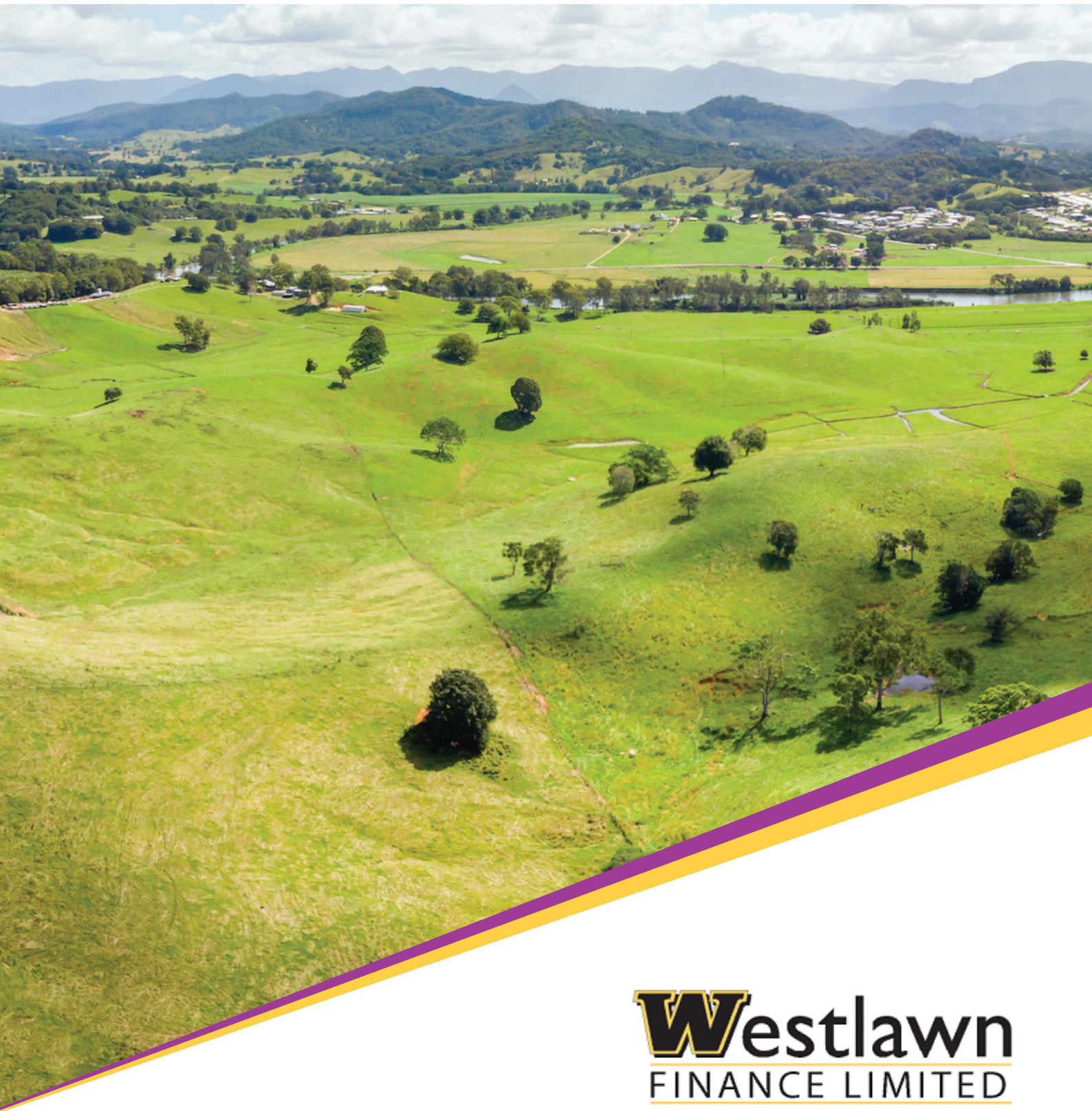


Condensed Interim Report

31 December 2020



Westlawn
FINANCE LIMITED

and its controlled entities

ABN 19 096 725 218

Westlawn Finance Limited
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31 December 2020

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Westlawn Finance Limited
Directors' report
31 December 2020

The directors present their report, together with the interim condensed financial statements, on the consolidated entity (referred to hereafter as the 'consolidated group' or 'group') 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 2020.

