Webster Limited

Appendix 4F Report

12 month period Ended 30 June 2017

It is recommended that this Report is read in conjunction with any public announcements made by Webster Limited and its controlled entities during the 12 month period ended 30 June 2017 in accordance with the continuous disclosure obligations arising under the Australian Securities Exchange Listing Rules.

Appendix 4F Report

Contents

	Page
Results for Announcement to the Market	3
Directors’ Report	4-6
Directors’ Declaration	7
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	8
Condensed Consolidated Statement of Financial Position	9
Condensed Consolidated Statement of Changes in Equity	10
Condensed Consolidated Statement of Cash Flows	11
Condensed Consolidated Notes to the Financial Statements	12-32

Webster Limited

ACN 009 476 000

Appendix 4F

Change of balance date (12 month period) for the year ended 30 June 2017.

The following information for Webster Limited is provided under Listing Rule 4.4A of the Listing Rules of the Australian Securities Exchange (“ASX”). The financial information provided in this Appendix 4F covers the consolidated Group, comprising Webster Limited (the parent entity) and all entities controlled by the Group. Webster has changed its reporting date to 30 September of each financial year. The date of this Appendix 4F is 23 August 2017.

Results for Announcement to the Market

ASX Listing Rule 4.4A

				$A’000	
				30 June 2017	**30 June 2016**
Total revenues from ordinary activities	Down	15.7%	To	101,027	119,782
Profit/(loss) from ordinary activities after income tax attributable to members	Up	>100%	to	65,628	(80,669)
Net profit/(loss) for the period attributable to members	Up	>100%	to	65,628	(80,669)

Dividends	**Amount Per Security Cents**	**Franked Amount Per Security Cents**
Current period:-		
Final dividend on cumulative preference shares	0.00	0.00
Final dividend on ordinary shares	3.00	3.00
Previous corresponding period:-		
Final dividend on cumulative preference shares	4.5	4.5
Final dividend on ordinary shares	1.0	1.0

Net tangible assets	**Current Period Cents**	**Previous Corresponding Period Cents**
Net tangible assets per security	71	43
Net tangible assets (including water rights – at cost) per security	129	111

Brief explanation of the figures reported above:

Refer to the attached commentary.

The unaudited consolidated financial statements for the Group covering the Reporting Period and the Previous Period are attached to this Appendix 4F.
The Company does not have a Dividend Reinvestment Plan as at the date of this Appendix 4F.
The attached unaudited consolidated financial statements for the Group will not be audited or reviewed. The next set of consolidated financial statements for the Group that will be audited will cover the 15-month period ending 30 September 2017, being the Company’s revised balance date following the change in accounting year end.

Directors’ Report

The directors of Webster Ltd (ACN 009 476 000) submit the following unaudited report in respect of the year ended 30 June 2017. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The directors of the company at any time during or since 30 June 2017:

C D Corrigan, Executive Chairman
B D Cushing, Non-executive Director
C D Langdon, Non-executive Director
J J Robinson, Non-executive Director
R J Roberts, Non-executive Director, resigned 31 March 2017.

Rounding Off of Amounts

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/91, dated 24 March 2016 and in accordance with the Corporations instrument, amounts in the Directors’ Report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Review of Operations

On a statutory basis, Webster reported a net profit after income tax of $65.6 million compared to a net loss after tax of $80.7 million for the prior year.

The strong operating result was driven by significantly improved yields from Webster’s walnut portfolio compared to the prior year, partially offset by a decline in cotton yields due to unfavourable weather conditions in NSW during the year.

The reported profit includes a $37.1 million profit on sale from the sale of water entitlements and decommissioning at Lake Tandou net of the associated impairment of assets at Lake Tandou of $22.2 million.

The company enhanced its walnut orchard portfolio with the 250-hectare Motspur Park acquisition and added 185,000 hectares of land and organic stock of 13,500 breeding dorper ewes with the acquisition of Kalabity station in South Australia. Both transactions are a strong complement to Webster’s existing walnut and dorper sheep businesses.

The company has also continued to optimise its water portfolio to ensure it continues to meet the company’s needs.

That included an agreement with the Commonwealth Government to decommission its Lake Tandou irrigation system and sell all 21,901 megalitres in water entitlements associated with the property. Webster will continue to own the property at Lake Tandou which will be used to expand its organic dorper lamb business.

Horticulture

The Horticulture business includes Webster's Walnut business, the southern hemisphere's largest producer of premium in-shell and kernel walnuts. Sourced from company orchards in Tasmania and NSW, production accounts for over 90 per cent of Australia's annual walnut crop.

As a result of higher yields, production nearly doubled to 12,004 tonnes compared to 5,312 tonnes in the prior year. Average selling prices were marginally higher than the prior year.

Webster continues to expand its walnut orchard portfolio. The completion of stage 3 at the Avondale West orchard in NSW has added approximately 200 hectares, comprising new varieties while the orchard remains on schedule to produce its first commercial harvest in 2018.

Meanwhile, Webster acquired the 250-hectare Motspur Park walnut orchard, water entitlements and plant and equipment in March 2017 for $23.1 million. This orchard is located adjacent to Webster's existing orchard at Tabbita, NSW and is highly complementary to Webster's existing walnut operations.

The change in relevant accounting standards has required depreciation of walnut orchards to be included in the Group's accounts for the first time. As a result, a $1.9 million depreciation charge against the Walnuts Orchards was recorded in the accounts to 30 June 2017.

Agriculture

Webster's Agricultural business is focused on annual row crops, primarily focused on cotton, and also including wheat and maize as well as livestock.

Very wet conditions in the southern region at Kooba and Hay delayed planting and shortened the growing season. In the northern region at Bourke and Moree, extremely hot weather in the summer months resulted in low fruit retention, ultimately leading to lower cotton yields at the end of the season.

In March 2017 Webster acquired 185,000 hectares of land and organic stock of 13,500 breeding dorper ewes with the $12.5 million acquisition of Kalabity station in South Australia. Kalabity is a strong complement to Webster's existing dorper sheep business at Lake Tandou.

The Agriculture segment also includes the Group's water assets which provides Webster with the surety of water supply for permanent crops, crop diversity, maximising crop yield and developing further growth opportunities.

During the year, Webster continued to optimise its water portfolio with acquisitions and disposals of water entitlements.

As previously advised to the market, Webster entered into an agreement with the Commonwealth Government in May 2017 to decommission its Lake Tandou irrigation system and sell all 21,901 megalitres of Lake Tandou's lower Darling irrigation water entitlements associated with the property south of Menindee, NSW.

The company’s water assets totalled approximately 203,500 ML of entitlements held across a range of water systems and water products as at 30 June 2017.

While the book value of water intangibles as at 30 June 2017 was approximately $211 million, Directors estimate the market value of the water portfolio to be greater than $290 million.

Webster continues to focus on converting its water assets into valuable horticultural and agricultural products which the Company believes is likely to provide shareholders with a higher return on their funds in the medium to long term.

Corporate

Webster successfully refinanced its $250 million banking facility on favourable terms in July 2017 with a new $220 million facility, providing ongoing financial flexibility for the group. These facilities were refinanced after balance date and as a result $150 million of the borrowings will move from current to non-current liabilities in the company’s accounts after balance date.

