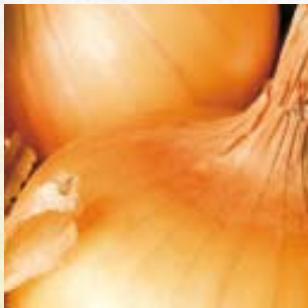


pure

pristine advantage



webster limited annual report 2008-09

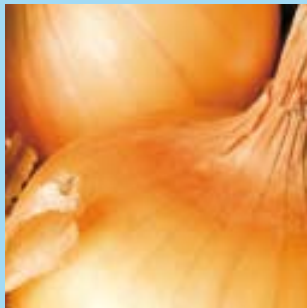
WEBSTER

portfolio

webster limited annual report 2008-09



walnuts



onions



salmon



carrots

MISSION

statement

To be pre-eminent in our region in the food sector through intensive agribusiness and aquaculture; to provide superior returns to our shareholders; and to be a responsible corporate citizen.

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2009 Key Results

LTIFR ¹	Sales Revenue	NPAT	Earnings/Share	Net Assets
117.8	\$39.801M	\$3.432M	5.35 cents	\$57.995M
(-6%)	(+5.3%)	(-43.8%)	(-45.1%)	(+2.3%)

¹LTIFR = Lost Time Injury Frequency Rate

Key Performance Indicators

	2009	2008
Total Revenue	50,821	46,097
EBITDA	9,394	10,659
EBIT	7,957	9,698
Profit before Tax – Continuing Operations	5,952	7,954
Income Tax Expense	(2,582)	(2,002)
Net profit after Tax	3,432	6,106
Gearing Ratio	39.7%	42.3%
Interest Cover (x)	3.97	4.56
NTA (\$'000)	57,598	56,276
NTA per share	\$0.89	\$0.89
ROE (NPAT)	5.9%	10.8%
ROA (EBIT)	8.1%	10.0%
Earning per share	\$0.054	\$0.098

Gearing Ratio: Net debt / Total equity

Interest Cover (x): EBIT / Finance costs

NTA (\$'000): Total equity less goodwill and other intangible assets

NTA per Share: Total equity less goodwill and other intangible assets / Shares on issue

ROE (NPAT): Profit after tax / Total equity

ROA (EBIT): EBIT / Total assets

EPS: Profit after tax / Weighted average no. shares on issue

review

of operations

Health & Safety

The board and senior management are committed to improving health and safety performance in all areas of the business through the provision of a safe workplace and safe systems of work. This is supported by a hazard identification and reporting system, safety committee, rehabilitation (return to work) programs, training and clear work procedures. Through these initiatives the number of injuries suffered by our people has declined by 6%.

Performance

Webster's horticulture operations did not perform to expectations with difficult climatic conditions compounded by a soft domestic and international market. This has resulted in a full-year after tax profit of \$3.432 million, down from \$6.106 million in the prior year.

The share of profits from associates was again strong, with a pre-interest and tax contribution of \$7.566 million. A profit before tax of \$1.708 million was realised on the sale of 7,000,000 Tassal shares. Despite no new walnut orchard development revenue in 2009 and weak domestic and international markets for Webster Fresh, sales revenue was up \$2.003 million.

Webster Ltd has two operating groups, Webster Fresh and Webster Ltd – Walnut Division.

Webster Fresh: Webster Fresh recorded an EBIT loss of \$0.63 million. The purchase of a carrot processing line in late 2008 did not meet expectations with difficulties experienced in agronomy and in achieving the predicted labour and quality improvements within the factory. This has resulted in a thorough review of this operation with investment in additional capital equipment to address agronomic and factory issues.

With regard to Webster Fresh's onion operations, difficult climatic conditions and quality issues for onions delivered to Europe have resulted in an unbudgeted rise in quality claims from Webster's European customers, significantly and adversely affecting revenues.

Webster Ltd - Walnut Division: The harvest from the Tasmanian orchard was not the significant improvement on the prior year that was budgeted. It was affected by a frost event and drought conditions that until very recently prevailed in Tasmania. Accordingly nut yield and size were adversely affected. Recent winter rains have filled the orchard dams to capacity. Increased frost mitigation strategies are currently being implemented for the 2010 season to further reduce risks.

The walnut operation now has in excess of 2,200 hectares of walnut orchards under management in NSW and Tasmania. Further capital investment is under way in NSW to harvest and process the predicted nut yields from these orchards. Recent difficulties experienced by Managed Investment Schemes (MIS) have not been experienced by Webster's walnut operations, which have reported a consolidated EBIT profit of \$0.220 million. Webster is anticipating a further increase in yield from its existing orchard operations in FY2010.

Total debt facility limits have been renewed and due to positive cash flow from investing activities have been reduced by \$6.5 million.

Taking into account disappointing results in the operating divisions and the capital program to support the growth of the walnut business, directors have determined that no final ordinary dividend will be paid.

Outlook

On 2 July 2009 directors announced the appointment of Mr David West as Chief Executive Officer. Mr West brings significant skills and experience in food, horticulture and plant management.

It is expected that the result in FY2010 will be strengthened by improved walnut yields from the Swansea and Riverina orchards, that losses experienced in the carrot business will be reversed and that onions will deliver a solid result. However, a very wet beginning to the growing season may result in some diminished planting in the current year.



fresh

WEBSTER

Webster Fresh, based in Forth, Tasmania, produces fresh vegetables for domestic and international customers. The two main product lines are onions and carrots, and to be successful with these products in these challenging markets requires absolute attention to detail, whether in crop agronomy, food safety, processing, logistics or cost. Webster Fresh has built a solid global reputation based on consistent high quality and reliability of supply.

In the course of 2009 Webster Fresh experienced two significant challenges that have reduced the expected returns from the division. The new carrot processing line, announced in 2008, did not achieve the budget expectations, which has resulted in investment in new equipment for the agronomy team, to improve crop quality and consistency. In addition some additional capital investment in the carrot processing line has been made to resolve some of the challenges identified during the first year of its operation.

The second significant challenge faced by Webster Fresh was chiefly a result of the unusual growing season experienced by the onion crops. A cool mild summer, with one short period of extremely high temperatures, had an adverse effect on the storage life of the onions sold in Europe. These challenges have resulted in a complete review of the agronomy package, crop protocols and crop assessments used by Webster Fresh for growing onions. Each of these changes is targeted at reducing risk, in particular for crops destined for our European customers.

The “Webster Fresh” business name and brand will be phased out in FY2010 and “Field Fresh Tasmania”, which has strong recognition in both the domestic and international markets and strong links to our horticultural operation, will become the primary business name and brand for vegetable operations.





walnuts

The Webster Ltd walnut division comprises both owned and managed assets in Tasmania and New South Wales (NSW) with a combined area of approximately 2,235 hectares. In Tasmania the division owns a walnut nursery in Forth, a 540 hectare orchard located at Swansea on Tasmania's east coast and has agreements covering a further 80 hectares of joint venture orchards in various parts of Tasmania. In NSW Webster manages a 250 hectare property in Griffith for a private investor and 1,365 hectares for Gunns Limited which is the responsible entity under managed investment schemes (MIS). The division reported a disappointing consolidated EBIT for the year of \$0.220 million.

The walnut division undertakes orchard management, harvesting, processing, drying, packaging and marketing of walnuts. Walnut production is now increasing as the orchards mature and Webster will progressively export more of the total production. The export focus is primarily into Europe and the Middle East, with many of these markets having the highest per capita consumption of walnuts in the world. As a counter-seasonal supplier, the division sees the development of these markets as key to future sales.

Walnuts – NSW

Large-scale orchards have been established in NSW with 735 hectares established at Leeton and 880 hectares at the 'Ercildoune' property, located north-west of Griffith. Both properties are in the Riverina region of NSW and are positioned in the Murrumbidgee Irrigation Area, historically the most reliable water source in the Murray-Darling basin. During the 2009 water season the high security (HS) allocation reached 95%, both properties have access to HS water rights and each has significant on-farm water storage.

The rapid early growth of trees on both properties, coupled with efficient large-scale operations and a comparatively reliable water supply, all augur well for good nut production.

A \$1.7 million hulling and drying line was constructed at the Ercildoune property in time for the first harvest in March 2009, which functioned very well in its first season. This facility will be further expanded for the 2010 harvest

Walnuts – Tasmania

The orchard at Swansea has continued to under-perform, only yielding slightly higher than the prior year at 425 tonnes, which was down on expectations due to frost damage and the prolonged drought, which forced management to ration available water over producing blocks. Nut size and yield were also adversely affected by the ongoing drought during the 2008/09 growing season. This in turn negatively affected returns.

Newly installed wind machines and helicopters were used to successfully protect much of the orchard during 2008/09, however there were some unprotected areas that were frost affected. Additional wind machines have been installed for use this spring.

Following several years of drought, some of the highest winter rains on record for the east coast of Tasmania have filled the orchard's water catchments, with storages now holding approximately 4,500 megalitres of water. As well the soil moisture profile is full going into spring.

Privately owned walnut orchards under a joint venture arrangement with Webster Ltd are generally showing slow progress.

Outlook

A major focus is on ensuring the east coast Tasmanian investment yields to its potential. Efforts here are in improving horticultural practices at all levels to maximise crop and nut size and quality.

Funding opportunities continue to be explored to fund new orchard developments in the medium to longer term. Despite ongoing low water allocations in the Riverina both large orchards have adequate irrigation water for the coming year. Webster is continuing to invest in processing facilities for the large increase in future crops from the Riverina orchards.

Marketing attention is rapidly turning to exporting opportunities focusing on counter-seasonal markets.

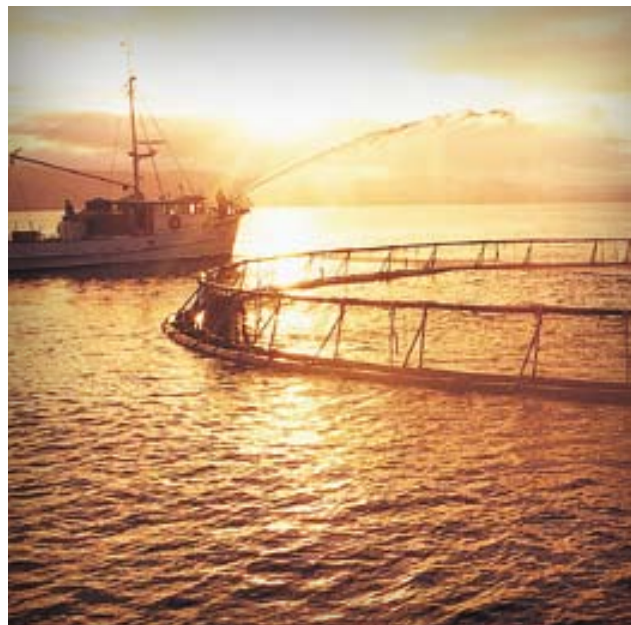
salmon

During the year Webster's investment in the ASX listed salmon company Tassal Group Limited produced an equity accounted return of \$7.566 million. Webster's overall shareholding was reduced through the sale of 7 million shares, netting a contribution of \$1.708M, before interest and tax. Webster Limited remains the largest shareholder in Tassal with 20.6%.

Tassal has been successful in delivering solid revenue growth. Demand for salmon has remained strong. The domestic market (excluding the Superior Gold brand) delivered a particularly strong growth, with volumes up 23% and revenue up 17%.

Tassal continues to focus on growth, primarily through a significant capital investment program that includes a new hatchery further increasing production.

Directors note that Tassal is positioned for significant earnings growth and that consensus broker research reports anticipated further increases in both sales revenue and net profit after tax.



webster limited directors' report



R J Roberts



S J L Stone



C D Corrigan



E H Eves AM

Information on Directors

Director	Qualifications and Experience	Special Responsibilities	Particulars of Directors' Interests in Ordinary Shares of Webster Ltd
R J Roberts BEC MBA Age 59	Appointed non-executive director in September 1995, managing director from October 1996 to October 2001, chairman from October 2001 to August 2007 and from November 2008. Mr Roberts has previously held senior roles in the manufacturing and investment banking industries, including Head of Corporate Finance at Bain & Co, Director of County NatWest Australia Limited and Chairman Harris & Co Limited. He is currently a Director of Tassal Group Limited and Deputy Chancellor of the University of Tasmania. Mr Roberts resides in Hobart.	Non-executive Chairman. Member of audit & risk committee and Chairman of the remuneration committee and the nominations & appointments committee.	Ordinary 6,569 (P) 5,133,699 (R)
S J L Stone BSc (Hons) PhD Age 57	Appointed non-executive director in May 2006. Dr Stone has extensive experience in the aquaculture industry, particularly in the development of the Yellowtail Kingfish industry in Australia. He also has commercial experience in senior management roles in industries such as information technology, banking and telecommunications. Dr Stone resides in Adelaide.	Non-executive Director. Chairman of the audit & risk committee, and member of the remuneration committee and nominations & appointments committee.	Ordinary 1,000 (P) 150,000 (R)
C D Corrigan BEC Age 63	Appointed non-executive director in November 2007. 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. Mr Corrigan is a Director of Consolidated Media Holdings Limited and Crown Limited. He resides in London.	Non-executive Director. Member of the audit & risk committee, the remuneration committee and the nominations & appointments committee.	Ordinary 1,059 (P) 3,430,000 (R)
E H Eves AM Age 63	Appointed non-executive director April 2009. Mr Eves has more than 30 years experience in the manufacturing, distribution and retail sectors both nationally and internationally. He has previously held directorships and senior roles in a number of multinational food sector companies. Mr Eves was awarded an Order of Australia in 2006 for "Services to the Food Industry". He resides in Sydney.	Non-executive Director. Member of the audit & risk committee, the remuneration committee and the nominations & appointments committee.	Ordinary 1,249 (R)
D W Robison MBBS FRACS Age 63	Appointed non-executive director in June 2005. Appointed non-executive chairman August 2007. Resigned November 2008. Mr Robison is Deputy Chairman of Cotton Australia Limited and Chairman of Australian Food & Fibre Limited. He resides in Brisbane.	Previous Non-executive Chairman. Previous member of audit & risk committee and nominations & appointments committee and previous Chairman of the remuneration committee.	Ordinary 2,000 (P) 3,892 (R)
C E Bright BA MA Age 64	Appointed non-executive director August 2005. Resigned February 2009. Mr Bright is a Director of Futuris Corporation Limited and Integrated Tree Cropping Limited. He resides in Melbourne.	Previous Non-executive Director. Previous Chairman of audit & risk committee and previous member of the remuneration committee and nominations & appointments committee.	Ordinary 2,000 (P)
M P Sadlon Age 44	Appointed alternate for C E Bright October 2007. Resigned February 2009. Mr Sadlon is the Director Corporate of Futuris Corporation Limited. He resides in Adelaide.	Previous Alternate non-executive Director.	Ordinary 1,000 (P)

Notes:

(P) = personal shareholding, (R) = relevant interest.

webster limited directors' report

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 2009. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

The names of the directors of the company during or since the end of the financial year are:

Directors

R J Roberts	Non-executive Chairman (appointed 17 November 2008)
S J L Stone	Non-executive Director
C D Corrigan	Non-executive Director
E H Eves	Non-executive Director (appointed 21 April 2009)
D W Robinson	Non-executive Chairman (resigned 17 November 2008)
C E Bright	Non-executive Director (resigned 5 February 2009)

All of the above named directors have held office during and since the end of the financial year except for:

- E H Eves – appointed 21 April 2009
- D W Robinson – resigned 17 November 2008
- C E Bright – resigned 5 February 2009.