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:

James William Dougherty
Mark Charles Dougherty
Geoffrey Dean Scofield
Andrew Harry Hayes
Andrew Michael Dougherty
Cameron Scott McCullagh
Andrew Douglas Bennett

Principal activities

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

- Financier
- Insurance Broker

Review of operations

The profit for the consolidated group after providing for income tax and non-controlling interest amounted to \$2,433,579 (31 December 2019: \$2,101,521).

Finance

The finance business contributed a profit before tax of \$2,735,257 for the half-year (31 December 2019: profit of \$1,774,084).

Insurance

The insurance broking business continues to make a positive contribution to the group, reporting a net profit before tax of \$803,876 for the half-year (31 December 2019: profit of \$1,286,054).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated group 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



James William Dougherty
Chairman

17 February 2021
Grafton



AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Westlawn Finance Limited for the half-year ended 30 June 2021, 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 17th day of February 2021.

**THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS**

Per:

.....
K R FRANEY (Partner)
Registered Company Auditor

Westlawn Finance Limited
Interim condensed statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020

	Note	Consolidated Group Half-year ended 31 December 2020 \$	Half-year ended 31 December 2019 \$
Interest income		6,922,724	6,893,020
Interest expense		<u>(2,560,207)</u>	<u>(2,814,123)</u>
Total net interest income		4,362,517	4,078,897
Non-interest revenue	3	3,867,255	3,896,486
Total revenue after interest expense		<u>8,229,772</u>	<u>7,975,383</u>
Expenses			
Bad debts written off		(521,942)	(676,997)
Reversal of impairment of loans and advances		635,686	261,397
Employee benefits expense		(3,088,829)	(2,870,926)
Depreciation and amortisation expense	4	(293,974)	(243,338)
Impairment of investments		(100,000)	-
Loss on disposal of assets		(5,577)	-
Other expenses	4	<u>(1,316,003)</u>	<u>(1,385,381)</u>
Total expenses		<u>(4,690,639)</u>	<u>(4,915,245)</u>
Profit before income tax expense		3,539,133	3,060,138
Income tax expense		<u>(1,075,353)</u>	<u>(936,681)</u>
Profit after income tax expense for the half-year		2,463,780	2,123,457
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of equity instruments at fair value through other comprehensive income, net of tax		967,191	-
Loss on the revaluation of equity instruments at fair value through other comprehensive income, net of tax		<u>-</u>	<u>(257,165)</u>
Other comprehensive income for the half-year, net of tax		<u>967,191</u>	<u>(257,165)</u>
Total comprehensive income for the half-year		<u>3,430,971</u>	<u>1,866,292</u>
Profit for the half-year is attributable to:			
Non-controlling interest		30,201	21,936
Owners of Westlawn Finance Limited		<u>2,433,579</u>	<u>2,101,521</u>
		<u>2,463,780</u>	<u>2,123,457</u>
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		33,179	21,936
Owners of Westlawn Finance Limited		<u>3,397,792</u>	<u>1,844,356</u>
		<u>3,430,971</u>	<u>1,866,292</u>

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

Westlawn Finance Limited
Interim condensed statement of financial position
As at 31 December 2020

		Consolidated Group	
	Note	As at 31 December 2020	As at 30 June 2020
		\$	\$
Assets			
Cash and cash equivalents	5	60,414,440	43,402,496
Trade and other receivables	6	319,115	476,510
Other assets	7	374,058	539,681
Loans & advances	8	176,685,754	185,958,470
Financial assets at fair value through other comprehensive income	9	4,084,558	3,136,714
Other financial assets	10	8,141,658	5,736,989
Property, plant and equipment	11	4,940,451	6,930,274
Right-of-use assets	12	610,418	-
Intangibles	13	2,585,388	2,646,662
Total assets		<u>258,155,840</u>	<u>248,827,796</u>
Liabilities			
Trade and other payables	14	13,839,709	17,056,922
Interest bearing liabilities	15	203,111,892	193,684,522
Lease liabilities	16	612,470	-
Income tax	17	3,381,179	1,960,147
Provisions	18	1,470,363	1,417,923
Deferred tax liabilities	19	460,760	859,786
Total liabilities		<u>222,876,373</u>	<u>214,979,300</u>
Net assets		<u>35,279,467</u>	<u>33,848,496</u>
Equity			
Issued capital	20	24,094,643	24,094,643
Reserves	21	253,840	(627,538)
Retained profits		<u>10,710,137</u>	<u>10,193,723</u>
Equity attributable to the owners of Westlawn Finance Limited		35,058,620	33,660,828
Non-controlling interest		<u>220,847</u>	<u>187,668</u>
Total equity		<u>35,279,467</u>	<u>33,848,496</u>

