

**WEBSTER**

**Annual Report**  
2016



# Contents

	<b>Directors' Report</b>	<b>1</b>	<b>Contents of the Notes to the Financial Statements</b>	
	<b>Auditor's Independence Declaration</b>	<b>16</b>	1 Summary of Significant Accounting Policies	25
	<b>Independent Auditor's Report</b>	<b>17</b>	2 Profit/(Loss) from Operations	37
	<b>Directors' Declaration</b>	<b>19</b>	3 Income Taxes	38
	<b>Financial Statements</b>	<b>20</b>	4 Remuneration of Auditors	40
	<b>Consolidated statement of profit or loss and other comprehensive income</b>	<b>21</b>	5 Trade and Other Receivables	41
	<b>Consolidated statement of financial position</b>	<b>22</b>	6 Other Financial Assets	42
	<b>Consolidated statement of changes in equity</b>	<b>23</b>	7 Inventories	42
	<b>Consolidated statement of cash flows</b>	<b>24</b>	8 Other Assets	43
	<b>Notes to the Financial Statements</b>	<b>25</b>	9 Property, Plant and Equipment	43
	<b>ASX Additional Information</b>	<b>71</b>	10 Biological Assets	45
			11 Intangibles	46
			12 Trade and Other Payables	47
			13 Borrowings	47
			14 Other Financial Liabilities	48
			15 Provisions	48
			16 Issued Capital	49
			17 (Loss)/Earnings per Share	49
			18 Dividends	50
			19 Subsidiaries	51
			20 Commitments for Expenditure	54
			21 Segment Information	55
			22 Notes to the Cash Flow Statement	57
			23 Financial Instruments	58
			24 Related Party Disclosures	68
			25 Parent Entity Disclosures	69
			26 Business Combinations	70
			27 Subsequent Events	70

# Directors' Report

For the financial year ended 30 June 2016

The Directors of Webster Limited (ACN 009 476 000) submit herewith the annual financial report of the Company for the financial year ended 30 June 2016. In order to comply with the provisions of the Corporations Act 2001, the Directors' Report follows:

## 1. Directors

The Directors of the Company at any time during or since the end of the financial year are:

### **Chris Corrigan – BEc (Executive Chairman)**

Mr Corrigan was appointed Non-Executive Director in November 2007 until July 2010 and again from 15 October 2012. Mr Corrigan was appointed Executive Chairman on 29 February 2016.

Mr Corrigan was Managing Director of Patrick Corporation Limited, Australia's largest stevedore company with interests in rail transportation and aviation, from March 1990 to May 2006. Prior to that, he had a career with Bankers Trust spanning 20 years, including periods as Managing Director of Bankers Trust in Australia and for the Asia-Pacific region.

In September 2011, Mr Corrigan was appointed Chairman of Qube Logistics Holdings Limited.

### ***Directorships of other listed companies held during the last three years:***

Crown Limited – from July 2007 to November 2013

Qube Logistics Holdings Limited – from March 2011

### **Richard Haire – BEc, FAICD (Executive Chairman)**

Mr Haire was appointed Executive Chairman in June 2015 and retired on 29 February 2016.

Mr Haire has 30 years' experience in the international cotton and agribusiness industry, including 26 years in agricultural commodity trading and banking. He was appointed as a director of the Bank of Queensland in April 2012. Mr Haire formerly held the position of Australian and New Zealand Managing Director and regional head of Olam International. He has also held the offices of director for the Cotton Research and Development Corporation, Open Country Dairy (NZ), New Zealand Farming Systems Uruguay, SunWater Limited and the CSIRO Advisory Board for Field Crops.

### **Rod Roberts – BEc, MBA, FAICD (Non-Executive Director)**

Mr Roberts was appointed Managing Director in October 1996 until 2001 and Chairman from October 2001 to August 2007 and again from November 2008 to June 2015.

Mr Roberts has previously held roles including Head of Corporate Finance at Bain & Co, Director of County NatWest Australia Limited, Chairman of Harris & Company Limited, Director of Tassal Group Limited and Deputy Chancellor of the University of Tasmania. He is a director of the Australian Institute of Company Directors and President of the Tasmanian branch.

### **David Cushing – BCom, ACA (Non-Executive Director)**

Mr Cushing was appointed Non-Executive Director on 31 October 2012.

Mr Cushing is Executive Chairman of Rural Equities Limited, one of New Zealand's largest rural property companies, and is also a director of the private investment company H & G Limited. Mr Cushing was formerly an investment banker with National Australia Bank Limited subsidiary, Bank of New Zealand. Mr Cushing has considerable experience in the agricultural sector having previously been a director of horticultural company Fruited Supplies Limited, rural services company Williams & Kettle Limited and New Zealand Farming Systems Uruguay Limited. He has also acted as an alternate director of rural services and seed company PGG Wrightson Limited for the Chinese company Agria Corporation.

### **Chris Langdon – BCom (Econ) (Non-Executive Director)**

Mr Langdon was appointed Non-Executive Director on 14 March 2013.

Mr Langdon is a major shareholder and Chief Executive of Langdon Group Pty Limited. The Langdon Group is 160 years old and is a leading company in its sector, primarily involved in food ingredient distribution, and herb and spice processing. Mr Langdon's early career was in investment banking with roles in Australia, London and New York. Since the early 1990s, apart from his corporate role at Langdon Group, Mr Langdon has been involved in various external corporate directorships.

He has held directorships at ASX the listed Text Media Limited, Panoramic Resources Limited and Fresh Food Industries Holdings Limited. He has also held a directorship in Nutshack Group Pty Limited and is currently a director of International College of Management, Sydney Pty Limited.



# Directors' Report

For the financial year ended 30 June 2016

## ***Directorships of other listed companies held during the last three years:***

Panoramic Resources Limited – from August 2004 to June 2016.

### **David Robinson – MBBS FRACS (Non-Executive Director)**

Mr Robinson was appointed Non-Executive Director in June 2005 until November 2008 and again from December 2014. He held the role of Chairman of Webster Limited from August 2007 to November 2008. Mr Robinson retired from the Board on 23 June 2016.

Mr Robinson has 30 years' experience in large irrigated and broad acre farming as principal of Red Mill Pastoral Company and Moreton Pastoral Company. He is the Executive Chairman of Australian Food and Fibre Limited. Mr Robinson has also held the offices of Chairman of Bengerang Limited and Deputy Chairman of Cotton Australia Limited.

### **John Joseph (Joe) Robinson – BFA (Non-Executive Director)**

Mr J Robinson was appointed Non-Executive Director on 23 June 2016.

Mr Robinson is the Managing Director of Australian Food and Fibre Limited and has over 20 years' experience in irrigated and dry land farming, prior to which he traded futures with Bankers Trust. He is currently the Chairman of the Gwydir Valley Irrigators Association, Chairman of the Gwydir Valley State Water Customer Service Committee, the Presiding Member of the Cotton Research and Development Corporation Selection Committee and a member of The Primary Industries Ministerial Advisory Council.

### **Joseph Corrigan – BA MCA (Alternate for Chris Corrigan)**

Mr Corrigan was appointed Alternate Director for Mr Chris Corrigan on 14 October 2013.

Mr Corrigan holds a Bachelor and Masters in Creative Arts and has interests and experience in the agricultural industry particularly wheat, canola and beef. Mr Corrigan is also managing director of an entertainment production company.

The abovenamed Directors held office during the whole of the financial year and since the end of the financial year except for:

- ♦ Mr J J Robinson – appointed 23 June 2016
- ♦ Mr D Robinson – retired 23 June 2016
- ♦ Mr R Haire – retired 29 February 2016

Directors' shareholdings are disclosed on page 12 of the Directors Report. There has been no change in Directors' shareholdings between the end of the financial year and the date of this Directors' Report.

## **2. Company Secretaries**

Mr Maurice Felizzi (BA Acc CPA AGIM) joined Webster Limited on 18 April 2016 and was appointed Company Secretary from 28 April 2016. He is a member of CPA Australia and the Institute of Chartered Secretaries and holds Bachelor of Arts from the University of Canberra.

Mr Andrew Reilly (B Bus) was appointed as Company Secretary on 26 August 2015 and retired on 28 April 2016.

Ms Susan Stegman was appointed as Company Secretary from 2008 and retired on 26 August 2015.

## **3. Principal Activity**

The principal activity of the consolidated entity during the year was the production, processing and marketing of walnuts, cotton, crops and livestock.

## **4. Review of Operations**

The consolidated entity's financial performance resulted in a net Loss for the period before tax of \$81.6 million (2015: Profit \$8.6 million) after impairment of goodwill of \$96.5 million (2015: Nil).

## 5. Directors' Meetings

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each Director (while they were a Director or committee member). During the financial year, eight Board Meetings and two Audit and Risk Committee Meetings were held. It was resolved to cease the Remuneration Committee and the Nominations and Appointment Committee, as all such matters will be considered and addressed at the Board of Directors meetings.

Directors	Board of Directors		Audit and Risk Committee	
	Held	Attended	Held	Attended
C D Corrigan	8	8	2	2
R J Roberts	8	8	2	2
B D Cushing	8	8	2	2
C D Langdon	8	7	2	2
D W Robinson (i)	8	8	2	2
J J Robinson (ii)	—	—	*	*
R Haire (iii)	4	4	*	*

(i) D W Robinson resigned on 23 June 2016.

(ii) J J Robinson was appointed as Director on 23 June 2016.

(iii) R Haire resigned as Director on 29 February 2016.

\* Not a member of the Audit and Risk Committee.

## 6. Corporate Governance

In fulfilling its obligations and responsibilities to its various stakeholders, the Board of Webster Limited recognises the need to implement and maintain a robust system of governance. The Board has established a program that aims to meet best practice in standards of accountability, disclosure, responsibility and transparency.

The Australian Stock Exchange ("ASX") Corporate Governance Council has released guidelines under which companies are now obliged to report on whether they comply with their published "Corporate Governance Principles and Recommendations", as outlined in those guidelines.

The Company complies with most of the principles outlined in the ASX guidelines and the Board remains committed to reviewing all practices to ensure that an appropriate and functional solution is in place for a company of Webster Limited's size and type of operation.

Set out below is a summary of the Company's current practices in each of the areas identified in the ASX guidelines.

# Directors' Report

For the financial year ended 30 June 2016

## 6.1 Lay solid foundations for management and oversight

The Webster Limited Board of Directors is responsible for the overall corporate governance of the consolidated group including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The relationship between the Board and management is a partnership that is crucial to the Company's long-term success. The separation of responsibilities between the Board and management is clearly understood and respected.

## 6.2 Structure the Board to add value

The Company has recognised the importance of having a balanced Board comprised of Directors with an appropriate range of backgrounds, skills and experience. As at the date of this report the Board comprises one Executive Director and four Non-Executive Directors.

It is the intention of the Board to maintain a majority of Non-Executive Directors on the Board. The Board is of the view that Directors possess an appropriate mix of skills, experience, expertise and diversity to enable the Board to discharge its responsibilities.

The Board considers the independence of Directors to be assessed on their capacity to act in accordance with their duties and put the interests of the Company and its shareholders first, so that they are objectively capable of exercising independent judgement. The Board considers that each of the current Directors has this capacity. The Board notes the definition of "independence" contained in the ASX guidelines and recognises that Mr R Roberts and Mr C Langdon meet the guidelines' definition of "independent".

The Directors as a group are responsible for reviewing membership of the Board and for selecting new Directors. The constitution requires that any new Non-Executive Director appointed by the Board must seek election at the next Annual General Meeting.

The Board of Webster Limited is supported by the Audit and Risk Committee. This committee has its own charter and operating procedures and assists the Board in the discharge of its obligations by the review of financial reports, audit, risk and compliance. In addition, Directors meet outside normal Board and Committee meetings from time to time, in accordance with good corporate governance practice.

## Audit and Risk Committee

The Audit and Risk Committee monitors internal control policies and procedures designed to safeguard Company assets and to ensure the integrity of financial reporting. It advises on the establishment and maintenance of a framework of internal controls and appropriate ethical standards for the management of the consolidated Group.

The Committee is also responsible for identifying areas of significant business risk and ensuring arrangements are in place to manage them. It reviews the annual and half-year financial statements before the Board considers them. It is also responsible for ensuring compliance with the *Corporations Act 2001*, ASX Listing Rules and any other matters with external governing or statutory bodies.

Among its specific responsibilities, the Committee reviews and advises the Board on the nomination and remuneration of external auditors and the adequacy of existing external and internal audit arrangements including the scope and quality of audits. The Audit and Risk Committee Charter is available on the Company's website and contains information on procedures for the selection and appointment of the external auditor, and for the rotation of external audit engagement partners.

The Committee met two times during the 2015-16 year. Current members of the Audit and Risk Committee are Messrs C D Langdon (Chairman), R J Roberts and B D Cushing.

Details of the names and qualifications of those appointed to the Audit and Risk Committee are contained on pages 1-2 of the Directors' Report. The number of meetings of the Audit and Risk Committee and names of the attendees are contained on page 3.

The Executive Chairman, Chief Financial Officer and the external audit partner in charge of the Webster Limited audit attend meetings of this Committee by invitation.

The Committee also meets from time to time with the external auditors, independent of management.

### **6.3 Promote ethical and responsible decision making**

As part of the Board's continuing commitment to promote ethical and responsible decision making, the Company has a Code of Conduct which establishes a range of procedures and guidelines to ensure that the highest ethical standards, corporate behaviour and accountability are maintained.

