's Shares traded on ASX over the five trading days up to, and including the Plan closing date (ie, 10 June 2016). Shares issued under the plan on 24<sup>th</sup> June 2016 will rank equally with the existing Ordinary Shares and be entitled to the interim dividend expected to be paid in December 2016.
- (b) The Board intends to ask the company's shareholders to approve an amendment to the Company's Investment Management Agreement at the Company's Annual General Meeting. Broadly the proposed amendment would retain the services of the existing investment manager for a further term of 5 years. Details of the proposed amendment shall be finalised and issued to shareholders in an Explanatory Memorandum to be attached to the Notice of Annual General Meeting.

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

	2016 \$	2015 \$
Profit for the year	13,198,884	12,740,740
Net exchange differences	25,870	3,315
Finance cost on convertible resettable preference shares	2,956,564	2,942,950
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	762,512	(264,172)
Decrease in other current assets	14,909	-
Increase/(decrease) in trade and other payables	135,703	(88,263)
Increase in deferred taxes	912,926	687,927
Net cash inflow from operating activities	18,007,368	16,022,497

### 21. Non-cash investing and financing activities

	2016 \$	2015 \$
Dividends reinvested	1,144,496	1,094,580
Dividends foregone via Bonus Share Plan	2,244,129	-
	3,388,625	1,094,580

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

### 22. Earnings per share

#### (a) Basic and diluted earnings per share

	2016 Cents	2015 Cents
From continuing operations attributable to the ordinary equity holders of the company (excluding all net realised gains/losses on investments)	16.60	16.69

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

#### (b) Weighted average number of shares used as denominator

	2016 Number	2015 Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	79,483,821	76,334,844

### 23. Summary of significant accounting policies

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

#### (a) Basis of preparation

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

The financial statements were authorised for issue by the directors on 19 May 2016.

##### (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

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 April 2015 that have a material impact on the Company.

##### (iii) Historical cost convention

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

##### (iv) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2016 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is set out on the following page.

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

<b>Title of standard</b>	AASB 9 Financial Instruments
<b>Nature of change</b>	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.
<b>Impact</b>	<p>Following the changes approved by the AASB in December 2014, the Company no longer expects any impact from the new classification, measurement and derecognition rules on the Company's financial assets and financial liabilities.</p> <p>There will also be no impact on the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Company does not have any such liabilities.</p> <p>The derecognition rules have not changed from the previous requirements, and the Company does not apply hedge accounting. The new standard also introduces expanded disclosure requirements and changes in presentation.</p> <p>The new impairment model is an expected credit loss (ECL) model which may result in the earlier recognition of credit losses.</p> <p>The Company has not yet assessed how the impairment provisions would be affected by the new rules.</p>
<b>Mandatory application date/ Date of adoption by the Company</b>	<p>Must be applied for financial years commencing on or after 1 January 2018.</p> <p>Based on the transitional provisions in the completed IFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety.</p> <p>The Company has not yet decided when to adopt AASB 9.</p>

<b>Title of standard</b>	AASB 15 Revenue from Contracts with Customers
<b>Nature of change</b>	<p>The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.</p> <p>The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.</p> <p>The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (eg 1 July 2017), ie without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.</p>
<b>Impact</b>	The Company's main sources of income are interest, dividends and distributions. All of these are outside the scope of the new revenue standard. As a consequence, the Directors do not expect the adoption of AASB 15 to have a significant impact on the Company's accounting policies or the amounts recognised in the financial statements.
<b>Mandatory application date/ Date of adoption by the Company</b>	Mandatory for financial years commencing on or after 1 January 2018.

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

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

### (b) Revenue recognition

#### (i) Dividends and trust distributions

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

#### (ii) Interest income

Interest income is recognised using the effective interest method.

### (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 only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

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

### (d) Cash and cash equivalents

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

### (e) Trade and other receivables

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

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

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

### (f) 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.

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

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

#### Determination of fair value

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

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

### (g) Other financial liabilities

Convertible Resettable Preference Shares are classified as a 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.

### (h) Trade and other payables

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

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

### (i) Finance costs

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

Dividends on Convertible Resettable Preference Shares are recognised within the finance expense recorded.