Company Secretary

S Stegmann	Ms Stegmann joined Webster in early 2002. She is a member of CPA Australia and holds a Bachelor of Commerce from the University of Tasmania. Ms Stegmann is also company secretary of all controlled subsidiary companies.
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Principal Activities

The principal activity of the consolidated entity during the year was the production, processing and marketing of vegetables and walnuts. Webster also has a key stake in the salmon industry through its 20.6% ownership of Tassal Group Limited.

Directorships of Other Listed Companies

Directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of directorship
R J Roberts	Tassal Group Limited	Since 2005
S J L Stone	Western Kingfish Limited	2007
C D Corrigan	Patrick Corporation Limited	1990 – 2006
	Oriental Technologies Investments Limited	2000 – 2005
	Virgin Blue Holdings Limited	2002 – 2006
	Consolidated Media Holdings Limited	Since 2006
	Crown Limited	Since 2007

Trading Results

The profit after tax of the consolidated group for the year was \$3.432 million.

Review of Operations

Webster Limited recorded a full-year after tax profit of \$3.432 million, down from \$6.106 million in the prior year. Webster's horticulture operations did not perform to expectations with difficult climatic conditions compounded by a soft domestic and international market.

The share of profits from associates was again strong, with a contribution of \$7.566 million. A profit before tax of \$1.708 million was realised on the sale of 7,000,000 Tassal shares. Despite no new walnut orchard development revenue in 2009 and weak domestic and international markets for Webster Fresh, sales revenue was up \$2.003 million.

Total debt facility limits have been renewed and due to positive cash flow from investing activities have been reduced by \$6.5 million.

Taking into account disappointing results in the operating division and the capital program to support the growth of the walnut business, directors have determined that no final ordinary dividend will be paid.

Further details on review of operations are outlined on page 3 of this annual report.

Dividends

During the year, 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 2008 (fully franked at 30% tax rate) and 31 March 2009 (unfranked).
- A final dividend of 4.5 cents per share franked to 1.94% at 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 31 October 2008.

No dividends were declared on ordinary shares during the year and there have been no dividends declared or provided for in the financial statements as at 30 June 2009.

Issue of Shares

1,439,010 ordinary shares were issued under the company's dividend reinvestment plan on 31 October 2008.

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.

Likely Developments

Likely developments in the consolidated group's operations known at the date of this report have been covered elsewhere within this report. In the directors' opinion, any further disclosure of information would prejudice the company's interests.

Subsequent Events

The directors are not aware of any matter or circumstance that has arisen since the end of the financial year, which has significantly 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.

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.

No new options over the shares of the company or any controlled entity have been granted by the company or any controlled entity during or since the end of the year.

Directors' Meetings

The number of directors' meetings and meetings of committees of directors held in the period each director held office during the year, and the number of meetings attended by each director, are included with the information on directors on page 15.

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.

Rounding Off of Amounts

The company is a company of the kind referred to in ASIC Class Order 98/0100 dated 10 July 1998 and, in accordance with that Class Order, amounts in the directors' report and the financial report have been rounded off to the nearest thousand dollars unless specifically stated to be otherwise.

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.

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 & 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 & 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.

Independence Declaration by Auditor

The auditor's independence declaration is included on page 18.

Remuneration Report

Summary Information

The tables below set out summary information about the consolidated entity's earnings and movements in shareholder wealth for the five years to June 2009:

	30 June 2009 (\$000)	30 June 2008 (\$000)	30 June 2007 (\$000)	30 June 2006 (\$000)	30 June 2005 (\$000)
Revenue	50,821	46,097	53,492	77,934	77,186
Net profit before tax	6,014	8,333	3,998	4,826	2,410
Net profit after tax	3,432	6,106	2,305	5,234	(417)

	30 June 2009	30 June 2008	30 June 2007	30 June 2006	30 June 2005
Share price at start of year	\$1.18	\$1.275	\$0.65	\$0.69	\$0.74
Share price at end of year	\$0.60	\$1.18	\$1.275	\$0.65	\$0.69
Interim Dividend 1	-	1.00 cps	1.00 cps	-	-
Final Dividend 2	-	4.50 cps	4.50 cps	3.00 cps	2.00 cps
Basic earnings per share	5.35 cps	9.74 cps	3.74 cps	8.69 cps	(0.90) cps
Diluted earnings per share	5.35 cps	9.74 cps	3.74 cps	8.69 cps	(0.82) cps

- 1 The interim dividend for the 2007 financial year was franked to 100% at 30% corporate income tax rate, whilst the 2008 interim dividend was unfranked.
- 2 The final dividends for the 2005 and 2006 financial years were franked to 100% at 30% corporate income tax rate. The 2007 final dividends was franked to 5.15% at 30% corporate income tax rate, whilst the 2008 final dividend was franked to 1.94% at 30% corporate income tax rate.

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.

Elements of Key Management Personnel Compensation

The compensation of key management personnel includes salary/fees, movements in accrued annual and long service leave, benefits (including the provision of motor vehicle, superannuation and fringe benefits) and incentive schemes (including performance related bonuses).

Short-Term Incentives

The Board established a cash-based short-term incentive (STI) program in the 2006 financial year. In the 2009 financial year no bonus payments have been provided for (2008: \$152,883). The program is applicable to key management personnel who act in an executive capacity, with the exception of Mr P L Myers, who was Chief Executive Officer until his resignation on 23 December 2008 and was subject to a separate scheme as detailed below.

The executive STI program is linked to and only payable on the delivery of above-budget earnings performance, which aims to align executive performance to the financial performance of the company. The value of any cash-based payment is determined with reference to operating earnings and is not impacted by capital transactions. The bonus is payable as follows:

Stage 1

For operating divisional executives, 15% of total cost to company ('TCC', which includes 9% superannuation guarantee contribution) is payable if their respective divisional earnings before interest and income tax (EBIT) is 5% above budget for the financial year.

For corporate executives, 15% of TCC is payable if the consolidated net profit before income tax (NPBT) is 5% above budget for the financial year.

Stage 2

For all executives who achieve stage 1 of the program, an additional 1% of TCC is payable for every 1% of NPBT achieved above the stage 1 threshold of 5%. The maximum bonus payable under the STI program is 50% of TCC.

The structure of Mr P L Myers' incentive program was a combination of financial and non-financial measures, which can be summarised as follows:

- Stage 1 - \$25,500 was payable if the consolidated operating net profit before income tax (excluding the equity accounted contribution from Tassal Group Ltd) was 5% above budget for the financial year. This target was achieved and \$25,500 provided for at 30 June 2008.
- Stage 2 – if stage 1 was achieved an additional 1% of TCC was payable for every 1% of operating net profit before income tax (excluding the equity accounted contribution

from Tassal Group Ltd) achieved above the stage 1 threshold of 5%. The amount payable was capped at \$16,500. This target was achieved and \$16,500 was provided for at 30 June 2008.

- A maximum of \$28,000 was payable if specific outcomes were delivered as established by the Board. As at 30 June 2008, \$8,000 of these outcomes had been achieved. The balance of these outcomes was achieved prior to Mr Myers' resignation with the balance of \$20,000 being paid to Mr Myers.

The total amount paid or provided for in respect to short-term incentives for 2009 is \$20,000 (2008: \$301,216).

The company currently does not have in place any long-term incentive programs.

As at the date of this report no key management personnel hold any options for the purchase of shares in the company or any controlled entity. Outlined on page 14 is the compensation of all key management personnel of the company and the consolidated group.

Key Management Personnel Details

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

- R J Roberts (Non-executive Chairman), appointed Chairman 17 November 2008
- S J L Stone (Non-executive Director)
- C D Corrigan (Non-executive Director)
- E H Eves (Non-executive Director), appointed Non-executive Director 21 April 2009
- N D Carey (Acting Chief Executive Officer & General Manager, Webster Fresh), appointed Acting CEO 23 December 2008
- L F Titmus (General Manager, Webster Walnuts)
- S J Stegmann (Company Secretary and Commercial Manager), appointed Company Secretary 11 November 2008
- R P Gilham (Operations Manager, Webster Fresh)
- R J Birtill (Agriculture Manager, Webster Fresh)
- D W Robinson (Non-executive Chairman), resigned 17 November 2008
- C E Bright (Non-executive Director), resigned 5 February 2009
- P L Myers (Chief Executive Officer), resigned 23 December 2008
- N Abbott (Chief Financial Officer & Company Secretary), ceased employment with Webster Ltd 23 December 2008 due to relocation of the Corporate Office
- T M Gadsby (Information Technology and Communications Manager), ceased employment with Webster Ltd on 31 December 2008 due to relocation of the Corporate Office.

Key Management Personnel Compensation

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

	Consolidated		Company	
	2009 (\$)	2008 (\$)	2009 (\$)	2008 (\$)
Short-term employee benefits	1,039,046	1,460,606	539,446	1,055,795
Post-employment benefits	322,721	364,808	244,329	304,339
Termination benefits	187,113	112,714	187,113	112,714
	1,548,880	1,938,128	970,888	1,472,847

Key Management Personnel Compensation

The remuneration committee reviews the remuneration packages of all key management personnel and makes recommendations to the Board. Remuneration packages are reviewed and determined with due regard to current rates and are benchmarked against comparable industry salaries.

The following tables disclose compensation of the key management personnel of the consolidated entity:

2009	Short-Term			Post Employment	Other Long-Term	Termination	Share-based Payments	Total
Key Management Personnel	Salary & fees	Bonus	Non - Monetary	Super				\$
R J Roberts	46,143	-	4,203	25,753	-	-	-	76,099
S J L Stone	49,928	-	4,203	-	-	-	-	54,131
C D Corrigan	44,037	-	4,203	3,963	-	-	-	52,203
E H Eves (i)	8,590	-	700	773	-	-	-	10,063
N D Carey	141,153	-	21,601	18,790	-	-	-	181,544
L F Titmus	40,838	-	19,500	98,234	-	-	-	158,572
S J Stegmann	90,147	-	5,452	42,680	-	-	-	138,279
R P Gilham	103,120	-	19,500	8,624	-	-	-	131,244
R J Birtill	99,127	-	19,500	8,298	-	-	-	126,925
D W Robinson (ii)	29,940	-	1,401	2,695	-	-	-	34,036
C E Bright (iii)	29,064	-	2,452	2,616	-	-	-	34,132
P L Myers (iv)	80,283	20,000	2,771	98,334	-	11,570	-	212,958
N Abbott (v)	70,056	-	6,626	6,324	-	89,501	-	172,507
T M Gadsby (vi)	68,251	-	6,257	5,637	-	86,042	-	166,187
Total	900,677	20,000	118,369	322,721	-	187,113	-	1,548,880

(i) Mr E H Eves was appointed as Non-Executive Director on 21 April 2009.

(ii) Mr D W Robinson resigned as Chairman on 17 November 2008.

(iii) Mr C E Bright resigned as Non-Executive Director on 5 February 2009.

(iv) Mr P L Myers resigned as Chief Executive Officer on 23 December 2008.

(v) Mr N Abbott ceased employment with Webster on 23 December 2008 due to the relocation of the Corporate Office.

(vi) Mr T M Gadsby ceased employment with Webster on 31 December 2008 due to the relocation of the Corporate Office.

2008	Short-Term			Post Employment	Other Long-Term	Termination	Share-based Payments	Total
Key Management Personnel	Salary & fees	Bonus	Non - Monetary	Super				\$
D W Robinson	71,407	-	3,520	6,427	-	-	-	81,354
C E Bright	36,330	-	3,520	14,086	-	-	-	53,936
R J Roberts (i)	96,604	-	8,021	77,709	-	96,820	-	279,154
S J L Stone	45,833	-	3,520	-	-	-	-	49,353
C D Corrigan	25,879	-	2,053	2,329	-	-	-	30,261
P L Myers (ii)	90,935	50,000	2,053	81,251	-	-	-	224,239
N Abbott	105,531	92,008	27,073	9,595	-	-	-	234,207
N D Carey	117,968	9,068	20,500	15,630	-	-	-	163,166
L F Titmus	44,042	46,758	20,500	97,483	-	-	-	208,783
T M Gadsby	98,033	38,257	10,234	8,761	-	-	-	155,285
S J Stegmann	79,525	6,624	3,000	33,113	-	-	-	122,261
R P Gilham	90,672	6,834	19,500	8,205	-	-	-	125,211
R J Birtill (iii)	42,995	-	8,125	3,521	-	-	-	54,642
B R Davey (iv)	40,874	51,667	5,728	3,372	-	15,893	-	117,535
L G Curran (v)	29,728	-	5,688	3,326	-	-	-	38,741
Total	1,016,355	301,216	143,035	364,808	-	112,714	-	1,938,128

(i) Mr R J Roberts resigned as Chief Executive Officer on 30 November 2007.

(ii) Mr P L Myers was appointed as Chief Executive Officer on 30 November 2007.

(iii) Mr R J Birtill was appointed as Agriculture Manager, Webster Fresh on 1 February 2008.

(iv) Mr B R Davey resigned on 12 October 2007.

(v) Mr L G Curran ceased employment with Webster Limited on 12 October 2007 to coincide with settlement of the divestment of the industrial businesses.

Key Management Personnel Share Plan Options

The consolidated entity has a Key Management Personnel Share Option Plan which was approved by shareholders at the 1999 Annual General Meeting. The Plan permits the Board to offer options, at its discretion, to selected senior executives, including executive directors. The offer of options to executive directors must be approved by a special resolution of shareholders.

	Note	Number	
		2009	2008
Balance at beginning of the financial year		-	-
Exercised during the financial year	(a)	-	-
Lapsed during the financial year	(b)	-	-
Balance at end of the financial year	(c)	-	-

Executive share options carry no rights to dividends and no voting rights.

Options may be exercised at any time from the date of issue to the date of expiry.

(a) Exercised During the Financial Year

No options were exercised during the financial year.

(b) Lapsed During the Financial Year

No options lapsed during the financial year.

(c) Balance at End of the Financial Year

At year end, there were no options outstanding.

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, 15 board meetings, 5 audit & risk committee meetings, 3 nominations & appointments meetings, and 5 remuneration committee meetings were held.

Directors	Board of Directors		Audit & Risk Committee		Nominations & Appointments Committee		Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
R J Roberts	15	14	5	4	3	3	5	4
S J L Stone	15	13	5	5	3	3	5	5
C D Corrigan	15	13	5	4	3	3	5	5
E H Eves	3	3	-	-	2	2	-	-
D W Robinson	9	9	4	4	-	-	3	3
C E Bright	9	8	4	4	1	1	4	4
M P Sadlon (Alternate – CE Bright)		1						

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 an "if not why not" basis on whether they comply with their published "Principles of Good Corporate Governance and Best Practice 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's size and type of operation.

Set out below is a summary of the company's current practices in each of the 10 areas identified in the ASX guidelines.

1. Role of the Board and Management

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.

2. Composition of the Board

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 four directors, all whom are non-executive. It is the intention of the Board to maintain a majority of non-executives on the Board.

The Board considers the independence of directors can 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 judgment. 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 S Stone and Mr E Eves 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 director appointed by the board must seek election at the next Annual General Meeting.

3. Board Committees and Processes

The Board of Webster Limited is supported by the following committees. These committees, which each have their own charter and operating procedures, assist the Board in the discharge of its obligations by the review of financial reports, audit, risk, compliance, remuneration and the composition and self-appraisal of the Board itself. In addition, directors meet outside normal board and committee meetings from time to time, in accordance with good corporate governance practice.