The Code of Conduct was established in 1994 to guide executives, management and employees in carrying out their duties and responsibilities.

The Code of Conduct covers such matters as:

- ♦ responsibilities to shareholders;
- ♦ conflict of interest;
- ♦ confidentiality;
- ♦ protection of the Company assets;
- ♦ relations with customers and suppliers;
- ♦ employment practices; and
- ♦ responsibilities to the community.

Webster Limited has developed and adopted a Securities Trading Policy that prohibits employees trading the Company's shares due to knowledge of undisclosed information. At other times, Directors and employees are permitted to trade in Webster Limited securities subject to compliance with the Securities Trading Policy, and statutory and other relevant regulatory restrictions. Directors refer all trading of Company shares by them to the Company Secretary for ASX lodgment requirements.

Directors may, after prior approval of the Chairman, obtain independent professional advice at the Company's expense for the purpose of the proper performance of their duties.

The Company is an equal opportunity employer and recruits personnel from a diverse range of backgrounds. Workplace diversity includes, but is not limited to, gender, age, race, ethnicity, disability and cultural background. The Company is committed to further enhancing the Group's diversity and recognises that embracing diversity in its workforce contributes to the achievement of the Group's objectives.

Although the Company has a rich diversity amongst its employees, the Board recognise the need to improve the diversity at senior executive and Board level. As at 30 June 2016, the Chair and the Company Secretary of AGW Funds Management Limited (a wholly owned subsidiary of Webster Limited that acts as the Responsible Entity for three Managed Investment Schemes) were both female. The Company is an equal opportunity employer and the number of female employees has increased over recent years and now females comprise approximately 20% of senior executives, 18% of permanent employees and 54% of seasonal/casual employees.

To further enhance the commitment to gender diversity the Company has developed the following objectives which will be monitored and evaluated by the Board.

- ♦ Aim to increase the number of females in executive positions which become vacant, subject to identifying candidates with appropriate skills;
- ♦ Review means by which the Company can identify and develop high performing female employees to prepare them for senior/executive roles; and
- ♦ Increase the focus on gender participation across the Company.

### **6.4 Safeguard integrity in financial reporting**

The Board is responsible for the integrity of financial data and has instigated an internal control framework to ensure accurate financial reporting of monthly actual results against budgets approved by Directors and revised forecasts. In accordance with section 295A of the *Corporations Act 2001*, the Chief Executive Officer and Chief Financial Officer stated in writing to the Board that the consolidated entity's financial reports present a true and fair view, in all material respects, of the consolidated entity's financial condition and operational results and are in accordance with relevant accounting standards.

The Audit and Risk Committee provides assistance to Directors in fulfilling their responsibility to the Company's shareholders and potential investors in relation to the financial risk, audit, corporate accounting and reporting practices of the Company.

# Directors' Report

For the financial year ended 30 June 2016

## 6.5 Make timely and balanced disclosures

Webster Limited places considerable importance on accurate and effective communication with its existing and potential shareholders.

Webster Limited is committed to complying with the continuous disclosure obligations of the *Corporations Act 2001* and the ASX Listing Rules. The Company has developed and adopted a continuous disclosure policy and procedure, which ensures all material matters concerning the Company are conveyed immediately and effectively. Webster Limited understands and respects the fact that timely disclosure of relevant information is central to the efficient operation of the securities market.

Consistent with best practice disclosure and continuous disclosure requirements, all market-sensitive data, annual and half-yearly reports and addresses by the Chairman are released to the stock exchange through ASX On-Line. Webster Limited also posts reports, newsletters, ASX releases, Annual General Meeting and other major presentations on its website – [www.websterltd.com.au](http://www.websterltd.com.au).

The external audit partner in charge of the Webster Limited audit is invited to attend the Annual General Meeting and is available to answer shareholder questions related to the conduct of the audit, and the preparation and content of the auditor's report.

## 6.6 Respect the rights of shareholders

Webster Limited is committed to providing shareholders with comprehensive information about the Company and its activities, and to fulfilling its obligations to the broader market for continuous disclosure.

The Company publishes a comprehensive Annual Report incorporating financial and other information. This is sent to shareholders on request and is available to the public, as well as being posted on the Company's website. A Half-Year Report incorporating abbreviated financial data and market commentary is also made available on the same basis.

The Company maintains a website ([www.websterltd.com.au](http://www.websterltd.com.au)) that contains shareholder and stakeholder information in addition to information about the Company's products. Previous Annual and Half-Year Reports are available on the site.

The Company Secretary's Office is responsible for the distribution of material and responding to requests for information from shareholders and the public. The Board, and in particular the Chairman, bear responsibility for communication with shareholders and members. This occurs formally through the Annual Report and the Annual General Meeting. At other times, senior management and the Chairman liaise between the Board and key shareholders and analysts.

Notice of the Company's Annual General Meeting is sent to shareholders, as well as being posted on the website and released to the ASX. The Company's auditor attends the Annual General Meeting and is invited to answer relevant questions and make statements to the meeting. The Directors and senior management attend all General Meetings and are available to shareholders and other stakeholders. The public and the media are welcome to attend General Meetings as observers.

## 6.7 Recognise and manage risk

The Audit and Risk Committee is responsible for the establishment of a Group-wide risk profile. The objective is to identify, evaluate, and monitor material risks that the Company is facing, and to ensure effective management or monitoring of those risks.

The Board is responsible for the Company's system of internal controls and monitors the operational and financial aspects of the Company's activities through the Audit and Risk Committee.

The Board and the Audit and Risk Committee are both involved in identifying key areas of risk such as insurance, interest rate and exchange exposure and ensuring that appropriate measures of protection are taken.

The Company has in place a number of risk management controls which include the following:

- ♦ risk management policy and practices;
- ♦ policies and procedures for the management of financial risk and treasury operations including exposures to foreign currencies, financial instruments, and movements in interest rates;
- ♦ guidelines and limits for the approval of capital expenditure and investments; and
- ♦ a comprehensive insurance program.

Management is required to provide regular reports on each of these matters.



## 6.8 Remunerate fairly and responsibly

The Company recognises that the process of enhancing shareholder value is dependent upon the performance of Directors and management. Ensuring they each have the knowledge and information required to perform their duties, together with the regular review of performance, are important factors in meeting the Company's objectives.

The only benefits currently paid to Non-Executive Directors are the base fee and superannuation, approved in aggregate by shareholders. There is no scheme for the payment of retirement benefits to Executive and Non-Executive Directors.

## 7. Remuneration Report

The Non-Executive Directors are responsible for reviewing the compensation arrangements for all senior executives and Directors. The review is conducted annually, having regard to management performance and comparative, external compensation levels. Independent advice may be sought on compensation packages and Directors' fees. The compensation of key management personnel includes salary/fees, movements in accrued annual and long service leave, benefits (including the provision of motor vehicles, superannuation and fringe benefits) and incentive schemes (including performance-related bonuses).

### 7.1 Remuneration Policy

The objective of the Company's executive remuneration policy is to set remuneration levels to attract and retain appropriately qualified and experienced Directors and senior executives. The policy aligns executive rewards with achievement of specific business goals and key performance indicators, which include both financial and operational targets. Remuneration packages include a mix of fixed remuneration and performance-based remuneration. Senior executives may receive short-term incentives.

Remuneration packages are reviewed and determined by the Board, with due regard to current rates, and are benchmarked against comparable industry salaries. The Board may obtain independent advice with regard to the appropriateness of remuneration packages.

Non-Executive Directors receive fees but do not receive any performance-related remuneration. Non-Executive Directors' fees are reviewed by the Board annually to ensure that they are appropriate and in line with market expectations. The total amount of remuneration provided to Non-Executive Directors must not exceed an aggregate maximum of \$500,000 per annum.

## 7.2 Performance Based Remuneration

### Short-Term Incentives

A cash-based Short-Term Incentive Program (STI) continued to be adopted for the 2016 financial year. In the 2016 financial year bonus payments of \$300,000 have been provided for (2015: \$Nil). The Program is applicable to key management personnel that act in an executive capacity. The executive STI Program is linked to the budget which aims to align executive performance to the financial performance of the Company.

Executives are eligible for personal Incentives up to a maximum of 50% of their total cost to company (TCC) package based on achieving specific goals and/or KPIs. The Board is responsible for assessing whether the KPIs are met based on detailed reports on performance prepared by management. Financial targets ensure that reward is only available when value has been created for shareholders. Operational targets allow for the recognition of efficiencies that will provide for future shareholder value.

Short-term incentives are payable 50% following approval with the remaining 50% payable after 12 months on the condition the executive is still employed by the Company.

### Long-Term Incentives

On 27 August 2013 the Board adopted an executive Long-Term Incentive Plan (LTIP) to provide eligible executives the opportunity to acquire shares in the Company. Under the LTIP, eligible executives are invited to apply for a set number of Webster Limited ordinary shares and a non-recourse interest free loan will be made available to them by the Company for this purpose. The Board may from time to time determine which executives are entitled to participate in the LTIP based on individual performance as assessed under the annual review process. Shares issued to eligible executives under the LTIP are subject to a holding lock from their issue date until applicable vesting conditions (eligible executive must be employed by the Company) have been satisfied and the loans applicable to them repaid. The issue price of shares under the LTIP is determined on the basis of trading in Webster Limited ordinary shares over the five trading days prior to the date of issue. Shares issued under the LTIP rank *pari passu* with existing ordinary shares and are entitled to participate in dividends as well as future rights and bonus issues. The LTIP rewards participating executives against the extent of the consolidated entity's achievement against improvement in share price and hence shareholder value over the long term.

# Directors' Report

For the financial year ended 30 June 2016

Details of LTIP shares granted as compensation to key management personnel:

## 30 June 2016

Executive	Share Rights Issued	Share Rights Forfeited	Issue/Exercise Price	Issue Date	Vesting/Expiry Date	Current Year Expense	Total Value Granted (i)
J C Hosken (iii)	625,000	625,000	\$0.86	05/09/2013	30/06/2016	\$0	\$0
	625,000	625,000	\$0.86	05/09/2013	30/06/2016	\$0	\$0
S J Stegmann	550,000		\$0.86	05/09/2013	05/09/2016	\$33,216	\$99,467
	550,000		\$0.86	05/09/2013	05/09/2017	\$28,349	\$113,162
D C Goullet	387,500		\$0.86	05/09/2013	05/09/2016	\$23,402	\$70,079
	387,500		\$0.86	05/09/2013	05/09/2017	\$19,973	\$79,728
M Felizzi	250,000		\$1.10	30/05/2016	30/05/2019	\$2,134	\$75,376
	250,000		\$1.10	30/05/2016	30/05/2020	\$1,793	\$84,513
C Barnes (ii)	367,500	367,500	\$1.23	05/09/2014	30/06/2016	\$0	\$0
	367,500	367,500	\$1.23	05/09/2014	30/06/2016	\$0	\$0
	4,360,000					\$108,867	\$522,324

(i) The value of benefits granted under the LTIP during the year is calculated at the issue date using the Black-Scholes pricing model. This value is allocated to the remuneration of key management personnel on a straight-line basis over the period from issue to vesting date.

(ii) C Barnes resigned during the financial year (16 November 2015); therefore the full value of his share rights was forfeited.

(iii) J Hosken's entitlements were forfeited on 30 June 2016.

## 30 June 2015

Executive	Share Rights Issued	Share Rights Forfeited	Issue/Exercise Price	Issue Date	Vesting/Expiry Date	Current Year Expense	Total Value Granted (i)
J C Hosken	625,000		\$0.86	05/09/2013	05/09/2016	\$37,677	\$113,030
	625,000		\$0.86	05/09/2013	05/09/2017	\$32,148	\$128,593
S J Stegmann	550,000		\$0.86	05/09/2013	05/09/2016	\$33,156	\$99,467
	550,000		\$0.86	05/09/2013	05/09/2017	\$28,291	\$113,162
D C Goullet	387,500		\$0.86	05/09/2013	05/09/2016	\$23,360	\$70,079
	387,500		\$0.86	05/09/2013	05/09/2017	\$19,932	\$79,728
C Barnes (ii)	367,500		\$1.23	05/09/2014	05/09/2017	\$25,730	\$93,562
	367,500		\$1.23	05/09/2014	05/09/2018	\$21,789	\$105,645
	3,860,000					\$222,082	\$803,266

(i) The value of benefits granted under the LTIP during the year is calculated at the issue date using the Black-Scholes pricing model. This value is allocated to the remuneration of key management personnel on a straight-line basis over the period from issue to vesting date.

(ii) C Barnes was issued 735,000 share rights during the year.

### 7.3 Relationship between remuneration policy and Company performance

The following tables set out summary information about the consolidated entity's earnings and movements in shareholder wealth for the five years to 30 June 2016. Analysis of the figures shows that 2015 was affected by acquisition costs from the purchase of Bengering Limited and takeover of Tandou Limited. The 2016 year was affected by the impairment of goodwill. The Company's performance over the five years has been reflected in an increase in the Company's share price over the same period.

