



**WEBSTER**

# Webster Limited

## Appendix 4D: Half-Year Report

Half-Year Ended 31 March 2018



It is recommended that this Half-Year Report is read in conjunction with the Annual Report for Webster Limited for the Financial Period ended 30 September 2017 together with any public announcements made by Webster Limited and its controlled entities during the half-year ended 31 March 2018 in accordance with the continuous disclosure obligations arising under the Australian Securities Exchange Listing Rules.

# Appendix 4D: Half-Year Report

## 31 March 2018

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## Appendix 4D Half Year Report

**WEBSTER LIMITED**  
**ACN 009 476 000**

### Reporting Period

Half-year ended 31 March 2018 ("current period").  
Previous corresponding period, half-year ended 31 December 2016

### Results for Announcement to the Market

				Current Period \$'000
Sales Revenue from Ordinary Activities	Down	61%	to	20,315
Profit from Ordinary Activities After Tax Attributable to Members	Down	8%	to	3,764
Net Profit After Tax Attributable to Members	Down	8%	to	3,764

### Brief Explanation of Figures Reported Above

The half year ended 31 March result is representative of the seasonality of earnings being skewed to the second half of the year. At 31 March 2018, harvesting of Cotton had only commenced on one of the properties and Walnut harvesting although commenced on all properties was only partially complete.

### Dividends

			Amount per Security cents	Franked Amount per Security cents
Ordinary Shares	Final	(2016/17)	3.0	3.0
Cumulative Preference Shares	Final	(2016/17)	9.0	0.0
	Final*	(2017/18)	9.0	0.0

\*The financial effect of the final dividend payment for preference shares will be recognised in the next reporting period as the dividends were declared subsequent to 31 March 2018.

Dividends paid by Webster Limited during the current reporting period			Date	Amount \$'000
Cumulative Preference Dividends			Nil	Nil
Ordinary Dividends			8-Dec-17	10,837

### Net Tangible Assets per Security

	Current Period cents	Previous Period cents
Net Tangible Assets per Security	63.34	46.21
Net Tangible Assets (including water rights) per Security	124.69	111.80

### Gain or Loss of Control Over Entities

Loss of control over	n/a
Date of loss of control	n/a
Contribution to profit from ordinary activities in the current reporting period and whole of previous corresponding period	n/a
During the current reporting period the following entities were dissolved or liquidated. The liquidation or dissolution of these entities will have no impact on the future financial performance of the company.	
Liquidated	n/a
Dissolved	n/a

### Details of Associates and Joint Venture Entities

	Current Reporting Period \$'000	Previous Reporting Period \$'000
Aggregate share of profits/(losses) of associates & joint venture entities		
Profit/(loss) from ordinary activities before tax	0	0
Income tax on ordinary activities	0	0
Profit/(loss) after tax	0	0
Adjustments	0	0
<b>Share of net profit/(loss) of associates and joint venture entities</b>	<b>0</b>	<b>0</b>

Name of Entity	Percentage ownership interest held at end of period or date of disposal		Contribution to net profit/(loss) \$'000	
	Current Reporting Period	Previous Reporting Period	Current Reporting Period	Previous Reporting Period
			0	0
			0	0

# Webster Limited

## Directors' report

The directors of Webster Limited (ACN 009 476 000) submit the following report in respect of the half-year ended 31 March 2018. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### Directors

The names of the directors of the Company during or since the end of the half-year are:

C D Corrigan	Non-executive Chairman
B D Cushing	Non-executive Director
C D Langdon	Non-executive Director (resigned 30 April 2018)
J J Robinson	Non-executive Director
D Fitzsimons	Non-executive Director (appointed 30 April 2018)
M Felizzi	Executive Director (appointed 30 April 2018)

### 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.

### Review of Operations

As previously advised, the Company has changed its reporting period to a September year end. Hence the corresponding period this reporting period of six months to 31 March 2018, is the six months ended 31 December 2016.

The Company recorded a statutory profit after tax of \$3.8 million for the half year ended 31 March 2018 compared to the previous half year statutory profit for the half year to 31 December 2016 of \$4.1 million.

In the previous half year period, underlying profit included disposals of water entitlements resulting in a profit from those transactions of \$5.4 million.