### (j) Issued capital

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

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

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

### (k) Dividends

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

### (l) Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

#### (ii) Diluted earnings per share

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

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

### (m) Goods and Services Tax (GST)

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

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

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

### (n) Functional and presentation currency

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

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

(o) **Comparatives**

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

(p) **Operating Segments**

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

## DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 21 to 42 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 2016 and of its performance for the year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

The Directors have been given the declarations by the 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<sup>th</sup> May 2016

# 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 2016, 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 23, 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 entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

## 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 2016 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 23.

## Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 31 March 2016. 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 2016 complies with s300A of the *Corporations Act 2001*.

MNSA Pty Ltd

MNSA Pty Ltd



Mark Schiliro  
Director

Dated in Sydney this 19<sup>th</sup> day of May 2016

## TABLE OF INVESTMENT HOLDINGS

Code	Name	Shares	Market Value	Whitefield (%)
<b>Consumer Discretionary</b>				
AAD	Ardent Leisure Group	145,100	332,279	0.08%
AHG	Automotive Group Holdings Ltd	98,700	403,683	0.10%
ALL	Aristocrat Leisure Ltd	330,827	3,407,518	0.86%
APN	APN News & Media Ltd	331,800	215,670	0.05%
APO	APN Outdoor Group Ltd	53,000	343,440	0.09%
ARB	ARB Corp Ltd	25,600	385,024	0.10%
BAP	Burson Group Ltd	79,000	364,190	0.09%
BRG	Breville Group Ltd	41,700	326,094	0.08%
CTD	Corporate Travel Management Ltd	31,500	422,415	0.11%
CWN	Crown Resorts Ltd	110,013	1,370,762	0.34%
DMP	Domino's Pizza Enterprises Ltd	27,700	1,592,196	0.40%
DSH	Dick Smith Holdings Ltd	76,000	26,980	0.01%
FLT	Flight Centre Travel Group Ltd	47,386	2,048,497	0.51%
GEM	G8 Education Ltd	118,400	446,368	0.11%
GUD	GUD Holdings Ltd	27,400	190,704	0.05%
GXL	Greencross Ltd	36,500	273,385	0.07%
HVN	Harvey Norman Holdings Ltd	620,208	2,914,978	0.73%
IVC	InvoCare Ltd	131,585	1,654,023	0.42%
JBH	JB Hi-Fi Ltd	31,815	750,198	0.19%
MTR	Mantra Group Ltd	86,000	389,580	0.10%
MYR	Myer Holdings Ltd	263,755	309,912	0.08%
NEC	Nine Entertainment Co Holdings Ltd	289,700	451,932	0.11%
NVT	Navitas Ltd	120,800	613,664	0.15%
NWS	News Corp	15,187	263,798	0.07%
PBG	Pacific Brands Ltd	294,410	303,242	0.08%
PMV	Premier Investments Ltd	50,100	847,692	0.21%
REA	REA Group Ltd	42,700	2,307,081	0.58%
RFG	Retail Food Group Ltd	52,500	270,900	0.07%
SGH	Slater & Gordon Ltd	113,200	29,432	0.01%
SGR	Star Entertainment Group Ltd	473,705	2,690,644	0.68%
SKC	Skycity Entertainment Group Ltd	189,200	857,076	0.22%
SKT	SKY Network Television Ltd	125,700	566,907	0.14%
SUL	Super Retail Group Ltd	63,500	543,560	0.14%
SWM	Seven West Media Ltd	487,081	501,693	0.13%
SXL	Southern Cross Media Group Ltd	241,900	268,509	0.07%
TAH	Tabcorp Holdings Ltd	283,342	1,212,704	0.30%
TEN	Ten Network Holdings Ltd	84,470	84,048	0.02%
TME	Trade Me Group Ltd	127,500	508,725	0.13%
TTS	Tatts Group Ltd	613,610	2,319,446	0.58%
VRL	Village Roadshow Ltd	51,200	265,216	0.07%
			<b>33,074,165</b>	<b>8.31%</b>

