

Prospectus No.23

FOR THE ISSUE OF
UNSECURED NOTES

Westlawn
FINANCE LIMITED

ACN 096 725 218



VISION STATEMENT

Through our local knowledge, integrity, customer service and competitive rates, we aim to be the leading provider of financial and insurance services for business and consumers in northern New South Wales.

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Front cover image: ‘Back Beach’ lookout, Angourie (Todd R Brewer Photography)
Inside cover image: Yamba Marina under sunset (Todd R Brewer Photography)

www.westlawn.com.au



This Prospectus is dated 25 November 2022 and was lodged with ASIC on 25 November 2022. ASIC takes no responsibility for the contents of this Prospectus. No Notes will be allotted or issued on the basis of this Prospectus later than 24 December 2023. An investment in Notes issued by the Company involves certain risks outlined in Section 6 and it is recommended that you read this Prospectus in its entirety.

Westlawn Finance Limited and its respective associates and directors do not guarantee the repayment of capital or income or any particular rate of return in respect of the Notes. Neither the Trustee nor any of its related parties or associates gives any guarantees or assurances as to the performance of the Company, payments under the Notes (including capital or income), or any overall rate of return. The Trustee has consented to be named as trustee in this Prospectus. However, the Trustee has not authorised or caused the issue of this Prospectus and was not involved in preparing, nor does it take responsibility for this Prospectus. Neither the Trustee nor any of its related parties or associates has made any representations as to the truth or accuracy of the contents of this Prospectus; and regarding or accepting any responsibility for any statements or omissions from any parts of this Prospectus. The Trustee has relied upon the Company for the accuracy of the content of this Prospectus.

The Trustee has no involvement in the approval of any related party loans or any other steps taken under or in connection with the Company's affairs and operations. The Trustee does not make any representations as to the performance of the Company, the compliance with benchmarks, the maintenance of capital or any particular rate of return.

The Company is not authorised under the Banking Act and is not supervised by the Australian Prudential Regulation Authority. The investment will not be covered by the depositor protection provisions in Section 13A of the Banking Act. Submission of an Application Form constitutes an offer which is deemed to be accepted upon the issue of Notes. Definitions of certain terms used in this Prospectus appear in the Definitions section.

In accordance with ASIC Corporations (Debenture Prospectuses) Instrument 2016/75, interest rates and investment terms that will apply to Notes offered under this Prospectus are published on the Company's website, www.westlawn.com.au/investment.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register this Prospectus in any jurisdiction outside Australia.

CORPORATE DIRECTORY

DIRECTORS

James Dougherty (Chairman)
Mark Dougherty
Geoffrey Scofield
Andrew Hayes
Andrew Dougherty
Cameron McCullagh
Andrew Bennett