The Water entitlements as valued independently by CBRE are \$360 million as at the date of this Directors report. The directors are of the view that this value is conservative due to the continual strengthening of the water market. The water portfolio is currently carried in the accounts as an intangible asset at a value of \$222 million.

### Expansion

In March 2018, Webster acquired the Sandy Valley Almond Orchard for \$16.8 million. The Almond Orchard brings diversification to Webster's horticulture activities and is managed by the existing horticulture management team within Webster. The property has 934.7 hectares, of developable planting area, of which 100 hectares currently have 3 year-old trees as well as 160 hectares of 2 year-old trees planted. The development of a further 230 hectares is currently underway.

In January 2018, Webster also acquired an adjoining 1,000 hectare property to its Avondale Walnut Orchard for \$4.8 million. This property will facilitate the continuing development of the Walnut Orchards. The Development work will commence in 2019.

An additional property adjoining the current Leeton Walnut Orchard, of 150 hectares was also acquired in January 2018 for \$500,000. Development work on this property will commence in 2019.

# Webster Limited

## Directors' report (Continued)

The property acquired in 2017 in Leeton NSW for the purpose of establishing a nursery capable of providing the Walnut Orchard expansion program has been extremely successful. The current nursery is geared to provide more than 100,000 trees annually.

In April 2018 Webster also acquired another property called 'Packsaddle' for \$7 million to expand its organic lamb business. Packsaddle is a 50,000 hectare property located approximately 180km north of Broken Hill and operates in the same regions as the existing Webster Dorper properties at Kalabity and Lake Tandou. Packsaddle can stock an additional 5,500 breeding Dorper ewes and will further strengthen Webster's position as a significant operator in organic lamb in Australia.

### Agriculture

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

In the current year, the company has 17,223 planted hectares of irrigated cotton which will be harvested from April to June of 2018.

The cotton lint price has been firm during the year which has been partially offset by the cotton seed price. Cotton lint sales have been made of approximately 80% of the expected crop at an average price above A\$530 per bale.

Yields achieved have been above budget expectations by approximately 1 bale per hectare.

The Development work at the cotton properties based in the Riverina is continuing and is on track to be completed on time and in line with budgeted commitments. The development work will increase the irrigable hectares by 8,100 hectares for cotton as well as provide significant water storages of 30,000 ML.

Webster's livestock operations consist of Dorper sheep in the Western Division and cattle on its Southern properties. With the inclusion of the Packsaddle operations to the existing sheep business at the Lake Tandou and Kalabity properties, there are currently 25,100 breeding ewes. The properties have the capacity to carry 37,000 breeding ewes, however due to dry conditions currently being experienced, the breeding ewes have been contained to lower levels.

The cattle operations currently have approximately 4,150 head of cattle on the properties based at the Riverina, including Breeding Cows, Bulls, Heifers and Calves.

### Horticulture

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

The 2018 walnut harvest will total approximately 9,500t resulting in the second highest production recorded in the Company's history, second only to the 2017 record yield. This result is a solid performance when accounting for the adoption of new pruning methodology as previously advised which it is expected, will provide long term yield benefits. Yield was lower than expectations due to a re-occurrence of a non-pollination event significantly affecting the later flowering variety.

The Walnut marketing and sales effort has been bolstered during the year having received confirmation of a supply agreement with a second domestic retailer commencing this year. A strengthening of domestic sales for Webster's Australian walnuts along with a moderate improvement in the international market will see continued growth in demand and sales for our products.

# Webster Limited

## Directors' report (Continued)

### Corporate

Webster's sales and earnings are heavily weighted to the second half of the financial year due to the timing of harvesting and sales of its crops. This has not changed with the movement in balance date from June to September. Therefore, as in previous years, the company has continued its practice of not paying an interim ordinary dividend for the first half of the year.

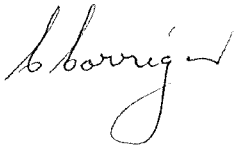
Directors have declared an unfranked dividend of 9 cents per share for the preference shares on issue with scheduled payment for 27 June 2018.

### Independence Declaration by Auditor

The auditor's independence declaration is included on page 8 of the half-year financial report.

