

Interim Report 31 December 2016



Westlawn
FINANCE LIMITED

and its controlled entities

ABN 19 096 725 218

Westlawn Finance Limited

Contents

31 December 2016

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General information

The financial statements cover Westlawn Finance Limited as a consolidated entity consisting of Westlawn Finance Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Westlawn Finance Limited's functional and presentation currency.

Westlawn Finance Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Westlawn Building
22 Queen Street
GRAFTON NSW 2460

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 10 March 2017.

Westlawn Finance Limited
Directors' report
31 December 2016

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Westlawn Finance Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2016.

Directors

The following persons were directors of Westlawn Finance Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Michael James Dougherty
James William Dougherty
Geoffrey Dean Scofield
Mark Charles Dougherty
Andrew Harry Hayes

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- Financier
- Insurance Broker

Review of operations

The profit for the consolidated entity after providing for income tax and non-controlling interest amounted to \$1,359,801 (31 December 2015: loss of \$117,950).

Finance

The finance business contributed a profit before tax of \$1,515,649 for the half-year (31 December 2015: loss of \$433,344).

Management continues to closely monitor margins whilst reviewing costs and maintaining higher than normal levels of liquidity.

Insurance

The insurance broking business continues to make a positive contribution to the Group, reporting a net profit before tax of \$453,873 for the half-year (31 December 2015: profit of \$326,433).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

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

On behalf of the directors



Michael James Dougherty
Chairman

10 March 2017
Grafton



AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Westlawn Finance Limited and its controlled entities for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

This declaration is in respect of Westlawn Finance Limited and the entities it controlled during the period.

Dated at Lismore this 10th day of March 2017.

**THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS**

K R FRANEY (Partner)
Registered Company Auditor

Westlawn Finance Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2016

	Note	Consolidated Half-year ended 31 December 2016 \$	Consolidated Half-year ended 31 December 2015 \$
Revenue			
Interest income		5,895,491	6,495,711
Interest expense		<u>(2,883,509)</u>	<u>(3,224,903)</u>
Total net interest income		3,011,982	3,270,808
Non-interest revenue	2	3,072,452	3,060,268
Share of profits of associates accounted for using the equity method	3	<u>25,514</u>	<u>27,876</u>
Total revenue after interest expense		<u>6,109,948</u>	<u>6,358,952</u>
Expenses			
Bad debts written off		(43,236)	(189,552)
Impairment of loans and advances		5,548	(1,840,489)
Employee benefits expense		(2,500,712)	(2,709,491)
Depreciation and amortisation expense	4	(301,382)	(306,611)
Loss on disposal of assets		(3,717)	(8,824)
Other expenses	4	<u>(1,296,927)</u>	<u>(1,410,896)</u>
Total expenses		<u>(4,140,426)</u>	<u>(6,465,863)</u>
Profit/(loss) before income tax expense		1,969,522	(106,911)
Income tax expense		<u>(605,097)</u>	<u>(3,436)</u>
Profit/(loss) after income tax expense for the half-year		1,364,425	(110,347)
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the half-year		<u>1,364,425</u>	<u>(110,347)</u>
Profit/(loss) for the half-year is attributable to:			
Non-controlling interest		4,624	7,603
Owners of Westlawn Finance Limited		<u>1,359,801</u>	<u>(117,950)</u>
		<u>1,364,425</u>	<u>(110,347)</u>
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		-	-
Owners of Westlawn Finance Limited		<u>1,364,425</u>	<u>(110,347)</u>
		<u>1,364,425</u>	<u>(110,347)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Westlawn Finance Limited
Statement of financial position
As at 31 December 2016