(i) Audit & Risk Committee

The audit & 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 audit & risk 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, 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 & 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 5 times during the 2008/09 year. Current members of the audit & risk committee are Messrs S J Stone (Chairman), R J Roberts, C D Corrigan and E H Eves. Details of the names and qualifications of those appointed to the audit & risk committee are contained on page 9 of the Directors' Report. The number of meetings of the audit & risk committee and names of the attendees is contained on page 15 of the Directors' Report.

The Chief Executive Officer, 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.

(ii) Nominations and Appointments Committee

The main responsibilities of the nominations and appointments committee are to review the composition and membership of the Board and to make recommendations on new appointments. During the year the following appointments were made:

- R J Roberts as Non-executive Chairman;
- E H Eves as a Non-executive Director;
- S Stegmann as Company Secretary; and
- N D Carey as Acting Chief Executive Officer.

Any director may, at any time, recommend a person to the nominations and appointments committee for consideration as a director.

The members of the nominations and appointments committee are Messrs R J Roberts (Chairman), S J Stone, C D Corrigan and E H Eves. The committee meets as required.

(iii) Remuneration Committee

The remuneration committee reviews and makes recommendations to the Board on remuneration packages and policies applicable to executive and non-executive directors and senior executives. The current members of the remuneration committee are Messrs R J Roberts (Chairman), S Stone, C D Corrigan and E H Eves.

4. 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:

- (a) responsibilities to shareholders;
- (b) conflict of interest;
- (c) confidentiality;
- (d) protection of the company assets;
- (e) relations with customers and suppliers;
- (f) employment practices; and
- (g) 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, 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.

5. Integrity of 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. The Chief Executive Officer and Chief Financial Officer state 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.

6. Disclosure Practices

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.

Information is communicated through the distribution of the annual and half yearly reports, direct mailings and announcements through the ASX.

Webster Limited posts all reports, newsletters, ASX releases, Annual Meeting and other major presentations on its website - 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.

7. Identifying and Managing Risk

The audit & 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 committee. The Board and the audit & 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.

8. Monitor and Encourage Enhanced Performance

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 performance of individual directors, the Board as a whole and key executives is reviewed annually by the nominations & appointments committee.

9. Remunerate Fairly and Responsibly

As mentioned above, the company has a remuneration committee that determines the remuneration of executive directors and oversees the remuneration packages of those executives reporting directly to the managing director. It also reviews all equity-based incentive schemes for approval of the Board.

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 non-executive directors.

10. Recognise the Legitimate Interests of Stakeholders

The company has established a basic code of conduct that provides guidance to employees and directors on compliance with legal and other normal business obligations.

With the various business activities conducted by Webster Limited, the company is subject to a wide range of legal requirements. As part of the company's risk management program an audit of these requirements was undertaken during 2004/05. In several areas directors and officers can be held personally responsible for corporate behaviour inconsistent with these requirements. Accordingly, continual training in this area forms an integral part of the company's risk management program.

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



R J Roberts – Chairman
Hobart, 18 September 2009

Deloitte.

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The Board of Directors
Webster Limited
349 Forth Road
FORTH TAS 7310

18 September 2009

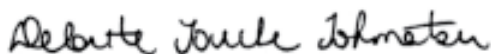
Dear Board Members

Webster Limited

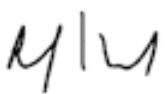
In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Webster Limited. As lead audit partner for the audit of the financial statements of Webster Limited for the financial year ended 30 June 2009, I declare 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 sincerely



DELOITTE TOUCHE TOHMATSU



Rod Whitehead
Partner
Chartered Accountants



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Independent Audit 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 balance sheet as at 30 June 2009, and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes 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 20 to 68.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies 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. These Auditing 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 entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the

directors, as well as evaluating the overall presentation of the financial report.

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

Auditor's Independence Declaration

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

Auditor's Opinion

In our opinion:

- (a) the financial report of Webster Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 15 of the directors' report for the year ended 30 June 2009. 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.

Auditor's Opinion

In our opinion the Remuneration Report of Webster Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.

DELOITTE TOUCH TOHMATSU

RJ Whitehead

Partner

Chartered Accountants Hobart,
18 September 2009

webster limited

directors' declaration

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 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 company and the consolidated entity; and
- (c) 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 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 22 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



R J Roberts
Chairman
Hobart, 18 September 2009

webster limited income statement

for the financial year ended 30 June 2009

	Note	Consolidated		Company	
		2009 (\$'000)	2008 (\$'000)	2009 (\$'000)	2008 (\$'000)
Revenue	2	39,801	37,798	5,679	6,835
Cost of sales		(22,930)	(19,433)	(307)	(1,720)
Gross Profit		16,871	18,365	5,372	5,115
Other income	2	3,454	2,661	4,096	3,671
Share of net profits of associates and joint ventures accounted for using the equity method		7,566	5,175	-	-
Distribution expenses		(10,384)	(9,508)	(11)	(17)
Marketing expenses		(679)	(676)	(65)	(102)
Operational expenses		(6,089)	(3,637)	(4,729)	(2,687)
Administration expenses		(2,771)	(2,619)	(1,689)	(1,726)
Finance costs		(2,005)	(1,744)	(2,004)	(1,388)
Impairment loss on subsidiary		-	-	-	(180)
Other expenses		(11)	(63)	-	(29)
Profit from continuing operations before income tax expense		5,952	7,954	970	2,657
Income tax (expense)/income	3	(2,582)	(2,002)	(354)	(982)
Profit from continuing operations		3,370	5,952	616	1,675
Gain from discontinued operations	29	62	154	62	154
Profit for the period		3,432	6,106	678	1,829
Profit attributable to members of the parent entity		3,432	6,106	678	1,829
Earnings per share for continuing and discontinued operations					
Basic (cents per share)	20	5.35	9.75		
Diluted (cents per share)	20	5.35	9.75		
Earnings per share from continuing operations					
Basic (cents per share)	20	5.26	9.50		
Diluted (cents per share)	20	5.26	9.50		

Notes to the financial statements are included on pages 26 to 68.

webster limited balance sheet

as at 30 June 2009

	Note	Consolidated		Company	
		2009 (\$'000)	2008 (\$'000)	2009 (\$'000)	2008 (\$'000)
Current Assets					
Cash and cash equivalents	26(a)	226	1,355	113	1,087
Trade and other receivables	5	11,828	7,086	4,543	2,624
Other financial assets	6	22	349	17,898	10,179
Inventories	7	3,870	4,854	173	118
Other assets	8	316	336	316	335
Biological assets	12	819	989	819	989
Total current assets		17,081	14,969	23,862	15,332
Non-current Assets					
Other financial assets	6	-	-	46,675	59,589
Investments accounted for using the equity method	9	45,919	52,464	-	-
Property, plant and equipment	10	23,608	18,314	9,895	7,853
Biological assets	12	10,217	9,852	-	-
Investment property	11	844	1,043	783	982
Deferred tax asset	3	597	534	148	263
Goodwill	13	397	397	-	-
Total non-current assets		81,582	82,604	57,501	68,687
Total assets		98,663	97,573	81,363	84,019
Current Liabilities					
Trade and other payables	14	6,657	7,507	2,808	3,269
Borrowings	15	22,007	17,873	26,217	26,234
Current tax liability	3	360	449	18	446
Other financial liabilities	16	212	75	-	-
Provisions	17	1,426	716	236	266
Total current liabilities		30,662	26,620	29,279	30,215
Non-current Liabilities					
Borrowings	15	1,226	7,480	1,226	2,151
Deferred tax liabilities	3	8,707	6,747	4,781	4,737
Provisions	17	73	53	11	10
Total non-current liabilities		10,006	14,280	6,018	6,898
Total liabilities		40,668	40,900	35,297	37,113
Net assets		57,995	56,673	46,066	46,906
Equity					
Issued capital	18	42,580	41,256	42,580	41,256
Reserves		1,143	2,093	-	-
Retained earnings	19	14,272	13,324	3,486	5,650
Total equity		57,995	56,673	46,066	46,906

Notes to the financial statements are included on pages 26 to 68.

webster limited

statement of changes in equity

for the financial year ended 30 June 2009

Consolidated	Ordinary Shares (\$'000)	General Reserve 1 (\$'000)	Asset Revaluation Reserve 2 (\$'000)	Hedging Reserve 3 (\$'000)	Retained Earnings (\$'000)	Total Attributable to Equity Holders of the Entity (\$'000)
Balance at 1 July 2007	39,819	120	2,129	39	10,639	52,746
Gain/(loss) taken to equity	-	-	-	234	-	234
Profit for the year	-	-	-	-	6,106	6,106
Total recognised income and expense for the year	-	-	-	234	6,106	6,340
Effect of changes in accounting policy as restated						
Recognition of equity as a liability	-	-	-	-	-	-
Contribution of equity net of transaction costs	-	-	-	-	-	-
Equity issued under company dividend reinvestment plan	1,437	-	-	-	-	1,437
Share of associates reserves	-	(36)	(393)	-	-	(429)
Dividends paid or provided for	-	-	-	-	(3,424)	(3,424)
Rounding adjustment	-	-	-	-	3	3
Balance at 30 June 2008	41,256	84	1,736	273	13,324	56,673
Balance at 1 July 2008	41,256	84	1,736	273	13,324	56,673
Gain/(loss) taken to equity	-	-	-	(406)	-	(406)
Profit for the year	-	-	-	-	3,432	3,432
Total recognised income and expense for the year	-	-	-	(406)	3,432	3,026
Effect of changes in accounting policy as restated						
Recognition of equity as a liability	-	-	-	-	-	-
Contribution of equity net of transaction costs	-	-	-	-	-	-
Equity issued under company dividend reinvestment plan	1,324	-	-	-	-	1,324
Reversal of share of associates reserves on sale	-	(188)	(356)	-	-	(544)
Transfers to retained earnings	-	-	-	-	356	356
Dividends paid or provided for	-	-	-	-	(2,842)	(2,842)
Rounding adjustment	-	-	-	-	2	2
Balance at 30 June 2009	42,580	(104)	1,380	(133)	14,272	57,995

Notes to the financial statements are included on pages 26 to 68.

webster limited

statement of changes in equity

for the financial year ended 30 June 2009

Company	Ordinary Shares (\$'000)	General Reserve (\$'000)	Asset Revaluation Reserve (\$'000)	Hedging Reserve (\$'000)	Retained Earnings (\$'000)	Total Attributable to Equity Holders of the Entity (\$'000)
Balance at 1 July 2007	39,819	-	-	-	7,242	47,061
Profit for the year	-	-	-	-	1,829	1,829
Total recognised income and expense for the year	-	-	-	-	1,829	1,829
Effect of changes in accounting policy as restated						
Recognition of equity as a liability	-	-	-	-	-	-
Contribution of equity net of transaction costs	-	-	-	-	-	-
Equity issued under company dividend reinvestment plan	1,437	-	-	-	-	1,437
Dividends paid or provided for	-	-	-	-	(3,424)	(3,424)
Rounding adjustment	-	-	-	-	3	3
Balance at 30 June 2008	41,256	-	-	-	5,650	46,906
Balance at 1 July 2008	41,256	-	-	-	5,650	46,906
Profit for the year	-	-	-	-	678	678
Total recognised income and expense for the year	-	-	-	-	678	678
Effect of changes in accounting policy as restated						
Recognition of equity as a liability	-	-	-	-	-	-
Contribution of equity net of transaction costs	-	-	-	-	-	-
Equity issued under company dividend reinvestment plan	1,324	-	-	-	-	1,324
Dividends paid or provided for	-	-	-	-	(2,842)	(2,842)
Rounding adjustment	-	-	-	-	-	-
Balance at 30 June 2009	42,580	-	-	-	3,486	46,066

1. This reserve captures the movement in reserves of associates including their share-based payments reserve and hedging reserve, but excluding the asset revaluation reserve.
2. Balance relates to the movement in share of associates' asset revaluation reserves. The movement in the reserve in the current year reflects an adjustment for the deferred tax consequences of the reserve which wasn't accounted for in the prior year.
3. 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.

Notes to the financial statements are included on pages 26 to 68.

webster limited statement of cash flows

for the financial year ended 30 June 2009

Note	Consolidated		Company		
	2009 (\$'000)	2008 (\$'000)	2009 (\$'000)	2008 (\$'000)	
Cash Flows from Operating Activities					
	37,126	51,997	4,904	20,801	
	(40,586)	(44,758)	(6,119)	(13,465)	
	(2,140)	(1,541)	(2,140)	(1,186)	
	(634)	(31)	(622)	(31)	
Net cash provided by/(used in) operating activities	26(e)	(6,234)	5,667	(3,977)	6,119
Cash Flows from Investing Activities					
	-	(10,596)	-	(10,596)	
	12,914	4,643	12,914	4,643	
	29	336	27	322	
	2,635	1,054	2,635	1,054	
	(7,471)	(3,573)	(2,730)	(1,621)	
	654	66	354	36	
	-	(1,453)	(13,601)	(4,000)	
	-	(54)	-	(54)	
Net cash provided by/(used in) investing activities		8,761	(9,577)	(401)	(10,216)
Cash Flows from Financing Activities					
	11,883	6,445	11,883	6,445	
	(13,663)	(3,292)	(6,611)	(3,305)	
	-	13	-	13	
	(341)	(223)	(333)	(207)	
	(1,535)	(1,963)	(1,535)	(1,963)	
Net cash provided by/(used in) financing activities		(3,656)	980	3,404	983
Net increase/(decrease) in cash and cash equivalents		(1,129)	(2,930)	(974)	(3,114)
Cash and cash equivalents at the beginning of the financial year		1,355	4,285	1,087	4,201
Cash and cash equivalents at the end of the financial year	26(a)	226	1,355	113	1,087

Notes to the financial statements are included on pages 26 to 68.

webster limited

notes to the financial statements

for the financial year ended 30 June 2009

General Information

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

Webster Limited's registered office and its principal place of business is at 349 Forth Road, Forth, Tasmania 7310.

1 Adoption of New & Revised Accounting Standards and Significant Accounting Policies

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these standards had no impact on the current financial report.

At the date of authorisation of the financial report, the following Standards and Interpretations were in issue but not yet effective:

AASB 101 Presentation of Financial Statements (revised September 2007), AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 (effective for annual reporting periods beginning on or after 1 January 2009)

AASB 8 Operating Segments, AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 (effective for annual reporting periods beginning on or after 1 January 2009)

AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101 (effective for annual reporting periods beginning on or after 1 January 2009)

AASB 2008-1 Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations (effective for annual reporting periods beginning on or after 1 January 2009)

IFRS 3 Business Combinations (revised), IAS 27 Consolidated and Separate Financial Statements (revised) (effective for annual reporting periods beginning on or after 1 July 2009)

Amendments to IFRS 2 Share-based Payment (effective for annual reporting periods beginning on or after 1 January 2009)

AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Process (effective for annual reporting periods beginning on or after 1 January 2009)

AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process (effective for annual reporting periods beginning on or after 1 January 2009)

AASB 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective for annual reporting periods beginning on or after 1 January 2009)

AASB 2009-2 Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments (effective for annual reporting periods beginning on or after 1 January 2009)

AASB 2009-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Process (applies to annual reporting periods beginning on or after 1 July 2009)

AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process (applies to annual reporting periods beginning on or after 1 January 2010)

AASB 2009-6 Amendments to Australian Accounting Standards, effective for annual reporting periods beginning on or after 1 January 2009 that end on or after 30 June 2009

AASB 2009-7 Amendments to Australian Accounting Standards, effective for annual reporting periods beginning on or after 1 July 2009

AASB 2009-8 Amendments to Australian Accounting Standards - Group Cash-settled Share-based Payment Transactions, effective for annual reporting periods beginning on or after 1 January 2010 and must be applied retrospectively.