REGISTERED OFFICE

Westlawn Building
22 Queen Street
Grafton NSW 2460
Phone: 02 6642 0400

TRUSTEE

**Melbourne Securities
Corporation Limited**
Level 2, 395 Collins Street
Melbourne VIC 3000

COMPANY SECRETARY

Andrew Hayes

LAWYERS TO THE COMPANY

McCullough Robertson Lawyers
Central Plaza II
66 Eagle Street
Brisbane QLD 4000

AUDITORS

Thomas Noble & Russell
Chartered Accountants
31 Keen Street
Lismore NSW 2480

DEFINITIONS

Application	an application for Notes pursuant to this Prospectus.
Application Form	each of the application forms relating to this Prospectus.
ASIC	Australian Securities and Investments Commission.
COG	COG Financial Services Limited ABN 58 100 854 788.
Company	Westlawn Finance Limited ABN 19 096 725 218.
Corporations Act	Corporations Act 2001.
Directors/Board	the directors of the Company.
Founders Group	Directors and Related Parties of Directors.
Interest Rate Sheet	the current interest rates and investment terms offered on the Notes as advertised by the Company on its website www.westlawn.com.au/investment .
Lending Policy and Procedures Manual	the Company's lending policy and procedures manual as summarised in Section 5.3.
Liquidity Risk Management Policy	the Company's liquidity risk management policy as summarised in Section 5.4.
Noteholders	the holders of Notes.
Notes/Unsecured Notes	the Unsecured Notes to be issued by the Company pursuant to this Offer.
Offer	the offer of Notes made pursuant to this Prospectus.
LVR	loan to valuation ratio.
p.a.	per annum.
Prospectus	this Prospectus.
Related Parties	includes COG, Westlawn Holdings, Directors and their spouses, close relatives of Directors and their spouses, key management personnel, and any party under the control or significant influence of the aforementioned entities or persons.
Related Party Transactions Policy and Procedures Manual	the Company's related party transactions policy and procedures manual as summarised in Section 5.3.
Security Interest	has the meaning given to that term by the Personal Properties Securities Act 2009.
Shareholders Funds	Net assets.
Trust Deed	the trust deed dated 1 June 2001, as amended on 19 March 2009.
Trustee	Melbourne Securities Corporation Limited ACN 160 326 545, AFSL No.428289
Westlawn Group	The Company, its predecessor organisations and its subsidiaries.
Westlawn Holdings	Westlawn Holdings Pty Limited ABN 57 001 493 634.

CHAIRMAN'S LETTER



Importantly, the Company continues to support the towns in which it is represented by sponsoring, supporting and donating to over 30 charitable, community and sporting-based organisations

Dear Investor

We are pleased to present the twenty third Prospectus of Westlawn Finance Limited to our many investors and supporters generally.

The Company and its predecessor organisations have been in business in the Northern Rivers area of New South Wales since 1964. We are proudly represented by 11 offices and approximately 100 staff employed across the Westlawn Group in the areas of investments, lending, and insurance.

The purpose of this Prospectus is to raise funds for the operations and working capital of the Company, predominantly for our own lending to support the financial needs of businesses and individuals. Currently we have approximately 2,200 Noteholders/investors and over 5,600 loan customers.

The Company finished the 2022 financial year in a healthy financial position with;

- Cash reserves at year end in excess of \$36 million,
- Total assets of approximately \$300 million,
- Total Noteholders/investor funds exceeding \$228 million,
- Profit before income tax of approximately \$9.0 million, and
- Shareholders Funds exceeding \$45 million.

The Company funds itself from a combination of Shareholders Funds and Noteholders investments. It has a well-diversified loan portfolio with exposure to property development currently representing less than 3% of Notes on issue and no material exposure to any single borrower or industry.

Importantly, the Company continues to support the towns in which it is represented by sponsoring, supporting and donating to over 30 charitable, community and sporting-based organisations. The Westlawn Group made payments to staff for the 2022 financial year in excess of \$8.6 million and payments to suppliers of over \$8.9 million providing a substantial economic benefit in northern NSW and the regions in which it operates.

We pride ourselves on providing the highest standard of ethical service and look forward to welcoming you as an existing or potential customer. With the valued support of the local community we remain confident that the Company will continue to expand, be profitable and play a positive role in the development of the Northern Rivers area of NSW.

Yours faithfully

A handwritten signature in black ink that reads "Jim Dougherty". The signature is written in a cursive, flowing style.

Jim Dougherty
CHAIRMAN

KEY OFFER INFORMATION

		Section in Prospectus
What is the Offer?	The Company is offering investors the opportunity to purchase Unsecured Notes under this Prospectus.	3
What are Unsecured Notes?	Unsecured Notes are debt instruments under which the Company agrees to pay Noteholders interest and principal on the amount invested.	3.1
Issue price	The Unsecured Notes are issued at \$1 each.	4.1
Minimum application amounts	Applications for Notes must be for a minimum of \$100.00.	4.7
Interest rates	Fixed interest rates applying to the Unsecured Notes are set out in an Interest Rates Sheet which can be downloaded online at www.westlawn.com.au/investment . Interest rates may vary during the term of this Prospectus. Applicants are advised to confirm interest rates and investment terms with the Company prior to completing an Application Form.	4.4
How are interest payments calculated?	Each Note has a specific fixed interest rate which will apply for the term of the investment. The interest payable on the Notes is calculated daily from the date the Notes are issued up until but excluding the day on which the Note is redeemed.	3.2 and 3.3
When will my investment be repaid?	The Noteholder must inform the Company prior to the maturity date that they wish to redeem the Notes. If no instructions are received by the Company, it will reinvest the maturing funds in new Notes for the same term as the maturing investment at the prevailing interest rate. Notes are issued for terms between 31 days and 5 years.	3.4
Early redemption	The Company may in its absolute discretion allow early redemption of Notes. An early redemption fee may apply.	3.5
Security	The Notes are not secured over the Company's assets.	3.1, 4.5 and 6.2
What risks are involved with an investment in Unsecured Notes?	An investment in the Company is subject to both general and specific risks which could affect its performance. Some of these risks are described in Section 6 of the Prospectus. Key risks include: (a) the Notes are unsecured; (b) borrower's credit risk and a consequential under-provisioning in the Company's accounts for bad loans and impairments; (c) liquidity risk; (d) risk of fluctuations in interest rates; (e) the outbreak of COVID-19; (f) general economic conditions; and (g) changes to laws.	6