	30 June 2016 (\$'000)	30 June 2015 (\$'000)	30 June 2014 (\$'000)	30 June 2013 (\$'000)	30 June 2012 (\$'000)
Revenue and other income	187,887	77,503	65,650	61,774	48,159
Net profit/(loss) before tax	(81,554)	8,568	11,977	9,922	5,196
Net profit/(loss) after tax	(80,669)	5,759	8,328	6,967	3,998

  

	30 June 2016	30 June 2015	30 June 2014	30 June 2013	30 June 2012
Share price at start of year	\$1.57	\$0.86	\$0.70	\$0.50	\$0.37
Share price at end of year	\$1.12	\$1.57	\$0.86	\$0.70	\$0.50
Interim Dividend	–	–	1.50 cps	1.00 cps	0.50 cps
Final Dividend	1.00 cps	1.00 cps	2.00 cps	1.50 cps	1.50 cps
Basic earnings per share	(23.28) cps	3.70 cps	6.21 cps	5.62 cps	4.31 cps

### 7.4 Key Management Personnel details

The Directors and other key management personnel of Webster Limited during the year were:

#### Directors

- ♦ C D Corrigan (Executive Chairman) – appointed 29 February 2016
- ♦ R J Roberts (Non-Executive Director)
- ♦ B D Cushing (Non-Executive Director)
- ♦ C D Langdon (Non-Executive Director)
- ♦ R Haire (Executive Chairman) – retired 29 February 2016
- ♦ D W Robinson (Non-Executive Director) – retired 23 June 2016
- ♦ J J Robinson (Non-Executive Director) – appointed 23 June 2016

#### Executives

- ♦ J C Hosken (Chief Executive Officer) – retired 18 November 2015
- ♦ S J Stegmann (Chief Financial Officer and Company Secretary) – retired 30 September 2015
- ♦ D C Goullet (General Manager Operations, Walnuts Australia)
- ♦ M Felizzi (Chief Financial Officer and Company Secretary) – appointed 18 April 2016
- ♦ B Barry (General Manager – Water Operations)
- ♦ C D Barnes (General Manager Orchards, Walnuts Australia) – retired 16 November 2015
- ♦ A T Reilly (Chief Financial Officer and Company Secretary) – appointed 28 August 2015 retired 31 March 2016

Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year.

# Directors' Report

For the financial year ended 30 June 2016

## 7.5 Remuneration details of Key Management Personnel

The following tables disclose compensation of key management personnel of the consolidated entity. The term "Key Management Personnel" refers to those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the consolidated entity.

2016	Short-Term		Post Employment		Termination	Share-Based Amounts	Total	Fixed Remuneration Re-muneration	Linked to Performance
Key Management Personnel	Salary and fees	Bonus	Non-Monetary	Super		LTIP (ix)			
<b>Directors</b>									
C D Corrigan	75,200	–	7,418	7,144	–	–	89,762	100%	–
B D Cushing	65,307	–	7,418	6,204	–	–	78,929	100%	–
R R Roberts	78,490	–	7,418	10,510	–	–	96,418	100%	–
D W Robinson (i)	67,505	–	7,418	6,413	–	–	81,336	100%	–
C D Langdon	64,546	–	7,418	–	–	–	71,964	100%	–
R Haire (ii)	189,673	–	4,896	15,482	–	–	210,051	100%	–
J J Robinson (iii)	–	–	141	–	–	–	141	100%	–
<b>Executives</b>									
S J Stegmann (iv)	53,748	77,853	2,626	12,223	148,643	61,375	356,467	100%	–
J Hosken (v)	75,468	57,171	12,001	12,196	240,185	–	397,022	100%	–
B Barry	141,119	–	26,918	12,581	–	–	180,618	100%	–
M Felizzi (vi)	61,274	–	1,484	3,342	–	3,927	70,026	100%	–
C Barnes (vii)	65,181	41,152	10,251	9,123	10,299	–	136,006	100%	–
D Gouillet	172,189	–	26,918	20,567	–	43,375	263,049	100%	–
A T Reilly (viii)	182,561	–	15,856	14,573	156,340	–	369,329	100%	–
Total	1,292,260	176,176	138,180	130,358	555,467	108,677	2,401,118		

(i) Mr D W Robinson retired on 23 June 2016.

(ii) Mr R A G Haire retired on 29 February 2016.

(iii) Mr J J Robinson was appointed on 23 June 2016.

(iv) Ms S J Stegman retired on 30 September 2015.

(v) MC J Hosken retired on 18 November 2015.

(vi) Mr M Felizzi was appointed on 18 April 2016.

(vii) C D Barnes retired on 16 November 2015.

(viii) Mr A T Reilly was appointed 28 August 2015 and retired on 31 March 2016.

(ix) The value of the Long-Term Incentive Plan benefits granted to key management personnel as part of their remuneration is calculated as at the issue date using the Black-Scholes pricing model. The amounts disclosed as part of the remuneration for part of the financial year have been determined by allocating the issue date value on a straight-line basis over the period from issue date to vesting date.



2015	Short-Term		Post Employment		Termination	Share-Based Amounts	Total	Fixed Remuneration Re-muneration	Remuneration Linked to Performance
Key Management Personnel	Salary and fees	Bonus	Non-Monetary	Super		LTIP (vi)			
<b>Directors</b>									
R J Roberts	121,744	–	5,100	11,566	–	–	138,410	100%	–
S J L Stone (i)	37,198	–	2,125	3,533	–	–	42,856	100%	–
C D Corrigan	54,005	–	5,100	5,130	–	–	64,235	100%	–
B D Cushing	58,402	–	5,100	5,548	–	–	69,050	100%	–
C D Langdon	63,638	–	5,100	–	–	–	68,738	100%	–
D W Robinson (ii)	15,678	–	2,763	1,489	–	–	19,930	100%	–
R A G Haire (iii)	–	–	–	–	–	–	–	–	–
<b>Executives</b>									
J C Hosken	223,862	–	24,600	18,090	–	69,825	336,377	100%	–
S J Stegmann	215,415	–	8,100	16,986	–	61,446	301,947	100%	–
D C Gouillet	132,567	–	19,500	12,425	–	43,292	207,784	100%	–
C D Barnes	141,897	–	19,500	12,930	–	47,519	221,846	100%	–
K M Brown (iv)	97,249	–	17,875	9,564	15,365	–	140,053	100%	–
D M Jones (vv)	83,657	–	13,000	8,291	–	–	104,948	100%	–
Total	1,245,312	–	127,863	105,552	15,365	222,082	1,716,174		

(i) Mr S J L Stone retired on 11 November 2014.

(ii) Mr D W Robinson was appointed on 17 December 2014.

(iii) Mr R A G Haire was appointed on 15 June 2015.

(iv) Ms K M Brown's position was made redundant on 22 May 2015.

(v) Mr D Jones resigned on 28 February 2015.

(vi) The value of the Long-Term Incentive Plan benefits granted to key management personnel as part of their remuneration is calculated as at the issue date using the Black-Scholes pricing model. The amounts disclosed as part of the remuneration for part of the financial year have been determined by allocating the issue date value on a straight-line basis over the period from issue date to vesting date.

## 7.6 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 Limited (pursuant to the purchase of the Kooba Aggregation, Bengerang Limited and Tandou Limited) a company in which Mr David Robinson and Mr Joe Robinson are associates. The Company entered into an agreement with Corrigan Air, a company in which Mr Christopher Corrigan and Mr Joseph Corrigan are associates. The current agreement is for the provision of the use of light aircraft to transport management to the Company's properties at cost. Consolidated profit for the year includes \$1,891,000 (2015: \$400,000) of management fee expense, direct reimbursements and aircraft travel arising from transactions with key management personnel of the Group or their related parties.

Outside the above and contracts of employment, no other key management personnel have entered into a contract with the Company during the financial year.

# Directors' Report

For the financial year ended 30 June 2016

## 7.7 Equity Holdings of Key Management Personnel

The following tables discloses details and movements in equity holdings of key management personnel of the consolidated entity:

<b>Number of ordinary shares (ORD) held directly, indirectly or beneficially</b>	<b>Type</b>	<b>Balance at 1/7/15</b>	<b>Received on exercise of options</b>	<b>Share Rights LTIP</b>	<b>Net other change</b>	<b>Balance at 30/6/16</b>
<b>Directors</b>						
C D Corrigan	ORD	43,106,493	–	–	2,025,941	45,132,434
B D Cushing	ORD	20,244,413	–	–	–	20,244,413
R J Roberts	ORD	5,143,187	–	–	–	5,143,187
D W Robinson (ii)	ORD	54,031,899	–	–	(54,029,399)	2,500
C D Langdon	ORD	1,444	–	–	–	1,444
R Haire	ORD	–	–	–	–	–
J J Robinson (i)	ORD	–	–	–	52,702,351	52,702,351
		122,527,436	–	–	698,893	123,226,329
<b>Executives</b>						
<b>Options</b>						
C D Barnes	ORD	735,000	–	(735,000)	–	–
M Felizzi	ORD	–	–	500,000	–	500,000
D C Goullet	ORD	776,232	–	–	–	776,232
J C Hosken	ORD	1,250,000	–	(1,250,000)	–	–
S J Stegmann	ORD	1,105,113	–	–	–	1,105,113
		3,866,345	–	(1,485,000)	–	2,381,345

(i) Opening balance for J J Robinson is at the respective appointment date.

(ii) Closing balance for D W Robinson is at the respective retirement date.

<b>Number of ordinary shares (ORD) held directly, indirectly or beneficially</b>	<b>Type</b>	<b>Balance at 1/7/14</b>	<b>Received on exercise of options</b>	<b>Share Rights LTIP</b>	<b>Net other change</b>	<b>Balance at 30/6/15</b>
<b>Directors</b>						
C D Corrigan	ORD	23,837,314	–	–	19,269,179	43,106,493
B D Cushing	ORD	11,431,136	–	–	8,813,277	20,244,413
R J Roberts	ORD	5,143,187	–	–	–	5,143,187
D W Robinson (i)	ORD	2,500	–	–	54,029,399	54,031,899
C D Langdon	ORD	1,444	–	–	–	1,444
S J L Stone	ORD	917,586	–	–	(455,000)	462,586
R Haire	ORD	–	–	–	–	–
		41,333,167	–	–	81,656,855	122,990,022
<b>Executives</b>						
<b>Options</b>						
C D Barnes	ORD	735,000	–	–	–	735,000
D C Goullet	ORD	776,232	–	–	–	776,232
J C Hosken	ORD	1,250,000	–	–	–	1,250,000
S J Stegmann	ORD	1,105,113	–	–	–	1,105,113
		3,866,345	–	–	–	3,866,345

(i) Opening balance for D W Robinson is at the respective appointment date.

## 8. Issue of Shares

In August 2015, 3,039,780 ordinary shares were issued in finalising the successful takeover bid for Tandou Limited (2015: 84,572,170 ordinary shares). In December 2014, 17,475,728 ordinary shares were issued to Australian Food and Fibre Limited and associates in conjunction with the Kooba Aggregation purchase. In May 2015, 107,670,120 ordinary shares were issued as consideration for the purchase of Bengenang Limited.

# Directors' Report

For the financial year ended 30 June 2016

## 9. Share Options

No shares of any controlled entity were issued during or since the end of the financial year by virtue of the exercise of any options.

Options over the shares of the Company have been granted to M Felizzi 500,000 ORD shares – 30 May 2016 under the LTIP scheme. On 18 November 2016 Mr C D Barnes forfeited shares – 735,000 ORD shares, granted to him by the Company. On 30 June 2016 Mr J Hosken forfeited shares – 1,250,000 ORD shares, granted to him by the Company. A non-recourse loan is made available to the Key Management Personnel to acquire the shares granted at the date the offer is accepted.

## 10. Dividends

During the year, the Directors declared and paid the following dividends:

- ♦ Dividends of 4.5 cents per share on the cumulative non-redeeming preference shares were paid on 30 September 2015 and 31 March 2016.
- ♦ A dividend of 1.0 cent per share on ordinary shares was paid on 30 October 2015.

The Directors have declared a fully franked dividend on ordinary shares of 1.0 cent per share, payable on 28 October 2016.

## 11. Changes in State of Affairs

Other than as disclosed in this report or in the accompanying financial statements and notes thereto, there has been no significant change in the state of affairs of the consolidated Group during the year.

## 12. Subsequent Events

The Directors are not aware of any other matter or circumstance that has arisen, other than that which has been described above, that has significantly affected or may significantly affect the operations of the consolidated Group, the results of those operations or the state of affairs of the consolidated Group in subsequent financial years.

## 13. Likely Developments

Likely developments in the consolidated Group's operations known at the date of this report have been covered elsewhere within this report.

## 14. Officers' Indemnities and Insurance

During the current financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company (as named above), the Company Secretary, and all executive officers of the Company and of any related body corporate against a liability incurred as such a Director, secretary or executive officer 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. The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

## 15. Environmental Regulations

The consolidated group operates various processing facilities that are subject to environmental controls. There are no known issues that are outstanding with regulatory authorities and the Group is operating within accepted guidelines.



## 16. Non-Audit Services

The Directors are satisfied that the provision of non-audit services during the year by the auditors (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 4 to the financial statements.

The Directors are of the opinion that the services disclosed in note 4 to the financial statements do not compromise the external auditor's independence, based on the advice received from the Audit and Risk Committee, for the following reasons:

- ♦ All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and
- ♦ None of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

## 17. Rounding Off of Amounts

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations instrument, amounts in the Directors' Report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

## 18. Independence Declaration by Auditor

The auditor's independence declaration is included on page 16.