The directors anticipate that the adoption of these Standards and Interpretations in the future periods will have no material financial impact on the financial statements of the company or the Group. The circumstances addressed by Interpretation 10, which prohibits the reversal of certain impairment losses, do not affect either the company's or the Group's previously reported results.

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, which will be the company's annual reporting period beginning 1 July 2009.

Accounting for business combinations involving entities or businesses under common control

The AASB released AASB 2005-6 'Amendments to Australian Accounting Standards' in June 2006. AASB 2005-6 amends AASB 3 'Business Combinations' by removing business combinations involving entities or business under common control from its scope. The effect of the scope amendment is that there is no longer an explicit guidance under Accounting Standards as to how to account for these types of business combinations.

Due to the requirements of AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' permitting the non-restatement of pre-transaction business combinations, the amendment has no effect on the financial statements of the company or Group for the current or prior reporting periods. However, future transactions involving entities under common control will be affected. Details of the entity's accounting policies in relation to common control transactions are outlined in note 22.

Significant Accounting Policies

Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations and complies with other requirements of the law. The financial report includes the separate financial statements of the company and the consolidated financial statements of the Group. Accounting Standards include Australian equivalents to International Financial Reporting Standards (A-IFRS). Compliance with A-IFRS

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for the financial year ended 30 June 2009

ensures that the consolidated 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 18 September 2009.

Basis of Preparation

The financial report has been prepared on the basis of historical cost, except for 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.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgments, 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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. Refer to note 1(u) for discussion of critical judgments in applying the Company's accounting policies, and key sources of estimation uncertainty.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of company and entities (including special purpose entities) controlled by the company (its subsidiaries) (referred to as 'the Group' in these financial statements). Control is achieved 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, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. In the separate financial statements of the company, 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, the difference is recognised 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 risk and rewards of ownership of the goods, except with respect to biological assets (see note 1(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 time and material contracts and is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

Royalties - Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Dividend and interest revenue - Dividend revenue from investments is recognised when the Group'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.

(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

Biological assets are valued at net market value. Net market value is the amount which could be expected to be received from the disposal of the asset in an active and liquid market

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for the financial year ended 30 June 2009

after deducting costs associated with enhancement and/or costs expected to be incurred in realising the proceeds of such disposal. The net increment/(decrement) in the net market value of biological assets is recognised as revenue/(expense) in the financial year. Where an active and liquid market is not available, historical cost is used as an estimate of net market value, as the impact of the biological transformation on price is not expected to be material.

(f) Impairment of Assets

At each reporting date, the Group 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, the recoverable amount of the asset is estimated 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, the Group estimates the recoverable amount of the cash-generating unit to which the assets belong.

Goodwill is tested 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

Land and buildings are measured 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, cost is determined 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. Depreciation is calculated 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.

The following estimated useful lives are used in the calculation of depreciation:

Buildings	40-100 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. All other leases are classified as operating leases.

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

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

Finance leased 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.

(i) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in, first out basis. Net realisable

webster limited notes to the financial statements

for the financial year ended 30 June 2009

value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

(j) Goodwill

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised at the date of the acquisition. Goodwill is subsequently measured at its cost less any impairment losses. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units, or groups of cash-generating units, expected to benefit from the synergies of the business combination. Cash-generating units or groups of cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently if events or changes in circumstances indicate that goodwill might be impaired.

If the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (or groups of cash-generating units), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or groups of cash-generating units) and then to the other assets of the cash generating units pro rata on the basis of the carrying amount of each asset in the cash-generating unit (or groups of cash-generating units). An impairment loss recognised for goodwill is recognised immediately in profit or loss and is not reversed in a subsequent period.

(k) Derivative Financial Instruments

The Group enters in to a variety of derivative financial instruments to manage its 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 27 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.

The Group 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.

Hedge accounting is discontinued 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.

Embedded derivatives - Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

(l) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

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 the Group 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, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Subsequent to initial recognition, investments in subsidiaries are measured at cost in the company financial statements. Subsequent to initial recognition investments in associates are accounted for under the equity method in the consolidated financial statements and the cost method in the company financial statements. Further information regarding equity accounted investments is detailed in note 1(w).

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss',

webster limited

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for the financial year ended 30 June 2009

'held-to-maturity investments' and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

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.

Income is recognised 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 - Financial assets are classified 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 the Group 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. Fair value is determined in the manner described in note 27.

Held-to-maturity investments - Bills of exchange and debentures with fixed or determinable payments and fixed maturity dates where the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

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'. Loans and receivables are recorded 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 uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit and loss.

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

(n) Financial Instruments Issued by the Company

Debt and equity instruments - Debt and equity instruments are classified 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. Equity instruments issued by the Group are recorded as the proceeds received, net of direct issue costs.

Compound instruments - The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or upon the instruments reaching maturity. The equity component initially brought to account is determined by deducting the amount of the liability component from the amount of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects and is not subsequently remeasured.

Financial guarantee contract liabilities - Financial guarantee contract liabilities are measured 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(b).

Financial liabilities - Financial liabilities are classified 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.

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for the financial year ended 30 June 2009

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period.

(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 sheet date.

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

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

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

(p) Goods and Services Tax

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

- i 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
- ii 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.

Cash flows are included 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

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

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which 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 and associates and interests in joint ventures except where the Group 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 the Group 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 the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period - Current and deferred tax is recognised 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 it is taken into account in the determination of goodwill or excess.

(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.

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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 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) Research and Development Costs

Research costs are recognised as an expense in the period in which they are incurred. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period incurred.

Government grants are assistance by the government in the form of transfers of resources to the Group in return for past or future compliance with certain conditions relating to the operating activities of the consolidated entity.

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.

Government grants relating to income are recognised as income over the periods necessary to match them with the 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 the Group with no future related costs are recognised as income of the period in which they become receivable.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the balance sheet and recognised as income on a systematic and rational basis over the useful lives of the related assets.

(u) Critical Judgment and Estimation of Uncertainty

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:

Biological assets

Biological assets are measured in the financial statements at fair value less estimated point-of-sale costs. The key assumptions require the use of management judgment and are reviewed annually. These key assumptions are the variables

affecting the estimated costs to sell and the expected selling price. Any reassessment of cost to sell or selling price in a particular year will affect the cost of goods sold.

Foreign Currency

The Group enters into certain transactions denominated in foreign currencies to manage the risk associated with anticipated horticultural export transactions. Further details of foreign currency transactions are disclosed in note 27 to the financial statements.

(v) Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 'Business Combinations' (2004) are recognised at their fair values at the acquisition date, except for non-current 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', which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit and loss.

(w) Investments in Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments.

(x) Deficiency of Net Assets

As at the reporting date the Group's current liabilities exceed current assets by \$13,581 thousand. This is due to the classification to the Group's debt facilities as a current liability arising from the expiry of the Group's existing finance facilities on 31 August 2009. Subsequent to the reporting date the directors received a Letter of Offer from the Group's bank extending the Group's debt facilities (\$25.2 million) to 31 August 2010. The directors accepted the bank's offer by executing the Letter of Offer on 28 August 2009.

webster limited

notes to the financial statements

for the financial year ended 30 June 2009

2 Profit from Operations

(a) Revenue

Revenue from continuing and discontinued operations consisted of the following items:

Continuing operations

Revenue from the sale of goods

Consolidated		Company	
2009	2008	2009	2008
(\$'000)	(\$'000)	(\$'000)	(\$'000)
39,801	37,798	5,679	6,835
39,801	37,798	5,679	6,835

Discontinued operations

Revenue from the sale of goods

-	11,093	-	11,093
-	11,093	-	11,093

Biological assets:

Increment in net market value of biological assets

346	1,046	170	-
346	1,046	170	-

Interest revenue:

- Wholly-owned controlled entities
- Other related parties
- Other entities

-	142	-	872
-	216	-	216
29	121	27	106
29	479	27	1,194

Dividends:

Associates

-	-	2,635	1,985
-	-	2,635	1,985

Rental revenue

Other

629	537	543	763
613	520	581	(297)
1,242	1,057	1,124	466
1,617	2,582	3,956	3,645

(b) Profit before income tax

Profit/(loss) before income tax has been arrived at after crediting/(charging) the following gains and losses from continuing and discontinued operations:

Gain/(loss) on disposal of investments

1,708	-	-	-
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Gain/(loss) on disposal of property, plant and equipment and biological assets

128	17	140	26
1,836	17	140	26

Net foreign exchange gains/(losses)

R&D grants

1	(12)	-	-
-	74	-	-
1,837	79	140	26

Total other income

3,454	2,661	4,096	3,671
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webster limited

notes to the financial statements

for the financial year ended 30 June 2009

2 Profit from Operations (continued)

Profit for the year includes the following expenses:

Note	Consolidated		Company	
	2009 (\$'000)	2008 (\$'000)	2009 (\$'000)	2008 (\$'000)
Cost of sales	22,930	19,433	307	1,720
Impairment of investments	-	-	-	180
Finance costs:				
Interest on loans	1,896	1,644	1,895	1,291
Dividends on instruments classified as financial liabilities	35	35	35	35
Other finance costs	74	65	74	62
	<u>2,005</u>	<u>1,744</u>	<u>2,004</u>	<u>1,388</u>
Direct operating expenses of investment of investment properties:				
Properties generating rental income	28	27	-	-
Depreciation of non-current assets	1,205	753	396	263
Amortisation of non-current assets	232	208	230	201
	<u>1,437</u>	<u>961</u>	<u>626</u>	<u>464</u>
Research and development costs immediately expensed	11	63	-	29
Operating lease rental expense				
Minimum lease payments	427	554	128	225
Employee benefit expense:				
Post employment benefits:				
Defined contribution plans	769	811	295	432
Termination benefits	267	149	267	113
Other employee benefits	6,616	6,302	1,423	2,085

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notes to the financial statements

for the financial year ended 30 June 2009

3 Income Taxes

(a) Income tax recognised in profit or loss

Tax expense/(income) comprises:

Note	Consolidated		Company	
	2009 (\$'000)	2008 (\$'000)	2009 (\$'000)	2008 (\$'000)
Current tax expense/(income)	(252)	722	195	491
Adjustments recognised in the current year in relation to the current tax of prior years	352	4	-	(2)
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	2,148	1,732	117	718
Benefit arising from previously unrecognised tax loss, tax credits or temporary differences of a prior period that is used to reduce:				
- current tax expense/(income)	293	(230)	-	-
- deferred tax expense	42	-	42	-
Write-down of deferred tax assets	-	-	-	-
Other	(1)	(1)	-	-
Total tax expense/(income)	2,582	2,227	354	1,207
Attributable to:				
Continuing operations	2,582	2,002	354	982
Discontinued operations (note 29)	-	225	-	225
	2,582	2,227	354	1,207

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to income tax expense in the financial statements as follows:

Profit from continuing operations	5,952	7,954	970	2,657
Profit from discontinued operations	62	379	62	379
Profit from operations	6,014	8,333	1,032	3,036
Income tax expense calculated at 30%	1,804	2,500	310	911
Non-deductible expenses	13	13	11	12
Non-assessable income	(18)	-	(18)	-
Subsidiary attribution	-	-	-	-
Dividend offsets	-	-	-	-
Tax effect of business disposal	-	225	-	225
Equity share of associates	-	-	-	-
Previously unrecognised deferred taxes associated with investments in subsidiaries and associates	42	-	42	-
Previously unrecognised and unused tax losses and tax offsets now recognised as deferred tax assets	390	(670)	-	-
Tax effect of investments in associates	-	54	-	54
Write down of deferred tax assets	-	-	-	-
Adjustments recognised in the current year in relation to the current tax of prior years	-	-	-	(2)
Other	(21)	(101)	(23)	7
	406	(277)	12	296
Under/(over) provision of income tax in previous year	372	4	32	-
	778	(273)	44	296
	2,582	2,227	354	1,207

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.

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notes to the financial statements

for the financial year ended 30 June 2009

Note	Consolidated		Company	
	2009 (\$'000)	2008 (\$'000)	2009 (\$'000)	2008 (\$'000)
3				
Income Taxes (continued)				
(b) Income tax recognised directly in equity				
The following current and deferred amounts were charged directly to equity during the period:				
Current tax:				
Share-issue expenses	-	-	-	-
Share buy-back expenses	-	-	-	-
Deferred tax:				
Revaluation of financial instruments treated as cash flow hedges	(57)	-	-	-
Adjustment to retained earnings associated with changes in accounting policies	-	-	-	-
Equity accounting adjustments	(81)	429	-	-
	(138)	429	-	-
(c) Current tax assets and liabilities				
Current tax assets:				
Franking deficit tax recoverable	-	-	-	-
Tax refund receivable	-	-	-	-
	-	-	-	-
Current tax liabilities:				
Franking deficit tax payable	-	-	-	-
Income tax payable attributable to:				
Parent entity	18	446	18	446
Other	342	3	-	-
	360	449	18	446

webster limited

notes to the financial statements

for the financial year ended 30 June 2009

3 Income Taxes (continued)

Deferred tax assets (liabilities) comprise the following:

	Consolidated						
	Opening balance \$'000	Charged to income \$'000	Charged to equity \$'000	Acquisitions/ disposals \$'000	Exchange differences \$'000	Changes in tax rate \$'000	Closing balance \$'000
2009							
Deferred tax liabilities:							
Investment in associates	(5,782)	(1,974)	81	-	-	-	(7,675)
Property, plant & equipment	(893)	(1)	-	-	-	-	(894)
Financial assets - non receivables	-	(3)	-	-	-	-	(3)
Inventory & biological assets	(54)	(63)	-	-	-	-	(117)
Other	(18)	-	-	-	-	-	(18)
	(6,747)	(2,041)	81	-	-	-	(8,707)
Deferred tax assets:							
Provisions	376	(86)	-	-	-	-	290
Financial assets - receivables	13	(4)	-	-	-	-	9
Property, plant & equipment	136	(56)	-	-	-	-	80
Other	9	(2)	57	-	-	-	64
	534	(148)	57	-	-	-	443
	(6,213)	(2,189)	138	-	-	-	(8,264)
Unused tax losses:							
Tax losses	-	154	-	-	-	-	154
	-	154	-	-	-	-	154
	(6,213)	(2,035)	138	-	-	-	(8,110)