Code	Name	Shares	Market Value	Whitefield (%)
<b>Consumer Staple</b>				
AAC	Australian Agricultural Company Ltd	171,600	223,080	0.06%
AHY	Asaleo Care Ltd	194,800	354,536	0.09%
BGA	Bega Cheese Ltd	49,100	289,690	0.07%
BKL	Blackmores Ltd	6,000	1,062,900	0.27%
CCL	Coca-Cola Amatil Ltd	247,000	2,183,480	0.55%
CGC	Costa Group Holdings Ltd	101,000	292,900	0.07%
GNC	Graincorp Ltd	73,800	556,452	0.14%
MTS	Metcash Ltd	645,595	1,123,335	0.28%
SHV	Select Harvests Ltd	23,000	94,990	0.02%
TGR	Tassal Group Ltd	46,900	179,158	0.05%
TWE	Treasury Wine Estates Ltd	236,853	2,283,263	0.57%
WES	Wesfarmers Ltd	388,278	16,094,123	4.04%
WOW	Woolworths Ltd	319,877	7,069,282	1.78%
			<b>31,807,189</b>	<b>7.99%</b>
<b>Banks</b>				
ANZ	Australia and New Zealand Banking Group Ltd	901,496	21,149,096	5.31%
BEN	Bendigo and Adelaide Bank Ltd	70,575	626,000	0.16%
BOQ	Bank of Queensland Ltd	120,732	1,463,272	0.37%
CBA	Commonwealth Bank of Australia	565,903	42,397,453	10.65%
CYB	CYBG PLC	193,541	762,552	0.19%
NAB	National Australia Bank Ltd	839,846	22,037,559	5.54%
WBC	Westpac Banking Corp	1,059,478	32,155,157	8.08%
			<b>120,591,089</b>	<b>30.29%</b>
<b>Non Bank Financials</b>				
AMP	AMP Ltd	440,510	2,550,553	0.64%
AOG	Aveo Group	166,200	556,770	0.14%
ASX	ASX Ltd	76,485	3,168,774	0.80%
BTT	BT Investment Management Ltd	97,453	945,294	0.24%
CGF	Challenger Ltd	272,300	2,284,597	0.57%
CVO	Cover-More Group Ltd	102,000	158,100	0.04%
FXL	FlexiGroup Ltd	97,700	242,296	0.06%
GMA	Genworth Mortgage Insurance Australia Ltd	208,000	517,920	0.13%
GTY	Gateway Lifestyle Group	80,000	216,000	0.05%
HGG	Henderson Group PLC	209,000	1,022,010	0.26%
IAG	Insurance Australia Group Ltd	397,659	2,218,937	0.56%
IFL	IOOF Holdings Ltd	96,500	855,955	0.22%
MFG	Magellan Financial Group Ltd	51,000	1,156,680	0.29%
MPL	Medibank Private Ltd	886,100	2,596,273	0.65%
MQG	Macquarie Group Ltd	69,866	4,617,444	1.16%
OFX	OzForex Group Ltd	77,000	155,540	0.04%
PPT	Perpetual Ltd	39,446	1,718,268	0.43%
PTM	Platinum Investment Management Ltd	186,000	1,181,100	0.30%
QBE	QBE Insurance Group Ltd	443,214	4,835,465	1.21%
SDF	Steadfast Group Ltd	238,754	427,370	0.11%
SUN	Suncorp Group Ltd	146,893	1,749,496	0.44%
			<b>33,174,841</b>	<b>8.33%</b>