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

Westlawn Finance Limited
Interim condensed statement of changes in equity
For the half-year ended 31 December 2020

Consolidated Group	Issued capital \$	Reserves \$	Retained profits \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2019	24,094,643	1,559,553	7,200,767	146,723	33,001,686
Profit after income tax expense for the half-year	-	-	2,101,521	21,936	2,123,457
Other comprehensive income for the half-year, net of tax	-	(257,165)	-	-	(257,165)
Total comprehensive income for the half-year	-	(257,165)	2,101,521	21,936	1,866,292
Prior year reclassification of loss on revaluation of equity instruments	-	(555,191)	555,191	-	-
<i>Transactions with owners in their capacity as owners:</i>					
Dividends paid (note 22)	-	-	(1,000,000)	-	(1,000,000)
Balance at 31 December 2019	<u>24,094,643</u>	<u>747,197</u>	<u>8,857,479</u>	<u>168,659</u>	<u>33,867,978</u>
Consolidated Group	Issued capital \$	Reserves \$	Retained profits \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2020	24,094,643	(627,538)	10,193,723	187,668	33,848,496
Profit after income tax expense for the half-year	-	-	2,433,579	30,201	2,463,780
Other comprehensive income for the half-year, net of tax	-	964,213	-	2,978	967,191
Total comprehensive income for the half-year	-	964,213	2,433,579	33,179	3,430,971
Transfer from reserves on disposal of property	-	(82,835)	82,835	-	-
<i>Transactions with owners in their capacity as owners:</i>					
Dividends paid (note 22)	-	-	(2,000,000)	-	(2,000,000)
Balance at 31 December 2020	<u>24,094,643</u>	<u>253,840</u>	<u>10,710,137</u>	<u>220,847</u>	<u>35,279,467</u>

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

Westlawn Finance Limited
Interim condensed statement of cash flows
For the half-year ended 31 December 2020

	Note	Consolidated Group Half-year ended 31 December 2020 \$	Half-year ended 31 December 2019 \$
Cash flows from operating activities			
Interest & rent received from external investments		7,065,550	7,053,894
Other receipts		3,460,722	3,681,033
Payments to suppliers and employees		<u>(5,861,432)</u>	<u>(5,899,093)</u>
		4,664,840	4,835,834
Interest and other finance costs paid		<u>(2,568,472)</u>	<u>(2,986,452)</u>
Income taxes paid		<u>(98,542)</u>	<u>(441,371)</u>
Net cash from operating activities		<u>1,997,826</u>	<u>1,408,011</u>
Cash flows from investing activities			
Payments for investments		(3,000,000)	(5,748,259)
Payments for plant and equipment		(191,642)	(61,847)
Payments for freehold improvements		(126,958)	-
Proceeds from disposal of investments		516,492	194,054
Proceeds from disposal of property, plant and equipment		2,533,283	17,273
Dividends & distributions received		65,039	9,844
Net loans (advanced) repaid		<u>7,790,534</u>	<u>(4,882,494)</u>
Net cash from/(used in) investing activities		<u>7,586,748</u>	<u>(10,471,429)</u>
Cash flows from financing activities			
Net (decrease) increase in unsecured notes		9,427,370	9,303,313
Dividends paid	22	<u>(2,000,000)</u>	<u>(1,000,000)</u>
Net cash from financing activities		<u>7,427,370</u>	<u>8,303,313</u>
Net increase/(decrease) in cash and cash equivalents		17,011,944	(760,105)
Cash and cash equivalents at the beginning of the financial half-year		<u>43,402,496</u>	<u>41,455,452</u>
Cash and cash equivalents at the end of the financial half-year		<u>60,414,440</u>	<u>40,695,347</u>

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

Westlawn Finance Limited
Notes to the interim condensed financial statements
31 December 2020

Note 1. General information

The interim condensed financial statements cover Westlawn Finance Limited as a consolidated group 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 group'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 17 February 2021. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 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 interim condensed 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 2020 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 group 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 3. Non-interest revenue