Webster has been granted relief under section 340(1) of the Corporations Act by the Australian Securities and Investments Commission to change its financial year-end from 30 June to 30 September, with effect from this current financial year.

The change in year-end will more appropriately align the nature of Webster’s business, with its financial reporting period.

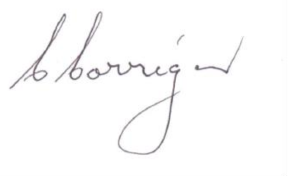
Webster will conduct a 15-month financial period from 1 July 2016 to 30 September 2017.

The financial statements are not audited. An audit declaration will be provided on the 15-month financial statements from 1 July 2016 to 30 September 2017.

The directors have declared a fully franked final ordinary dividend of 3 cents per share with scheduled payment for 8 December 2017, compared to a 1 cent per share dividend in 2016.

Signed in accordance with a resolution of directors made pursuant to section 306(3) of the Corporations Act 2001.

On behalf of Directors



CD Corrigan
Executive Chairman
23 August 2017

Directors' Declaration

The directors declare that:

(a) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to section 305 (5) of the Corporations Act 2001.

On behalf of the Directors

C D Corrigan
Executive Chairman
23 August 2017

Webster Limited

Consolidated statement of profit or loss and other comprehensive income

For the financial year ended 30 June 2017

Unaudited

	Note	2017 ($'000)	2016 ($'000)
Continuing Operations			
Revenue	2(a)	101,027	119,782
Cost of sales	2(c)	(74,191)	(91,655)
Gross profit		26,836	28,127
Other income	2(b)	116,350	56,182
Distribution expenses		(2,148)	(3,902)
Marketing expenses		(1,031)	(671)
Operational expenses		(42,169)	(51,473)
Administration expenses		(3,314)	(6,182)
Finance costs	2(c)	(6,325)	(6,927)
Other expenses		(66)	(258)
Impairment loss	2(d)	(22,163)	(96,450)
Profit/(loss) before income tax expense		**65,970**	**(81,554)**
Income tax (expense)/benefit	3	(342)	885
Net profit/(loss) for the period from continuing operations		65,628	(80,669)
Other comprehensive income/(loss), net of income tax			
Items that may be reclassified subsequently to profit and loss			
Other comprehensive income/(loss) for the period (net of tax)		-	-
Total comprehensive income /(loss) for the period		**65,628**	**(80,669)**
Profit attributable to:			
Owners of the parent		65,628	(80,669)
		65,628	**(80,669)**
Total comprehensive income/(loss) attributable to:			
Owners of the parent		65,628	(80,669)
		65,628	**(80,669)**
Earnings/(loss) per share			
Basic (cents per share)	15 (a)	18.79	(23.28)
Diluted (cents per share)	15 (b)	18.79	(23.28)

Notes to the financial statements are included on pages 12 to 32

Webster Limited

Consolidated statement of financial position

As at 30 June 2017

Unaudited

	Note	2017 ($'000)	2016 ($'000)
Current Assets			
Cash and cash equivalents	20(a)	16,358	12,450
Trade and other receivables	5	97,053	25,535
Inventories	6	95,890	60,353
Other assets	7	282	8,223
Total current assets		**209,583**	**106,561**
Non-Current Assets			
Trade and other receivables	5	17	752
Property, plant and equipment	8	298,686	233,517
Biological assets		-	43,641
Investments		75	52
Intangibles - water	9	210,861	240,450
Intangibles - goodwill	9	24,420	24,700
Intangibles - other	9	1,795	1,920
Total non-current assets		**535,854**	**545,032**
Total assets		**745,437**	**651,593**
Current Liabilities			
Trade and other payables	10	21,028	15,231
Borrowings	11	195,737	44,694
Current tax liability	3	-	1,038
Provisions	12	1,421	1,296
Other liability	13	1,062	-
Total current liabilities		**219,248**	**62,259**
Non-Current Liabilities			
Borrowings	11	13,650	152,257
Net deferred tax liability	3	20,342	19,847
Provisions	12	112	374
Total non-current liabilities		**34,104**	**172,478**
Total liabilities		**253,352**	**234,737**
Net assets		**492,085**	**416,856**
Equity			
Issued capital	14	475,855	462,844
Reserves		468	371
Retained earnings/(accumulated losses)		15,762	(46,359)
Total equity		**492,085**	**416,856**

Notes to the financial statements are included on pages 12 to 32

Webster Limited

Consolidated statement of changes in equity

For the financial year ended 30 June 2017

Unaudited

	Share capital ($'000)	Cash flow hedging reserve [1] ($'000)	Equity settled employee benefits reserve [2] ($'000)	Retained earnings / (accumulated losses) ($'000)	Attributable to the owners of the parent ($'000)	Non-controlling interests ($'000)	Total ($'000)
Balance at 1 July 2015	**459,468**	**(396)**	**367**	**37,812**	**497,251**	**3,840**	**501,091**
Profit or loss for the year	-	-	-	(80,669)	(80,669)	-	(80,669)
Other comprehensive income for the year, net of tax	-	566	-	-	566	-	566
Total comprehensive income/(loss) for the year	-	566	-	(80,669)	(80,103)	-	(80,103)
Payment of dividends	-	-	-	(3,502)	(3,502)	-	(3,502)
Equity issued as consideration for acquisition of subsidiaries	3,376	-	-	-	3,376	-	3,376
Non Controlling interest divestiture	-	-	-	-	-	(3,840)	(3,840)
Foreign Exchange Contracts closed	-	(170)	-	-	(170)	-	(170)
Forfeiture of share based payments	-	-	(197)	-	(197)	-	(197)
Recognition of share based payments (3)	-	-	201	-	201	-	201
Balance at 30 June 2016	**462,844**	**-**	**371**	**(46,359)**	**416,856**	**-**	**416,856**
Profit or loss for the year	-	-	-	65,628	65,628	-	65,628
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	65,628	65,628	-	65,628
Payment of dividends	-	-	-	(3,507)	(3,507)	-	(3,507)
Equity issued as consideration for acquisition of subsidiaries	13,011	-	-	-	13,011	-	13,011
Non Controlling interest divestiture	-	-	-	-	-	-	-
Non-controlling interests arising on the acquisition of subsidiaries	-	-	-	-	-	-	-
Foreign Exchange Contracts closed	-	96	-	-	96	-	96
Forfeiture of share based payments	-	-	-	-	-	-	-
Recognition of share based payments (3)	-	-	1	-	1	-	1
Balance at 30 June 2017	**475,855**	**96**	**372**	**15,762**	**492,085**	**-**	**492,085**

1. The hedging reserve represents hedging gains or losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in profit or loss when the hedged transaction impacts the profit or loss, or is included as a basis adjustment to the non-financial hedged item, consistent with the applicable accounting policy.

2. Equity settled employee benefits reserve relates to the Long Term Incentive Plan

3. The recognition of share based payments represents the full year expense for all members of the Long Term Incentive Plan for the period whilst they were a participant.

Notes to the financial statements are included on pages 12 to 32.