		Consolidated	
	Note	As at 31 December 2016	As at 30 June 2016
		\$	\$
Assets			
Cash and cash equivalents	5	49,777,821	53,046,735
Trade and other receivables	6	700,045	712,778
Other assets	7	100,509	58,781
Loans & advances	8	136,775,733	124,819,235
Investments accounted for using the equity method	9	642,131	629,117
Available-for-sale financial assets	10	4,628,940	4,218,927
Property, plant and equipment	11	6,882,084	6,894,241
Intangibles	12	2,885,786	3,031,381
Deferred tax assets	13	<u>1,484,637</u>	<u>1,859,167</u>
Total assets		<u>203,877,686</u>	<u>195,270,362</u>
Liabilities			
Trade and other payables	14	8,206,323	7,640,711
Interest bearing liabilities	15	175,717,260	169,061,754
Income tax	16	105,146	29,298
Provisions	17	1,109,413	1,151,934
Deferred tax liabilities	18	<u>463,659</u>	<u>475,205</u>
Total liabilities		<u>185,601,801</u>	<u>178,358,902</u>
Net assets		<u>18,275,885</u>	<u>16,911,460</u>
Equity			
Issued capital	19	11,744,643	11,744,643
Reserves	20	1,456,236	1,456,236
Retained profits		<u>4,930,552</u>	<u>3,570,751</u>
Equity attributable to the owners of Westlawn Finance Limited		18,131,431	16,771,630
Non-controlling interest	21	<u>144,454</u>	<u>139,830</u>
Total equity		<u>18,275,885</u>	<u>16,911,460</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Westlawn Finance Limited
Statement of changes in equity
For the half-year ended 31 December 2016

Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2015	11,744,643	1,287,971	2,676,655	144,322	15,853,591
Profit/(loss) after income tax expense for the half-year	-	-	(117,950)	7,603	(110,347)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	(117,950)	7,603	(110,347)
Balance at 31 December 2015	<u>11,744,643</u>	<u>1,287,971</u>	<u>2,558,705</u>	<u>151,925</u>	<u>15,743,244</u>

Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2016	11,744,643	1,456,236	3,570,751	139,830	16,911,460
Profit after income tax expense for the half-year	-	-	1,359,801	4,624	1,364,425
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	1,359,801	4,624	1,364,425
Balance at 31 December 2016	<u>11,744,643</u>	<u>1,456,236</u>	<u>4,930,552</u>	<u>144,454</u>	<u>18,275,885</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Westlawn Finance Limited
Statement of cash flows
For the half-year ended 31 December 2016

	Note	Consolidated Half-year ended 31 December 2016 \$	Half-year ended 31 December 2015 \$
Cash flows from operating activities			
Interest & rent received from external investments		6,062,842	6,865,323
Other receipts		2,738,523	3,065,906
Payments to suppliers and employees		<u>(3,446,046)</u>	<u>(6,827,177)</u>
		5,355,319	3,104,052
Interest and other finance costs paid		(2,743,907)	(3,536,226)
Income taxes paid		<u>(143,846)</u>	<u>(145,139)</u>
Net cash from/(used in) operating activities		<u>2,467,566</u>	<u>(577,313)</u>
Cash flows from investing activities			
Payments for investments		(410,013)	(633,208)
Payments for plant and equipment	11	(157,645)	(51,053)
Payments for intangibles	12	(3,616)	-
Proceeds from disposal of investments		17,806	239,460
Proceeds from disposal of property, plant and equipment		14,170	41,591
Dividends & distributions received		168,585	169,773
Net loans (advanced) repaid		<u>(12,021,274)</u>	<u>(4,522,855)</u>
Net cash used in investing activities		<u>(12,391,987)</u>	<u>(4,756,292)</u>
Cash flows from financing activities			
Net (decrease) increase in unsecured notes		<u>6,655,507</u>	<u>(11,048,744)</u>
Net cash from/(used in) financing activities		<u>6,655,507</u>	<u>(11,048,744)</u>
Net decrease in cash and cash equivalents		(3,268,914)	(16,382,349)
Cash and cash equivalents at the beginning of the financial half-year		<u>53,046,735</u>	<u>59,071,544</u>
Cash and cash equivalents at the end of the financial half-year		<u>49,777,821</u>	<u>42,689,195</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Westlawn Finance Limited
Notes to the financial statements
31 December 2016