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

On behalf of the Directors



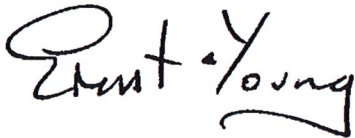
C D Corrigan  
Non-executive Chairman  
23 May 2018

## Auditor's Independence Declaration to the Directors of Webster Limited

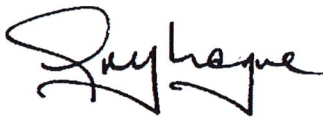
As lead auditor for the review of Webster Limited for the half-year ended 31 March 2018, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Webster Limited and the entities it controlled during the financial period.



Ernst & Young



Gregory J Logue  
Partner  
23 May 2018



## Independent Auditor's Review Report to the Members of Webster Limited Report on the Half-Year Financial Report

### Conclusion

We have reviewed the accompanying half-year financial report of Webster Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed consolidated statement of financial position as at 31 March 2018, the condensed consolidated statement of profit and loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 March 2018 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 March 2018 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



## Independence

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

A handwritten signature in black ink that reads 'Ernst &amp; Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Gregory J Logue' in a cursive style.

Gregory J Logue  
Partner  
Sydney  
23 May 2018

# Webster Limited

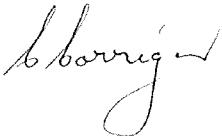
## Directors' declaration

The directors declare that:

- (a) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

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

On behalf of the Directors



C D Corrigan  
Non-executive Chairman  
23 May 2018

# Webster Limited

## Condensed consolidated statement of profit or loss and other comprehensive income

For the half year ended 31 March 2018

	Notes	31-Mar-18 \$'000	31-Dec-16 \$'000
<b>Continuing Operations</b>			
Revenue	2	20,315	52,693
Cost of sales	2	<u>(16,230)</u>	<u>(48,573)</u>
<b>Gross profit</b>		<b>4,085</b>	<b>4,120</b>
Other income	2	27,619	25,463
Distribution expenses		(1,087)	(823)
Marketing expenses		(152)	(343)
Operational expenses		(20,377)	(19,302)
Administration expenses		(1,743)	(1,654)
Finance costs	2	(3,077)	(3,391)
Other expenses		<u>(153)</u>	<u>(80)</u>
<b>Profit before tax from continuing operations</b>		<b>5,115</b>	<b>3,990</b>
Income tax (expense)/benefit	3	<u>(1,351)</u>	<u>108</u>
<b>Profit for the period from continuing operations</b>		<b><u>3,764</u></b>	<b><u>4,098</u></b>
<b>Profit attributable to:</b>			
Equity holders of the parent		<u><u>3,764</u></u>	<u><u>4,098</u></u>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent		<u><u>3,764</u></u>	<u><u>4,098</u></u>
Earnings per share	13		
Basic, profit for the year attributable to ordinary equity holders of the parent (Cents per share)		1.04	1.17
Diluted, profit for the year attributable to ordinary equity holders of the parent (Cents per share)		1.04	1.17

Notes to the condensed financial statements are included on pages 16 to 21.

# Webster Limited

## Condensed consolidated statement of financial position

As at 31 March 2018

	Notes	31-Mar-18 \$'000	30-Sep-17 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	11	5,222	15,442
Trade and other receivables		20,752	24,593
Inventories	5	100,422	47,259
Other assets		1,430	811
<b>Total current assets</b>		<b>127,826</b>	<b>88,105</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	6	356,568	305,587
Investment		162	78
Intangibles - water rights	7	221,646	212,871
Intangibles - goodwill	7	25,896	25,896
Intangibles - other	7	1,701	1,763
<b>Total non-current assets</b>		<b>605,973</b>	<b>546,195</b>
<b>Total assets</b>		<b>733,799</b>	<b>634,300</b>
<b>Current Liabilities</b>			
Trade and other payables		19,845	14,229
Borrowings	8	62,271	16,334
Current tax liability		-	3,796
Provisions		1,921	1,583
Other Liabilities		1,433	1,433
<b>Total current liabilities</b>		<b>85,470</b>	<b>37,375</b>
<b>Non-Current Liabilities</b>			
Borrowings	8	160,471	103,608
Net deferred tax liabilities		9,658	8,455
Provisions		152	85
<b>Total non-current liabilities</b>		<b>170,281</b>	<b>112,148</b>
<b>Total liabilities</b>		<b>255,751</b>	<b>149,523</b>
<b>Net assets</b>		<b>478,048</b>	<b>484,777</b>
<b>Equity</b>			
Issued capital	9	477,865	477,865
Reserves		(1,036)	(1,380)
Retained earnings		1,219	8,292
<b>Total equity</b>		<b>478,048</b>	<b>484,777</b>