Signed in accordance with a resolution of the Directors made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors



**C D Corrigan**

Executive Chairman

Sydney, 25 August 2016

# Auditor's Independence Declaration

**Deloitte.**

Deloitte Touche Tohmatsu  
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The Board of Directors  
Webster Limited  
61 Kurrajong Avenue  
Leeton NSW 2705

Dear Board Members

**Webster Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Webster Limited.

As lead audit partner for the audit of the financial statements of Webster Limited for the financial year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully



DELOITTE TOUCHE TOHMATSU



J A Leotta  
Partner  
Chartered Accountants  
Sydney, 25 August 2016

Liability limited by a scheme approved under Professional Standards Legislation.  
Member of Deloitte Touche Tohmatsu Limited

# Independent Auditor's Report

**Deloitte.**

Deloitte Touche Tohmatsu  
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## **Independent Auditor's Report to the members of Webster Limited**

### **Report on the Financial Report**

We have audited the accompanying financial report of Webster Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 19 to 70.

### *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 gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

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

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Member of Deloitte Touche Tohmatsu Limited

# Independent Auditor's Report

## Deloitte.

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.

### *Auditor's Independence Declaration*

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

### *Opinion*

In our opinion:

- (a) the financial report of Webster Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 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 consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

### **Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 7 to 13 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

### *Opinion*

In our opinion the Remuneration Report of Webster Limited for the year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001*.



DELOITTE TOUCHE TOHMATSU



J A Leotta  
Partner  
Chartered Accountants  
Sydney, 25 August 2016



# 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;
- (b) In the Directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements;
- (c) 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; and
- (d) The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

At the date of this declaration, the Company is within the class of companies affected by legislative instrument 2016/191. The Company is within the class of company as affected by ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order applies, as detailed in note 19 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Directors



**C D Corrigan**  
Executive Chairman

Sydney, 25 August 2016

# Financial Statements



# Consolidated statement of profit or loss and other comprehensive income

For the financial year ended 30 June 2016

	Note	2016 (\$'000)	2015 (\$'000)
<b>Continuing Operations</b>			
Revenue	2(a)	128,381	58,320
Cost of sales		(91,655)	(37,843)
<b>Gross profit</b>		36,726	20,477
Other income	2(b)	59,506	19,183
Acquisition expenses		–	(3,934)
Distribution expenses		(3,902)	(1,969)
Marketing expenses		(671)	(584)
Operational expenses		(63,396)	(13,922)
Administration expenses		(6,182)	(7,111)
Finance costs		(6,927)	(3,283)
Other expenses		(258)	(289)
Operating profit before income tax expense and goodwill impairment		14,896	8,568
Impairment of goodwill	1.6	(96,450)	–
<b>Profit/(loss) before income tax expense</b>		<b>(81,554)</b>	<b>8,568</b>
Income tax credit/(expense)	3	885	(318)
<b>Net profit/(loss) for the period from continuing operations</b>		<b>(80,669)</b>	<b>8,250</b>
<b>Discontinued operation</b>			
Loss for the period from discontinued operations		–	(2,491)
<b>Profit/(loss) for the period</b>		<b>(80,669)</b>	<b>5,759</b>
<b>Other comprehensive income, net of income tax</b>			
<i>Items that may be reclassified subsequently to profit and loss</i>			
(Loss) on cash flow hedges taken to equity		–	(612)
Other comprehensive (loss) for the period (net of tax)		–	(612)
<b>Total comprehensive income for the period</b>		<b>(80,669)</b>	<b>5,147</b>
<b>Profit attributable to:</b>			
Owners of the parent		(80,669)	5,871
Non-controlling interests		–	(112)
		<b>(80,669)</b>	<b>5,759</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent		(80,669)	5,259
Non-controlling interests		–	(112)
		<b>(80,669)</b>	<b>5,147</b>
<b>(Loss)/earnings per share</b>			
Basic (cents per share)	17	(23.28)	3.70
Diluted (cents per share)	17	(23.28)	3.61

Notes to the financial statements are included on pages 25 to 70.

# Consolidated statement of financial position

As at 30 June 2016

	Note	2016 (\$'000)	2015 (\$'000)
<b>Current assets</b>			
Cash and cash equivalents	22(a)	12,450	17,226
Trade and other receivables	5	25,535	34,743
Other financial assets	6	–	53
Inventories	7	60,353	81,452
Other assets	8	8,223	2,229
<b>Total current assets</b>		<b>106,561</b>	<b>135,703</b>
<b>Non-current assets</b>			
Trade and other receivables	5	752	2,314
Property, plant and equipment	9	233,517	218,055
Biological assets	10	43,642	35,688
Loans		–	2,207
Investments		52	52
Intangibles – water	11	240,450	231,741
Intangibles – goodwill	11	24,700	121,150
Intangibles – other	11	1,919	2,044
<b>Total non-current assets</b>		<b>545,032</b>	<b>613,251</b>
<b>Total assets</b>		<b>651,593</b>	<b>748,954</b>
<b>Current liabilities</b>			
Trade and other payables	12	15,231	26,480
Borrowings	13	44,694	46,991
Current tax liability	3	1,038	–
Other financial liabilities	14	–	620
Provisions	15	1,296	2,499
<b>Total current liabilities</b>		<b>62,259</b>	<b>76,590</b>
<b>Non-current liabilities</b>			
Borrowings	13	152,257	149,743
Net deferred tax liability	3	19,847	21,371
Provisions	15	374	159
<b>Total non-current liabilities</b>		<b>172,478</b>	<b>171,273</b>
<b>Total liabilities</b>		<b>234,737</b>	<b>247,863</b>
<b>Net assets</b>		<b>416,856</b>	<b>501,091</b>
<b>Equity</b>			
Issued capital	16	462,844	459,468
Reserves		371	(29)
Retained earnings/(accumulated losses)		(46,359)	37,812
		<b>416,856</b>	<b>497,251</b>
Equity attributable to the owners of the Company		<b>416,856</b>	<b>497,251</b>
Non-controlling interests		–	3,840
<b>Total equity</b>		<b>416,856</b>	<b>501,091</b>

Notes to the financial statements are included on pages 25 to 70.



# Consolidated statement of changes in equity

For the financial year ended 30 June 2016

	Share capital (\$'000)	Cash flow hedging reserve <sup>1</sup> (\$'000)	Equity settled employee benefits reserve <sup>2</sup> (\$'000)	Retained earnings/ (accumulated losses) (\$'000)	Attributable to the owners of the parent (\$'000)	Non-controlling interests (\$'000)	Total (\$'000)
<b>Balance at 1 July 2014</b>	<b>73,458</b>	<b>216</b>	<b>145</b>	<b>34,624</b>	<b>108,443</b>	<b>–</b>	<b>108,443</b>
Profit or (loss) for the year	–	–	–	5,871	5,871	(112)	5,759
Other comprehensive income for the year, net of tax	–	(612)	–	–	(612)	–	(612)
Total comprehensive income for the year	–	(612)	–	5,871	5,259	(112)	5,147
Payment of dividends	–	–	–	(2,683)	(2,683)	–	(2,683)
Equity issued via placement	17,866	–	–	–	17,866	–	17,866
Equity issued as consideration for acquisition of subsidiaries	368,144	–	–	–	368,144	–	368,144
Non-controlling interests arising on the acquisition of subsidiaries	–	–	–	–	–	3,952	3,952
Recognition of share-based payments	–	–	222	–	222	–	222
<b>Balance at 30 June 2015</b>	<b>459,468</b>	<b>(396)</b>	<b>367</b>	<b>37,812</b>	<b>497,251</b>	<b>3,840</b>	<b>501,091</b>
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 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 <sup>3</sup>	–	–	201	–	201	–	201
<b>Balance at 30 June 2016</b>	<b>462,844</b>	<b>–</b>	<b>371</b>	<b>(46,359)</b>	<b>416,856</b>	<b>–</b>	<b>416,856</b>

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 25 to 70.

# Consolidated statement of cash flows

For the financial year ended 30 June 2016

	<b>Note</b>	<b>2016 (\$'000)</b>	<b>2015 (\$'000)</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		150,550	96,193
Payments to suppliers and employees		(103,310)	(93,488)
Interest paid		(6,927)	(2,929)
Income tax paid		–	(1,348)
<b>Net cash (used in)/provided by operating activities</b>	22(e)	40,313	(1,572)
<b>Cash flows from investing activities</b>			
Cash acquired on acquisition of subsidiaries		–	(302)
Interest received		97	204
Payment for biological assets, property, plant and equipment		(38,350)	(16,204)
Payment for water entitlements		(19,904)	–
Payment for biological assets, property, plant and equipment acquired as part of a business combination		–	(112,216)
Proceeds from sale of property, plant and equipment		5,983	9,772
Proceeds from government grants – development works		1,140	–
Proceeds from loans		2,207	–
Proceeds from sale of investments		53	–
Proceeds from sale of water entitlements		6,970	–
<b>Net cash used in investing activities</b>		(41,804)	(118,746)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings from others		217	144,685
Repayment of borrowings from others		–	(24,300)
Principal repayments under finance lease		–	(266)
Dividends paid		(3,502)	(2,683)
Proceeds from the issue of equity securities		–	17,866
<b>Net cash (used in)/provided by financing activities</b>		(3,285)	135,302
<b>Net increase/(decrease) in cash and cash equivalents</b>		(4,776)	14,984
<b>Cash and cash equivalents at the beginning of the financial year</b>		17,226	2,242
<b>Cash and cash equivalents at the end of the financial year</b>	22(a)	<b>12,450</b>	<b>17,226</b>

Notes to the financial statements are included on pages 25 to 70.

# Notes to the Financial Statements

For the financial year ended 30 June 2016

## General Information

Webster Limited is a listed public company, incorporated and operating in Australia.

Webster Limited's registered office is at 148 Colinroobie Road, Leeton NSW 2705 and its principle place of business is at 61 Kurrajong Avenue Leeton.

## 1 Summary of Significant Accounting Policies

### 1.1 Application of new and revised Accounting Standards

(a) Standards and Interpretations affecting amounts reported in the current period (and/or prior periods)

#### ***AASB 2015-3 "Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality"***

The amendment completes the withdrawal of references to AASB 10312 in the Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn.

(b) Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below. The potential effect of the revised Standards and Interpretations on Webster's financial statements has not yet been determined.

#### ***AASB 9 "Financial Instruments" and the relevant amending standards***

Effective for annual reporting periods beginning on or after 1 January 2018 and expected to be initially applied in the financial year ending 30 June 2019.

#### ***AASB 15 "Revenue from Contracts with Customers"***

Effective for annual reporting periods beginning on or after 1 January 2018 and expected to be initially applied in the financial year ending 30 June 2019.

#### ***AASB 16 "Leases"***

Effective for annual reporting periods beginning on or after 1 January 2019 and expected to be initially applied in the financial year ending 30 June 2020.

#### ***AASB 2014-4 "Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation"***

Effective for annual reporting periods beginning on or after 1 January 2016 and expected to be initially applied in the financial year ending 30 June 2017.

#### ***AASB 2014-6 "Amendments to Australian Accounting Standards – Agriculture: Bearer Plants"***

Effective for annual reporting periods beginning on or after 1 January 2016 and expected to be initially applied in the financial year ending 30 June 2017.

#### ***AASB 2015-1 "Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle"***

Effective for annual reporting periods beginning on or after 1 January 2016 and expected to be initially applied in the financial year ending 30 June 2017.

#### ***AASB 2015-2 "Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101"***

Effective for annual reporting periods beginning on or after 1 January 2016 and expected to be initially applied in the financial year ending 30 June 2017.

#### ***AASB 2015-5 "Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception"***

Effective for annual reporting periods beginning on or after 1 January 2016 and expected to be initially applied in the financial year ending 30 June 2017.

#### ***AASB 2016-1 "Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets and Unrealised Losses"***

Effective for annual reporting periods beginning on or after 1 January 2017 and expected to be initially applied in the financial year ending 30 June 2018.

# Notes to the Financial Statements

For the financial year ended 30 June 2016

## **AASB 2016-2 “Amendments to Australian Accounting Standards – Disclosure initiative: Amendments to AASB 107”**

Effective for annual reporting periods beginning on or after 1 January 2017 and expected to be initially applied in the financial year ending 30 June 2018.

These Standards and Interpretations will be first applied in the financial report of the Group that relates to the annual reporting period beginning after the effective date of each pronouncement.

### **1.2 Statement of compliance**

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the company is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards (“IFRS”).

The financial statements were authorised for issue by the Directors on 25 August 2016.

### **1.3 Basis of preparation**

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.

### **1.4 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:

*Walnut Trees* – We classify walnut trees as a biological asset and valued in accordance with AASB 141 “Agriculture”. Our accounting policies in relation to walnut trees are detailed in Note 1.5(e). In applying this policy, the Group has made various assumptions. As at 30 June 2016, the value of walnut trees carried in the financial statements of the consolidated entity is \$43.6 million (2015: \$33.9 million).

*Goodwill* – The goodwill arising on the Bengelang Limited purchase and the Tandou Limited takeover represents the excess of the consideration paid over the fair values of the assets and liabilities acquired. The consideration paid is calculated by reference to the quoted share price of Webster Limited at the date of control, being 29 May 2015, multiplied by the number of shares issued. Directors negotiated the acquisitions in the months preceding the announcement of the transactions. An independent expert assessed the transactions as fair and reasonable. The Bengelang transaction was subsequently approved by Webster Limited shareholders at an extraordinary general meeting, while the Tandou acquisition was communicated to shareholders and the market.