	Consolidated Group	
	Half-year ended 31 December 2020	Half-year ended 31 December 2019
	\$	\$
Administration fees	533,026	490,822
Commission	2,233,778	2,201,451
Other fees	368,917	359,974
Dividends	63,633	1,554
Rent	105,038	185,951
Trust distributions	1,406	8,290
Bad debts recovered	31,034	21,721
Net gain on disposal of plant & equipment	4,119	225
Net gain on disposal of property	346,996	-
Other revenue	179,308	626,498
	<hr/>	<hr/>
Non-interest revenue	3,867,255	3,896,486

Westlawn Finance Limited
Notes to the interim condensed financial statements
31 December 2020

Note 4. Expenses

	Consolidated Group	
	Half-year ended 31 December 2020	Half-year ended 31 December 2019
	\$	\$
Profit before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Buildings	40,036	51,734
Plant and equipment	69,472	75,903
Buildings right-of-use assets	76,115	-
Total depreciation	<u>185,623</u>	<u>127,637</u>
<i>Amortisation</i>		
Customer lists	20,638	20,715
Software	40,637	70,687
Leasehold improvements	11,157	11,157
Corporate bonds	35,919	13,142
Total amortisation	<u>108,351</u>	<u>115,701</u>
Total depreciation and amortisation	<u>293,974</u>	<u>243,338</u>
<i>Other expenses</i>		
Auditors' remuneration	63,174	57,776
Fees and commission paid	151,184	139,394
Management fees	126,000	125,900
IT and telephony	197,729	190,667
Payroll tax	157,020	140,850
Other operating expenses	620,896	730,794
Total other expenses	<u>1,316,003</u>	<u>1,385,381</u>

Note 5. Cash and cash equivalents

	Consolidated Group	
	As at 31 December 2020	As at 30 June 2020
	\$	\$
Cash on hand	14,543	15,350
Cash at bank	37,609,238	20,693,604
Cash on deposit	22,790,659	22,693,542
	<u>60,414,440</u>	<u>43,402,496</u>
Amount expected to be recovered within 12 months	<u>60,414,440</u>	<u>43,402,496</u>

Westlawn Finance Limited
Notes to the interim condensed financial statements
31 December 2020

Note 6. Trade and other receivables

	Consolidated Group	
	As at 31 December 2020	As at 30 June 2020
	\$	\$
Trade receivables	276,077	401,837
Accrued interest & other receivables	43,038	74,673
	<u>319,115</u>	<u>476,510</u>
Amount expected to be recovered within 12 months	<u>319,115</u>	<u>476,510</u>

Note 7. Other assets

	Consolidated Group	
	As at 31 December 2020	As at 30 June 2020
	\$	\$
Prepayments	374,058	539,681
Amount expected to be recovered within 12 months	<u>374,058</u>	<u>539,681</u>

Note 8. Loans & advances

	Consolidated Group	
	As at 31 December 2020	As at 30 June 2020
	\$	\$
Loans and advances	178,225,262	188,133,664
Less: Provision for impairment	(1,539,508)	(2,175,194)
	<u>176,685,754</u>	<u>185,958,470</u>
Amount expected to be recovered within 12 months	86,690,388	84,871,100
Amount expected to be recovered after more than 12 months	<u>89,995,366</u>	<u>101,087,370</u>
	<u>176,685,754</u>	<u>185,958,470</u>

Westlawn Finance Limited
Notes to the interim condensed financial statements
31 December 2020

Note 9. Financial assets at fair value through other comprehensive income

	Consolidated Group	
	As at 31 December 2020	As at 30 June 2020
	\$	\$
Shares in listed companies	4,020,139	3,015,215
Units in unlisted unit trusts	64,419	121,499
	<u>4,084,558</u>	<u>3,136,714</u>
Amount expected to be recovered after more than 12 months	<u>4,084,558</u>	<u>3,136,714</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	3,136,714	3,994,141
Additions	-	1,097,364
Disposals	(57,081)	(324,898)
Revaluation increments	1,004,925	8,784
Revaluation decrements	-	(1,638,677)
Closing fair value	<u>4,084,558</u>	<u>3,136,714</u>

Refer to note 23 for further information on fair value measurement.