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2016 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Non-interest revenue

	Consolidated	
	Half-year ended 31 December 2016	Half-year ended 31 December 2015
	\$	\$
Administration fees	411,354	404,282
Commission	1,905,584	1,834,263
Other fees	382,199	461,089
Dividends	13,878	11,565
Rent	135,344	133,912
Trust distributions	160,013	133,208
Bad debts recovered	6,732	8,734
Net gain (loss) on disposal of plant & equipment	257	(3,190)
Other revenue	57,091	76,405
	<hr/>	<hr/>
Non-interest revenue	3,072,452	3,060,268
	<hr/>	<hr/>

Note 3. Share of profits of associates accounted for using the equity method

	Consolidated	
	Half-year ended 31 December 2016	Half-year ended 31 December 2015
	\$	\$
Share of profit - associates	25,514	27,876
	<hr/>	<hr/>

Westlawn Finance Limited
Notes to the financial statements
31 December 2016

Note 4. Expenses

	Consolidated	
	Half-year ended 31 December 2016	Half-year ended 31 December 2015
	\$	\$
Profit/(loss) before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Buildings	53,672	45,508
Plant and equipment	75,503	87,555
Total depreciation	<u>129,175</u>	<u>133,063</u>
<i>Amortisation</i>		
Customer lists	87,557	87,711
Software	82,522	84,827
Leasehold improvements	1,996	877
Borrowing costs	133	133
Total amortisation	<u>172,208</u>	<u>173,548</u>
Total depreciation and amortisation	<u>301,383</u>	<u>306,611</u>
<i>Other expenses</i>		
Auditors' remuneration	47,350	56,870
Fees and commission paid	328,189	338,574
IT and telephony	236,943	198,592
Payroll tax	122,547	144,742
Rent paid	77,814	115,018
Other operating expenses	484,084	557,100
Total other expenses	<u>1,296,927</u>	<u>1,410,896</u>

Note 5. Cash and cash equivalents

	Consolidated	
	As at 31 December 2016	As at 30 June 2016
	\$	\$
Cash on hand	16,700	28,150
Cash at bank	17,346,561	18,237,843
Cash on deposit	32,414,560	34,780,742
	<u>49,777,821</u>	<u>53,046,735</u>
Amount expected to be recovered within 12 months	<u>49,777,821</u>	<u>53,046,735</u>

Westlawn Finance Limited
Notes to the financial statements
31 December 2016

Note 6. Trade and other receivables

	Consolidated	
	As at 31 December 2016	As at 30 June 2016
	\$	\$
Trade receivables	576,320	577,461
Accrued interest & other receivables	<u>123,725</u>	<u>135,317</u>
	<u>700,045</u>	<u>712,778</u>
Amount expected to be recovered within 12 months	<u>700,045</u>	<u>712,778</u>

Note 7. Other assets

	Consolidated	
	As at 31 December 2016	As at 30 June 2016
	\$	\$
Prepayments	<u>100,509</u>	<u>58,781</u>
Amount expected to be recovered within 12 months	<u>100,509</u>	<u>58,781</u>

Note 8. Loans & advances

	Consolidated	
	As at 31 December 2016	As at 30 June 2016
	\$	\$
Loans and advances	139,240,315	127,289,365
Less: Provision for impairment	<u>(2,464,582)</u>	<u>(2,470,130)</u>
	<u>136,775,733</u>	<u>124,819,235</u>
Amount expected to be recovered within 12 months	63,392,439	69,987,504
Amount expected to be recovered after more than 12 months	<u>73,383,294</u>	<u>54,831,731</u>
	<u>136,775,733</u>	<u>124,819,235</u>