## **1.5 We have adopted the following significant accounting policies in the preparation and presentation of the financial report:**

### **(a) 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 its involvement with the investee; and
- ♦ Has the ability to use its power to affect its returns where 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.

### **(b) Revenue Recognition**

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 risks and rewards of ownership of the goods, except with respect to biological assets (see note 1.5(e)).

*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.

### **(c) 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.

# Notes to the Financial Statements

For the financial year ended 30 June 2016

## (d) 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.

## (e) Biological Assets

*Walnut Trees* – We classify walnut trees as a biological asset and valued in accordance with AASB 141 “Agriculture”. We value developing walnut trees at their growing cost until the year they bear their first commercial crop. We measure the value of crop-bearing walnut trees at fair value using a discounted cash flow methodology.

The discounted cash flow incorporates the following factors:

- ♦ Walnut trees have an estimated 25-year economic life, with crop yields consistent with long-term yield rates;
- ♦ Selling prices are based on average trend prices;
- ♦ Growing, processing and selling costs are based on long-term average levels; and
- ♦ Cash flows are discounted at a rate that takes into account the cost of capital plus a suitable risk factor.

*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.

## (f) 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, it estimates 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, it estimates the recoverable amount of the cash-generating unit to which the assets belong.

Webster Limited tests 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.

### (g) Property, Plant and Equipment

We measure 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.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. We calculate depreciation 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	5 – 20 years
Buildings	4 – 25 years
Leasehold improvements	2 – 20 years
Plant and equipment	3 – 20 years

### (h) 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 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 lessor* – Purchased assets where Webster Limited is a lessor under operating leases are carried at cost and depreciated over 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.

### (i) Inventories

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. This value is then transferred into inventory representing its cost.



# Notes to the Financial Statements

For the financial year ended 30 June 2016

## (j) Intangibles

*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.

## (k) Derivative Financial Instruments

Webster enters into a variety of derivative financial instruments to manage our exposure to foreign exchange rate risks and interest rate risk, including forward foreign exchange contracts and interest rate swaps. Further details of derivative financial instruments are disclosed in note 23 to the financial statements.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit immediately, unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit and loss depends on the nature of the hedge relationship.

Webster designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges).

*Cash flow hedge* – The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit and loss.

Amounts deferred in equity are recycled in profit and loss in the period when the hedged item is recognised in profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

We discontinue hedge accounting when Webster Limited revokes the hedging relationship, the hedge instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit and loss. When the Group revokes the hedging relationship, the hedge instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

*Derivatives that do not qualify for hedge accounting* – Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in profit and loss.

### **(l) 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.

### **(m) 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's 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 effective interest rate.

*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 uncollectable, 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.

# Notes to the Financial Statements

For the financial year ended 30 June 2016

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.

## (n) 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.

*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.

## (o) 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 to 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.

## (p) 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.

#### **(q) Income Tax**

Webster Limited and its wholly-owned Australian resident entities have elected 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 19. 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 intend to implement a tax sharing agreement and tax funding agreement between members of the tax-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 refundable).

*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 for 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 it into account in the determination of goodwill or excess.

# Notes to the Financial Statements

For the financial year ended 30 June 2016

## **(r) Investment Property**

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

## **(s) Provisions**

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 the 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.

## **(t) Government Grants**

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.

## **(u) 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 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.

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.

#### **(v) 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. 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.

#### **(w) Material prior period errors**

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.

# Notes to the Financial Statements

For the financial year ended 30 June 2016

## 1.6 Significant items

Profit (Loss) before tax expense includes the following specific expenses for which disclosure is relevant in explaining the financial performance of Webster Limited:

	2016 \$'000	2015 \$'000
Impairment of goodwill	\$96,450	–

The impairment was recognised as a result of the acquisitions of Bengerang Limited and Tandou Limited. The offer for Bengerang Limited and Tandou Limited was based on independent valuations of the assets and liabilities. Based on these valuations the Webster Limited bid was announced to the market on 27 February 2015.

The bid was approved at an Extraordinary General Meeting on 25 May 2015. The share price of Webster Limited increased during the period of announcing the bids to market through until the date of acquiring control being 29 May 2015.

In accordance with AASB 3 “Business Combinations”, the consideration paid for the acquisitions was calculated by reference to the quoted share price of Webster Limited at the date of control, multiplied by the number of shares issued. The value of the consideration was greater than the fair value of the assets and liabilities acquired, as a result goodwill on acquisition was generated.

The goodwill arising on acquisition was:

	\$'000
Bengerang goodwill	\$90,072
Tandou goodwill	\$30,968
<b>Total goodwill</b>	<b>\$121,040</b>

In accordance with AASB 136 “Impairment of Assets”, the goodwill generated was allocated to Cash-Generating Units (CGUs) and tested for impairment using updated Directors’ valuations of assets and liabilities during the year.

The recoverable amount of both CGUs is the greater of value in use and their fair value less costs of disposal: where fair value less costs of disposal has been calculated based on a Directors’ Valuation. The Directors have made their valuation with reference to external valuation assessments, making it a Level 3 valuation within the fair value hierarchy prescribed by AASB 13 “Fair Value Measurement”.

The external valuation assessments are based on comparable market transactions for other properties and water rights; and other items such as property, plant and equipment and working capital are based on current book values which are deemed to represent fair value.

The result from testing the CGUs for impairment during the year was to fully impair the \$90.072 million of Bengerang goodwill and impair \$6.379 million of Tandou goodwill having consideration for the synergies, benefits and increasing value of water rights acquired as part of the acquisition.



## 2 Profit/(Loss) from Operations

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

	2016 \$'000	2015 \$'000
<b>(a) Revenue</b>		
Revenue from the sale of goods	119,782	48,803
Revenue from the rendering of services	7,937	9,269
Interest revenue	97	204
Rental revenue	565	44
<b>Total revenue</b>	<b>128,381</b>	<b>58,320</b>
<b>(b) Other Income</b>		
Gain on disposal of permanent water rights and PPE	3,550	29
Increment in net market value of agricultural assets	49,039	16,537
Net foreign exchange gains/(loss)	(15)	177
Net income from sales of unused water allocations	2,415	–
Other	4,517	2,440
<b>Total other income</b>	<b>59,506</b>	<b>19,183</b>
<b>(c) Expenses</b>		
<b>Cost of sales</b>	<b>91,655</b>	<b>37,843</b>
Interest on loans	6,533	3,154
Dividends on instruments classified as financial liabilities	32	35
Other finance costs	362	94
<b>Total finance costs</b>	<b>6,927</b>	<b>3,283</b>
Depreciation of non-current assets	7,505	4,210
Amortisation of non-current assets	483	216
<b>Total depreciation and amortisation</b>	<b>7,988</b>	<b>4,426</b>
Equity-settled share-based payments	201	222
Post-employment benefits	1,512	1,024
Other employee benefits	15,914	10,263
<b>Total employee benefits expense</b>	<b>17,627</b>	<b>11,509</b>
Research and development costs immediately expensed	–	450
Operating lease rental expense	17	524

# Notes to the Financial Statements

For the financial year ended 30 June 2016

## 3 Income Taxes

	2016 \$'000	2015 \$'000
<b>(a) Income tax recognised in profit or loss</b>		
Tax expense comprises:		
Current tax expense	1,038	(267)
Adjustments recognised in the current year in relation to the current tax of prior years	–	–
Deferred tax expense relating to the origination and reversal of temporary differences	(1,922)	(495)
Other	–	73
Tax attributable to discontinued operations	–	1,007
<b>Total tax (credit)/expense (relating to continuing operations)</b>	<b>(885)</b>	<b>318</b>
<b>The prima facie income tax expense on pre-tax accounting (loss)/profit from operations reconciles to income tax expense in the financial statements as follows:</b>		
(Loss)/profit from continuing operations	(81,554)	8,568
(Loss)/profit from discontinued operations	–	(3,497)
Total (loss)/profit from operations	(81,554)	5,071
Income tax expense calculated at 30%	(24,466)	1,521
Non-deductible expenses	28,781	(310)
Restatement of tax costs of assets	(5,557)	(1,740)
Non-assessable gain	(453)	–
Derecognition of deferred tax asset	204	–
(Over)/under provision of income tax in previous year	607	(160)
Tax attributable to discontinued operations	–	1,007
	(885)	318
<i>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.</i>		
<b>(b) Income tax recognised directly in other comprehensive income</b>		
Deferred tax:		
Revaluation of financial instruments treated as cash flow hedges	–	(263)
	–	(263)
<b>(c) Current tax payable:</b>		
Income tax attributable:		
Parent entity	–	349
Entities in the tax consolidated group	(1,038)	(699)
Other	–	350
	(1,038)	–

(d) Deferred tax assets and liabilities

<b>2016</b>	<b>Opening balance \$'000</b>	<b>Charged to income \$'000</b>	<b>Charged to equity \$'000</b>	<b>Acquisitions /disposals \$'000</b>	<b>Closing balance \$'000</b>
<b>Deferred tax assets:</b>					
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
<b>Deferred tax liabilities:</b>					
Property, plant and equipment	(22,662)	8,311	–	–	(14,351)
Financial assets – non-receivables	(46)	46	–	–	–
Inventory and biological assets	(10,641)	(7,740)	–	–	(18,381)
Other	(898)	888	–	–	(10)
	(34,247)	1,505	–	–	(32,742)
	(21,371)	1,524	–	–	(19,847)
<b>2015</b>					
<b>Deferred tax assets:</b>					
Provisions	250	118	182	24	574
Financial assets – receivables	491	95	–	–	586
Other	246	1,581	4	2,483	4,314
Unused tax losses	1,599	3,045	–	2,758	7,402
	2,586	4,839	186	5,265	12,876
<b>Deferred tax liabilities:</b>					
Property, plant and equipment	(4,673)	(2,367)	–	(15,622)	(22,662)
Financial assets – non-receivables	(35)	(26)	15	–	(46)
Inventory and biological assets	(1,945)	(1,962)	–	(6,734)	(10,641)
Other	(103)	11	48	(854)	(898)
	(6,756)	(4,344)	63	(23,210)	(34,247)
	(4,170)	495	249	(17,105)	(21,371)

# Notes to the Financial Statements

For the financial year ended 30 June 2016

## 4 Remuneration of Auditors

	2016 \$	2015 \$
<b>Auditor of the parent entity</b>		
Audit or review of the financial report	382,000	227,910
Taxation services	47,985	205,523
Other services	72,015	12,155
	502,000	445,588
<b>Auditor of the subsidiary companies</b>		
Tandou Limited (PricewaterhouseCoopers)	–	121,100
Bengerang Limited (2016: Deloitte Touche Tohmatsu; 2015: Ernst and Young)	30,000	48,932

The auditor of Webster Limited is Deloitte Touche Tohmatsu.

Other services include services relating to AGW Funds Management Limited, and LTIP and general advice.

## 5 Trade and Other Receivables

	2016 \$'000	2015 \$'000
<b>Current</b>		
Trade receivables	25,287	34,062
Goods and services tax (GST) recoverable	248	681
	25,535	34,743
The average credit period on sales of goods of the operating divisions within the Company is 60 days.		
<b>Non-current</b>		
Trade receivables	2,965	4,398
Allowance for doubtful debts	(2,213)	(2,084)
	752	2,314
<b>Ageing of past due but not impaired</b>		
61 – 90 days	69	256
91 – 120 days	55	159
121 + days	907	2,434
Total	1,031	2,849
<b>Movement in allowance for doubtful debts</b>		
Balance at the beginning of the year	(2,084)	(1,605)
Impairment losses recognised on receivables	(129)	(798)
Amounts written off as uncollectable	–	319
Balance at the end of the year	(2,213)	(2,084)
<b>Ageing of impaired</b>		
61 – 90 days	–	–
91 – 120 days	–	–
121 + days	2,213	2,084
Total	2,213	2,084

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 majority of which relates to bankrupt scheme participants. The non-current trade receivable balance relates to fees owing from MIS investors.

# Notes to the Financial Statements

For the financial year ended 30 June 2016

## 6 Other Financial Assets

	2016 \$'000	2015 \$'000
<b>Current</b>		
<b>At fair value</b>		
Foreign currency forward contracts	–	53
	–	53

## 7 Inventories

	2016 \$'000	2015 \$'000
<b>Raw materials</b>		
Raw materials at cost	2,811	3,067
<b>Walnut stocks</b>		
Walnut stocks at cost	9,091	14,816
<b>Cropping stocks</b>		
Cropping stocks at fair value	7,275	5,999
Cropping stocks at cost	31,706	50,603
<b>Livestock</b>		
Livestock at cost	9,470	6,780
<b>Onion stocks</b>		
Onion stocks at cost	–	187
	60,353	81,452

## 8 Other Assets

	2016 \$'000	2015 \$'000
Prepayments	500	2,229
Development Funding Due	7,723	–
	8,223	2,229

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.