Webster Limited

Consolidated statement of cash flows

For the financial year ended 30 June 2017

Unaudited

	Note	2017 ($'000)	2016 ($'000)
Cash Flows from Operating Activities			
Receipts from customers		174,246	150,550
Payments to suppliers and employees		(157,724)	(103,310)
Interest paid		(6,325)	(6,927)
Income tax paid		(1,037)	-
Net cash provided by operating activities	20(e)	9,160	40,313
Cash Flows from Investing Activities			
Interest Received		70	97
Payment for biological assets, property, plant and equipment		(44,704)	(38,350)
Payment for water entitlements		(6,268)	(19,904)
Net cash outflow on acquisition of subsidiaries		(10,000)	-
Proceeds from sale property, plant and equipment		5,885	5,983
Proceeds from government grants - development works		1,062	1,140
Proceeds from loans		-	2,207
Proceeds from sale of investments		-	53
Proceeds from sale water entitlements		39,776	6,970
Net cash used in investing activities		(14,179)	(41,804)
Cash Flows from Financing Activities			
Proceeds from borrowings from others		(46,666)	217
Repayment of borrowings from others		59,100	-
Dividends paid		(3,507)	(3,502)
Net cash provided by/(used in) financing activities		8,927	(3,285)
Net increase/(decrease) in cash and cash equivalents		3,908	(4,776)
Cash and cash equivalents at the beginning of the financial year		12,450	17,226
Cash and cash equivalents at the end of the financial year	20(a)	**16,358**	**12,450**

Notes to the financial statements are included on pages 12 to 32.

Notes to the Financial Statements
for the financial year ended 30 June 2017

1. Basis of preparation

This section sets out the basis upon which the Webster Group's financial statements are prepared as a whole. Significant and other accounting policies that summarises the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements. All other accounting policies are outlined throughout the relevant note.

Statement of Compliance: Webster Ltd is a limited company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The general purpose financial report is prepared in accordance with the *Corporations Act 2001* and Applicable Accounting Standards and Interpretation, and complied with other requirements of the law. Webster Limited is a "for profit entity". The financial report includes the consolidated financial statements of Webster Ltd and its controlled entities Webster group).

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures the financial statements and notes of the company and the Webster group comply with International Financial Reporting Standards.

The financial report has been prepared on the basis of historical cost, except for biological assets and inventories at realisable value and the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, Webster Limited takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Webster Limited is a company of the kind referred to in Legislative Instrument 2016/191, dated 24 March 2016.

The accounting policies adopted are consistent with those of the previous year, unless otherwise stated.

Basis of consolidation: The consolidated financial statements incorporate the financial statements of Webster Limited and entities controlled by the company and its subsidiaries (referred to as 'Webster Limited in these financial statements). Control is achieved when Webster Limited:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from our involvement with the investee; and
- Has the ability to use our power to affect its returns.re the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.
Where necessary, we make adjustments to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of Webster.
We eliminate all intra-group transactions, balances, income and expenses in full on consolidation. In the separate financial statements of Webster Limited, intra-group transactions ('common control transactions') are generally accounted for by reference to the existing (consolidated) book value of the items.
Where the transaction value of common control transactions differs from their consolidated book value, we recognise the difference as a contribution by or distribution to equity participants by the transacting entities.

Comparative Information: Where applicable, comparative information has been reclassified in order to comply with current period disclosure requirements, the impact of which is not material to the financial report.

Rounding: Unless otherwise shown in the financial statements, amounts have been rounded to the nearest tenth of a thousand dollars and are shown by $'000.
Webster Limited is a company of the kind referred toiin the Australian Securities and Investment Commission (ASIC) Class Order 98/1418.

Currency: Unless otherwise shown in the financial statements, amounts are in Australian dollars, which is Webster's group functional currency.

Critical accounting judgements and key sources of estimation uncertainty: In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
We review the estimates and underlying assumptions on an ongoing basis. We recognise revisions to accounting estimates in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods
The following are key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year.

2 Profit / (loss) from Operations

Profit from operations before income tax includes the following items of revenue and expense:

		2017	2016
		$'000	$'000
(a)	**Revenue**		
	Revenue from the sale of goods	101,027	119,782
	Total revenue	**101,027**	**119,782**
(b)	**Other Income**		
	Gain on disposal of permanent water rights and PPE	23,370	3,550
	Increment in net market value of agricultural assets	35,161	37,116
	Net foreign exchange gains/(loss)	(369)	(15)
	Net Income from sales of unused water allocations	4,330	2,415
	Revenue from the rendering of services	6,461	7,937
	Interest revenue	70	97
	Rental revenue	1,437	565
	Income from sale of property compulsory acquired	39,999	-
	Other	5,891	4,517
	Total other income	**116,350**	**56,182**
(c)	**Expenses**		
	Cost of sales	**74,191**	**91,655**
	Interest on loans	5,483	6,533
	Dividends on instruments classified as financial liabilities	18	32
	Other finance costs	824	362
	Total finance costs	**6,325**	**6,927**
	Depreciation of non-current assets	11,119	7,505
	Amortisation of non-current assets	125	483
	Total depreciation and amortisation	**11,244**	**7,988**
	Equity settled share based payments	1	201
	Post-employment benefits	1,308	1,512
	Other employee benefits	18,397	15,914
	Total employee benefits expense	**19,706**	**17,627**

(d) **Significant items**

Profit/(loss) before tax expenses includes the following specific expenses for which disclosure is relevant in explaining the financial performance of Webster Ltd:

	2017	2016
Impairment of goodwill	-	96,450
Impairment of property, plant and equipment	22,163	-
Total impairment	**22,163**	**96,450**

The impairment of property, plant and equipment is in the current period relates to assets to be decomissioned following an agreement entered with the Commonwealth in May 2017 in respect of its Lake Tandou operations.

Recognition and measurement

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, stock rotation, price protection, rebates and other similar allowances.

Sale of goods – Revenue from the sale of goods and disposal of other assets is recognised when the consolidated entity has transferred to the buyer the significant risk and rewards of ownership of the goods.

Rendering of services – Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as revenue from a time and material basis and is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

Dividend and interest revenue – Dividend revenue from investments is recognised when Webster Limited's right to receive the payment has been established. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

2 **Profit / (loss) from Operations (Continued)**

Borrowing Costs - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the profit and loss in the period in which they are incurred.

Employee Benefits - We recognise for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

We measure liabilities in respect of employee benefits expected to be settled wholly within 12 months at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months, are measured as the present value of the estimated future cash outflows to be made by Webster Limited in respect of services provided by employees up to reporting date.

Defined contribution plans – Contributions to defined contribution superannuation plans are expensed when incurred.

Interest income and expense are accrued ona time basis, by reference to the principal outstanding and at the applicable effective interest rates. Funding costs are capitalised and subsequently amortised over the term of the facility.

Depreciation of non-current assets includes the depreciation of biological assets (Walnut Trees) resulting from the adoption of accounting standard AASB 2014-6 as from July 1, 2016.