Note 9. Investments accounted for using the equity method

	Consolidated	
	As at 31 December 2016	As at 30 June 2016
	\$	\$
Investment in associate - Ken Casson Motors Pty Ltd	<u>642,131</u>	<u>629,117</u>
Amount expected to be recovered after more than 12 months	<u>642,131</u>	<u>629,117</u>

Westlawn Finance Limited
Notes to the financial statements
31 December 2016

Note 10. Available-for-sale financial assets

	Consolidated	
	As at 31 December 2016	As at 30 June 2016
	\$	\$
Shares in listed companies	763,284	763,284
Units in unlisted unit trusts	<u>3,865,656</u>	<u>3,455,643</u>
	<u>4,628,940</u>	<u>4,218,927</u>
Amount expected to be recovered after more than 12 months	<u>4,628,940</u>	<u>4,218,927</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial half-year are set out below:

Opening fair value	4,218,927	3,192,197
Additions	410,013	1,511,363
Disposals	-	(623,412)
Revaluation increments	<u>-</u>	<u>138,779</u>
Closing fair value	<u>4,628,940</u>	<u>4,218,927</u>

Note 11. Property, plant and equipment

	Consolidated	
	As at 31 December 2016	As at 30 June 2016
	\$	\$
Land - at independent valuation	<u>1,700,000</u>	<u>1,700,000</u>
Buildings - at independent valuation	4,485,000	4,485,000
Less: Accumulated depreciation	<u>(53,672)</u>	<u>-</u>
	<u>4,431,328</u>	<u>4,485,000</u>
Leasehold improvements - at cost	115,282	58,225
Less: Accumulated depreciation	<u>(33,062)</u>	<u>(30,893)</u>
	<u>82,220</u>	<u>27,332</u>
Plant and equipment - at cost	1,475,641	1,421,134
Less: Accumulated depreciation	<u>(807,105)</u>	<u>(739,225)</u>
	<u>668,536</u>	<u>681,909</u>
	<u>6,882,084</u>	<u>6,894,241</u>
Amount expected to be recovered after more than 12 months	<u>6,882,084</u>	<u>6,894,241</u>

Westlawn Finance Limited
Notes to the financial statements
31 December 2016

Note 12. Intangibles

	Consolidated	
	As at 31 December 2016	As at 30 June 2016
	\$	\$
Goodwill - at cost	3,849,790	3,849,790
Less: Impairment	<u>(1,974,360)</u>	<u>(1,974,360)</u>
	<u>1,875,430</u>	<u>1,875,430</u>
Customer lists - at cost	1,223,113	1,223,113
Less: Accumulated amortisation	<u>(851,910)</u>	<u>(764,353)</u>
	<u>371,203</u>	<u>458,760</u>
Software - at cost	1,393,341	1,368,724
Less: Accumulated amortisation	<u>(754,809)</u>	<u>(672,287)</u>
	<u>638,532</u>	<u>696,437</u>
Borrowing costs	1,316	1,316
Less: Accumulated amortisation	<u>(695)</u>	<u>(562)</u>
	<u>621</u>	<u>754</u>
	<u>2,885,786</u>	<u>3,031,381</u>
Amount expected to be recovered after more than 12 months	<u>2,885,786</u>	<u>3,031,381</u>

Note 13. Deferred tax assets

	Consolidated	
	As at 31 December 2016	As at 30 June 2016
	\$	\$
Deferred tax asset	<u>1,484,637</u>	<u>1,859,167</u>
Amount expected to be recovered after more than 12 months	<u>1,484,637</u>	<u>1,859,167</u>

Note 14. Trade and other payables

	Consolidated	
	As at 31 December 2016	As at 30 June 2016
	\$	\$
Trade payables	877,468	1,560,050
Insurance broking trust account	2,102,854	2,703,707
Interest payable	419,212	279,611
Other payables	<u>4,806,789</u>	<u>3,097,343</u>
	<u>8,206,323</u>	<u>7,640,711</u>
Amount expected to be settled within 12 months	<u>8,206,323</u>	<u>7,640,711</u>