## 9 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)	Total (\$'000)
<b>Gross carrying amount</b>							
Balance at 1 July 2014	7,409	–	15,418	698	42,312	706	66,543
Acquisitions through business combinations	81,227	48,286	17,568	280	20,512	1,212	169,086
Additions	–	106	645	–	9,700	428	10,879
Disposals	(244)	–	(4,611)	(672)	(8,230)	(122)	(13,879)
Reclassification of assets	–	–	–	(26)	26	–	–
Balance at 30 June 2015	88,392	48,392	29,020	306	64,294	2,224	232,629
<b>Accumulated depreciation/amortisation and impairment</b>							
Balance at 1 July 2014	–	–	(870)	(209)	(14,289)	(392)	(15,760)
Disposals	–	–	500	207	4,704	73	5,484
Depreciation expense	–	(29)	(455)	(50)	(3,714)	(49)	(4,297)
Reclassification of assets	–	–	–	26	(26)	–	–
Balance at 30 June 2015	–	(29)	(825)	(52)	(13,299)	(368)	(14,573)
<b>Net book value</b>							
As at 30 June 2014	7,409	–	14,548	489	28,023	314	50,783
As at 30 June 2015	88,392	48,363	28,195	254	50,995	1,856	218,055



# Notes to the Financial Statements

For the financial year ended 30 June 2016

## 9 Property, Plant and Equipment (continued)

	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)	Total (\$'000)
<b>Gross carrying amount</b>							
Business disposal	–	–	–	–	–	–	–
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
<b>Accumulated depreciation/amortisation and impairment</b>							
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
Reclassification of assets	–	–	–	–	–	–	–
Balance at 30 June 2016	–	(827)	(2,013)	–	(18,844)	433	(21,251)
<b>Net book value</b>							
As at 30 June 2015	88,392	48,363	28,195	254	50,995	1,856	218,055
As at 30 June 2016	123,672	27,285	34,618	–	45,913	2,029	233,517

(i) Reclassification of assets represents the transfer of the cotton gin building from plant and equipment prior to classification. Upon acquisition of Tandou, management of the Group reclassified a group of assets from property improvements to land.

## 10 Biological Assets

The consolidated entity as part of its operations grows, harvests, processes and sells walnuts, cotton, crops and livestock. As at 30 June 2016 the consolidated entity owned a total of 1,995 hectares (2015: 1,995 hectares) of walnut orchards located in New South Wales and Tasmania. Of the total orchard area owned, 701 hectares (2015: 750 hectares) were leased to growers under Managed Investment Schemes, with the output of agricultural product of these hectares being the property of the MIS growers. During the year ended 30 June 2016 a total of 4,812 tonnes (2015: 5,835 tonnes) of walnuts were harvested from all orchards, including 2,623 tonnes (2015: 2,754 tonnes) from orchards leased to MIS growers. As at 30 June 2016, the consolidated entity owned a total of 37,715 hectares of irrigated cropping land (2015: 35,065) located in New South Wales and Queensland.

	2016 \$'000	2015 \$'000
<b>(a) Non-current</b>		
Walnut orchards	43,642	35,688
	43,642	35,688
<b>(b) Reconciliation of changes in the carrying amount of Biological Assets</b>		
Carrying value at the beginning of the financial year	35,688	33,964
Purchases	7,954	1,724
Carrying value at the end of the financial year	43,642	35,688

### (c) Fair Value

The fair values of non-current biological assets have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis. The following table provides an analysis of non-current biological assets measured at fair value based on the degree to which the fair value is observable.

Fair value hierarchy				
	Fair value as at:		Fair value hierarchy	Valuation technique
	30/06/16 \$'000	30/06/15 \$'000		
Biological Assets	43,642	35,688	Level 2	Discounted cash flow based on observable market prices and cost inputs. Refer to note 1.5e for further details on valuation technique.

### (d) Biological assets pledged as security

Refer to note 13 for information on biological assets pledged as security by the parent entity or its subsidiaries.

### (e) Financial risk management

The consolidated entity is exposed to financial risk associated with movements in exchange rates as walnut export sales are undertaken in foreign currencies. The consolidated entity has an active foreign exchange policy and enters into derivative instruments in line with its foreign exchange policy to help manage this risk.

# Notes to the Financial Statements

For the financial year ended 30 June 2016

## 11 Intangibles

	<b>Goodwill \$'000</b>	<b>Licences \$'000</b>	<b>Contracts \$'000</b>	<b>Permanent Water Rights \$'000</b>	<b>Total \$'000</b>
<b>Net book value</b>					
Balance at 1 July 2014	397	100	2,069	2,848	5,414
Amortisation expense	–	–	(125)	–	(125)
Amounts recognised on sale of business	(286)	–	–	–	(286)
Additional amounts recognised during the year	121,039	–	–	228,893	349,932
Balance at 30 June 2015	121,150	100	1,944	231,741	354,935
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	1,819	240,450	267,069

### (a) Impairment test for goodwill

Goodwill amounts recognised arose from the purchase of Bengerang Limited and Tandou Limited. The carrying value of goodwill represents, in part, the excess of the market 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.

## 12 Trade and Other Payables

	2016 (\$'000)	2015 (\$'000)
<b>Current</b>		
Trade payables	12,794	24,196
Goods and services tax (GST) payable	2,437	2,284
	15,231	26,480

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.

## 13 Borrowings

	Note	2016 \$'000	2015 \$'000
<b>(a) Current</b>			
<b>At amortised cost</b>			
<i>Secured</i>			
Bank loans	(i)	43,887	46,110
Finance lease liabilities	(ii)	807	881
		44,694	46,991
<b>(b) Non-current</b>			
<b>At amortised cost</b>			
<i>Secured</i>			
Bank loans		150,000	148,480
Finance lease liabilities	(ii)	1,863	869
<i>Unsecured</i>			
Non-redeemable cumulative preference shares	(iii)	394	394
		152,257	149,743

(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.

# Notes to the Financial Statements

For the financial year ended 30 June 2016

## 14 Other Financial Liabilities

	2016 \$'000	2015 \$'000
<b>Current</b>		
<b>At fair value</b>		
Foreign currency forward contracts	–	620
	–	620

## 15 Provisions

	2016 \$'000	2015 \$'000
<b>(a) Current</b>		
Employee benefits	1,296	1,569
Export sales rebates	–	930
	1,296	2,499
<b>(b) Non-current</b>		
Employee benefits	374	159
<b>(c) Movements in provisions</b>		
Balance at beginning of financial year	2,658	1,449
Additional provision recognised	–	1,209
Reductions arising from payments/other sacrifices of future economic benefits	(988)	–
Balance at end of financial year	1,670	2,658

## 16 Issued Capital

	Note	2016 \$'000	2015 \$'000
350,745,163 (2015: 347,705,383) fully paid ordinary shares	(i)	462,844	459,468
		462,844	459,468

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	2016 Number	2016 \$'000	2015 Number	2015 \$'000
<i>(i) Fully paid ordinary share capital</i>					
Balance at beginning of financial year		347,705,383	459,468	137,987,365	73,458
Shares issued	(i)	3,039,780	3,376	209,718,018	386,010
Balance at end of financial year		350,745,163	462,844	347,705,383	459,468

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

*(i) Share capital issued during the financial year*

3,039,780 ordinary shares were issued on August 2015, resulting from the successful takeover bid for Tandou Limited.

## 17 (Loss)/Earnings per Share

	Note	Cents per share	
		2016	2015
Basic (loss)/earnings per share	(a)	(23.28)	3.70
Diluted (loss)/earnings per share	(b)	(23.28)	3.61

Includes goodwill impairment in 2016

### (a) Basic (loss)/earnings per share

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

	2016 \$'000	2015 \$'000	2016	2015
Earnings used in the calculation of basic (loss)/earnings per share	(80,669)	8,250		
Weighted average number of ordinary shares for the purposes of basic (loss)/earnings per share			346,510,396	155,452,035



# Notes to the Financial Statements

For the financial year ended 30 June 2016

## 17 (Loss)/Earnings per Share (continued)

### (b) Diluted (loss)/earnings per share

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

	2016 \$'000	2015 \$'000	2016	2015
Earnings used in the calculation of diluted (loss)/earnings per share	(80,669)	8,250		
Weighted average number of ordinary and potential ordinary shares for the purpose of diluted (loss)/earnings per share			346,510,396	159,312,035

## 18 Dividends

	2016 Cents per share	2016 Total \$'000	2015 Cents per share	2015 Total \$'000
<b>(a) Dividends paid during the year</b>				
<b>Fully paid ordinary shares</b>				
Final dividend – FY2015 paid October 2015, (FY2014 paid October 2014)	1.0	3,438	2.0	2,683
		3,438		2,683

### (b) Dividends proposed

The Directors have declared a fully franked 1.0 cent per share final dividend on ordinary shares, payable on 28 October 2016. The record date for determining entitlement to the ordinary dividend is 7 October 2016. The Directors have also declared a franked 4.5 cent per share dividend on cumulative preference shares payable on 30 September 2016. The record date for determining entitlement is 16 September 2016.

	2016 \$'000	2015 \$'000
<b>(c) Franking credits balance</b>		
<b>Franking account balance at 1 July</b>	2,908	2,798
Tax paid/(refunded)	(124)	1,348
Dividends paid	(1,503)	(1,238)
<b>Net franking credits available at 30 June</b>	1,281	2,908
Impact on franking account balance of dividends not recognised	(1,503)	(1,503)

## 19 Subsidiaries

	Note	Country of Incorporation	Ownership Interest	
			2016 (%)	2015 (%)
<b>Parent Entity</b>				
Webster Limited		Australia		
<b>Controlled Entities</b>				
Clements and Marshall Consolidated Limited		Australia	100	100
Cygnnet Canning Company Pty Limited		Australia	100	100
Clements and Marshall Pty Limited		Australia	100	100
Field Fresh Tasmania Partnership	(i)	Australia	100	100
AGW Finance Pty Limited		Australia	100	100
AGW Walnuts Pty Limited	(i)	Australia	100	100
Walnuts Australia Pty Limited	(i)	Australia	100	100
AGW Funds Management Limited		Australia	100	100
Bengerang Limited	(i)	Australia	100	100
Tandou Limited	(i)	Australia	100	97

The above entities are audited by Deloitte Touche Tohmatsu.

All entities carry on business in Australia.

- (i) 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 Limited, under its banking arrangements with National Australia Bank.

# Notes to the Financial Statements

For the financial year ended 30 June 2016

## 19 Subsidiaries (continued)

### (a) Financial performance

The following statement of financial performance represents the consolidated financial performance of entities which are party to the deed of cross guarantee. AGW Funds Management Limited, Clements and Marshall Pty Limited, Clements and Marshall Consolidated Limited, Cygnet Canning Company Pty Limited and AGW Finance Pty Limited are not parties to the cross guarantee.

	2016 \$'000	2015 \$'000
Revenue	120,648	43,168
Cost of sales	(91,655)	(23,348)
<b>Gross Profit</b>	<b>28,993</b>	<b>19,820</b>
Other income	59,036	7,134
Acquisition expenses	–	(3,934)
Distribution expenses	(3,902)	(1,927)
Marketing expenses	(671)	(584)
Operational expenses	(55,293)	(2,988)
Administration expenses	(5,856)	(6,912)
Finance costs	(6,927)	(3,130)
Impairment of goodwill	(96,450)	–
Other expenses	(261)	(289)
<b>Profit before income tax expense</b>	<b>(81,332)</b>	<b>7,190</b>
Income tax (expense)/benefit	1,070	(85)
<b>Net profit for the period</b>	<b>(80,262)</b>	<b>7,104</b>
<b>Discontinued operations</b>		
Loss for the period from discontinued operations	–	(2,491)
<b>Profit/(loss) for the period</b>	<b>(80,262)</b>	<b>4,613</b>
<b>Other comprehensive income, net of income tax</b>		
Gain/(loss) on cash flow hedges taken to equity	–	(612)
Other comprehensive gain/(loss) for the period (net of tax)	–	(612)
<b>Total comprehensive income for the period</b>	<b>(80,262)</b>	<b>4,001</b>

**(b) Financial position**

The following statement of financial position represents the consolidated financial performance of entities which are party to the deed of cross guarantee. AGW Funds Management Limited, Clements and Marshall Pty Limited, Clements and Marshall Consolidated Limited, Cygnet Canning Company Pty Limited and AGW Finance Pty Limited are not parties to the cross guarantee.