Notes to the condensed financial statements are included on pages 16 to 21

## Webster Limited

### Condensed consolidated statement of changes in equity

For the half year ended 31 March 2018

	Share capital \$'000	Equity settled employee benefits reserve \$'000	Retained earnings / (accumulated losses) \$'000	Attributable to the owners of the parent \$'000	Non-controlling interests \$'000	Total \$'000
Balance at 1 July 2016	462,844	371	(46,359)	416,856	-	416,856
Profit for the period	-	-	4,098	4,098	-	4,098
Total comprehensive income for the year	-	-	4,098	4,098	-	4,098
Payment of dividends (Note 10)	-	-	(3,469)	(3,469)	-	(3,469)
Recognition of share based payments	-	(178)	-	(178)	-	(178)
Balance at 31 December 2016	462,844	193	(45,730)	417,307	-	417,307
Balance at 1 October 2017	477,865	(1,380)	8,292	484,777	-	484,777
Profit for the period	-	-	3,764	3,764	-	3,764
Total comprehensive income for the year	-	-	3,764	3,764	-	3,764
Payment of dividends (Note 10)	-	-	(10,837)	(10,837)	-	(10,837)
Recognition of share based payments	-	344	-	344	-	344
Balance at 31 March 2018	477,865	(1,036)	1,219	478,048	-	478,048

Notes to the condensed financial statements are included on pages 16 to 21.

# Webster Limited

## Condensed consolidated statement of cash flows

For the half year ended 31 March 2018

	Notes	31-Mar-18 \$'000	31-Dec-16 \$'000
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		32,527	84,783
Payments to suppliers and employees		(63,324)	(49,066)
Interest and other costs of finance paid		(1,996)	(3,391)
Income tax paid		(3,796)	(914)
<b>Net cash provided by/(used in) operating activities</b>		<b>(36,589)</b>	<b>31,412</b>
<b>Cash Flows from Investing Activities</b>			
Interest received		48	13
Payment for biological assets, property, plant and equipment		(59,068)	(14,543)
Payment for water entitlements		(8,775)	(4,425)
Proceeds from sale of property, plant and equipment		1,484	1,151
Proceeds from sale of water entitlements		557	21,815
<b>Net cash provided by/(used in) investing activities</b>		<b>(65,754)</b>	<b>4,011</b>
<b>Cash Flows from Financing Activities</b>			
Repayment of borrowings		-	(52,000)
Proceeds from borrowing		102,800	14,400
Principal repayments under finance lease		-	(723)
Dividends paid		(10,677)	(3,469)
<b>Net cash provided by/(used in) financing activities</b>		<b>92,123</b>	<b>(41,792)</b>
Net decrease in cash and cash equivalents		(10,220)	(6,369)
Cash and cash equivalents at the beginning of the half year		15,442	12,450
<b>Cash and cash equivalents at the end of the half year</b>	11	<b>5,222</b>	<b>6,081</b>

Notes to the condensed financial statements are included on pages 16 to 21.

# Webster Limited

## Notes to the condensed financial statements

31 March 2018

### 1. Summary of significant accounting policies

#### Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting IAS 34, as issued by IASB, 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual report and should be read in conjunction with the 30 September 2017 Annual Financial Report.

#### Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for 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 the assets. All amounts are presented in Australian dollars unless otherwise noted.

Webster Limited is a company of the kind referred to in Legislative Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

#### 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.

#### Recoverable amounts of intangible assets and investments

The Group tests annually whether goodwill and intangibles with indefinite useful lives have suffered any impairment in accordance with the group accounting policy. In addition also tests intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of cash-generating units have been determined based on value in use calculations and fair value less costs to sell. These calculations require the use of assumptions.