Note 10. Other financial assets

	Consolidated Group	
	As at 31 December 2020	As at 30 June 2020
	\$	\$
Corporate bonds - at amortised cost	2,541,648	3,036,979
Less: Provision for impairment	(900,000)	(800,000)
Other investments - at amortised cost	<u>6,500,010</u>	<u>3,500,010</u>
	<u>8,141,658</u>	<u>5,736,989</u>
Amount expected to be recovered after more than 12 months	<u>8,141,658</u>	<u>5,736,989</u>

Westlawn Finance Limited
Notes to the interim condensed financial statements
31 December 2020

Note 11. Property, plant and equipment

	Consolidated Group	
	As at 31 December 2020	As at 30 June 2020
	\$	\$
Land - at independent valuation	1,240,000	2,155,000
Buildings - at independent valuation	2,995,000	4,215,000
Less: Accumulated depreciation	<u>(108,682)</u>	<u>(102,906)</u>
	2,886,318	4,112,094
Freehold improvements - at cost	126,958	-
Less: Accumulated depreciation	<u>(1,348)</u>	<u>-</u>
	125,610	-
Leasehold improvements - at cost	152,834	152,834
Less: Accumulated depreciation	<u>(64,521)</u>	<u>(53,364)</u>
	88,313	99,470
Plant and equipment - at cost	1,257,095	1,363,618
Less: Accumulated depreciation	<u>(656,885)</u>	<u>(799,908)</u>
	600,210	563,710
	<u>4,940,451</u>	<u>6,930,274</u>
Amount expected to be recovered after more than 12 months	<u>4,940,451</u>	<u>6,930,274</u>

Refer to note 23 for further information on fair value measurement.

Note 12. Right-of-use assets

	Consolidated Group	
	As at 31 December 2020	As at 30 June 2020
	\$	\$
Land and buildings - right-of-use	686,533	-
Less: Accumulated depreciation	<u>(76,115)</u>	<u>-</u>
	610,418	-
Amount expected to be recovered after more than 12 months	<u>610,418</u>	<u>-</u>

Westlawn Finance Limited
Notes to the interim condensed financial statements
31 December 2020

Note 13. Intangibles

	Consolidated Group	
	As at 31 December 2020	As at 30 June 2020
	\$	\$
Goodwill - at cost	4,142,571	4,142,571
Less: Impairment	<u>(1,762,294)</u>	<u>(1,762,294)</u>
	<u>2,380,277</u>	<u>2,380,277</u>
Customer lists - at cost	1,319,363	1,391,395
Less: Accumulated amortisation	<u>(1,132,433)</u>	<u>(1,183,828)</u>
	<u>186,930</u>	<u>207,567</u>
Software - at cost	783,750	783,750
Less: Accumulated amortisation	<u>(765,569)</u>	<u>(724,932)</u>
	<u>18,181</u>	<u>58,818</u>
	<u>2,585,388</u>	<u>2,646,662</u>
Amount expected to be recovered after more than 12 months	<u>2,585,388</u>	<u>2,646,662</u>

Note 14. Trade and other payables

	Consolidated Group	
	As at 31 December 2020	As at 30 June 2020
	\$	\$
Trade payables	662,192	1,149,151
Insurance broking trust account	2,763,316	4,075,591
GST payable on leases	9,533,382	11,138,204
Interest payable	111,800	125,724
BAS payable	410,512	276,999
Other payables	<u>358,507</u>	<u>291,253</u>
	<u>13,839,709</u>	<u>17,056,922</u>
Amount expected to be settled within 12 months	8,054,460	10,509,829
Amount expected to be settled after more than 12 months	<u>5,785,249</u>	<u>6,547,093</u>
	<u>13,839,709</u>	<u>17,056,922</u>

Westlawn Finance Limited
Notes to the interim condensed financial statements
31 December 2020

Note 15. Interest bearing liabilities

	Consolidated Group	
	As at 31 December 2020	As at 30 June 2020
	\$	\$
Unsecured Notes - at call	15,981,813	15,418,012
Unsecured Notes - term	187,130,079	178,266,510
	<u>203,111,892</u>	<u>193,684,522</u>
Amount expected to be settled within 12 months	175,682,947	163,390,234
Amount expected to be settled after more than 12 months	27,428,945	30,294,288
	<u>203,111,892</u>	<u>193,684,522</u>

Note 16. Lease liabilities

	Consolidated Group	
	As at 31 December 2020	As at 30 June 2020
	\$	\$
Lease liability	612,470	-
Amount expected to be settled within 12 months	194,945	-
Amount expected to be settled after more than 12 months	417,525	-
	<u>612,470</u>	<u>-</u>