	<b>2016 \$'000</b>	<b>2015 \$'000</b>
<b>Current Assets</b>		
Cash and cash equivalents	8,744	13,718
Trade and other receivables	20,977	79,337
Other financial assets	–	122
Inventories	60,353	45,301
Other assets	8,223	1,559
<b>Total current assets</b>	<b>98,297</b>	<b>140,037</b>
<b>Non-current Assets</b>		
Trade and other receivables	752	2,314
Property, plant and equipment	233,517	101,601
Biological Assets	43,642	35,688
Investment property	–	–
Investments	52	166,650
Intangibles – water	240,450	122,557
Intangibles – goodwill	24,700	92,143
Intangibles – other	1,919	2,044
<b>Total non-current assets</b>	<b>545,032</b>	<b>522,997</b>
<b>Total assets</b>	<b>643,329</b>	<b>663,034</b>
<b>Current liabilities</b>		
Trade and other payables	9,025	16,065
Borrowings	44,694	34,491
Current tax liability	1,021	–
Other financial liabilities	–	620
Provisions	1,296	1,806
<b>Total current liabilities</b>	<b>56,036</b>	<b>52,982</b>
<b>Non-current liabilities</b>		
Borrowings	152,257	119,743
Deferred tax liabilities	19,847	802
Provisions	374	97
<b>Total non-current liabilities</b>	<b>172,478</b>	<b>120,642</b>
<b>Total liabilities</b>	<b>228,514</b>	<b>173,624</b>
<b>Net assets</b>	<b>414,815</b>	<b>489,409</b>
<b>Equity</b>		
Issued capital	462,794	459,468
Reserves	371	(29)
Retained earnings	(48,350)	29,970
<b>Total equity</b>	<b>414,815</b>	<b>489,409</b>

# Notes to the Financial Statements

For the financial year ended 30 June 2016

## 20 Commitments for Expenditure

	Note	2016 \$'000	2015 \$'000
<b>(a) Lease commitments</b>			
<b>Non-cancellable operating leases</b>	(i)		
Not longer than one year		130	759
Longer than one year and not longer than five years		227	718
		357	1,477
<b>Finance lease liabilities</b>	(ii)		
Not longer than one year		807	1,015
Longer than one year and not longer than five years		1,863	982
Minimum lease payments		2,670	1,997
Less: Future finance charges		(139)	(124)
Less: Goods and services tax (GST)		(218)	(123)
Finance lease liabilities		2,313	1,750
<b>Present value of minimum future lease payments:</b>			
Not longer than one year		699	881
Longer than one year and not longer than five years		1,614	869
		2,313	1,750
<b>Included in the financial statements as:</b>			
Current interest bearing liabilities		699	881
Non-current interest bearing liabilities		1,614	869
		2,313	1,750
<b>(b) Capital expenditure commitments</b>			
Not longer than one year		16,721	11,810
Longer than one year and not longer than five years		—	—
Longer than five years		—	—
		16,721	11,810

(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 five years.

## 21 Segment Information

### (a) Segments

Following the purchase of the Kooba Ag assets and the acquisition of Bengering Limited and Tandou Limited, the Group manages and reports its business operations under two main reportable segments, Agriculture and Horticulture. The Agriculture segment products are primarily annual row crops including cotton, wheat and maize as well as livestock, whereas the Horticulture segment pertains to tree crops which are primarily 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	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Agriculture	147,935	26,442	(71,628)	5,194
Horticulture	39,856	50,961	2,202	13,661
Total for continuing operations	187,791	77,403	(69,426)	18,855
Unallocated income			97	204
Corporate and Directors' costs			(5,298)	(3,170)
Finance costs			(6,927)	(3,283)
Acquisition costs			–	(3,934)
Profit/(loss) before tax (continuing operations)			(81,554)	8,568

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.

# Notes to the Financial Statements

For the financial year ended 30 June 2016

## 21 Segment Information (continued)

### (c) Segments assets and liabilities

	2016 \$'000	2015 \$'000
<b>Assets</b>		
Agriculture	520,850	579,714
Horticulture	120,423	153,760
Total segment assets	641,273	733,474
Unallocated	10,320	15,480
Consolidated total assets	651,593	748,954
<b>Liabilities</b>		
Agriculture	23,827	22,005
Horticulture	6,085	20,505
Total segment liabilities	29,912	42,510
Unallocated	204,825	205,353
Consolidated total liabilities	234,737	247,863

### (d) Information on geographical areas

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

	Revenue from Customers		Non-current Assets	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Australia	174,659	51,790	545,032	613,251
Europe	10,909	19,622	—	—
Other	2,223	5,991	—	—
	187,791	77,403	545,032	613,251



## 22 Notes to the Cash Flow Statement

	2016 \$'000	2015 \$'000
<b>(a) Reconciliation of cash and cash equivalents</b>		
For the purpose of the cash flow statement, cash and cash equivalents includes 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:		
Cash and cash equivalents	12,450	17,226
	12,450	17,226
As at 30 June 2016 \$4,981,394 of cash and cash equivalents is classified as restricted cash in relation to government funded development.		
<b>(b) Non-cash financing and investing activities</b>		
During the financial year, the consolidated entity acquired equipment via finance leases to the value of \$428,000 (2015: Nil).		
<b>(c) Financing facilities</b>		
Secured bank loan rolling facilities		
– Amount used	193,887	194,590
– Amount unused	56,113	51,410
	250,000	246,000
<b>(d) Cash balances not available for use</b>		
There were no cash balances unavailable for use at balance date.		
<b>(e) Reconciliation of profit for the period to net cash flows from operating activities</b>		
Profit/(loss) for the period	(80,669)	5,759
Depreciation of non-current assets	7,505	4,426
Amortisation of non-current assets	483	–
Adjustments relating to agricultural/biological assets	(49,039)	(16,537)
Repayment of foreign exchange forward contract	400	–
Net profit on sale of non-current assets	(52)	(448)
Profit on the sale of water rights	(3,498)	–
Impairment of goodwill	96,450	–
Interest income received or receivable	(97)	(206)
Debt instrument dividends paid	–	–
Movements in working capital		
– Decrease/(increase) in receivables	10,770	2,971
– Decrease/(increase) in inventories	70,138	175
– Decrease/(increase) in other assets	1,729	–
– Increase/(decrease) in payables	(11,713)	4,474
– Increase/(decrease) in provisions	50	(662)
– Increase/(decrease) in tax balances	(2,144)	(1,526)
Net cash flows from/(used) in operating activities	40,313	(1,572)

# Notes to the Financial Statements

For the financial year ended 30 June 2016

## 23 Financial Instruments

### (a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged from 30 June 2015.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 14, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital as disclosed in note 17, reserves and retained profits.

The Group operates globally, primarily through subsidiary companies established in the markets in which the Group trades. None of the Group's entities are subject to externally imposed capital requirements.

### Gearing ratio

The Group's Board of Directors reviews the capital structure on an annual basis. As a part of this review the committee considers the cost of capital and the risk associated with each class of capital. The Board of Directors of the Group in considering its overall capital structure takes into account the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

The gearing ratio at year end was as follows:

	Note	2016 (\$'000)	2015 (\$'000)
Debt	(i)	196,951	196,734
Cash and cash equivalents		(12,450)	(17,226)
Net debt		184,501	179,508
Equity	(ii)	418,018	497,251
Net debt to equity ratio		44%	36%

(i) Debt is defined as long- and short-term borrowings, as detailed in note 13.

(ii) Equity includes all capital and reserves.

### (b) Categories of financial instruments

#### Financial assets

Derivative instrument in designated hedge accounting relationships	–	53
Cash and cash equivalents	12,450	17,226
Loans and receivables	26,287	37,057

#### Financial liabilities

Derivative instrument in designated hedge accounting relationships	–	620
Trade and other payables	15,231	27,410
Borrowings	196,951	196,734

**(c) Financial risk management objectives**

The Group's key management personnel co-ordinate access to domestic and international financial markets and manage the financial risks relating to the operations of the consolidated entity.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into forward foreign exchange contracts to hedge the exchange rate risks arising on the export of produce to Europe and Asia.

**(d) Market risk**

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Group enters into derivative financial instruments to manage its exposure to foreign currency risk, including:

- ♦ forward foreign exchange contracts to hedge the exchange rate risk arising on the sales or export.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

**(e) Foreign currency risk management**

The Group undertakes certain transactions denominated in foreign currencies, hence exposure to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts and currency swap agreements. The Group's exposure to foreign currency risk at balance date was as follows, based on notional amounts:

<b>2016</b>				
	<b>USD (\$'000)</b>	<b>EUR (\$'000)</b>	<b>GBP (\$'000)</b>	<b>JPY (\$'000)</b>
Trade and other receivables	2,770	2,483	–	–
Cash at bank	447	880	1	5
Trade and other payables	–	–	–	–
Provisions	–	–	–	–
Net exposure	3,216	3,362	1	5

  

<b>2015</b>				
	<b>USD (\$'000)</b>	<b>EUR (\$'000)</b>	<b>GBP (\$'000)</b>	<b>JPY (\$'000)</b>
Trade and other receivables	6,883	7,064	739	947
Cash at bank	2,449	390	–	30
Trade and other payables	(1,053)	(333)	–	(28)
Provisions	–	(865)	–	(15)
Net exposure	8,279	6,256	739	934

# Notes to the Financial Statements

For the financial year ended 30 June 2016

## 23 Financial Instruments (continued)

### Forward foreign exchange contracts

It is the policy of all entities in the Group to enter into forward foreign exchange contracts to cover up to 100% of the exposure generated by specific foreign currency payments and receipts. The Group also enters into forward foreign exchange contracts to manage the risk associated with anticipated horticultural export transactions. A progressive cover strategy is adopted from the time of budgeting through to harvest when up to 90% of exposure is hedged.

In the current year, there were no outstanding forward foreign exchange contracts. The following table details the aggregate foreign currency contracts outstanding as at reporting date:

	Average Exchange Rate		Foreign Currency	
	2016	2015	2016 (FC'000)	2015 (FC'000)
<b>Outstanding contracts</b>				
<b>Due within three months</b>				
Sell				
– British Pound	–	–	–	–
– Euro	–	0.6736	–	2,000
– Japanese Yen	–	97.3300	–	31,800
– United States Dollar	–	0.7947	–	10,000
Buy				
– United States Dollar	–	–	–	–
<b>Due after three months:</b>				
Sell				
– United States Dollar	–	0.8413	–	1,000

	Contract Value		Fair Value	
	2016 (\$'000)	2015 (\$'000)	2016 (\$'000)	2015 (\$'000)
<b>Due within three months</b>				
– Euro	–	2,969	–	53
– Japanese Yen	–	327	–	(12)
– United States Dollar	–	12,583	–	(481)
Buy				
– United States Dollar	–	–	–	–
<b>Due after three months:</b>				
Sell				
– United States Dollar	–	1,189	–	(127)
	–	17,068	–	(567)

As at the reporting date the aggregate amount of unrealised profits under forward foreign exchange contracts relating to anticipated future transactions is \$Nil, (2013: \$309,000 profit) and this is deferred in the hedging reserve to the extent that the hedge has been determined to be effective.

## Foreign exchange sensitivity analysis

	2016		2015	
	+10% (\$'000)	-10% (\$'000)	+10% (\$'000)	-10% (\$'000)
<b>Other comprehensive income</b>				
– British Pound	–	–	–	–
– Euro	–	–	265	(324)
– Japanese Yen	–	–	31	(38)
– United States Dollar	–	–	1,307	(1,598)
	–	–	1,603	(1,960)

	2016		2015	
	+10% (\$'000)	-10% (\$'000)	+10% (\$'000)	-10% (\$'000)
<b>Profit and Loss</b>				
– British Pound	(0)	0	(67)	82
– Euro	(306)	374	(372)	455
– Japanese Yen	(0)	1	(56)	69
– United States Dollar	(292)	357	–	–
	(599)	732	(496)	606

### (f) Interest rate risk management

The Company and the Group are exposed to interest rate risk as they borrow funds at both fixed and floating interest rates. This risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings. The Company's and Group's exposures to interest rates on financial assets and financial liabilities are detailed in the maturity profile of financial instruments section of this note.

# Notes to the Financial Statements

For the financial year ended 30 June 2016

## 23 Financial Instruments (continued)

### Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and this represents management's assessment of the possible change in interest rates.

At reporting date, if interest rates had been 100 basis points higher or lower and all other variables were held constant, the impact on the Group is as follows:

	Effect on Profit and Loss			
	2016		2015	
	+1%	-1%	+1%	-1%
<b>Financial assets</b>				
Cash and cash equivalents	534	(534)	172	(172)
<b>Financial liabilities</b>				
Borrowings	(1,970)	1,970	(1,967)	1,967

The following tables detail the Group's expected maturity for its non-derivative financial assets and contractual maturity for non-derivative financial liabilities.

	Weighted Average Effective Rate (%)	Less than 1 year (\$'000)	1 to 5 years (\$'000)	More than 5 years (\$'000)	Total (\$'000)
<b>2016</b>					
<b>Financial assets</b>					
<i>Non-interest bearing</i>					
Trade and other receivables	–	25,535	752	–	26,287
Other financial assets	–	–	–	–	–
<i>Variable interest rate</i>					
Cash and cash equivalents	1.40	12,450	–	–	12,450
		37,985	752	–	38,737
<b>Financial liabilities</b>					
<i>Non-interest bearing</i>					
Trade and other payables	–	15,231	–	–	15,231
Other financial liabilities	–	620	–	–	620
<i>Variable interest rate</i>					
Bank loans	2.83	44,694	152,257	–	196,951
<i>Fixed interest rate maturity</i>					
Finance lease liabilities	4.60	807	1,863	–	2,670
Cumulative non-redeemable preference shares*	9.00	35	142	394	571
		61,387	154,262	394	216,043

	<b>Weighted Average Effective Rate (%)</b>	<b>Less than 1 year (\$'000)</b>	<b>1 to 5 years (\$'000)</b>	<b>More than 5 years (\$'000)</b>	<b>Total (\$'000)</b>
<b>2015</b>					
<b>Financial assets</b>					
<i>Non-interest bearing</i>					
Trade and other receivables	–	34,743	2,314	–	37,057
Other financial assets	–	53	–	–	53
<i>Variable interest rate</i>					
Cash and cash equivalents	1.40	17,274	–	–	17,274
<i>Fixed interest rate maturity</i>					
Loan	7.00	154	2,283	–	2,437
		52,224	4,597	–	56,821
<b>Financial liabilities</b>					
<i>Non-interest bearing</i>					
Trade and other payables	–	26,480	–	–	26,480
Other financial liabilities		620			620
<i>Variable interest rate</i>					
Bank loans	3.75	46,110	148,480	–	194,590
<i>Fixed interest rate maturity</i>					
Finance lease liability	4.60	940	934	–	1,874
Cumulative non-redeemable preference shares*	9.00	35	142	394	571
		74,185	149,556	394	224,135

\* Amounts disclosed in more than five years represent principal amounts. There is no expiration term.