	Consolidated						
	Opening balance \$'000	Charged to income \$'000	Charged to equity \$'000	Acquisitions/ disposals \$'000	Exchange differences \$'000	Changes in tax rate \$'000	Closing balance \$'000
2008							
Deferred tax liabilities:							
Investment in associates	(4,237)	(1,116)	(429)	-	-	-	(5,782)
Property, plant & equipment	(925)	32	-	-	-	-	(893)
Financial assets - non receivables	(67)	67	-	-	-	-	-
Inventory & biological assets	(597)	543	-	-	-	-	(54)
Other	(20)	2	-	-	-	-	(18)
	(5,846)	(472)	(429)	-	-	-	(6,747)
Deferred tax assets:							
Provisions	961	(585)	-	-	-	-	376
Financial assets - receivables	53	(40)	-	-	-	-	13
Property, plant & equipment	181	(45)	-	-	-	-	136
Other	599	(590)	-	-	-	-	9
	1,794	(1,260)	-	-	-	-	534
	(4,052)	(1,732)	(429)	-	-	-	(6,213)
Unused tax losses:							
Tax losses	14	(14)	-	-	-	-	-
	14	(14)	-	-	-	-	-
	(4,038)	(1,746)	(429)	-	-	-	(6,213)

webster limited

notes to the financial statements

for the financial year ended 30 June 2009

3 Income Taxes (continued)

	Company						
	Opening balance \$'000	Charged to income \$'000	Charged to equity \$'000	Acquisitions/ disposals \$'000	Exchange differences \$'000	Changes in tax rate \$'000	Closing balance \$'000
2009							
Deferred tax liabilities:							
Investment in associates	(3,856)	19	-	-	-	-	(3,837)
Property, plant & equipment	(881)	(12)	-	-	-	-	(893)
Financial assets - non receivables	-	-	-	-	-	-	-
Inventory	-	(51)	-	-	-	-	(51)
	(4,737)	(44)	-	-	-	-	(4,781)
Deferred tax assets:							
Provisions	173	(74)	-	-	-	-	99
Financial assets - receivables	-	3	-	-	-	-	3
Property, plant & equipment	81	(42)	-	-	-	-	39
Other	9	(2)	-	-	-	-	7
	263	(115)	-	-	-	-	148
	(4,474)	(159)	-	-	-	-	(4,633)
Unused tax losses:							
Tax losses	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	(4,474)	(159)	-	-	-	-	(4,633)

	Company						
	Opening balance \$'000	Charged to income \$'000	Charged to equity \$'000	Acquisitions/ disposals \$'000	Exchange differences \$'000	Changes in tax rate \$'000	Closing balance \$'000
2008							
Deferred tax liabilities:							
Investment in associates	(3,856)	-	-	-	-	-	(3,856)
Property, plant & equipment	(914)	33	-	-	-	-	(881)
Financial assets - non receivables	(67)	67	-	-	-	-	-
Inventory	(539)	539	-	-	-	-	-
	(5,376)	639	-	-	-	-	(4,737)
Deferred tax assets:							
Provisions	868	(695)	-	-	-	-	173
Financial assets - receivables	50	(50)	-	-	-	-	-
Property, plant & equipment	101	(20)	-	-	-	-	81
Other	599	(590)	-	-	-	-	9
	1,618	(1,355)	-	-	-	-	263
	(3,758)	(716)	-	-	-	-	(4,474)
Unused tax losses:							
Tax losses	13	(13)	-	-	-	-	-
	13	(13)	-	-	-	-	-
	(3,745)	(729)	-	-	-	-	(4,474)

webster limited notes to the financial statements

for the financial year ended 30 June 2009

Note	Consolidated		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
3 Income Taxes (continued)				
Unrecognised deferred tax balances				
The following deferred tax assets have not been brought to account as assets:				
Tax losses - revenue	5,803	4,987	-	-
Tax losses - capital	-	-	-	-
Temporary differences	95	(1,889)	2,928	1,041
	5,898	3,098	2,928	1,041

Note	Consolidated		Company	
	2009 (\$)	2008 (\$)	2009 (\$)	2008 (\$)
4 Remuneration of Auditors				
<u>Auditor of the Parent Entity</u>				
Audit or review of the financial report	80,000	99,500	55,000	74,500
Taxation services	103,510	51,058	96,910	44,458
Accounting advice	15,900	10,250	15,900	3,000
	199,410	160,808	167,810	121,958

The auditor of Webster Limited is Deloitte Touche Tohmatsu.

Note	Consolidated		Company	
	2009 (\$'000)	2008 (\$'000)	2009 (\$'000)	2008 (\$'000)
5 Trade and Other Receivables				
Current				
Trade receivables	11,715	6,922	4,513	2,612
Allowance for doubtful debts	(29)	(10)	(9)	-
	11,686	6,912	4,504	2,612
Goods and services tax (GST) recoverable	142	174	39	12
	11,828	7,086	4,543	2,624

The average credit period on sales of goods of the operating divisions within the company is 30 days. No interest is charged on the trade receivables. An allowance has been made for estimated irrecoverable amounts from the sale of goods and services, determined by reference to past default experience. The movement in the allowance was \$19,851 (company: \$8,926).

Ageing of past due but not impaired

61-90 days	2,569	1,586	500	413
91-120 days	555	103	108	-
121 + days	427	131	131	17
Total	3,551	1,820	739	430

Movement in allowance for doubtful debts

Balance at the beginning of the year	(10)	(10)	-	-
Impairment losses recognised on receivables	(19)	-	(9)	-
Amounts written off as uncollectible	-	-	-	-
Amounts recovered during the year	-	-	-	-
Balance at the end of the year	(29)	(10)	(9)	-

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 directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

webster limited

notes to the financial statements

for the financial year ended 30 June 2009

	Note	Consolidated		Company	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
6 Other Financial Assets					
(a) Current					
At fair value					
Foreign currency forward contracts		22	349	-	-
		<u>22</u>	<u>349</u>	<u>-</u>	<u>-</u>
At amortised cost					
Interest-bearing loans advanced to:					
- Other related parties		-	-	-	7,135
Non-interest bearing, non-trade receivables from:					
- Wholly-owned controlled entities		-	-	17,898	3,044
		<u>-</u>	<u>-</u>	<u>17,898</u>	<u>10,179</u>
		<u>22</u>	<u>349</u>	<u>17,898</u>	<u>10,179</u>
(b) Non-current					
At amortised cost					
Shares in:					
Subsidiaries		-	-	13,617	13,617
Associates		-	-	33,058	45,972
		<u>-</u>	<u>-</u>	<u>46,675</u>	<u>59,589</u>
		<u>-</u>	<u>-</u>	<u>46,675</u>	<u>59,589</u>
7 Inventories					
Current					
Raw materials at cost		1,661	1,429	-	-
Work in progress at cost		1,320	1,622	-	-
Non-living produce extracted from biological assets at net market value		173	118	173	118
Finished goods at cost		716	1,685	-	-
		<u>3,870</u>	<u>4,854</u>	<u>173</u>	<u>118</u>
8 Other Assets					
Prepayments		316	336	316	335

webster limited notes to the financial statements

for the financial year ended 30 June 2009

9 Investments Accounted for Using the Equity Method

Associates:

Tassal Group Limited
 - salmon producer & processor
 - incorporated in Australia
 - quoted price at 30 June 2009 \$1.94

Note	Consolidated Carrying Amount		Ownership Interest	
	2009 (\$'000)	2008 (\$'000)	2009 (%)	2008 (%)
(i)	45,919	52,464	21	26
	<u>45,919</u>	<u>52,464</u>		

- (i) Webster Limited disposed of 7,000,000 shares in Tassal Group Limited for \$12.914 million during the year and currently has a 20.6% ownership interest.

Summarised financial information of associates:

Current assets	177,055	148,765
Non-current assets	176,819	131,105
Current liabilities	(68,093)	(48,490)
Non-current liabilities	(74,534)	(42,292)
Net Assets	<u>211,247</u>	<u>189,088</u>
Revenue	<u>357,322</u>	<u>287,883</u>
Net profit	<u>30,084</u>	<u>20,467</u>
Share of associates' profit or loss:		
Share of profit/(loss) before income tax	9,836	7,054
Income tax expense	(2,270)	(1,879)
Share of associates' profit/(loss)	<u>7,566</u>	<u>5,175</u>

Dividends received from associates

During the year the consolidated entity received dividends of \$2,635 thousand (2008: \$1,985 thousand) from its associates.

Contingent Liabilities and Capital Commitments

There are no contingent liabilities and capital commitments related to associates.

webster limited

notes to the financial statements

for the financial year ended 30 June 2009

10 Property, Plant and Equipment

	Consolidated					TOTAL
	Freehold land at cost	Buildings at cost	Leasehold improvements at cost	Plant and equipment at cost	Equipment under finance lease at cost	
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	
Gross carrying amount						
Balance at 1 July 2007	592	5,055	265	6,386	906	13,204
Additions	-	-	-	2,907	446	3,353
Disposals	-	-	-	(262)	(19)	(281)
Acquisitions through business combinations	4,850	547	-	3,595	20	9,012
Classified as held for sale	(97)	(460)	-	(25)	-	(582)
Balance at 30 June 2008	5,345	5,142	265	12,601	1,353	24,706
Accumulated depreciation/amortisation and impairment						
Balance at 1 July 2007	-	(157)	(90)	(3,397)	(313)	(3,957)
Disposals	-	-	-	181	12	193
Depreciation expense	-	(27)	(29)	(689)	(209)	(954)
Acquisitions through business combinations	-	(73)	-	(1,601)	-	(1,674)
Classified as held for sale	-	-	-	-	-	-
Balance at 30 June 2008	-	(257)	(119)	(5,506)	(510)	(6,392)
Net book value						
As at 30 June 2007	592	4,898	175	2,989	593	9,247
As at 30 June 2008	5,345	4,885	146	7,095	843	18,314
Gross carrying amount						
Balance at 1 July 2008	5,345	5,142	265	12,601	1,353	24,706
Additions	-	732	598	5,310	487	7,127
Disposals	-	-	(165)	(771)	(60)	(996)
Acquisitions through business combinations	-	-	-	-	-	-
Classified as held for sale	-	-	-	-	-	-
Reclassification of assets	-	-	-	250	(250)	-
Balance at 30 June 2009	5,345	5,874	698	17,390	1,530	30,837
Accumulated depreciation/amortisation and impairment						
Balance at 1 July 2008	-	(257)	(119)	(5,506)	(510)	(6,392)
Disposals	-	-	97	448	48	593
Depreciation expense	-	(60)	(37)	(1,101)	(232)	(1,430)
Acquisitions through business combinations	-	-	-	-	-	-
Classified as held for sale	-	-	-	-	-	-
Reclassification of assets	-	-	-	(168)	168	-
Balance at 30 June 2009	-	(317)	(59)	(6,327)	(526)	(7,229)
Net book value						
As at 30 June 2008	5,345	4,885	146	7,095	843	18,314
As at 30 June 2009	5,345	5,557	639	11,063	1,004	23,608

webster limited

notes to the financial statements

for the financial year ended 30 June 2009

10 Property, Plant and Equipment (continued)

	Company					TOTAL
	Freehold land at cost	Buildings at cost	Leasehold improve- ments at cost	Plant and equipment at cost	Equipment under finance lease at cost	
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	
Gross Carrying Amount						
Balance at 1 July 2007	592	5,054	165	2,039	769	8,619
Additions	-	-	-	1,244	446	1,690
Disposals	-	-	-	(41)	(19)	(60)
Impairment loss	-	-	-	-	-	-
Classified as held for sale	(97)	(460)	-	(25)	-	(582)
Balance at 30 June 2008	495	4,594	165	3,217	1,196	9,667
Accumulated depreciation/amortisation and impairment						
Balance at 1 July 2007	-	(157)	(58)	(999)	(187)	(1,401)
Disposals	-	-	-	32	12	44
Depreciation expense	-	(22)	(21)	(213)	(201)	(457)
Classified as held for sale	-	-	-	-	-	-
Balance at 30 June 2008	-	(179)	(79)	(1,180)	(376)	(1,814)
Net Book Value						
As at 30 June 2007	592	4,897	107	1,040	582	7,218
As at 30 June 2008	495	4,415	86	2,037	820	7,853
Gross Carrying Amount						
Balance at 1 July 2008	495	4,594	165	3,217	1,196	9,667
Additions	-	732	-	1,532	487	2,751
Disposals	-	-	(165)	(20)	(60)	(245)
Impairment loss	-	-	-	-	-	-
Classified as held for sale	-	-	-	-	-	-
Reclassification of assets	-	-	-	250	(250)	-
Balance at 30 June 2009	495	5,326	0	4,979	1,373	12,173
Accumulated depreciation/amortisation and impairment						
Balance at 1 July 2008	-	(179)	(79)	(1,180)	(376)	(1,814)
Disposals	-	-	97	10	48	155
Depreciation expense	-	(50)	(18)	(321)	(230)	(619)
Classified as held for sale	-	-	-	-	-	-
Reclassification of assets	-	-	-	(168)	168	-
Balance at 30 June 2009	-	(229)	-	(1,659)	(390)	(2,278)
Net Book Value						
As at 30 June 2008	495	4,415	86	2,037	820	7,853
As at 30 June 2009	495	5,097	-	3,320	983	9,895

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10 Property, Plant and Equipment (continued)

Aggregate depreciation allocated, whether recognised as an expense or capitalised as part of the carrying amount of other assets during the year:

	Consolidated		Company	
	2009 (\$'000)	2008 (\$'000)	2009 (\$'000)	2008 (\$'000)
Buildings	60	27	50	22
Leasehold improvements	37	29	18	21
Plant and equipment	1,101	689	321	213
Equipment under finance lease	232	209	230	201
	<u>1,430</u>	<u>954</u>	<u>619</u>	<u>457</u>

11 Investment Property

	Consolidated			Company		
	Freehold land at cost (\$'000)	Buildings at cost (\$'000)	TOTAL (\$'000)	Freehold land at cost (\$'000)	Buildings at cost (\$'000)	TOTAL (\$'000)
Gross Carrying Amount						
Balance at 1 July 2007	398	674	1,072	337	674	1,011
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance at 30 June 2008	<u>398</u>	<u>674</u>	<u>1,072</u>	<u>337</u>	<u>674</u>	<u>1,011</u>
Accumulated depreciation/ amortisation and impairment						
Balance at 1 July 2007	-	(22)	(22)	-	(22)	(22)
Disposals	-	-	-	-	-	-
Depreciation expense	-	(7)	(7)	-	(7)	(7)
Balance at 30 June 2008	<u>-</u>	<u>(29)</u>	<u>(29)</u>	<u>-</u>	<u>(29)</u>	<u>(29)</u>
Net Book Value						
As at 30 June 2007	<u>398</u>	<u>652</u>	<u>1,050</u>	<u>337</u>	<u>652</u>	<u>989</u>
As at 30 June 2008	<u>398</u>	<u>645</u>	<u>1,043</u>	<u>337</u>	<u>645</u>	<u>982</u>
Gross Carrying Amount						
Balance at 1 July 2008	398	674	1,072	337	674	1,011
Additions	-	-	-	-	-	-
Disposals	(45)	(155)	(200)	(45)	(155)	(200)
Balance at 30 June 2009	<u>353</u>	<u>519</u>	<u>872</u>	<u>292</u>	<u>519</u>	<u>811</u>
Accumulated depreciation/ amortisation and impairment						
Balance at 1 July 2008	-	(29)	(29)	-	(29)	(29)
Disposals	-	8	8	-	8	8
Depreciation expense	-	(7)	(7)	-	(7)	(7)
Balance at 30 June 2009	<u>-</u>	<u>(28)</u>	<u>(28)</u>	<u>-</u>	<u>(28)</u>	<u>(28)</u>
Net Book Value						
As at 30 June 2008	<u>398</u>	<u>645</u>	<u>1,043</u>	<u>337</u>	<u>645</u>	<u>982</u>
As at 30 June 2009	<u>353</u>	<u>491</u>	<u>844</u>	<u>292</u>	<u>491</u>	<u>783</u>

Investment properties are depreciated using the straight-line method over their useful lives of 100 years.