#### Other assets

The Group also tests other assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

#### Reporting period / comparatives

The Company has changed its reporting period to a September year end. Comparative information is reclassified where appropriate to enhance comparability and to be consistent with the current year disclosure.

#### Significant accounting policies

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 March 2018 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards are:

##### AASB 9 Financial Instruments

AASB 9 applies to annual periods beginning on or after 1 January 2018. The Group is in the process of assessing the impact of this standard and has not yet concluded on the impact of the standard.

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

The AASB has issued a new standard for the recognition of revenue effective from 1 January 2018. The consolidated entity will first apply AASB 15 in the financial year beginning 1 October 2018. This will replace AASB 118 which covers contracts for goods and services. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The Group is in the process of assessing the impact of this standard and has not yet concluded on the impact of the standard.

##### AASB 16 Leases

AASB 16 provides a comprehensive model for identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The accounting model for lessees to recognise all leases on balance sheet, except for short term leases of low value assets. AASB 16 applies to annual periods beginning on or after 1 January 2019. The Group is in the process of assessing the impact of this standard and has not yet concluded on the impact of the standard.



# Webster Limited

## Notes to the condensed financial statements

31 March 2018

### 2. Revenue and expenses

	31-Mar-18 \$'000	31-Dec-16 \$'000
<b>Profit from Operations</b>		
Profit from operations before income tax includes the following items of revenue and expense:		
<b>Revenue</b>		
Revenue from the sale of goods	20,315	52,693
<b>Total revenue</b>	<u>20,315</u>	<u>52,693</u>
<b>Other Income</b>		
Gain on disposal of permanent water rights	557	5,125
Gain on disposal of property, plant and equipment	326	463
Increment in net market value of agricultural assets	21,648	13,122
Net foreign exchange gains/(losses)	494	(163)
Net income from sales of unused water allocations	518	4,012
Revenue from the rendering of services	2,451	102
Interest revenue	48	12
Rental revenue	40	383
Other	1,537	2,407
<b>Total other income</b>	<u>27,619</u>	<u>25,463</u>
<b>Expenses</b>		
<b>Cost of sales</b>	<u>16,230</u>	<u>48,573</u>
Interest on loans	2,483	3,148
Dividends on instruments classified as financial liabilities	-	18
Other finance costs	594	225
<b>Total finance costs</b>	<u>3,077</u>	<u>3,391</u>
Depreciation of non-current assets	6,807	5,047
Amortisation of non-current assets	183	263
<b>Total depreciation and amortisation</b>	<u>6,990</u>	<u>5,310</u>
Equity settled share based payments	183	48
Post-employment benefits	768	631
Other employee benefits	12,030	7,077
<b>Total employee benefits expense</b>	<u>12,981</u>	<u>7,756</u>
Operating lease rental expense	<u>735</u>	<u>592</u>

### 3. Income tax

	31-Mar-18 \$'000	31-Dec-16 \$'000
Reconciliation of tax expense to prima facie tax payable:		
Profit before tax from continuing operations	5,115	3,990
Tax at the Australian tax rate of 30% (2016 30%)	(1,535)	(1,197)
Non-deductible expenses	(39)	(6)
Restatement of tax costs of assets	(98)	-
Non Assesable Gain	-	17
Recognition of deferred tax assets not previously recognised	-	1,141
Other	(49)	-
Over provision of income tax in previous year	370	153
<b>Income tax (expense)/benefit</b>	<u>(1,351)</u>	<u>108</u>

# Webster Limited

## Notes to the condensed financial statements

31 March 2018

### 4. Segment information

#### Description of Segments

The chief operating decision makers consider the business from both a product and a geographical perspective and have identified the following reportable segments:

- Agriculture (operation of annual cropping and livestock activities)
- Horticulture (operation of permanent cropping activities)
- Unallocated (includes minor operating segments and corporate costs)