KEY OFFER INFORMATION (CONTINUED)

		Section in Prospectus						
Use of funds raised	<p>Funds raised under the Offer will be used to support the operations and working capital needs of the Company. Funds will be used to purchase a range of financial assets, but predominantly to finance a variety of loans including:</p> <ul style="list-style-type: none">(a) finance leasing;(b) plant and equipment finance;(c) business loans;(d) commercial and residential mortgage financing;(e) motor vehicle dealer financing;(f) insurance premium funding; and(g) personal loans. <p>The Company and its predecessor organisation have been in business in the Northern Rivers area of New South Wales since 1964 and currently have a loan portfolio of over \$220 million.</p>	5.2						
What is the Company's financial position?	<p>Set out below is a summary of some key financial information relating to the Company as at 30 June 2022.</p> <table><tr><td>Profit before income tax expense</td><td>\$9.0 million</td></tr><tr><td>Cash and cash equivalents</td><td>\$36.3 million</td></tr><tr><td>Shareholders Funds</td><td>\$45.1 million</td></tr></table> <p>The Company's financial position is set out in detail in Section 7 of the Prospectus.</p>	Profit before income tax expense	\$9.0 million	Cash and cash equivalents	\$36.3 million	Shareholders Funds	\$45.1 million	7
Profit before income tax expense	\$9.0 million							
Cash and cash equivalents	\$36.3 million							
Shareholders Funds	\$45.1 million							
Does the Company comply with industry benchmarks?	<p>Issuers of debt securities are required to report against certain benchmarks which have been developed by ASIC. The Company's performance against the benchmarks is set out in Section 1 of the Prospectus.</p>	1						
Who is responsible for the management of the Company?	<p>The Company relies upon the expertise of its Directors and management team which includes:</p> <ul style="list-style-type: none">(a) Jim Dougherty, Chairman;(b) Mark Dougherty, Director;(c) Geoff Scofield, Director;(d) Andrew Hayes, Director;(e) Andrew Dougherty, Director;(f) Cameron McCullagh, Director; and(g) Andrew Bennett, Director. <p>The Directors' profiles are set out in Section 2 of this Prospectus.</p>	2						
Related Party benefits	<p>Related Party loans represent 0.10% of the Company's total loan portfolio as at 30 September 2022. Related Party loans must comply with the same lending guidelines which apply to non-Related Party loans and must be made on arm's length commercial terms. Details of Related Party transactions are set out in Benchmark 6 of Section 1.</p>	1						

1. BENCHMARK INFORMATION

ASIC Regulatory Guide 69 Debentures and notes: Improving disclosure for retail investors (RG69) sets out eight benchmarks that debenture issuers need to address in a prospectus. The benchmarks are designed to assist investors to better understand the rewards and risks of investing with a debenture issuer. Debenture issuers are required to disclose if the benchmarks are satisfied and if not, then why not.

Commentary is set out below in regard to the eight benchmarks and the Company's performance in regard to them.

BENCHMARK 1 – EQUITY CAPITAL

Paid-up capital or equity is the money invested by the owners of the issuer (plus any profits retained by the issuer). It provides a 'buffer' to the issuer in the event of financial difficulties. If an issuer has less equity capital invested in the business, there might be no safety margin to tide things over if the business runs into financial difficulties. It could also mean that the issuer has less incentive to operate the business prudently and responsibly because less of its own money is at risk.

All issuers should maintain a minimum equity ratio, calculated as total equity/(total liabilities + total equity), of 8% where only a minor part (e.g. 10%) of its activity (e.g. as a proportion of notes on issue) is property development or lending funds directly or indirectly for property development.