The investment properties are both commercial and residential buildings occupied by short to medium-term tenants. Investment properties are measured at cost.

webster limited notes to the financial statements

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	Note	Consolidated		Company	
		2009 (\$'000)	2008 (\$'000)	2009 (\$'000)	2008 (\$'000)
12 Biological Assets					
(a) Current					
At net market value					
- Nursery walnut trees	(i)	819	989	819	989
Non-current					
- Walnut orchards	(ii)	10,217	9,852	-	-
		<u>11,036</u>	<u>10,841</u>	<u>819</u>	<u>989</u>

(b) Reconciliation of changes in the carrying amount of Biological Assets

Carrying value at the beginning of the financial year	10,841	299	989	299
Acquisition through business combinations	-	9563	-	-
Purchases	401	1136	36	847
Sales	(376)	(157)	(376)	(157)
Revaluation of biological assets	170	-	170	-
Carrying value at the end of the financial year	<u>11,036</u>	<u>10,841</u>	<u>819</u>	<u>989</u>

(i) Nursery Walnut Trees

Webster Limited owns and operates walnut tree nurseries at Merseylea and Forthside in Tasmania. Budwood is grafted to rootstock and buds are patch budded to rootstock, then grown for a minimum of 6 months before sale. The net market value of the rootstock has been based on cost as there is no active market for Webster Limited to trade in walnut rootstock. The net market value of grafted and budded nursery walnut trees is based on the expected sale value of the trees according to age, quality and target market. The total number of grafted and budded walnut trees on hand at the end of the financial year was 27,389 (2008: 65,661). The total number of rootstocks on hand to be used for grafting at the end of the financial year was 100,000 (2008: 100,000). The change in fair value less any point of sale costs is disclosed in note 2(a).

(ii) Walnut Orchards

Webster Walnuts Pty Ltd, a 100% owned subsidiary of Webster Limited owns 540 hectares of walnut orchard located at Swansea and Cranbrook on the east coast of Tasmania. The Swansea orchard comprises 500 hectares of planted area which was established between 1998 and 2002, whilst Cranbrook comprises 40 hectares of planted area which was established in 1995 and 1996. The net market value is exclusive of the land component. The new market value of the orchards is based on a director's valuation.

	Note	Consolidated		Company	
		2009 (\$'000)	2008 (\$'000)	2009 (\$'000)	2008 (\$'000)
13 Goodwill					
Gross carrying amount					
Balance at beginning of financial year		397	286	-	-
Additional amounts recognised from business combinations occurring during the year (note 22)		-	111	-	-
Balance at end of financial year		<u>397</u>	<u>397</u>	<u>-</u>	<u>-</u>
Net book value					
At the beginning of the financial year		397	286	-	-
At the end of the financial year		<u>397</u>	<u>397</u>	<u>-</u>	<u>-</u>
Allocation of goodwill					
Goodwill has been allocated for impairment testing purposes to the following cash-generating units:					
- vegetable operations - global		286	286	-	-
- walnut operations - global		111	111	-	-
		<u>397</u>	<u>397</u>	<u>-</u>	<u>-</u>

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13 Goodwill (continued)

Vegetable operations - global

The recoverable amount of the vegetable operations - global units is determined based on a value-in-use calculation which uses cash flow projections covering a five-year period, and a discount rate of 13.4% p.a. (2008: 13.4%). Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

Walnut operations - global

The recoverable amount of the walnut operations - global units is determined based on a value-in-use calculation which uses cash flow projections covering a 10-year period, and a discount rate of 15% p.a. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

14 Trade and Other Payables

Current

Trade payables
Goods and services tax (GST) payable

Note	Consolidated		Company	
	2009 (\$'000)	2008 (\$'000)	2009 (\$'000)	2008 (\$'000)
	6,637	7,497	2,785	3,260
	20	10	23	9
	<u>6,657</u>	<u>7,507</u>	<u>2,808</u>	<u>3,269</u>

- (i) 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.

15 Borrowings

(a) Current

At amortised cost

Secured

Bank loans	(i)	21,200	11,723	21,200	10,000
Loans from other entities	(ii)	257	140	257	140
Finance lease liabilities	(iii)	352	292	352	285

Unsecured

Loans from

- Wholly-owned controlled entities		-	-	4,210	10,091
- Other related parties		-	-	-	-
- Other entities		198	5,718	198	5,718

		<u>22,007</u>	<u>17,873</u>	<u>26,217</u>	<u>26,234</u>
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notes to the financial statements

for the financial year ended 30 June 2009

	Note	Consolidated		Company	
		2009 (\$'000)	2008 (\$'000)	2009 (\$'000)	2008 (\$'000)
15 Borrowings (continued)					
(b) Non-current					
At amortised cost					
Secured					
Bank loans	(i)	-	5,329	-	-
Loans from other entities	(ii)	-	187	-	187
Finance lease liabilities	(iii)	832	549	832	549
Unsecured					
Loans from other entities		-	1,021	-	1,021
Non-redeemable cumulative preference shares	(iv)	394	394	394	394
		1,226	7,480	1,226	2,151

(i) Secured by floating charge over assets, the value of which exceeds the loan.

(ii) Secured by mortgage over the property, the value of which exceeds the loan.

(iii) Secured by assets leased, the value of which exceeds the lease liability.

(iv) 394,000 9% non-redeemable cumulative preference shares were issued on 15 March 1986 at an issue price of \$1.00 per share.

16 Other Financial Liabilities

(a) Current

At fair value:

Foreign currency forward contracts

	2009	2008	2009	2008
Foreign currency forward contracts	212	75	-	-
	212	75	-	-

17 Provisions

(a) Current

Employee benefits

Export sales rebates

	2009	2008	2009	2008
Employee benefits	512	483	236	266
Export sales rebates	915	233	-	-
	1,426	716	236	266

(b) Non-current

Employee benefits

	2009	2008	2009	2008
Employee benefits	73	53	11	10

(c) Movements in Provisions

Consolidated

Export Sales Rebates (i) (\$'000)

Balance at 30 June 2008

Additional provision recognised

Reductions arising from payments/other sacrifices
of future economic benefits

Balance at 30 June 2009

Current

Non-current

Balance at 30 June 2008	233
Additional provision recognised	1005
Reductions arising from payments/other sacrifices of future economic benefits	(323)
Balance at 30 June 2009	915
Current	915
Non-current	-
	915

(i) The provision for export sales rebates represents the directors' best estimate of potential claims made by customers with respect to the quality of fresh produce exported overseas. The estimate has been made based on historical trends and current claims outstanding at the end of the financial year.

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notes to the financial statements

for the financial year ended 30 June 2009

18 Issued Capital

64,597,159 (2008: 64,158,149) fully paid ordinary shares

Note	Consolidated		Company	
	2009 (\$'000)	2008 (\$'000)	2009 (\$'000)	2008 (\$'000)
(i)	42,580	41,256	42,580	41,256
	42,580	41,256	42,580	41,256

(i) Fully Paid Ordinary Share Capital

Balance at beginning of financial year

Shares issued under dividend re-investment plan

Balance at end of financial year

	2009		2008	
	Number	(\$'000)	Number	(\$'000)
(ii)	63,158,149	41,256	62,111,170	39,819
(iii)	1,439,010	1,324	1,046,979	1,437
	64,597,159	42,580	63,158,149	41,256

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

(ii) Share Capital Issued During the Previous Financial Year

On 31 October 2007, Webster Limited paid a 4.5c final dividend with a dividend re-investment option. Under the dividend re-investment plan Webster Limited issued an additional 790,478 shares.

On 30 April 2008, Webster Limited paid a 1c interim dividend with a dividend re-investment option. Under the dividend re-investment plan Webster Limited issued an additional 256,501 shares.

(iii) Share Capital Issued During the Financial Year

On 31 October 2008, Webster Limited paid a 4.5c final dividend with a dividend re-investment option. Under the dividend re-investment plan Webster Limited issued an additional 1,439,010 shares.

19 Retained Earnings

Balance at beginning of financial year

Net profit/(loss) attributable to members of the parent entity

Dividends provided for or paid

Transfers from Reserves

Rounding adjustment

Balance at end of financial year

Note	Consolidated		Company	
	2009 (\$'000)	2008 (\$'000)	2009 (\$'000)	2008 (\$'000)
	13,324	10,639	5,650	7,242
	3,432	6,106	678	1,829
21	(2,842)	(3,424)	(2,842)	(3,424)
	356	-	-	-
	2	3	-	3
	14,272	13,324	3,486	5,650

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for the financial year ended 30 June 2009

20 Earnings Per Share

		Consolidated	
		Cents per Share	
		2009	2008
Basic earnings per share			
From continuing operations	(a)	5.26	9.50
From discontinued operations	(a)	0.10	0.25
Total basic earnings per share		<u>5.35</u>	<u>9.75</u>
Diluted earnings per share			
From continuing operations	(b)	5.26	9.50
From discontinued operations	(b)	0.10	0.25
		<u>5.35</u>	<u>9.75</u>

(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:

		2009	2008	2009	2008
		(\$'000)	(\$'000)	No.	No.
Earnings	(i)	3,432	6,106		
Earnings from continuing operations	(i)	<u>3,370</u>	<u>5,952</u>		
Weighted average number of ordinary shares for the purposes of basic earnings per share	(ii)			<u>64,112,232</u>	<u>62,680,301</u>

- (i) Earnings used in the calculation of total basic earnings per share and basic earnings per share reconciles to net profit in the income statement as follows:

		2009	2008
		(\$'000)	(\$'000)
Net profit/(loss)		3,432	6,106
Earnings used in the calculation of basic EPS		3,432	6,106
Adjustments to exclude (profit)/loss for the period from discontinued operations		(62)	(154)
Earnings used in the calculation of basic EPS from continuing operations		<u>3,370</u>	<u>5,952</u>

(b) Diluted Earnings per Share

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

		2009	2008	2009	2008
		(\$'000)	(\$'000)	No.	No.
Earnings	(i)	3,432	6,106		
Earnings from continuing operations	(i)	<u>3,370</u>	<u>5,952</u>		
Weighted average number of ordinary and potential ordinary shares for the purpose of diluted earnings per share	(ii)			<u>64,112,232</u>	<u>62,680,301</u>

webster limited

notes to the financial statements

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20 Earnings Per Share (continued)

- (i) Earnings used in the calculation of total diluted earnings per share and diluted earnings per share from continuing operations reconciles to net profit in the income statement as follows:

	2009 (\$'000)	2008 (\$'000)
Net profit/(loss)	3,432	6,106
Earnings used in the calculation of basic EPS	3,432	6,106
Adjustments to exclude profit/(loss) for the period from discontinued operations	(62)	(154)
Earnings used in the calculation of diluted EPS from continuing operations	3,370	5,952

- (ii) Weighted average number of ordinary and potential ordinary shares used in the calculation of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	2009 No.	2008 No.
Weighted average number of ordinary shares used in the calculation of basic EPS	64,112,232	62,680,301
Weighted average number of shares used in the calculation of diluted EPS	64,112,232	62,680,301

Note	2009		2008	
	Cents per share	Total (\$'000)	Cents per share	Total (\$'000)

21 Dividends

Fully paid ordinary shares				
Final dividend franked to 1.94%	4.5	2,842	4.5	2,795
Interim dividend unfranked		-	1.0	629
		<u>2,842</u>		<u>3,424</u>

	Company	
	2009 (\$'000)	2008 (\$'000)
Adjusted franking account balance	641	477
Impact on franking account balance of dividends not recognised	-	24
Franking account balance at 1 July	31	69
Tax paid	623	31
Dividends paid	(31)	(69)
Franking account balance at 30 June	623	31
Franking credits that will arise from the payment of income tax payable as at the reporting date	18	446
Net franking credits available	641	477

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22 Subsidiaries

	Note	Country of Incorporation	Ownership Interest	
			2009 (%)	2008 (%)
Parent Entity				
Webster Limited		Australia		
Controlled Entities				
Clements Marshall Consolidated Limited	(iii)	Australia	100	100
Cygnets Canning Company Pty Ltd	(iii)	Australia	100	100
Clements and Marshall Pty Ltd	(iii)	Australia	100	100
Webster Fresh Partnership	(iii)	Australia	100	100
Webster Finance Pty Ltd	(iii)	Australia	100	100
Walnuts Australia Pty Ltd		Australia	100	100
Webster Walnuts Pty Ltd		Australia	100	100

- (i) The above entities are audited by Deloitte Touche Tohmatsu.
- (ii) All entities carry on business in Australia.
- (iii) 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.
- (iv) The parent entity has entered into a range of cross guarantees and registered mortgage debentures over all assets and capital of Webster Limited, which include all of the above entities under its banking arrangements with National Australia Bank dated 29 July 2009.

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for the financial year ended 30 June 2009

22 Subsidiaries (continued)

The consolidated balance sheet and income statement of entities which are party to the deed of cross guarantee are:

(a) Income Statement

The Income Statement presented on page 21 represents the consolidated financial performance of entities which are party to the deed of cross guarantee. Walnuts Australia Pty Ltd, which was not a trading entity during the financial year, and Webster Walnuts Pty Ltd are not parties to the cross guarantee.

	Consolidated	
	2009 (\$'000)	2008 (\$'000)
Revenue	37,427	37,437
Cost of sales	(20,522)	(19,264)
Gross Profit	16,905	18,173
Other income	3,269	1,605
Share of net profits of associates and joint ventures accounted for using the equity method	7,566	5,639
Distribution expenses	(10,384)	(9,508)
Marketing expenses	(679)	(676)
Operational expenses	(4,637)	(3,137)
Administration expenses	(2,771)	(2,619)
Finance costs	(2,005)	(1,391)
Other expenses	(11)	(63)
Profit from continuing operations before income tax expense	7,253	8,023
Income tax (expense)/income	(2,582)	(2,002)
Profit from continuing operations	4,671	6,021
Gain from discontinued operations	62	154
Profit for the period	4,733	6,175
Profit attributable to members of the parent entity	4,733	6,175

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22 Subsidiaries (continued)

	Consolidated	
	2009 (\$'000)	2008 (\$'000)
(b) Balance Sheet		
Current Assets		
Cash and cash equivalents	226	1,355
Trade and other receivables	11,801	7,085
Other financial assets	14,945	7,553
Inventories	3,059	3,112
Other assets	316	336
Biological assets	819	989
Total current assets	31,166	20,430
Non-current Assets		
Investments accounted for using the equity method	50,561	57,106
Property, plant and equipment	16,459	11,074
Investment property	844	1,043
Goodwill	397	397
Total non-current assets	68,261	69,620
Total assets	99,427	90,050
Current Liabilities		
Trade and other payables	6,648	7,501
Borrowings	22,007	16,150
Current tax liability	360	449
Other financial liabilities	212	75
Provisions	1,426	716
Total current liabilities	30,653	24,891
Non-current Liabilities		
Borrowings	1,226	2,151
Deferred tax liabilities	8,110	6,213
Provisions	73	53
Total non-current liabilities	9,409	8,417
Total liabilities	40,062	33,308
Net assets	59,365	56,742
Equity		
Issued capital	42,580	41,256
Reserves	1,143	2,093
Retained earnings*	15,642	13,393
Total equity	59,365	56,742
* Retained Earnings		
Retained earnings at the beginning of the financial year	13,393	10,639
Net profit	4,733	6,175
Dividend provided for or paid	(2,842)	(3,424)
Transfers from reserves	356	-
Rounding adjustment	2	3
Retained earnings at the end of the financial year	15,642	13,393

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22 Subsidiaries (continued)

(c) Acquisition of Businesses	Principal Activity	Date of Acquisition	Proportion	Cost of	Previous	Equity	Total
			of Shares Acquired (%)	Acquisition (\$'000)	Share Holding (%)	Accounted Carrying Value	
Names of Businesses Acquired 2008							
	Walnut Orchard						
Webster Walnuts Pty Ltd	Owner	22/01/2008	50%*	2,603	50%	1,755	4,358
							<u>4,358</u>

* Webster Walnuts Pty Ltd was previously held by Webster Limited as a 50% owned investment in associate prior to acquiring the remaining 50% on 22 January 2008.