3 **Income Taxes**

		2017 $'000	2016 $'000
(a)	**Income tax recognised in profit or loss**		
	Tax (expense)/benefit comprises:		
	Current tax (expense)/benefit	-	(1,038)
	Deferred tax (expense)/benefit relating to the origination and reversal of temporary differences	(342)	1,923
	Total tax (expense)/benefit (relating to continuing operations)	(342)	885
	The prima facie income tax (expense) benefit on pre-tax accounting (loss)/profit from operations reconciles to income tax (expense) benefit in the financial statements as follows:		
	Profit/(loss) from continuing operations	65,971	(81,554)
	Total profit/(loss) from operations	65,971	(81,554)
	Income tax (expense)/benefit calculated at 30%	(19,791)	24,466
	Non-deductible expenses	(6,759)	(28,781)
	Restatement of tax costs of assets	-	5,557
	Non assessable gain	18,353	453
	Utilisation of previously unrecognised losses	313	-
	Recognition of deferred tax	3,167	(204)
	(Over)/Under provision of income tax in previous year	4,375	(606)
		(342)	885

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

Deferred tax assets and liabilities

2017	**Opening balance $'000**	**Charged to income $'000**	**Charged to equity $'000**	**Acquisitions/ disposals $'000**	**Closing balance $'000**
Deferred tax assets:					
Provisions	946	797	-	-	1,743
Other	732	2,288	-	-	3,020
Unused tax losses	11,217	(2,713)	-	-	8,504
	12,895	372	-	-	13,267
Deferred tax liabilities:					
Property, plant & equipment	(14,351)	(3,228)	-	-	(17,579)
Financial assets - non receivables	-	(189)	-	-	(189)
Inventory & biological assets	(18,381)	2,563	-	-	(15,818)
Other	(10)	(13)	-	-	(23)
	(32,742)	(867)	-	-	(33,609)
	(19,847)	(495)	-	-	(20,342)

3 Income Taxes (Continued)

2016	Opening balance $'000	Charged to income $'000	Charged to equity $'000	Other $'000	Closing balance $'000
Deferred tax assets:					
Provisions	574	372	-	-	946
Financial assets - receivables	586	(586)	-	-	-
Other	4,314	(3,582)	-	-	732
Unused tax losses	7,402	3,815	-	-	11,217
	12,876	19	-	-	12,895
Deferred tax liabilities:					
Property, plant & equipment	(22,662)	8,311	-	-	(14,351)
Financial assets - non receivables	(46)	46	-	-	-
Inventory & biological assets	(10,641)	(7,740)	-	-	(18,381)
Other	(898)	888	-	-	(10)
	(34,247)	1,505	-	-	(32,742)
	(21,371)	1,524	-	-	(19,847)

Recognition and measurement

Webster Limited and its wholly-owned Australian resident entities have to become a tax-consolidated group with effect from 1 December 2010 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Webster Limited. The members of the tax-consolidated group are identified in note 17. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Any current tax liabilities, current assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the company (as head entity in the tax-consolidated group).

The directors have implemented a tax sharing agreement and tax funding agreement between members of the consolidated group. On the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement. Under the terms of the tax funding arrangement, Webster Limited and each of the entities in the tax-consolidated group will agree to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. The tax sharing agreement will provide for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax-consolidated group. The effect of the tax sharing agreement is that each member's liability for tax payable by the tax consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

Current tax – Current tax is calculated by reference to the amount of income tax payable or recoverable in respect of the taxable profit or tax loss for the period. We calculate using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or

Deferred tax – We account for Deferred tax using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability to tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) that affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries except where Webster is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which Webster Limited expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and Webster intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period –We recognise current and deferred tax as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case we take into account in the determination of goodwill or excess.

4 Remuneration of Auditors

	2017	2016
	$	$
Auditor of the parent entity		
Audit or review of the financial report (i)	207,404	382,000
Taxation services	217,247	47,985
Other services	-	62,215
	424,651	492,200
Auditor of the subsidiary companies		
Bengerang Limited (ii)	-	48,000
AGW Funds Management Limited (ii)	-	14,000

The auditor of Webster Limited group is Deloitte Touche Tohmatsu.
Other services include services relating to general advice.

(i) Fees for audit services in respect of the year ended 30 June 2017 are fees incurred in respect of the half year review and fees incurred to date in respect of the audit for the 15 month period ending 30 September 2017.

(ii) The 12 month to June 30 2016 has been restated to include fees for audit services other services relating to the prior year paid in the 12 months to 30 June 2017.

5 Trade and Other Receivables

	2017	2016
	$'000	$'000
Current		
Trade receivables	19,053	25,287
Other receivables (Lake Tandou Agreement)	78,000	-
Goods and services tax (GST) recoverable/(payable)	-	248
	97,053	25,535

The average credit period on sales of goods of the operating divisions within the company is 60 days.

	2017	2016
Non-Current		
Trade receivables	3,826	2,965
Allowance for doubtful debts	(3,809)	(2,213)
	17	752
Ageing of past due but not impaired		
61 - 90 days	547	69
91 - 120 days	-	55
121 + days	4,102	907
Total	4,649	1,031
Movement in allowance for doubtful debts		
Balance at the beginning of the year	(2,213)	(2,084)
Impairment losses recognised on receivables	(1,596)	(129)
Amounts written off as uncollectible	-	-
Balance at the end of the year	(3,809)	(2,213)
Ageing of impaired		
61 - 90 days	-	-
91 - 120 days	-	-
121 + days	3,809	2,213
Total	3,809	2,213

In determining the recoverability of a trade receivable, the consolidated entity considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the reporting date. The Group has recognised an allowance for doubtful debts against receivables from Managed Investment Scheme (MIS) growers. The non-current trade receivable balance relates to fees owing from MIS investors.

Recognition and measurement

Trade receivables - are recognised initially at fair value and subsequently measured at amortised cost. An allowance for doubtful debts is raised based on a review of outstanding balances at balance date. Bad debts are written off against the allowance account and any other change in the allowance account is recognised in the statement of profit or loss and other comprehensive income.

6 Inventories

	2017	2016
	$'000	$'000
Raw materials		
Raw materials at cost	2,112	2,811
Walnut stocks		
Walnut stock at cost	27,219	9,091
Cropping stocks		
Cropping stock at fair value	13,279	7,275
Cropping stock at cost	35,116	31,706
Livestock		
Livestock at fair value	16,734	9,470
Water		
Water allocation	1,430	-
	95,890	60,353

Recognition and measurement

Inventories are valued at the lower of cost and net realisable value except for walnut and cotton stocks which are measured at fair value less estimated cost to sell at the point of harvest, and subsequently net realisable value under AASB 102 Inventories.

We account for costs incurred in bringing each product to its present location and condition as follows:

- We value walnut stocks in accordance with AASB 141 Agriculture whereby the cost of the non-living (harvested)produce is deemed to be its fair value less cost to sell immediately after it becomes non-living. This valuation takes into account current walnut selling prices and current processing and selling costs.

- We value cotton stocks in accordance with AASB 141 Agriculture whereby the cost of the non-living (harvested produce is deemed to be its fair value less cost to sell immediately after it becomes non-living. This valuation takes into account current cotton selling prices and current processing and selling costs.

- We value livestock stock in accordance with AASB 141 Agriculture whereby its fair value less cost to sell is determined by an independent valuation at each reporting date.

7 Other Assets

	2017	2016
	$'000	$'000
Prepayments	259	500
Development Funding Due	23	7,723
	282	8,223

The consolidated entity has entered into several On Farm Irrigation Efficiency Programs (OFIEP), with the Commonwealth of Australia and its representatives in relation to the OFIEP pursuant to which funding will be provided to improve the efficiency of irrigation systems on its properties in return for the permanent assignment of selected Water Access Entitlements. Development Funding Due, represents the value of outstanding development works to be undertaken equal to the value of the Permanent Water Entitlements assigned.