The following is an analysis of the Group's revenue and results

	Segment Revenue		Segment Results	
	31-Mar-18 \$'000	31-Dec-16 \$'000	31-Mar-18 \$'000	31-Dec-16 \$'000
Agriculture	9,463	42,757	7,585	18,476
Horticulture	10,852	9,936	5,227	(5,787)
Total from continuing operations	<u>20,315</u>	<u>52,693</u>	<u>12,812</u>	<u>12,689</u>
Unallocated income/(loss)			86	(163)
Corporate costs			(4,706)	(5,145)
Finance costs			(3,077)	(3,391)
<b>Profit before tax from continuing operations</b>			<u><b>5,115</b></u>	<u><b>3,990</b></u>

#### Segments assets and liabilities

	31-Mar-18 \$'000	30-Sep-17 \$'000
<b>Assets</b>		
Agriculture	499,584	424,377
Horticulture	177,873	144,893
Total segment assets	<u>677,457</u>	<u>569,270</u>
Unallocated	56,341	65,030
<b>Consolidated total assets</b>	<u><b>733,798</b></u>	<u><b>634,300</b></u>
<b>Liabilities</b>		
Agriculture	41,815	34,958
Horticulture	9,869	9,830
Total segment liabilities	<u>51,684</u>	<u>44,788</u>
Unallocated	204,068	104,735
<b>Consolidated total liabilities</b>	<u><b>255,752</b></u>	<u><b>149,523</b></u>

### 5. Inventories

	31-Mar-18 \$'000	30-Sep-17 \$'000
Raw materials	3,515	4,164
Walnut stocks	22,339	12,414
Cropping stocks	58,303	15,355
Livestock (biological asset)	11,128	13,662
Water allocation	5,137	1,664
<b>Total Inventories</b>	<u><b>100,422</b></u>	<u><b>47,259</b></u>

# Webster Limited

## Notes to the condensed financial statements

31 March 2018

### 6. Property, plant and equipment

	31-Mar-18 \$'000	30-Sep-17 \$'000
<b>At Cost</b>		
Freehold Land	134,290	122,763
Land Improvements	20,912	19,648
Buildings	30,781	29,754
Plant and equipment	96,754	80,689
Capital work in progress	47,523	30,801
Equipment under finance lease	1,308	1,308
Walnut orchards	63,598	53,053
<b>Total - At Cost</b>	<b>395,166</b>	<b>338,016</b>
<b>Accumulated Depreciation</b>		
Freehold Land	-	-
Land Improvements	2,861	2,154
Buildings	3,115	2,743
Plant and equipment	28,278	24,503
Capital work in progress	-	-
Equipment under finance lease	626	505
Walnut orchards	3,718	2,524
<b>Total - Accumulated Depreciation</b>	<b>38,598</b>	<b>32,429</b>
<b>Written Down Value</b>		
Freehold Land	134,290	122,763
Land Improvements	18,051	17,494
Buildings	27,666	27,011
Plant and equipment	68,476	56,186
Capital work in progress	47,523	30,801
Equipment under finance lease	682	803
Walnut orchards	59,880	50,529
<b>Total - Written Down Value</b>	<b>356,568</b>	<b>305,587</b>

### 7. Intangible assets

	Goodwill \$'000	Licences \$'000	Contracts \$'000	Water Rights \$'000	Total \$'000
<b>Net book value</b>					
Balance at 1 July 2016	24,700	100	1,819	240,450	267,069
Amortisation expense	-	-	(156)	-	(156)
Additions	2,565	-	-	17,141	19,706
Disposals	-	-	-	(46,089)	(46,089)
Transfers	(1,369)	-	-	1,369	-
<b>Balance at 30 September 2017</b>	<b>25,896</b>	<b>100</b>	<b>1,663</b>	<b>212,871</b>	<b>240,530</b>
Amortisation expense	-	-	(62)	-	(62)
Additions	-	-	-	8,775	8,775
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
<b>Balance at 31 March 2018</b>	<b>25,896</b>	<b>100</b>	<b>1,601</b>	<b>221,646</b>	<b>249,243</b>

In accordance with the Group's accounting policies, the Group performs its impairment testing at least annually at September for intangible assets with indefinite useful lives. At each reporting date, reviews are performed for indications of impairment for Group assets with indefinite lives. Where an indication of impairment is identified, a formal impairment assessment is performed.