	Book Value (\$'000)	Fair Value Adjustment (\$'000)	Fair Value on Acquisition (\$'000)	Total Fair Value on Acquisition (\$'000)
Net Assets Acquired				
Current Assets				
Trade and Other Receivables	30	-	30	30
Inventories	123	-	123	123
Non-Current Assets				
Biological Assets	9,563	-	9,563	9,563
Property, Plant and Equipment	7,339	-	7,339	7,339
Current Liabilities				
Trade and Other Payables	(11)	-	(11)	(11)
Borrowings	(1,717)	-	(1,717)	(1,717)
Non-Current Liabilities				
Borrowings	(11,080)	-	(11,080)	(11,080)
				<u>4,247</u>
				<u>4,247</u>
Goodwill on Acquisition				111
				<u>4,358</u>

Net cash flow on acquisition

	Consolidated		Company	
	2009 (\$'000)	2008 (\$'000)	2009 (\$'000)	2008 (\$'000)
Total purchase consideration	-	2,603	-	2,603
Less: non-cash considerations for Webster Walnuts Pty Ltd	-	-	-	-
Consideration paid in cash	-	2,603	-	2,603
Less: cash and cash equivalent balances acquired	-	-	-	-
				<u>2,603</u>

Goodwill arose in the business combination because the consideration paid for the combination exceeded the book and fair values at the date of the acquisition.

Had the above business combination been effected at 1 July 2007, the revenue of the Group for 2008 would have been \$37,856 thousand, and net profit \$5,775 thousand. The directors of the Group consider these 'pro forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

In determining the 'pro forma' revenue and profit of the Group had Webster Walnuts Pty Ltd been acquired at the beginning of the current reporting period, the directors have:

- calculated depreciation and amortisation of plant and equipment acquired on the basis of the carrying amounts recognised in the pre-acquisition financial statements
- based borrowing costs on the funding levels, credit ratings and debt/equity position of the Group after the business combination
- eliminated directors' fees no longer payable as a result of the business combination.

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23 Commitments for Expenditure

(a) Lease Commitments

Note	Consolidated		Company	
	2009 (\$'000)	2008 (\$'000)	2009 (\$'000)	2008 (\$'000)
Non-cancellable operating leases				
(i)				
Not longer than 1 year	379	467	148	242
Longer than 1 year and not longer than 5 years	243	604	167	305
Longer than 5 years	-	-	-	-
	<u>622</u>	<u>1,071</u>	<u>315</u>	<u>547</u>
Finance lease liabilities				
(ii)				
Not longer than 1 year	461	385	461	377
Longer than 1 year and not longer than 5 years	988	679	988	679
Longer than 5 years	-	-	-	-
Minimum lease payments	1,449	1,064	1,449	1,056
Less: Future finance charges	(156)	(126)	(156)	(126)
Less: Goods and services tax (GST)	(109)	(97)	(109)	(96)
Finance lease liabilities	<u>1,184</u>	<u>841</u>	<u>1,184</u>	<u>834</u>
Present value of minimum future lease payments:				
- Not longer than 1 year	352	292	352	285
- Longer than 1 year and not longer than 5 years	832	549	832	549
	<u>1,184</u>	<u>841</u>	<u>1,184</u>	<u>834</u>
<u>Continuing operations included in the financial statements as:</u>				
- Current interest-bearing liabilities	352	292	352	285
- Non-current interest-bearing liabilities	832	549	832	549
	<u>1,184</u>	<u>841</u>	<u>1,184</u>	<u>834</u>

(i) Operating lease commitments relate to properties and equipment with lease terms of up to 10 years.

(ii) Finance lease liabilities relate to various plant and equipment with lease terms of up to 5 years.

(b) Capital Expenditure Commitments

Plant and equipment				
Not longer than 1 year	200	1,070	-	-
Longer than 1 year and not longer than 5 years	-	-	-	-
Longer than 5 years	-	-	-	-
	<u>200</u>	<u>1,070</u>	<u>-</u>	<u>-</u>

24 Contingent Liabilities

Indemnity by the company in respect of employees transferred to an associated company	-	-	-	-
Guarantees by subsidiary company under deeds of assignment of property leases - estimated maximum potential liability equivalent to six months rent	226	339	-	-
Claims and litigation against the company which are being defended and for which no provision is made in the financial statements	30	30	30	30
	<u>256</u>	<u>369</u>	<u>30</u>	<u>30</u>

In respect of the consolidated entity's share of contingent liabilities of associates, the extent to which an outflow of funds will be required is dependent on the future operations of the associates being more or less favourable than currently expected. The consolidated entity's share of contingent liabilities of associates is disclosed at note 9.

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notes to the financial statements

for the financial year ended 30 June 2009

25 Segment Information

(a) Information on Business Segments

	Industry Services (discontinued operations)		Horticulture		Aquaculture		TOTAL	
	2009	2008	2009	2008	2009	2008	2009	2008
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Continuing Operations								
Revenues								
External sales	-	-	39,801	37,798	-	-	39,801	37,798
Other revenue	-	-	1,524	2,051	-	-	1,524	2,051
Segment total	-	-	41,325	39,849	-	-	41,325	39,849
Unallocated/Consolidation Adj							1,930	610
Total							43,255	40,459
Results								
Segment result	-	-	(410)	5,116	7,566	5,638	7,156	10,754
Borrowing costs							(2,005)	(1,744)
Unallocated							801	(1,056)
Profit before tax							5,952	7,954
Income tax (expense)/benefit							(2,582)	(2,002)
Profit/(loss) for the year from continuing operations							3,370	5,952
Discontinued operations								
Revenues								
External sales	-	11,093	-	-	-	-	-	11,093
Segment total	-	11,093	-	-	-	-	-	11,093
Total							-	11,093
Results								
Segment result	62	379	-	-	-	-	62	379
Borrowing costs							-	-
Profit/(loss) before tax							62	379
Income tax (expense)/benefit								
Profit/(loss) for the year from discontinued operations							-	(225)
							62	154
Profit for the year							3,432	6,106
Segment Assets & Liabilities								
Assets								
Segment assets	-	-	45,611	35,868	45,919	52,464	91,530	88,332
Unallocated							6,536	8,707
Total							98,066	97,039
Liabilities								
Segment liabilities	-	-	(8,735)	(14,762)	-	-	(8,735)	(14,762)
Unallocated							(31,336)	(25,604)
Total							(40,071)	(40,366)

webster limited notes to the financial statements

for the financial year ended 30 June 2009

25 Segment Information

	Industry Services (discontinued operations)		Horticulture		Aquaculture	
	2009	2008	2009	2008	2009	2008
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Other Information						
Acquisition of non-current assets	-	-	7,471	3,007	-	-
Depreciation and amortisation	-	-	1,168	716	-	-
Other non-cash expenses	-	-	-	-	-	-
Carrying value of investments accounted for using the equity method	-	-	-	-	45,919	52,464
Share of net profit/(loss) of associate and joint venture entities accounted for under equity method	-	-	-	(464)	7,566	5,638

Products within each business segment

For management purposes, the consolidated entity is organised into three major operating divisions. These divisions are the basis on which the consolidated entity reports its primary segment information. The principal products and services of each of these divisions are as follows:

Industrial Services (discontinued operations) -	Wholesaling of a range of finished goods including industrial supplies, heavy machinery and automotive parts throughout Tasmania.
Horticulture -	Growing, processing, packing and marketing of vegetables and nuts for export and domestic markets.
Aquaculture -	Investment in the production, processing, value-adding and marketing of salmon for export and domestic markets.

(b) Information on Geographical Segments

The consolidated entity is based solely in Tasmania. Goods are sold in both domestic and international markets.

Geographical Segment	Revenue from external customers		Segment assets		Acquisition of segment assets	
	2009	2008	2009	2008	2009	2008
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Australia	15,721	13,818	98,066	97,039	7,471	3,007
Europe	20,078	20,930	-	-	-	-
Asia	4,002	3,050	-	-	-	-

The consolidated entity's three divisions operate in three principal geographical locations - Australia, Europe and Asia. The composition of each geographical segment is as follows:

Australia	The Webster Group manufactures, produces and sells a broad range of its products in Australia.
Europe	The Webster Group sells horticultural products into northern Europe.
Asia	The Webster Group sells horticultural products into Asia.

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notes to the financial statements

for the financial year ended 30 June 2009

26 Notes to the cash flow statement

(a) Reconciliation of cash and cash equivalents

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

Cash and cash equivalents

	Consolidated		Company	
	2009 (\$'000)	2008 (\$'000)	2009 (\$'000)	2008 (\$'000)
Cash and cash equivalents	226	1,355	113	1,087
	<u>226</u>	<u>1,355</u>	<u>113</u>	<u>1,087</u>

(b) Non-cash Financing and Investing Activities

During the financial year, the consolidated entity acquired equipment via finance leases to the value of \$683,000 (2008: \$445,000).

(c) Financing Facilities

Secured finance facilities reviewed annually and payable at call

- Amount used
- Amount unused

- Amount used	-	-	-	-
- Amount unused	6,000	6,000	6,000	6,000
	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>

Secured bank loan rolling facilities reviewed annually and payable at call

- Amount used
- Amount unused

- Amount used	21,200	17,052	21,200	10,000
- Amount unused	4,000	2,000	4,000	2,000
	<u>25,200</u>	<u>19,052</u>	<u>25,200</u>	<u>12,000</u>

(d) Cash Balances not Available for Use

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

webster limited notes to the financial statements

for the financial year ended 30 June 2009

26 Notes to the cash flow statement (continued)

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

	Consolidated		Company	
	2009 (\$'000)	2008 (\$'000)	2009 (\$'000)	2008 (\$'000)
Profit/(loss) for the period	3,432	6,106	678	1,829
Depreciation and amortisation of non-current assets	1,437	961	626	464
Adjustments relating to self-generating and regenerating assets	(346)	(1,046)	(170)	-
Net (profit)/loss on sale of non-current assets	(128)	(17)	(140)	(26)
Net (profit)/loss on disposal of discontinued operations	(62)	(379)	(62)	(379)
Net (profit)/loss on disposal of investments	(1,708)	-	-	-
Impairment of investments and subsidiaries	-	-	-	180
Interest income received or receivable	(29)	(336)	(27)	(322)
Debt instrument dividends paid	36	36	36	36
Share of associates' (profit)/loss and dividends	(7,566)	(5,174)	(2,635)	(1,985)
Other	95	(75)	93	44
Changes in net assets and liabilities, net of effects from the disposal of businesses (excluding impairment loss of discontinued operation):				
- Decrease/(increase) in receivables	(4,730)	12,019	(1,899)	11,838
- Decrease/(increase) in inventories	1,500	(2,552)	284	(689)
- Increase/(decrease) in payables	(842)	(6,208)	(462)	(5,975)
- Increase/(decrease) in provisions	730	137	(30)	(72)
- Increase/(decrease) in tax balances	1,947	2,195	(269)	1,176
Net cash flows from operating activities	(6,234)	5,667	(3,977)	6,119

27 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 2008.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 15, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital as disclosed in note 18, reserves and retained profits as disclosed in note 19.

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 Group has a target end of financial year gearing ratio of no more than 40-45%, that is determined as the proportion of net debt to equity. 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.

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notes to the financial statements

for the financial year ended 30 June 2009

27 Financial Instruments (continued)

The gearing ratio at year end was as follows:

	Consolidated		Company	
	2009 (\$'000)	2008 (\$'000)	2009 (\$'000)	2008 (\$'000)
Financial assets				
Debt (i)	23,233	25,353	27,443	28,385
Cash and cash equivalents	(226)	(1,355)	(113)	(1,087)
Net debt	23,007	23,998	27,330	27,298
Equity (ii)	57,995	56,673	46,066	46,906
Net debt to equity ratio	40%	42%	59%	58%

(i) Debt is defined as long and short-term borrowings, as detailed in note 15.

(ii) Equity includes all capital and reserves.

(b) Categories of financial instruments	Consolidated		Company	
	2009 (\$'000)	2008 (\$'000)	2009 (\$'000)	2008 (\$'000)
Financial assets				
Derivative instrument in designated hedge accounting relationships	22	349	-	-
Cash and cash equivalents	226	1,355	113	1,087
Loans and receivables	11,828	6,939	22,441	12,491
Shares and borrowings	-	-	46,675	59,589
Financial Liabilities				
Derivative instrument in designated hedge accounting relationships	212	75	-	-
Borrowings	22,007	17,873	26,217	26,234

(c) Financial risk management objectives

The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets and manages 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 use of financial derivatives is governed by the consolidated entity's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives. Compliance with policies and exposure limits are monitored by the treasury committee on a continuous basis.

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 a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including:

- forward foreign exchange contracts to hedge the exchange rate risks arising on the export of produce to Europe and Asia; and
- interest rate swaps to mitigate the risk of rising interest rates.

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notes to the financial statements

for the financial year ended 30 June 2009

27 Financial Instruments (continued)

(d) Market risk

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.

Forward Foreign Exchange Contracts and Options

It is the policy of all entities in the Group to enter into forward foreign exchange contracts to cover 100% of the exposure generated by specific foreign currency payments and receipts. The Group also enters into forward foreign exchange contracts and AUD call option 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.

The following table details the aggregate foreign currency contracts outstanding as at reporting date:

	Average Exchange Rate		Foreign Currency	
	2009	2008	2009 (FC'000)	2008 (FC'000)
Outstanding Contracts				
<u>Due within 3 months:</u>				
Sell				
- British Pound	0.450	0.426	160	343
- Euro	0.595	0.612	560	977
- Japanese Yen	95.200	97.210	34,500	8,500
- United States Dollar	0.893	0.771	90	188
<u>Due after 6 months:</u>				
Sell				
- Euro	-	0.563	-	2,200
- United States Dollar	-	0.866	-	920
<u>Due within 3 months:</u>				
Sell				
- British Pound	356	806	25	93
- Euro	942	1,597	(32)	(7)
- Japanese Yen	362	87	(81)	4
- United States Dollar	101	244	(10)	48
<u>Due after 6 months:</u>				
Sell				
- Euro	-	3,908	-	182
Buy				
- United States Dollar	-	1,062	-	(72)
	1,761	7,704	(98)	248

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notes to the financial statements

for the financial year ended 30 June 2009

27 Financial Instruments (continued)

(e) Hedges of anticipated future transactions

As at the reporting date the aggregate amount of unrealised losses under forward foreign exchange contracts relating to anticipated future transactions is \$98,000 (2008: \$248,000 unrealised profits) and is deferred in the hedging reserve to the extent that the hedge has been determined to be effective. Such unrealised losses will be realised during the 2010 financial year when the anticipated future transactions take place.

The Group is mainly exposed to the currencies as tabled below.

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the relative currency. 10% is the sensitivity rate used as it represents management's assessment of the possible change in foreign exchange rates. A positive number indicates an increase in other equity where the Australian Dollar strengthens against the respective currency. For a weakening of the Australian Dollar against the respective currency there would be an equal and opposite impact on other equity, and the balances below would be negative.

	Consolidated		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Other equity				
- British Pound	16	35	-	-
- Euro	57	98	-	-
- Japanese Yen	95	97	-	-
- United States Dollar	10	20	-	-

(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 and Groups exposures to interest rates on financial assets and financial liabilities are detailed in the maturity profile of financial instruments section of this note.