8 Property, Plant and Equipment

	Freehold land ($'000)	Land improvements ($'000)	Buildings ($'000)	Leasehold improvements at cost ($'000)	Plant and equipment at cost ($'000)	Equipment under finance lease at cost ($'000)	Walnut Orchards ($'000)	Total ($'000)
Gross carrying amount								
Balance at 1 July 2015	88,392	48,392	29,020	306	64,294	2,225	-	232,629
Additions	10,383	7,829	567	134	9,463	880	-	29,256
Disposals	(3,652)	-	(963)	-	(993)	(1,509)	-	(7,117)
Reclassification of assets (i)	28,549	(28,109)	8,007	(440)	(8,007)	-	-	-
Balance at 30 June 2016	123,672	28,112	36,631	-	64,757	1,596	-	254,768
Accumulated depreciation/amortisation and impairment								
Balance at 1 July 2015	-	(29)	(825)	(52)	(13,299)	(368)	-	(14,573)
Depreciation expense	-	(798)	(1,188)	-	(5,519)	-	-	(7,505)
Disposal	-	-	-	52	(26)	801	-	827
Balance at 30 June 2016	-	(827)	(2,013)	-	(18,844)	433	-	(21,251)
Net book value								
As at 30 June 2015	88,392	48,363	28,195	254	50,995	1,857	-	218,056
As at 30 June 2016	123,672	27,285	34,618	-	45,913	2,029	-	233,517
Gross carrying amount								
Balance at 1 July 2016	123,672	28,112	36,631	-	64,757	1,595	-	254,767
Additions	11,974	2,544	808	-	37,066	-	8,411	60,803
Disposals	(4,113)	(345)	(565)	-	(3,611)	(1,921)	-	(10,554)
Impairment loss	(3,044)	(12,094)	(4,972)	-	(2,053)	-	-	(22,163)
Transfer from biological assets	-	-	-	-	-	-	43,642	43,642
Balance at 30 June 2017	128,489	18,217	31,902	-	96,159	(326)	52,053	326,495
Accumulated depreciation/amortisation and impairment								
Balance at 1 July 2016	-	(827)	(2,013)	-	(18,844)	433	-	(21,251)
Disposals	-	85	138	-	3,016	1,323	-	4,562
Depreciation expense	-	(842)	(809)	-	(7,201)	(346)	(1,921)	(11,119)
Balance at 30 June 2017	-	(1,584)	(2,684)	-	(23,029)	1,410	(1,921)	(27,808)
Net book value								
As at 30 June 2016	123,672	27,285	34,618	-	45,913	2,029	-	233,517
As at 30 June 2017	128,489	16,633	29,218	-	73,130	1,084	50,132	298,686

8 Property, Plant and Equipment (continued)

Recognition and measurement

Land and buildings at cost. After initial recognition the asset is carried at cost less accumulated depreciation and any accumulated impairment losses. Depreciation on buildings is charged to profit or loss.

Plant and equipment, leasehold improvements and equipment under finance lease - are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, we determine cost by discounting the amounts payable in the future to their present value as at the date of acquisition.

Orchard - During the year Orchard Assets previously calssified as Biological Assets have been reclassified as Plant and Equipment in accordance with Accounting Standard AASB 2014 effective from July 1, 2016.

Depreciation - is provided on property, plant and equipment, including freehold buildings but excluding land. We calculate depreciation is on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

We use the following estimated useful lives in the calculation of depreciation:

Land improvements (years)	5-20
Buildings (years)	4-25
Leasehold improvements (years)	2-20
Plant and equipment (years)	3-25
Orchards (years)	7-27

Leased assets - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. We classify all other leases as operating leases.

Webster Limited as lessee – Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Webster's general policy on borrowing costs.

Finance lease assets are amortised on a straight-line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease incentives – In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight- line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Webster Limited as a lessor – Purchased assets where Webster Limited is a lessor under operating leases, are carried at cost and depreciated overt their useful lives, which vary depending on the class of assets. Operating lease income is recognised on a straight-line basis over the period of the lease unless another systematic basis is more appropriate. Assets leased out under operating leases are included in property, plant and equipment.

9 Intangibles

	Goodwill	Licences	Contracts	Permanent Water Rights	Total
	$'000	$'000	$'000	$'000	$'000
Net book value					
Balance at 1 July 2015	121,150	100	1,945	231,741	354,936
Amortisation expense	-	-	(125)	-	(125)
Impairment	(96,450)	-	-	-	(96,450)
Additions	-	-	-	19,904	19,904
Disposals	-	-	-	(11,195)	(11,195)
Balance at 30 June 2016	24,700	100	1,820	240,450	267,070
Amortisation expense	-	-	(125)	-	(125)
Additions	1,089	-	-	15,131	16,220
Disposals	-	-	-	(46,089)	(46,089)
Transfers	(1,369)	-	-	1,369	-
Balance at 30 June 2017	24,420	100	1,695	210,861	237,076

(a) Impairment test for goodwill

Goodwill amounts recognised arose from the purchase of Bengerang Ltd and Tandou Ltd. The carrying value of Goodwill represents, in part the excess of the martket value of the Permanent Water Rights over the cost value of the Permanent Water Rights. The goodwill value has been tested in accordance with generally accepted pricing models based on a discounted cash flow analysis.

(b) Licences

Licences are measured at cost and tested for impairment on an annual basis.

(c) Contracts

Contracts are measured at cost and amortised on a straight-line basis over the term of the contract.

(d) Permanent water rights

The value of permanent water rights is an integral part of land and irrigation infrastructure required to grow both walnuts and annual crops. The fair value of permanent water rights used for impairment testing is supported by the tradeable market value, which at current market prices is higher than the carrying value.

Recognition and measurement

Goodwill – we recognise goodwill arising in a business combination as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, we allocate goodwill to each of Webster's cash generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Contracts – We measure contracts at cost. After initial recognition the asset is carried at cost less accumulated amortisation and any accumulated impairment losses. We amortise contracts on a straight line basis over the term of the contract.

Permanent water rights – we record permanent water rights at cost. Such rights have an indefinite life, and are not depreciated. As an integral component of the land and irrigation infrastructure required to grow walnuts, the carrying value is tested annually for impairment. If events or changes in circumstances indicate impairment, the carrying value is adjusted to take account of any impairment losses.

Licences - are measured at cost and tested for impairment on an annual basis.

Impairment of Assets - At each reporting date, Webster Limited reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any indication exists, we estimate the recoverable amount of the asset in order to determine the extent of the impairment loss (if any). Where the assets do not generate cash flows that are independent from other assets, we estimate the recoverable amount of the cash-generating unit to which the assets belong.

We test goodwill for impairment annually and whenever there is an indication that the asset has been impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimate of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss is subsequently reversed, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

10 Trade and Other Payables

	2017 ($'000)	2016 ($'000)
Current		
Trade payables	20,727	12,794
Goods and services tax (GST) payable	301	2,437
	21,028	15,231

The average credit period on purchases is 30 days. Interest is charged on a creditor by creditor basis. The consolidated entity has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

Recognition and measurement

Trade and other payables - are recognised when the Webster group becomes obliged to make future payments resulting from the purchase of goods and services. Payables are stated at their amortised cost.