Note 17. Income tax

	Consolidated Group	
	As at 31 December 2020	As at 30 June 2020
	\$	\$
Current tax liability	3,381,179	1,960,147
Amount expected to be settled within 12 months	<u>3,381,179</u>	<u>1,960,147</u>

Note 18. Provisions

	Consolidated Group	
	As at 31 December 2020	As at 30 June 2020
	\$	\$
Annual leave	581,988	542,281
Long service leave	888,375	875,642
	<u>1,470,363</u>	<u>1,417,923</u>
Amount expected to be settled within 12 months	1,383,945	1,335,517
Amount expected to be settled after more than 12 months	86,418	82,406
	<u>1,470,363</u>	<u>1,417,923</u>

Westlawn Finance Limited
Notes to the interim condensed financial statements
31 December 2020

Note 19. Deferred tax liabilities

	Consolidated Group	
	As at 31 December 2020	As at 30 June 2020
	\$	\$
Deferred tax liability	460,760	859,786
Amount expected to be settled after more than 12 months	460,760	859,786

Note 20. Issued capital

	Consolidated Group			
	As at 31 December 2020	As at 30 June 2020	As at 31 December 2020	As at 30 June 2020
	Shares	Shares	\$	\$
Ordinary shares - fully paid	14,805,871	14,805,871	24,094,643	24,094,643

Note 21. Reserves

	Consolidated Group	
	As at 31 December 2020	As at 30 June 2020
	\$	\$
Revaluation surplus reserve	1,425,973	1,508,808
Financial assets at fair value through other comprehensive income reserve	(1,172,133)	(2,136,346)
	253,840	(627,538)

Note 22. Dividends

Dividends paid during the financial half-year were as follows:

	Consolidated Group	
	Half-year ended 31 December 2020	Half-year ended 31 December 2019
	\$	\$
Final dividend for the year ended 30 June 2020 of 13.5081 cents per ordinary share franked at the rate of 30%	2,000,000	-
Final dividend for the year ended 30 June 2019 of 6.7541 cents per ordinary share franked at the rate of 30%	-	1,000,000
	2,000,000	1,000,000

Westlawn Finance Limited
Notes to the interim condensed financial statements
31 December 2020

Note 23. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated Group - As at 31 December 2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Financial assets at fair value through OCI - Shares in listed companies	4,020,139	-	-	4,020,139
Financial assets at fair value through OCI - Units in unlisted unit trusts	-	-	64,419	64,419
Land and buildings	-	4,126,318	-	4,126,318
Total assets	4,020,139	4,126,318	64,419	8,210,876

Consolidated Group - As at 30 June 2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Financial assets at fair value through OCI - Shares in listed companies	3,015,215	-	-	3,015,215
Financial assets at fair value through OCI - Units in unlisted unit trusts	-	-	121,499	121,499
Land and buildings	-	6,267,094	-	6,267,094
Total assets	3,015,215	6,267,094	121,499	9,403,808

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Valuation techniques for fair value measurements categorised within level 2 and level 3

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued in June 2019 based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount.

The basis of the valuation of land and buildings is fair value, being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition.

Units in unlisted unit trusts have been valued based on the underlying assets within the trust, which in turn maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Westlawn Finance Limited
Notes to the interim condensed financial statements
31 December 2020

Note 23. Fair value measurement (continued)

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current financial half-year are set out below:

Consolidated Group	Financial assets at fair value through OCI \$	Total \$
Balance at 1 July 2020	121,499	121,499
Disposals	<u>(57,081)</u>	<u>(57,081)</u>
Balance at 31 December 2020	<u>64,418</u>	<u>64,418</u>

Changing one or more inputs would not significantly change the fair value of level 3 financial instruments.

Note 24. 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 25. Events after the reporting period

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated group's operations, the results of those operations, or the consolidated group's state of affairs in future financial years.

Westlawn Finance Limited
Directors' declaration
31 December 2020

In the directors' opinion:

- the attached interim condensed 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 interim condensed financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 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



James William Dougherty
Chairman

17 February 2021
Grafton



Independent Auditor's Review Report to the members of Westlawn Finance Limited and its controlled entities

Report on the Condensed 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 condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed 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.

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 and its controlled entities 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 2020 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*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the 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. ASRE 2410 requires us to conclude whether 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 consolidated entity's financial position as at 31 December 2020 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*.

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.

**THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS**

Per:


.....
PARTNER (Partner)

Dated at Lismore this 17th day of February 2021