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 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 Profitability			
	2009		2008	
	+1%	-1%	+1%	-1%
Consolidated				
Financial Assets				
Cash & cash equivalents	2	(2)	14	(14)
Financial Liabilities				
Borrowings	(228)	228	(183)	183
Company				
Financial Assets				
Cash & cash equivalents	1	(1)	11	(11)
Financial Liabilities				
Borrowings	(228)	228	(113)	113

27 Financial Instruments (continued)

(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 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.

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 amount of financial assets and financial liabilities recorded in the financial statements approximates their fair value (2008: net fair value).

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

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices
- the fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and
- the fair value of derivative instruments, included in hedging assets and liabilities, is 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 transaction costs are included in the determination of net fair value.

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

	Carrying amount		Carrying amount	
	2009	Fair value	2008	Fair value
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Financial Assets				
Forward foreign exchange contracts	22	22	349	349
	22	22	349	349
Financial Liabilities				
Cumulative non-redeemable preference shares	394	394	394	394
	394	394	394	394

(i) Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continually monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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notes to the financial statements

for the financial year ended 30 June 2009

27 Financial Instruments (continued)

(i) Maturity profile of financial instruments

The following table details the Group's exposure to interest rate risk as at 30 June 2009 (this table includes only principal cash flows):

	Weighted Average Effective Rate (%)	Fixed Maturity Dates				
		Less than 1 month (\$'000)	1 to 3 months (\$'000)	3 months to 1 year (\$'000)	1 to 5 years (\$'000)	5 + years (\$'000)
2009						
Financial Assets						
Continuing operations						
Non-interest Bearing	-	6,780	4,745	715	-	45,919
Variable Interest Rate Instruments	0.73	152	-	-	-	-
		<u>6,932</u>	<u>4,745</u>	<u>715</u>	<u>-</u>	<u>45,919</u>
Financial Liabilities						
Continuing operations						
Non-interest Bearing	-	2,083	4,548	871	1,227	-
Finance Lease Liability	7.70	27	69	256	832	-
Variable Interest Rate Instruments	4.84	105	105	21,247	-	-
Fixed Interest Rate Instruments	7.02	33	98	67	-	394
		<u>2,248</u>	<u>4,820</u>	<u>22,441</u>	<u>2,059</u>	<u>394</u>

The following table details the Group's exposure to interest rate risk as at 30 June 2008 (this table includes only principal cash flows):

	Weighted Average Effective Rate (%)	Fixed Maturity Dates				
		Less than 1 month (\$'000)	1 to 3 months (\$'000)	3 months to 1 year (\$'000)	1 to 5 years (\$'000)	5 + years (\$'000)
2008						
Financial Assets						
Continuing operations						
Non-interest Bearing	-	3,543	3,710	1,133	-	52,464
Variable Interest Rate Instruments	5.89	740	-	-	-	-
		<u>4,283</u>	<u>3,710</u>	<u>1,133</u>	<u>-</u>	<u>52,464</u>
Financial Liabilities						
Continuing operations						
Non-interest Bearing	-	2,652	3,939	1,005	1,243	-
Finance Lease Liability	8.01	-	14	118	709	-
Variable Interest Rate Instruments	9.17	2,954	5,364	105	10,186	-
Fixed Interest Rate Instruments	6.98	619	770	3,056	1,021	394
		<u>6,225</u>	<u>10,087</u>	<u>4,284</u>	<u>13,159</u>	<u>394</u>

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27 Financial Instruments (continued)

The following table details the company's exposure to interest rate risk as at 30 June 2009 (this table includes only principal cash flows):

	Weighted Average Effective Rate (%)	Fixed Maturity Dates				
		Less than 1 month (\$'000)	1 to 3 months (\$'000)	3 months to 1 year (\$'000)	1 to 5 years (\$'000)	5 + years (\$'000)
2009						
Financial Assets						
Continuing operations						
Non-interest Bearing	-	1,945	2,280	715	-	60,363
Variable Interest Rate Instruments	3.00	32				
		<u>1,977</u>	<u>2,280</u>	<u>715</u>	<u>-</u>	<u>60,363</u>
Financial Liabilities						
Continuing operations						
Non-interest Bearing	-	486	1,168	254	1,165	-
Finance Lease Liability	7.70	27	69	256	832	-
Variable Interest Rate Instruments	4.84	105	105	21,247	-	-
Fixed Interest Rate Instruments	7.02	33	98	67	-	394
		<u>651</u>	<u>1,440</u>	<u>21,824</u>	<u>1,997</u>	<u>394</u>

The following table details the company's exposure to interest rate risk as at 30 June 2008 (this table includes only principal cash flows):

	Weighted Average Effective Rate (%)	Fixed Maturity Dates				
		Less than 1 month (\$'000)	1 to 3 months (\$'000)	3 months to 1 year (\$'000)	1 to 5 years (\$'000)	5 + years (\$'000)
2008						
Financial Assets						
Continuing operations						
Non-interest Bearing	-	1,527	1,268	784	-	46,061
Variable Interest Rate Instruments	7.10	468	-	-	-	-
		<u>1,995</u>	<u>1,268</u>	<u>784</u>	<u>-</u>	<u>46,061</u>
Financial Liabilities						
Continuing operations						
Non-interest Bearing	-	662	1,462	712	1,200	-
Finance Lease Liability	8.01	-	14	111	709	-
Variable Interest Rate Instruments	8.38	1,231	35	105	10,186	-
Fixed Interest Rate Instruments	6.98	619	770	3,056	1,021	394
		<u>2,512</u>	<u>2,281</u>	<u>3,984</u>	<u>13,116</u>	<u>394</u>

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for the financial year ended 30 June 2009

28 Related Party Disclosures

(a) Key management personnel details

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

R J Roberts (Non-executive Director), appointed Chairman 17 November 2008
 S J L Stone (Non-executive Director)
 C D Corrigan (Non-executive Director)
 E H Eves (Non-executive Director), appointed non-executive Director 21 April 2009
 N D Carey (Acting Chief Executive Officer & General Manager, Webster Fresh), appointed Acting CEO 23 December 2008
 L F Titmus (General Manager, Webster Walnuts)
 S J Stegmann (Company Secretary & Commercial Manager), appointed Company Secretary 11 November 2008
 R P Gilham (Operations Manager, Webster Fresh)
 R J Birtill (Agriculture Manager, Webster Fresh)
 D W Robinson (Non-executive Chairman), resigned 17 November 2008
 C E Bright (Non-executive Director), resigned 5 February 2009
 P L Myers (Chief Executive Officer), resigned 23 December 2008
 N Abbott (Chief Financial Officer & Company Secretary), ceased employment with Webster Ltd on 23 December 2008 due to relocation of the Corporate Office.
 T M Gadsby (Information Technology and Communications Manager), ceased employment with Webster Ltd on 31 December 2008 due to relocation of the Corporate Office.

(b) Key management personnel compensation

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

	Consolidated		Company	
	2009 (\$)	2008 (\$)	2009 (\$)	2008 (\$)
Short-term employee benefits	1,039,046	1,460,606	539,446	1,055,795
Post-employment benefits	322,721	364,808	244,329	304,339
Termination benefits	187,113	112,714	187,113	112,714
	1,548,880	1,938,128	970,888	1,472,848

Further information on key management personnel is contained in the remuneration report within the directors' report.

(c) Loan disclosures

Current

Loans from key management personnel form part of the Agriwise Unsecured Notes and do not carry a fixed term.

Deposit accounts held by directors

- R J Roberts	-	-	-	-
- Interest paid on deposit accounts (2008: 6.50%)	-	57	-	57

There were no loans to directors or director-related entities.

Deposit accounts held by key management personnel

- L Curran (balance at date of resignation 12/10/07)	-	859	-	859
- Interest paid on deposit accounts (2008: 6.50%) to date of resignation 12/10/07	-	11	-	11

All transactions with directors and key management personnel of the company and controlled entities and their director-related entities, including those stated above and those involving the purchase or sale of goods and services, were within normal customer or employee relationships, on terms no more favourable than those available to other customers, employees or shareholders.

webster limited notes to the financial statements

for the financial year ended 30 June 2009

28 Related Party Disclosures (continued)

(d) Key management personnel equity holdings

Number of ordinary shares (ORD) held directly, indirectly or beneficially	Type	Balance @ 1/7/08	Received on exercise of options	Net other change	Balance @ 30/6/09
Key management personnel					
R J Roberts	ORD	3,480,072	-	1,660,196	5,140,268
S J L Stone	ORD	1,000	-	150,000	151,000
C D Corrigan	ORD	2,601,009	-	830,050	3,431,059
E H Eves	ORD	1,249	-	-	1,249
N D Carey	ORD	3,743	-	-	3,743
L F Titmus	ORD	4,157	-	-	4,157
S J Stegmann	ORD	2,745	-	-	2,745
R P Gilham	ORD	1,185	-	-	1,185
R J Birtill	ORD	-	-	-	-
D W Robinson	ORD	5,892	-	-	5,892
C E Bright	ORD	20,739,997	-	(20,737,997)	2,000
P L Myers	ORD	-	-	-	-
N Abbott	ORD	3,551	-	(3,551)	-
T M Gadsby	ORD	1,784	-	-	1,784
		<u>26,846,384</u>	-	<u>(18,101,302)</u>	<u>8,745,082</u>

No Webster Limited shares or share options were issued to directors or director-related entities during the financial year.

Other transactions with key management personnel

During the financial year, directors and their director-related entities purchased goods, which were domestic or trivial in nature, from the company on the same terms and conditions available to other employees and customers.

(e) Equity interests in related parties

Equity interests in controlled entities

Details of percentage of ordinary shares held in controlled entities are disclosed in note 22 to the financial statements.

Equity interests in associates & joint ventures

Details of interests in associates are disclosed in note 9 to the financial statements.

(f) Transactions within the wholly owned group

During the year, the company advanced and repaid loans, received loans and provided accounting and administrative assistance to other entities in the consolidated group.

These transactions were on normal commercial terms and conditions, with the exception of an interest-free loan by the company to Webster Finance Pty Ltd of \$1,093,000 (2008: \$1,093,000) and to Clements Marshall Consolidated Ltd of \$1,951,000 (2008: \$1,951,000). Amounts receivable from and payable to controlled entities are disclosed in notes 6 and 15 to the financial statements. Interest and dividend revenues and interest expenses are disclosed in note 2 to the financial statements.

webster limited

notes to the financial statements

for the financial year ended 30 June 2009

28 Related Party Disclosures *(continued)*

(g) Transactions with other related parties

Transactions between the company and associated companies consist of the sale of supplies, loans to and from these companies, the payment and receipt of interest thereon, the provision of accounting and administrative assistance and the receipt of dividends. Interest and dividend revenue and interest expenses are disclosed in note 2 to the financial statements.

All transactions with other related parties are made on normal commercial terms and conditions and there are no material transactions that require further disclosure.

(h) Parent entity

The parent entity in the consolidated entity is Webster Limited.

The ultimate Australian parent entity is Webster Limited.

29 Discontinued Operations

Disposal of the industrial businesses and interest in Kelp Industries Pty Ltd

During the 2007 financial year, Webster Limited disposed of its Trucks & Machinery and Bearings & Engineering Supplies businesses, as well as the company's 50% investment in Kelp Industries Pty Ltd. As disclosed in the 2007 annual report the divestment process ultimately resulted in the businesses being sold for a value higher than originally recorded in the 2007 financial statements, with earnings adjustments recorded in the 2008 and 2009 financial years.

The profit for the period from the discontinued operations is as follows:

	Consolidated	
	2009 (\$'000)	2008 (\$'000)
Profit from discontinued operations		
Revenue (note 2)	-	11,093
Other income (note 2)	-	-
Share of net profits of associate accounted for using the equity method	-	40
	-	11,133
Expenses	-	(10,861)
Profit before income tax expense	-	272
Attributable income tax (expense)/benefit	-	-
	-	272
Gain on disposal of operation	62	107
	62	107
Attributable income tax expense	-	(225)
	62	(118)
Gain for the year from discontinued operations	62	154

30 Subsequent Events

Since the end of the year the directors are not aware of any matter or circumstance that has arisen, other than that which has been described above, that has significantly 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.

webster limited shareholder details

Webster Limited ACN 009 476 000

as at 31 August 2009

Number and distribution of shareholders

	Ordinary	Cumulative Preference
1-1,000	1,493	166
1,001-5,000	827	25
5,001-10,000	277	6
10,001-100,000	368	9
100,001 and over	71	0
Total number of shareholders	3,036	206
Total number of issued shares listed	64,597,159	394,000
Number of shareholders holding less than a marketable parcel	1,415	131

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.

Substantial shareholders

	Number of Shares	%	Class of Shares
Sandhurst Trustees Limited	12,332,820	19.09	Ordinary
Mr Peter Joy	6,700,000	10.37	Ordinary
The Tasmania Gifts Company Pty Ltd	5,133,699	7.95	Ordinary
Belfort Investment Advisors Limited	3,430,000	5.31	Ordinary

Twenty largest shareholders

Listed Ordinary Shares	Number of Shares	%	Listed 9% Cumulative Preference Shares	Number of Shares	%
Sandhurst Trustees Ltd	12,332,820	19.09	Mr David Calvert & Mrs Lorne Calvert	73,155	18.57
Mr Peter Joy	6,700,000	10.37	<Southpork Super Fd A/c>		
The Tasmania Gifts Company Pty Ltd	5,133,699	7.95	Winpar Holdings Limited	51,778	13.14
Belfort Investment Advisors Limited	3,430,000	5.31	Mr Brian David Faulkner & Mrs Wendy Jean Faulkner	50,000	12.69
ANZ Nominees Limited	2,621,439	4.06	Mr Brian David Faulkner	35,019	8.89
National Nominees Limited	2,197,357	3.40	Mr Leonard Wallace Boyd	15,556	3.95
Rathvale Pty Ltd	1,634,049	2.53	Mr Leonard Wallace Boyd	15,556	3.95
Invia Custodian Pty Ltd	1,040,708	1.61	Mrs Frances Lorne Calvert	14,156	3.59
Mrs Jeanette Wright	868,000	1.34	Mrs June Lorimer Tutty	14,062	3.57
Hanhill Capital Pty Ltd	800,000	1.24	Meggsies Pty Ltd	13,124	3.33
Hemwood Pty Ltd	757,979	1.17	Lesley Patricia Colman	11,800	2.99
Citicorp Nominees Pty Ltd	695,303	1.08	Wilcorp No 41 Pty Ltd	7,800	1.98
Berzins Asset Management Pty Ltd	570,000	0.88	Dr Gordon Bradley Elkington	7,340	1.86
GDN Super Fund	500,000	0.77	Mary Graham Neild	6,800	1.73
Australian Direct Investments	460,420	0.71	Mr David John Doberer	5,800	1.47
Estate of the late Mr Donald Webster	457,150	0.71	<David J Doberer S/F A/c>		
Meadgate Pty Ltd	433,745	0.67	Ms Annabel Catto	5,118	1.30
Dixons Trust Pty Ltd	400,000	0.62	Kyleast Pty Ltd <Superannuation Fund>	5,000	1.27
Stadiums Pty Ltd	390,000	0.60	Ladon Pty Ltd	4,822	1.22
Barona Group Pty Ltd	350,000	0.54	Mrs Gwendoline Shelton	4,062	1.03
			Equity Trustees Limited	3,500	0.89
			<RF Cameron Super Fund A/c>		
			Urmston J Scott	3,236	0.82
			Dr David Megiriam	2,666	0.68