11 Borrowings

		Note	2017 $'000	2016 $'000
(a)	**Current**			
	At amortised cost			
	Secured			
	Bank loans	(i)	195,287	43,887
	Finance lease liabilities	(ii)	449	807
			195,736	44,694
(b)	**Non-Current**			
	At amortised cost			
	Secured			
	Bank loans	(i)	12,100	150,000
	Finance lease liabilities	(ii)	1,156	1,863
	Unsecured			
	Non-redeemable cumulative preference shares	(iii)	394	394
			13,650	152,257

(i) Secured by mortgage over property and floating charge over assets, the value of which exceeds the loan.
(ii) Secured by assets leased, the value of which exceeds the lease liability.
(iii) 394,000 9% non-redeemable cumulative preference shares at a par value of $1.00 per share.

Credit facilities - At 30 June 2017 the Webster group has a total of $250.0 million (30 June 2016: $250 million) commited credit facilities with external financial institutions. These facilities have fixed maturity dates as follows: $70 million in December 2017, $140 million in December 2017 and $40 million in December 2018. As at 30 June 2017 $42.6 million of the facilities available to Webster was undrawn.

Refinance - A $220 million finance facility was finalised in July 2017 providing financial support for the group. The facilities have fixed maturity dates as follows: $70 million in July 2018, $150 million in January 2021. As a result of the new finance facility $150 million of the company borrowings will move from current to non-current.

Recognition and measurement

Borrowings - are recorded initially at fair value, net of transactions costs. Subsequent to intial recognition, borrowings are measured at amortised cost with any differencebetween the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

12 Provisions

	Note	2017	2016
		$'000	$'000
Current			
Employee benefits		1,421	1,296
Non-Current			
Employee benefits		112	374
		1,533	1,670
Movements in provisions			
Balance at beginning of financial year		1,670	2,658
Reductions arising from payments/other sacrifices of future economic benefits		(137)	(988)
Balance at end of financial year		1,533	1,670

Recognition and measurement

Provisions are recognised when the Group has a present obligation (legal or constructive) and, as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Employee benefits provisions is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and other employee obligations when it is probable that settlement will be required and they are capable of being reliably measured. Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

13 Other Liabilities

	2017	2016
	$'000	$'000
Current		
Commonwealth grants received	1,062	-

14 Issued Capital

	Note	2017	2016
		$'000	$'000
359,745,163 (2016: 350,745,163) fully paid ordinary shares	(i)	475,855	462,844
		475,855	462,844

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and issued shares do not have a par value.

		Note	2017		2016	
			Number	$'000	Number	$'000
(i)	Fully paid ordinary share capital					
	Balance at beginning of financial year		350,745,163	462,844	347,705,383	459,468
	Shares issued	(ii)	9,000,000	13,011	3,039,780	3,376
	Balance at end of financial year		359,745,163	475,855	350,745,163	462,844

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(ii) Share capital issued during the financial year

9,000,000 ordinary shares were issued during the financial year (March 2017) from the acquisition of shares in Motspur Park Pty Limited.

15 Earnings/(loss) per share

	Note	Cents per share	
		2017	2016
Basic earnings/(loss) per share	(a)	18.79	(23.28)
Diluted earnings/(loss) per share	(b)	18.79	(23.28)

(a) Basic earnings/(loss) per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings/(loss) per share are as follows:

	2017 $'000	2016 $'000	2017	2016
Earnings used in the calculation of basic earnings/(loss) per share	65,628	(80,669)		
Weighted average number of ordinary shares for the purposes of basic earnings/(loss) per share			349,326,259	346,510,396

(b) Diluted earnings/(loss) per share

The earnings and weighted average number of ordinary and potential ordinary shares used in the calculation of diluted earnings/(loss) per share are as follows:

	2017 $'000	2016 $'000	2017	2016
Earnings used in the calculation of diluted earnings/(loss) per share	65,628	(80,669)		
Weighted average number of ordinary and potential ordinary shares for the purpose of diluted earnings/(loss) per share			349,326,259	346,510,396

16 Dividends

	2017		2016	
	Cents per share	Total $'000	Cents per share	Total $'000
(a) Dividends paid during the year				
Fully paid ordinary shares				
Final Dividend - 2017 paid October 2016, (2016 paid October 2015)	1.0	3,507	1.0	3,502
		3,507		3,502

(b) Dividends proposed

The Directors have not declared a dividend on ordinary shares for the year ended 30 June 2017. The Directors have declared an unfranked 9.0 cent per share dividend on cumulative preference shares paid on 24 March 2017.

	2017 $'000	2016 $'000
(c) Franking credits balance		
Franking account balance at 1 July	1,281	2,908
Tax paid/(refunded)	940	(124)
Dividends paid	(1,474)	(1,503)
Net Franking credits available at 30 June	747	1,281
Impact on franking account balance of dividends not recognised	-	(1,503)

17 Subsidiaries

	Country of Incorporation	Ownership Interest	
		2017	**2016**
		(%)	(%)
Parent Entity			
Webster Limited	Australia		
Controlled Entities			
AGW Finance Pty Ltd	Australia	100	100
AGW Funds Management Ltd	Australia	100	100
AGW Walnuts Pty Ltd	Australia	100	100
Bengerang Ltd	Australia	100	100
Clements and Marshall Pty Ltd	Australia	100	100
Clements Marshall Consolidated Limited	Australia	100	100
Cygnet Canning Company Pty Ltd	Australia	100	100
Field Fresh Tasmania Partnership	Australia	100	100
Motspur Park Pty Limited	Australia	100	100
Tandou Ltd	Australia	100	100
Walnuts Australia Pty Ltd	Australia	100	100

All the above entities are audited by Deloitte Touche Tohmatsu.
All entities carry on business in Australia.
These wholly-owned controlled entities have obtained approval under the ASIC Class Order granting relief from the requirement to produce audited financial reports and are party to a cross guarantee.

The parent entity has entered into a range of cross guarantees and registered mortgage debentures over assets and capital of Webster Limited, which include the above entities other than AGW Funds Management Ltd, under its banking arrangements with National Australia Bank.

(a) Financial performance

The following statement of financial position represents the consolidated financial position of subsidiaries of Webster Ltd (Parent entity) and are party to the deed of cross guarantee. AGW Funds Management Ltd is not a party to the cross guarantee.

	2017	**2016**
	$'000	$'000
Revenue	101,027	119,782
Cost of sales	(74,191)	(91,655)
Gross Profit	26,836	28,127
Other income	116,625	56,406
Distribution expenses	(2,148)	(3,902)
Marketing expenses	(1,031)	(671)
Operational expenses	(33,117)	(50,154)
Administration expenses	(974)	(1,807)
Finance costs	(103)	(1,750)
Impairment loss	(28,518)	-
Other expenses	(40)	(323)
Profit before income tax expense	77,530	25,926
Income tax (expense)/benefit	0	(81)
Total comprehensive income for the period	77,530	25,845

17 Subsidiaries (continued)

(b) Financial position

The following statement of financial position represents the consolidated financial position of subsidiaries of Webster Ltd (Parent entity) and are party to the deed of cross guarantee. AGW Funds Management Ltd is not a party to the cross guarantee.