Code	Name	Shares	Market Value	Whitefield (%)
<b>Health Care</b>				
ANN	Ansell Ltd	49,400	854,126	0.21%
API	Australian Pharmaceutical Industries Ltd	156,000	304,980	0.08%
COH	Cochlear Ltd	28,163	2,881,075	0.72%
CSL	CSL Ltd	147,039	14,915,636	3.75%
EHE	Estia Health Ltd	57,800	332,350	0.08%
FPH	Fisher & Paykel Healthcare Corporation Ltd	182,634	1,623,616	0.41%
HSO	Healthscope Ltd	553,188	1,471,480	0.37%
JHC	Japara Healthcare Ltd	84,700	259,182	0.07%
MSB	Mesoblast Ltd	108,500	278,845	0.07%
MYX	Mayne Pharma Group Ltd	257,700	387,839	0.10%
PRY	Primary Health Care Ltd	165,900	622,125	0.16%
REG	Regis Healthcare Ltd	96,900	486,438	0.12%
RHC	Ramsay Health Care Ltd	82,948	5,089,689	1.28%
RMD	ResMed Inc	445,502	3,310,080	0.83%
SHL	Sonic Healthcare Ltd	131,543	2,470,378	0.62%
SIP	Sigma Pharmaceuticals Ltd	348,000	368,880	0.09%
SRX	Sirtex Medical Ltd	18,700	540,804	0.14%
VRT	Virtus Health Ltd	25,900	162,134	0.04%
			<b>36,359,657</b>	<b>9.13%</b>
<b>Industrials</b>				
AIO	Asciano Ltd	314,000	2,813,440	0.71%
ALQ	ALS Ltd	160,456	640,219	0.16%
ASB	Austal Ltd	112,000	175,280	0.04%
AZJ	Aurizon Holdings Ltd	894,561	3,542,462	0.89%
BRS	Broadspectrum Ltd	103,460	122,600	0.03%
BXB	Brambles Ltd	620,212	7,516,969	1.89%
CAB	Cabcharge Australia Ltd	38,800	125,712	0.03%
CCP	Credit Corp Group Ltd	15,200	157,472	0.04%
CIM	CIMIC Group Ltd	108,113	3,758,008	0.94%
DOW	Downer EDI Ltd	834	3,203	0.00%
GWA	GWA Group Ltd	89,772	202,885	0.05%
MIN	Mineral Resources Ltd	60,200	361,802	0.09%
MMS	Mcmillan Shakespeare Ltd	26,900	335,981	0.08%
MND	Monadelphous Group Ltd	28,000	199,360	0.05%
MQA	Macquarie Atlas Roads Group	166,340	798,432	0.20%
QAN	Qantas Airways Ltd	806,229	3,281,352	0.82%
QUB	Qube Holdings Ltd	339,800	801,928	0.20%
REC	Recall Holdings Ltd	101,200	759,000	0.19%
SAI	Sai Global Ltd	68,100	256,737	0.06%
SPO	Spotless Group Holdings Ltd	353,600	445,536	0.11%
SVW	Seven Group Holdings Ltd	89,878	490,734	0.12%
SYD	Sydney Airport Holdings Ltd	893,110	5,974,906	1.50%
TCL	Transurban Group	646,507	7,337,854	1.84%
			<b>40,101,872</b>	<b>10.07%</b>

Code	Name	Shares	Market Value	Whitefield (%)
<b>Information Technology</b>				
ALU	Altium Ltd	42,000	247,800	0.06%
CAR	Carsales.Com Ltd	77,400	910,224	0.23%
CPU	Computershare Ltd	265,940	2,600,893	0.65%
IRE	Iress Ltd	51,700	599,720	0.15%
ISD	Isentia Group Ltd	64,000	222,080	0.06%
MYO	Myob Group Ltd	188,000	614,760	0.15%
TNE	TechnologyOne Ltd	100,100	477,477	0.12%
			<b>5,672,954</b>	<b>1.42%</b>
<b>Materials</b>				
ABC	Adelaide Brighton Ltd	440,331	2,232,478	0.56%
AMC	Amcor Ltd	480,582	6,896,352	1.73%
BLD	Boral Ltd	238,503	1,473,949	0.37%
DLX	DuluxGroup Ltd	355,851	2,234,744	0.56%
IPL	Incitec Pivot Ltd	801,362	2,556,345	0.64%
JHX	James Hardie Industries PLC	201,220	3,593,789	0.90%
NUF	Nufarm Ltd	85,700	642,750	0.16%
ORA	Orora Ltd	388,300	970,750	0.24%
ORI	Orica Ltd	593	9,114	0.00%
PGH	Pact Group Holdings Ltd	95,200	475,048	0.12%
			<b>21,085,319</b>	<b>5.30%</b>
<b>Property</b>				
ABP	Abacus Property Group	118,000	351,640	0.09%
CMW	Cromwell Property Group	560,100	582,504	0.15%
DXS	DEXUS Property Group	397,123	3,153,157	0.79%
GMG	Goodman Group Pty Ltd	565,366	3,770,991	0.95%
GOZ	Growthpoint Properties Australia Ltd	186,900	586,866	0.15%
GPT	GPT Group	132,529	662,645	0.17%
IOF	Investa Office Fund	198,000	829,620	0.21%
NSR	National Storage REIT	110,100	177,261	0.04%
SCG	Scentre Group	1,959,932	8,702,098	2.19%
SCP	Shopping Centres Australasia Property Group Re Ltd	141	323	0.00%
SGP	Stockland Corporation Ltd	1,013,028	4,325,630	1.09%
VCX	Vicinity Centres Re Ltd	1,273,832	4,063,524	1.02%
WFD	Westfield Corp	660,200	6,595,398	1.66%
			<b>33,801,656</b>	<b>8.49%</b>
<b>Telecommunication Services</b>				
SPK	Spark New Zealand Ltd	591,136	1,944,837	0.49%
TLS	Telstra Corporation Ltd	4,091,039	21,805,238	5.48%
TPM	TPG Telecom Ltd	283,052	3,209,810	0.81%
VOC	Vocus Communications Ltd	170,300	1,418,599	0.36%
			<b>28,378,484</b>	<b>7.13%</b>
<b>Utilities</b>				
AGL	AGL Energy Ltd	240,719	4,429,230	1.11%
APA	APA Group	472,495	4,162,681	1.05%
AST	Ausnet Services Ltd	1,126,000	1,677,740	0.42%
DUE	DUET Group	1,172,997	2,674,433	0.67%
SKI	Spark Infrastructure Group	541,182	1,120,247	0.28%
			<b>14,064,330</b>	<b>3.53%</b>
<b>Total</b>			<b>398,111,556</b>	<b>100.00%</b>