Westlawn Finance Limited
Notes to the financial statements
31 December 2016

Note 15. Interest bearing liabilities

	Consolidated	
	As at 31 December 2016	As at 30 June 2016
	\$	\$
Unsecured Notes - at call	13,673,576	9,194,382
Unsecured Notes - term	<u>162,043,684</u>	<u>159,867,372</u>
	<u>175,717,260</u>	<u>169,061,754</u>
Amount expected to be settled within 12 months	156,747,561	146,658,494
Amount expected to be settled after more than 12 months	<u>18,969,699</u>	<u>22,403,260</u>
	<u>175,717,260</u>	<u>169,061,754</u>

Note 16. Income tax

	Consolidated	
	As at 31 December 2016	As at 30 June 2016
	\$	\$
Current tax liability	<u>105,146</u>	<u>29,298</u>
Amount expected to be settled within 12 months	<u>105,146</u>	<u>29,298</u>

Note 17. Provisions

	Consolidated	
	As at 31 December 2016	As at 30 June 2016
	\$	\$
Annual leave	430,366	463,249
Long service leave	<u>679,047</u>	<u>688,685</u>
	<u>1,109,413</u>	<u>1,151,934</u>
Amount expected to be settled within 12 months	935,486	958,274
Amount expected to be settled after more than 12 months	<u>173,927</u>	<u>193,660</u>
	<u>1,109,413</u>	<u>1,151,934</u>

Note 18. Deferred tax liabilities

	Consolidated	
	As at 31 December 2016	As at 30 June 2016
	\$	\$
Deferred tax liability	<u>463,659</u>	<u>475,205</u>
Amount expected to be settled after more than 12 months	<u>463,659</u>	<u>475,205</u>

Westlawn Finance Limited
Notes to the financial statements
31 December 2016

Note 19. Issued capital

	Consolidated			
	As at 31 December 2016	As at 30 June 2016	As at 31 December 2016	As at 30 June 2016
	Shares	Shares	\$	\$
Ordinary shares - fully paid	10,094,643	10,094,643	10,094,643	10,094,643
Preference shares - fully paid	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,650,000</u>
	<u>11,744,643</u>	<u>11,744,643</u>	<u>11,744,643</u>	<u>11,744,643</u>

Note 20. Reserves

	Consolidated	
	As at 31 December 2016	As at 30 June 2016
	\$	\$
Revaluation surplus reserve	1,060,098	1,060,098
Available-for-sale reserve	<u>396,138</u>	<u>396,138</u>
	<u>1,456,236</u>	<u>1,456,236</u>

Note 21. Non-controlling interest

	Consolidated	
	As at 31 December 2016	As at 30 June 2016
	\$	\$
Issued capital	137,934	137,934
Reserves	6,404	6,404
Retained profits/(accumulated losses)	<u>116</u>	<u>(4,508)</u>
	<u>144,454</u>	<u>139,830</u>

Note 22. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 23. Contingent liabilities

The Company has provided guarantees for the performance of various works contracts. These guarantees were predominantly granted to Local Councils to ensure the satisfactory performance of capital works on subdivision projects.

There has been no significant change in contingent liabilities since the last annual reporting date.

Note 24. Events after the reporting period

No matter or circumstance has arisen since 31 December 2016 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.


Westlawn Finance Limited
Directors' declaration
31 December 2016

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, consisting of several loops and a horizontal line at the end, positioned above a horizontal line.

Michael James Dougherty
Chairman

10 March 2017
Grafton



Independent Auditor's Review Report

To the Members of Westlawn Finance Limited and its controlled entities

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Westlawn Finance Limited and its controlled entities ("the Group") which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Westlawn Finance Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

**THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS**

A handwritten signature in black ink, appearing to read 'K R Franey', is written over a horizontal dotted line. The signature is cursive and somewhat stylized.

K R FRANEY (Partner)

Dated at Lismore this 10th day of March 2017.