	2017 $'000	2016 $'000
Current Assets		
Cash and cash equivalents	8,181	2,441
Trade and other receivables	97,079	18,012
Inventories	95,890	60,353
Other assets	9	8,223
Total current assets	**201,159**	**89,029**
Non-Current Assets		
Property, plant and equipment	292,452	233,671
Biological Assets	-	43,642
Investments	75	52
Intangibles - water	168,735	199,693
Total non-current assets	**461,262**	**477,058**
Total Assets	**662,421**	**566,087**
Current Liabilities		
Trade and other payables	18,370	13,199
Borrowings	449	807
Provisions	862	817
Other liability	1,062	-
Total current liabilities	**20,743**	**14,823**
Non-Current Liabilities		
Borrowings	1,156	1,863
Net deferred tax liability	7,740	7,740
Provisions	76	339
Intercompany Loans	213,258	220,901
Total non-current liabilities	**222,230**	**230,843**
Total Liabilities	**242,973**	**245,666**
Net Assets	**419,448**	**320,421**
Equity		
Issued capital	240,200	236,069
Reserves	14,614	27,347
Retained earnings	164,634	57,005
Total Equity	**419,448**	**320,421**

18 Commitments for Expenditure

	Note	2017 $'000	2016 $'000
(a) Lease commitments			
Non-cancellable operating leases	(i)		
Not longer than one year		180	130
Longer than one year and not longer than five years		161	227
		341	357
Finance lease liabilities	(ii)		
Not longer than one year		502	807
Longer than one year and not longer than five years		1,215	1,863
Minimum lease payments		1,717	2,670
Less: Future finance charges		(112)	(139)
Less: Goods and services tax (GST)		-	(218)
Finance lease liabilities		1,605	2,313
Present value of minimum future lease payments:			
Not longer than one year		431	699
Longer than one year and not longer than five years		825	1,614
		1,256	2,313

(i) Operating lease commitments relate to properties and equipment with lease terms of up to 10 years.
(ii) Finance lease liabilities relate to various plant and equipment with lease terms of up to 5 years.

18 Commitments for Expenditure (Continued)

(b) Capital expenditure commitments

Not longer than one year	17,885	16,721
Longer than one year and not longer than five years	-	-
Longer than five years	-	-
	17,885	16,721

19 Segment Information

(a) Segments

Following the purchase of the Kooba Ag assets and the acquisition of Bengerang Ltd and Tandou Ltd, the group manages and reports its business operations under two main reportable segments, Agriculture and Horticulture. The Agriculture segment products are primarily annaul row crops including cotton, wheat and maize as well as livestock, where as the Horticulture segment pertains to tree crops which are currenlty walnuts.

(b) Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

	Segment Revenue		Segment Results	
	2017	**2016**	**2017**	**2016**
	$'000	$'000	$'000	$'000
Agriculture	155,950	147,935	55,488	(71,628)
Horticulture	66,934	39,856	22,091	2,202
Total for continuing operations	222,884	187,791	77,579	(69,426)
Unallocated income/(expense)			(82)	97
Corporate and directors costs			(5,202)	(5,298)
Finance costs			(6,325)	(6,927)
Profit/(loss) before tax (continuing operations)			65,970	(81,554)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2015: nil). The accounting policies of the reportable segments are the same as the Group's accounting policies.

(c) Segments assets and liabilities

	2017	**2016**
	$'000	$'000
Assets		
Agriculture	510,894	520,850
Horticulture	173,880	120,423
Total segment assets	684,774	641,273
Unallocated	60,663	10,320
Consolidated total assets	745,437	651,593
Liabilities		
Agriculture	44,474	23,827
Horticulture	7,168	6,085
Total segment liabilities	51,642	29,912
Unallocated	201,710	204,825
Consolidated total liabilities	253,352	234,737

(d) Information on geographical areas

The consolidated entity's goods are sold in both domestic and international markets. The following table details the consolidated entities revenues from continuing operations and non-current assets by geographical location.

	Revenue from Customers		**Non-Current Assets**	
	2017	**2016**	**2017**	**2016**
	$'000	$'000	$'000	$'000
Australia	198,971	174,659	535,854	545,032
Europe	19,739	10,909	-	-
Other	4,174	2,223	-	-
	222,884	187,791	535,854	545,032

20 Notes to the Cash Flow Statement

	2017	2016
	$'000	$'000

(a) Reconciliation of cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	2017 $'000	2016 $'000
Cash and cash equivalents	16,358	12,450
	16,358	12,450

(b) Non-cash financing and investing activities

During the financial year, the consolidated entity did not acquire equipment via finance leases.

(c) Financing facilities

	2017 $'000	2016 $'000
Secured bank loan rolling facilities		
- Amount used	207,387	193,887
- Amount unused	42,613	56,113
	250,000	250,000

(d) Cash balances not available for use

There were no cash balances unavailable for use at balance date.

(e) Reconciliation of profit for the period to net cash flows from operating activities

	2017 $'000	2016 $'000
Profit/(loss) for the period	65,628	(80,669)
Depreciation of non-current assets	11,119	7,505
Amortisation of non-current assets	125	483
Adjustments relating to agricultural/biological assets	(35,161)	(49,039)
Repayment of foreign exchange forward contract	98	400
Net profit relating to non-current assets	(2,932)	(52)
Profit on the sale of water rights	(23,497)	(3,498)
Impairment of goodwill	22,163	96,450
Interest income received or receivable	(70)	(97)
Movements in working capital		
- Decrease/(increase) in receivables	(32,772)	10,770
- Decrease/(increase) in inventories	(376)	70,138
- Decrease/(increase) in other assets	(282)	1,729
- Increase/(decrease) in payables	5,797	(11,713)
- Increase/(decrease) in provisions	(1,175)	50
- Increase/(decrease) in tax balances	495	(2,144)
- Increase/(decrease) in other liabilities	-	-
Net cash flows from/(used) in operating activities	9,160	40,313

21 Related Party Disclosures

(a) Key management personnel compensation

The aggregate compensation of the key management personnel of the consolidated entity and the company is set out below:

	2017	2016
	$'000	$'000
Short-term employee benefits	1,520	1,606
Long-term employee benefits	201	109
Post-employment benefits	116	130
Termination benefits	399	556
	2,236	2,401

(b) Transactions with key management personnel

During the financial year, directors and their director-related entities, and executives purchased goods, which were domestic or trivial in nature, from the Company on the same terms and conditions available to other employees and customers. The Company entered into management agreements with Australian Food and Fibre Ltd (pursuant to the purchase of the Kooba Aggregation, Bengerang Ltd and Tandou Ltd) a company in which Mr Joe Robinson are an associate. The current management agreement is for a 2 year term expiring 30 June 2017 with an annual fee of $550,000 plus bonus incentives based on performance to a maximum potential of $500,000. The agreement was renewed on July 1, 2017 with an annual fee of $300,000 plus bonus incentives based on performance to a maximum potential of $500,000. Australian Food and Fibre also incurred expenses on behalf of the Company and were reimbursed at cost for those expenses amounting to $609,699. The Company entered into an agreement with Corrigan Air, a company which Mr Christopher Corrigan and Mr Joseph Corrigan are an associate. The current agreement is for the provision of the use of light aircraft to transport management to its properties. The arrangement is charged at cost which amounted to $272,140 for the financial year ended 30 June, 2016. Other than the above, and contracts of employment, no other key management personnel have entered into a contract with the Company during the financial year.