## DETAILS OF SHAREHOLDERS

### Distribution of Shareholdings

At 30 April 2016, 3,845 members held 80,208,773 ordinary shares in the Company, 22 members held 23,790, 8% Cumulative Preference shares in the Company and 757 members held 400,000 Convertible Resetable Preference Shares in the Company. The twenty largest ordinary shareholdings were equivalent to 36.72% of the 76,467,723 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 24.85% of the 400,000 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	593	16	688
1,001 - 5,000	1,148	4	64
5,001 - 10,000	783	2	2
10,001 - 100,000	1,240	0	3
100,001 and over	81	0	0
Total	3,845	22	757

### Top Twenty Shareholders

The top twenty ordinary shareholders of Whitefield at 30 April 2016 were:

Shareholder	Units	% of Units
1 CAITHNESS NOMINEES PTY LTD	5,183,716	6.46%
2 LAURENCE JOHN GLUSKIE	5,039,666	6.28%
3 SHANE CAROLYN GLUSKIE	5,008,143	6.24%
4 FIDUCIO PTY LTD	2,121,255	2.64%
5 NELROSE INVESTMENTS PTY LTD	1,705,602	2.13%
6 CLYDE GREEN PTY LTD	1,176,816	1.47%
7 MR HERMAN ROCKEFELLER	1,074,313	1.34%
8 JEAN MARY DECK	1,048,012	1.31%
9 MERRAN K DUNLOP	1,015,352	1.27%
10 MRS MARGARET ELIZABETH DOBBIN	876,000	1.09%
11 MR ALLAN L HOLDEN	818,039	1.02%
12 DATAWEAVE SOLUTIONS PTY LTD <SIROD SUPERANNUATION FUND A/C>	680,374	0.85%
13 DRUMTOCHTY PTY LTD <JAMES BUTLER MED P/L S/F A/C>	532,754	0.66%
14 WILLPOWER INVESTMENTS PTY LTD <WOODLANDS SUPERFUND A/C>	526,351	0.66%
15 PATTERSON CARRIERS PTY LTD	510,000	0.64%
16 PONT PTY	482,956	0.60%
17 DAVID J ILIFFE	442,278	0.55%
18 MR PAUL KEARNES <KEARNES FAMILY S/FUND A/C>	438,336	0.55%
19 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	413,601	0.52%
20 MRS MARILYN FAITH BARCLAY + MR JOHN BARCLAY <ESPERANCE SUPER FUND A/C>	356,658	0.44%
Total Top 20 Shareholders	29,450,222	36.72%
Total Remaining Holders Balance	50,758,551	63.28%
Total Shares On Issue	80,208,773	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	-
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% Cumulative Preference shares.

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

## OTHER

### Registered Office

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

Level 22, MLC Centre, 19 Martin Place  
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 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

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## **Whitefield Ltd**

ABN 50 000 012 895

### **Registered Office:**

Level 22, MLC Centre 19 Martin Place

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 Securities Exchange

### **Other Information:**

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

ABN 50 000 012 895

LEVEL 22, MLC CENTRE 19 MARTIN PLACE | SYDNEY NSW 2000  
PHONE 61 2 8215 7900 | FAX 61 2 8215 7901