#### **(g) Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group undertakes credit checks prior to dealing with any new counterparty and obtains sufficient collateral or other security, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. The Group measures credit risk on a fair value basis.

Trade accounts receivable consist of a large number of customers, spread across diverse industries and geographical locations. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.



# Notes to the Financial Statements

For the financial year ended 30 June 2016

## 23 Financial Instruments (continued)

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial instruments recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

### (h) Fair value of financial instruments

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair value.

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.
- The fair values of derivative instruments, included in hedging assets and liabilities, are calculated using quoted prices. Where such prices are not available use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments.

The following tables detail the fair value of financial assets and financial liabilities.

	Carrying amount 2016 (\$'000)	Fair value 2016 (\$'000)	Carrying amount 2015 (\$'000)	Fair value 2015 (\$'000)
<b>Financial assets</b>				
Forward foreign exchange contracts	–	–	53	53
Trade and other receivables	26,287	26,287	39,263	39,263
	26,287	26,287	39,316	39,316
<b>Financial liabilities</b>				
Cumulative non-redeemable preference shares	394	394	394	394
Forward foreign exchange contracts	–	–	620	620
Trade and other payables	15,231	15,231	26,480	26,480
Bank loans	193,887	193,887	194,590	194,590
Finance lease liabilities	2,670	2,670	1,750	1,750
	212,182	212,182	223,834	223,834

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table provides an analysis of financial assets and financial liabilities that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2016				
	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)	Total (\$'000)
<b>Derivative assets</b>				
Forward contracts	–	–	–	–
	–	–	–	–
<b>Derivative liabilities</b>				
Forward contracts	–	–	–	–
	–	–	–	–
2015				
	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)	Total (\$'000)
<b>Derivative assets</b>				
Forward contracts	–	53	–	53
	–	53	–	53
<b>Derivative liabilities</b>				
Forward contracts	–	(620)	–	(620)
	–	(620)	–	(620)

#### (i) Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities and by continually monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities. The following tables detail the Group's expected maturity for its non-derivative financial assets and contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the Group earned or is required to pay.

The following table details the Group's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

	Less than 1 month (\$'000)	1 to 3 months (\$'000)	3 months to 1 year (\$'000)	1 to 5 years (\$'000)	5+ years (\$'000)
<b>30 June 2016</b>					
Foreign exchange forward contracts	–	–	–	–	–
<b>30 June 2015</b>					
Foreign exchange forward contracts	(12)	(498)	(127)	–	–

# Notes to the Financial Statements

For the financial year ended 30 June 2016

## 23 Financial Instruments (continued)

The following tables detail the Group's expected maturity for its non-derivative financial assets and contractual maturity for non-derivative financial liabilities.

	<b>Weighted Average Effective Rate (%)</b>	<b>Less than 1 year (\$'000)</b>	<b>1 to 5 years (\$'000)</b>	<b>More than 5 years (\$'000)</b>	<b>Total (\$'000)</b>
<b>2016</b>					
<b>Financial assets</b>					
<i>Non-interest bearing</i>					
Trade and other receivables	–	25,535	752	–	26,287
Other financial assets	–	–	–	–	–
<i>Variable interest rate</i>					
Cash and cash equivalents	1.40	12,450	–	–	12,450
		37,985	752	–	38,737
<b>Financial liabilities</b>					
<i>Non-interest bearing</i>					
Trade and other payables	–	15,231	–	–	15,231
Other financial liabilities	–	620	–	–	620
<i>Variable interest rate</i>					
Bank loans	1.88	48,808	152,428	–	201,236
<i>Fixed interest rate maturity</i>					
Finance lease liabilities	4.60	807	1,863	–	2,670
Cumulative non-redeemable preference shares*	9.00	35	142	394	571
		65,501	154,433	394	220,328

	<b>Weighted Average Effective Rate (%)</b>	<b>Less than 1 year (\$'000)</b>	<b>1 to 5 years (\$'000)</b>	<b>More than 5 years (\$'000)</b>	<b>Total (\$'000)</b>
<b>2015</b>					
<b>Financial assets</b>					
<i>Non-interest bearing</i>					
Trade and other receivables	–	34,743	2,314	–	37,057
Other financial assets	–	53	–	–	53
<i>Variable interest rate</i>					
Cash and cash equivalents	1.40	17,274	–	–	17,274
<i>Fixed interest rate maturity</i>					
Loan	7.00	154	2,283	–	2,437
		52,224	4,597	–	56,821
<b>Financial liabilities</b>					
<i>Non-interest bearing</i>					
Trade and other payables	–	26,480	–	–	26,480
Other financial liabilities		620			620
<i>Variable interest rate</i>					
Bank loans	3.75	46,110	148,480	–	194,590
<i>Fixed interest rate maturity</i>					
Finance lease liability	4.60	940	934	–	1,874
Cumulative non-redeemable preference shares*	9.00	35	142	394	571
		74,185	149,556	394	224,135

\* Amounts disclosed in more than five years represent principal amounts. There is no expiration term.

# Notes to the Financial Statements

For the financial year ended 30 June 2016

## 24 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:

	2016 \$'000	2015 \$'000
Short-term employee benefits	1,606	1,373
Long-term employee benefits	109	222
Post-employment benefits	130	106
Termination benefits	556	15
	2,401	1,716

### (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. During the year the Company entered into management agreements with Australian Food and Fibre Limited (pursuant to the purchase of the Kooba Aggregation, Bengarang Limited and Tandou Limited) a Company in which Mr David Robinson and Mr Joe Robinson are associates. The current management agreement is for a two-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. A further agreement for administrative services was entered into during the year for the provision of financial services totalling \$295,000 per annum. The administrative services agreement will cease in October 2016. Australian Food and Fibre Limited also incurred expenses on behalf of the Company and was reimbursed at cost for those expenses amounting to \$308,940. The Company entered into an agreement with Corrigan Air, a company in which Mr Christopher Corrigan and Mr Joseph Corrigan are associates. 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 \$238,691 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.

### (c) Equity interests in related parties

Details of percentages of ordinary shares held in controlled entities are disclosed in note 19 to the financial statements.

### (d) 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.

## 25 Parent Entity Disclosures

	2016 \$'000	2015 \$'000
<b>(a) Financial Position</b>		
<b>Assets</b>		
Current assets	106,561	63,005
Non-current assets	545,032	546,715
<b>Total assets</b>	<b>651,593</b>	<b>609,720</b>
<b>Liabilities</b>		
Current liabilities	62,259	31,350
Non-current liabilities	172,478	112,693
<b>Total liabilities</b>	<b>234,737</b>	<b>144,043</b>
<b>Equity</b>		
Issued capital	462,844	459,468
Reserves	371	(58)
Retained earnings	(44,219)	6,267
<b>Total equity</b>	<b>418,997</b>	<b>465,677</b>
<b>(b) Financial performance</b>		
Profit for the period	(80,277)	5,153
Other comprehensive income	–	(612)
<b>Total comprehensive income</b>	<b>(80,277)</b>	<b>4,541</b>

# Notes to the Financial Statements

For the financial year ended 30 June 2016

## 26 Business Combinations

### (a) Subsidiaries acquired

	<b>Principal activity</b>	<b>Date acquired</b>	<b>Proportion of shares acquired %</b>	<b>Consideration transferred \$'000</b>
Kooba Ag	Agriculture	17/12/14	–	123,269
Bengerang Limited	Agriculture	29/05/15	100.00	206,188
Tandou Limited	Agriculture	29/05/15	96.54	161,956

Kooba Ag, Bengerang Limited and Tandou Limited were acquired to continue the expansion of the Group's activities in agriculture.

## 27 Subsequent Events

In July 2016, the Company sold a parcel of its Permanent Water Rights for proceeds of \$21.0 million. The sale of the Permanent Water Rights will result in a Profit on Disposal of \$5.6 million.

The Directors are not aware of any other matter or circumstance that has arisen, other than that which has been described above, that has significantly affected or may significantly affect the operations of the consolidated Group, the results of those operations or the state of affairs of the consolidated Group in subsequent financial years.



# ASX Additional Information

For the financial year ended 30 June 2016

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 31 August 2016.

<b>Number and distribution of shareholders</b>	<b>Cumulative</b>	
	<b>Ordinary</b>	<b>Preference</b>
1 – 1,000	628	169
1,001 – 5,000	1,493	15
5,001 – 10,000	791	4
10,001 – 100,000	1,216	10
100,001 and over	156	0
Total number of shareholders	4,284	198
Total number of issued shares listed	350,745,163	394,000
Number of shareholders holding less than a marketable parcel	216	133

## Voting Rights

Articles 63 to 70 of the Company's Constitution govern the voting rights of members. In summary, but without prejudice to the provisions of the Constitution, at any meeting of the Company every member present in person or by proxy or by attorney or by duly authorised representative shall on a show of hands be entitled to vote and, on a poll, be entitled to one vote for each share held. Preference shareholders' voting rights are limited to matters affecting the rights of such shareholders.

<b>Substantial shareholders</b>	<b>Number of Shares</b>	<b>%</b>	<b>Class of Shares</b>
Australian Food and Fibre Limited and associates	52,566,913	14.99	Ordinary
Christopher Darcy Corrigan and Belfort Investments Limited	45,132,434	12.87	Ordinary
Verolot Limited	32,215,862	9.18	Ordinary
Mr Peter Joy	21,272,722	6.07	Ordinary
Bevan David Cushing as trustee of the KD Cushing Family Trust	20,244,413	5.77	Ordinary

# ASX Additional Information

For the financial year ended 30 June 2016

<b>Twenty largest shareholders</b>	<b>Number of Shares</b>	<b>%</b>
<i>Listed Ordinary Shares</i>		
Australian Food and Fibre Limited	52,566,913	14.99
Verolot Limited	32,215,862	9.18
National Nominees Limited	28,734,144	8.19
Bell Potter Nominees	24,501,656	6.99
Mr Peter Robin Joy	21,940,116	6.26
Belfort Investment Advisors Limited	21,272,722	6.07
Eagle Securities Limited	17,536,727	5.00
Sir Selwyn John Cushing and Mr Bevan David Cushing <K D Cushing Family A/C>	11,431,136	3.26
HSBC Custody Nominees (Australia) Limited	8,741,062	2.49
Sandhurst Trustees Ltd <JMFG Consol A/C>	6,479,610	1.85
REL-Trust Management Limited	5,559,529	1.59
The Tasmania Gifts Company Pty Ltd	5,133,699	1.46
Mr Andrew Roy Newberry Sisson	4,587,900	1.31
Rathvale Pty Ltd	4,286,936	1.22
Citicorp Nominees Pty Limited	3,937,880	1.12
Ashfield Farm Limited	3,253,748	0.93
JP Morgan Nominees Australia Limited	3,233,463	0.92
Custodial Services Limited	2,716,660	0.77
Mr Zhiwei Lin	2,339,925	0.67
Tertius Pty Limited	1,996,819	0.57

<b>Twenty largest shareholders</b>	<b>Number of Shares</b>	<b>%</b>
<i>Listed 9% Cumulative Preference Shares</i>		
Mr David Calvert and Mrs Lorne Calvert <Southpork Super Fd>	73,155	18.57
Winpar Holdings Limited	55,278	14.03
Mr Brian David Faulkner and Mrs Wendy Jean Faulkner	50,000	12.69
Mr Brian David Faulkner	35,019	8.89
Mr Leonard Wallace Boyd	15,556	3.95
Meggsies Pty Ltd	14,334	3.64
Mrs Frances Lorne Calvert	14,156	3.59
Mrs June Lorimer Tutty	14,062	3.57
Common Sense Investments Pty Ltd	12,081	3.07
Lesley Patricia Colman	11,800	2.99
Wilcorp No 41 Pty Ltd	7,800	1.98
Dr Gordon Bradley Elkington	7,340	1.86
Mary Graham Neild	6,800	1.73
Mr David John Doberer <David J Doberer S/F>	5,800	1.47
Kyleast Pty Ltd <Superannuation Fund>	5,000	1.27
Ladon Pty Ltd	4,822	1.22
Mrs Gwendoline Shelton	4,062	1.03
Seven Bob Investments Pty Ltd <RF Cameron Super Fund>	3,500	0.89
Dr David Megirian	2,666	0.68
Luaz Pty Ltd <Superannuation Fund>	2,664	0.68

### **Board of Directors**

Chris Corrigan, Executive Chairman

Rod Roberts, Non-Executive Director

David Cushing, Non-Executive Director

Chris Langdon, Non-Executive Director

John Joseph Robinson, Non-Executive Director

Joseph Corrigan, Alternate for Chris Corrigan

### **Company Secretary**

Maurice Felizzi

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### **Registered Office**

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Webster Limited shares are listed on  
the Australian Securities Exchange (ASX)