(b) Equity interests in related parties

Details of percentage of ordinary shares held in controlled entities are disclosed in note 17 to the financial statements.

(c) Parent entity

The parent entity in the consolidated entity is Webster Limited. The ultimate Australian parent entity is Webster Limited. There are no contingent liabilities.

22 Parent Entity Disclosures

	2017	2016
	$'000	$'000
(a) Financial Position		
Assets		
Current assets	7,531	9,268
Non-current assets	287,889	295,135
Total assets	295,420	304,403
Liabilities		
Current liabilities	198,309	47,497
Non-current liabilities	25,135	162,539
Total liabilities	223,444	210,036
Equity		
Issued capital	235,605	226,725
Reserves	(14,146)	(26,976)
Retained Earnings	(149,483)	(105,382)
Total Equity	71,976	94,367
(b) Financial Performance		
Loss for the period	(10,506)	(106,105)
Other comprehensive income/(loss)	-	-
Total comprehensive loss	(10,506)	(106,105)

23 Business Combinations

(a) Subsidiaries acquired

	Principal Activity	Date Acquired	Proportion of shares acquired %	Consideration transferred $'000
Motspur Park Pty Limited	Horticulture	23/03/2017	100.00	23,100

Motsur Park Pty Limited was acquired to continue the expansion of the Groups activities in horticulture.

23 Business Combinations (Continued)

(b) Consideration transferred

	$'000
Cash	10,000
Equity Issued	13,011
Total	**23,011**

Acquisition related costs have been included from the consideration.

(c) Assets acquired and liabilities recognised at the date of acquisition

	$'000
Non-current assets	
Property	5,251
Plant and Equipment	7,846
Water Entitlements	8,864
Total	**21,961**

(d) Goodwill arising on acquisition

	$'000
Consideration Transferred	23,011
Less Fair value of identifiable net assets	(21,923)
Goodwill arising on consolidation	**1,088**

Goodwill arose in the acquisition of Motspur Park Pty Limited because consideration paid for the combination effectively included amounts in relation to the benefits of expected synergies and revenue growth. These benefits are not recognised seperately from goodwill because they do not neet the recognition criteria for identifiable intangible assets.

None of the goodwill arising through acquisition is expected to be tax deductible.

(e) Net Cash Outflow on acquisition of subsidiaries

	$'000
Consideration paid in cash	10,000
Less: cash and cash equivalent balances acquired	-
	10,000

24 Other accounting policies

Cash and cash equivalents - Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Biological assets - Walnut Trees are classified as Property, Plant and Equipment and are valued in accordance with AASB 141 Agriculture. Up until 30 June 2016 the Biological Assets were valued in accordance with AASB 141 Biological Assets. The values of the Biological Assets at 30 June 2016 have been adopted as the value for Property Plan and Equipment from 1 July 2016. All further additons to the Walnut Orchards will be valued at cost and will commence depreciating from the year they bear their first commercial crop.

Growing Crop – We value the growing walnut crop in accordance with AASB 141 Agriculture. This valuation takes into account current selling prices and current growing, processing and selling costs. The calculated crop value is then discounted to take into account that it is only partly developed, and then further discounted by a suitable factor to take into account the agricultural risk until crop maturity. Where little biological transformation has occurred in the growing crop, cost is used as an estimate of fair value.

The fair value of walnuts and cotton harvested during the period and recognised in revenue is determined as the fair value of walnuts and cotton after harvest and picking less estimated point of sale costs.

The fair value of livestock at the reporting date has been determined by using an external valuation.

Financial Assets - Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value.

Subsequent to initial recognition, investments in subsidiaries are measured at cost in the company financial statements.

Effective interest method – The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or, where appropriate, a shorter period.

We recognise income on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss.'
Financial assets at fair value through profit or loss –we classify financial assets as financial assets at fair value through profit or loss where the financial asset:

- has been acquired principally for the purpose of selling in the near future;
- is a part of an identified portfolio of financial instruments that Webster manages together and has a recent actual pattern of short-term profit-taking; or
- is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. We determine fair value in the manner described in note 24.

Loans and receivables – Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables.' We record loans and receivables at amortised cost using the effective interest method less impairment. Interest is recognised by applying the

Impairment of financial assets – Financial assets, other than those at fair value through profit and loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When the trade receivable is uncollectible, it is written off against the allowance account. We credit subsequent recoveries of amounts previously written off against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit and loss.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit and loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(b) Financial

Financial Instruments - Debt and equity instruments – We classify debt and equity instruments as either liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. We record equity instruments issued by Webster as the proceeds received, net of direct issue costs.

Financial guarantee contract liabilities – We measure financial guarantee contract liabilities initially at their fair value and subsequently at the higher of:

- the amount of the obligation under the contract, as determined under AASB 137 'Provisions, Contingent Liabilities and Contingent Assets'; and
- the amount initially recognised less, where appropriate, cumulative amortisation in accordance with revenue recognition policies described in note 1.5(b).

Financial liabilities – We classify financial liabilities as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

24 ***Other accounting policies(Continued)***

Other financial liabilities – Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Foreign currency - In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences which relate to assets under construction for future productive use are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (refer note 1(k)); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

Goods and Services Tax - Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

We include cash flows in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Government Grants - are assistance by the government in the form of transfers of resources to Webster Limited in return for past or future compliance with certain conditions relating to the operating activities.

Government Grants include government assistance where there are no conditions specifically relating to the operating activities of the consolidated entity other than the requirement to operate in certain regions or industry sectors.

We recognise government grants relating to income as income over the periods necessary to match them with related costs. Government Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to Webster with no future related costs are recognised as income of the period in which they become receivable.

Government Grants whose primary condition is that Webster Limited should purchase, construct or otherwise acquire non-current assets are recognised as a reduction in the cost of non-current assets in the statement of financial position.

Business Combinations - We account for acquisitions of subsidiaries and businesses using the acquisition method. We measure the consideration for each acquisition at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by Webster Limited in exchange for control of the acquiree.

We recognise acquisition-related costs in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition date fair value. We adjust subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant Standards. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, we measure Webster Limited's previously held interests in the acquired entity to fair value at the acquisition date (that is the date Webster attains control) and recognise the resulting gain or loss, if any. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 Income Taxes and AASB 119 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with AASB 2 Share-based Payment; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

24 ***Other accounting policies(Continued)***

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, Webster Limited reports provisional amounts for the items for which the accounting is incomplete. We adjust those provisional amounts during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

Share-based payments - We measure equity-settled share-based payments to employees at the fair value of the equity instruments at the issue date. Fair value is measured by use of a Black Scholes pricing model taking into account the terms and conditions upon which the equity-settled share-based payments were granted. The fair value determined at the issue date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. We recognise the impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Material prior period errors shall be retrospectively corrected in the first financial statements authorised for issue after their discovery by:
(a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or

(b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

However, to the extent that it is impracticable to determine either:

(a) the period-specific effects of an error on comparative information for one or more prior periods presented, the entity shall restate the opening balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable (which may be the current period); or

(b) the cumulative effect, at the beginning of the current period, of an error on all prior periods, the entity shall restate the comparative information to correct the error prospectively from the earliest date practicable. The correction of a prior period error is excluded from profit or loss for the period in which the error is discovered. Any information presented about prior periods, including any historical summaries of financial data, is restated as far back as is practicable.