The Group has not identified circumstances that would require an impairment of its Intangible assets.

# Webster Limited

## Notes to the condensed financial statements

31 March 2018

### 8. Borrowings

During the half-year reporting period, the Group obtained a drawdown of \$102.8 million against its banking and finance facilities.

At 31 March 2018 the Webster Group had a total of \$250.0 million (31 December 2016: \$250 million) committed credit facilities with external financial institutions. These facilities have fixed maturity dates as follows: \$70 million in July 2018 (\$62.3 million drawn down at 31 March 2018), \$180 million in January 2022 (\$160 million drawn down at 31 March 2018). As at 31 March 2018, \$27.7 million of the facilities available to Webster was undrawn.

### 9. Issued capital

	Note	31-Mar-18 \$'000	30-Sep-17 \$'000
361,245,163 (30 September 2017: 361,245,163) fully paid ordinary	(i)	477,865	477,865
		<u>477,865</u>	<u>477,865</u>

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

	Note	31-Mar-18		30-Sep-17	
		Number	\$'000	Number	\$'000
(i) <u>Fully paid ordinary share capital</u>					
Balance at beginning of financial year		361,245,163	477,865	350,745,163	462,844
Shares issued	(ii)	-	-	10,500,000	15,021
<b>Balance at end of financial year</b>		<u>361,245,163</u>	<u>477,865</u>	<u>361,245,163</u>	<u>477,865</u>

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

- (ii) Share capital issued during the financial year  
Nil

### 10. Dividends

	31-Mar-18		31-Dec-16	
	Cents per share	Total \$'000	Cents per share	Total \$'000
<b>Recognised Amounts</b>				
<u>Ordinary Share</u>				
Final dividend 2016/17	3.0	10,837		
Final dividend 2015/16			1.0	3,469
<u>Cumulative Preference Shares</u>				
Final dividend 2017/18	9.0	36		
Final dividend 2016/17			9.0	36

### 11. Cash and cash equivalents

	31-Mar-18 \$'000	30-Sep-17 \$'000
Reconciliation of cash at the end of the half-year reporting period (as shown in the consolidated statement of cash flows) comprises:		
Cash at bank, on hand and at call	5,222	15,442
<b>Total cash and cash equivalents</b>	<u>5,222</u>	<u>15,442</u>

### 12. Contingent liabilities

The Group's tax liabilities have been calculated based on current legislation. Any changes to the tax law or interpretations (including proposed changes already announced) may require changes to the calculation of the tax balances shown in the financial statements.

The directors have considered possible claims against group companies that have arisen in the course of business and are of the opinion there are no material contingent liabilities that require disclosure.

# Webster Limited

## Notes to the condensed financial statements

31 March 2018

### 13. Earnings per share

	31-Mar-18 Cents per share	31-Dec-16 Cents per share
Basic earnings per share (Note a)	1.04	1.17
Diluted earnings per share (Note b)	1.04	1.17

#### (a) Basic earnings per share

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

	31-Mar-18 \$'000	31-Dec-16 \$'000	31-Mar-18	31-Dec-16
Earnings used in the calculation of basic earnings per share	<u>3,764</u>	<u>4,098</u>		
Weighted average number of ordinary shares for the purposes of basic earnings per share			<u>361,245,163</u>	<u>350,745,163</u>

#### (b) Diluted earnings per share

AASB 9 applies to annual periods beginning on or after 1 January 2018. The directors of the Company anticipate that the application of AASB 9 per share are as follows:

	31-Mar-18 \$'000	31-Dec-16 \$'000	31-Mar-18	31-Dec-16
Earnings used in the calculation of diluted earnings per share	<u>3,764</u>	<u>4,098</u>		
Weighted average number of ordinary and potential ordinary shares for the purpose of diluted earnings per share			<u>361,245,163</u>	<u>350,745,163</u>

### 14. Fair value of financial instruments

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

There were no financial assets and liabilities measured at fair value that were outstanding at the end of the reporting period.

### 15. Events after the reporting period

The Directors are not aware of any matters or circumstances, other than those which have been described above, that have arisen since the end of the half-year which have significantly affected or may significantly affect the operations of the company, the results of the operations, or the state of affairs of the Group in future financial periods.