The Company satisfies this benchmark.

Loans for property development represented \$5,191,325 or 2.18% of Notes on issue as at 30 September 2022.

As at 30 September 2022 the equity ratio was 14.31% and comparative ratios are as follows:

30 Sep 2022	30 Jun 2022	30 Sep 2021	30 Jun 2021
14.31%	15.06%	13.48%	12.98%

BENCHMARK 2 – LIQUIDITY

Liquidity is an important measure of the short-term financial health of an issuer or business. If the issuer has insufficient cash or liquid assets, it might be unable to meet its short-term obligations (e.g. to run the business properly, pay interest, or pay investors their money back at the end of the term).

All issuers should have cash flow estimates for the next three months and ensure that at all times that they have on hand cash or cash equivalents sufficient to meet their projected needs over the next three months.

The Company satisfies this benchmark. The Company prepares three monthly and twelve monthly cash flow projections as part of its overall liquidity strategy.

The Company has at all times on hand cash or cash equivalents sufficient to meet its projected cash needs over the next three months.

There is a mismatch between the maturity profiles of the Company's assets and the maturity profiles of the Company's liabilities. The risk in such a mismatch is that the Company may not have adequate liquidity to meet its obligations as they fall due – principally, the need to meet the right of Noteholders to redeem their funds as required. The Company's Liquidity Risk Management Policy establishes practices to manage this mismatch under a range of market conditions. A summary of this policy is set out in Section 5.4.

Incoming cash flows come largely from borrower repayments and these are estimated from the maturity profile of the Company's loan portfolio.

Outgoing cash flows for maturing Notes are determined by the terms of the Notes and take into account an allowance for redemptions based on the twelve month historical rolling average of Note redemptions. The historical rolling average of Note redemptions is used to forecast cash outflows in the preparation of the monthly cash flow estimates. During the six month period from April 2022 to September 2022, the rollover rate for Notes was 86%. Rollover rates for the years ended 30 June 2022 and 30 June 2021 were 86% and 90% respectively.

The Company models liquidity scenarios over a rolling 12 month timeframe including stress testing of rollover rates of Noteholders. The objective of this modelling is to determine the Company's capacity for asset growth whilst meeting all repayment obligations over the next 12 months. The stress testing includes scenarios significantly more severe than any conditions that have prevailed since the establishment of the business more than 50 years ago. If the percentage of Notes (including those that are held on 'at call' basis) that were rolled over or retained during the next three months were 20% less than the percentage that were rolled over from April 2022 to September 2022, the Company would still have cash on hand or cash equivalents sufficient to meet projected cash needs.

1. BENCHMARK INFORMATION (CONTINUED)

BENCHMARK 3 – ROLLOVERS

All issuers should clearly disclose their approach to rollovers including what process is followed at the end of the investment term and how they inform those rolling over or making further investments of any current prospectus and continuous disclosure announcements.

The Company satisfies this benchmark. On the maturity date, Noteholders may choose to have their Notes repaid or rolled over. The Company contacts all Noteholders by phone, letter or email approximately 14 days prior to the end of the Note term, setting out options and seeking instructions.

If a Noteholder does not provide redemption instructions by the maturity date, the Notes are automatically rolled over for the same term as the maturing investment at the then prevailing interest rate for that term.

The Company updates its website, www.westlawn.com.au with current disclosure documents including any new prospectus. These disclosure documents are also available at any of the Company's offices.

BENCHMARK 4 – DEBT MATURITY

All issuers should disclose an analysis of the maturity profile of interest bearing liabilities including any notes on issue by term and value and the interest rates, or average interest rates, applicable to their debts.

The Company satisfies this benchmark. An analysis of the required information as at 30 September 2022 is listed below.

Average interest rate	At call \$	0 to 3 months \$	3 to 12 months \$	1 to 5 years \$	Total \$
2.20%	30,143,716	77,960,038	102,011,173	27,650,117	237,765,044

BENCHMARK 5 – LOAN PORTFOLIO

If an issuer's loan portfolio is heavily concentrated in a small number of loans, or loans to a small number of borrowers, there is a higher risk that a single negative event affecting one loan will put the overall portfolio (and investors' money) at risk.

Issuers who directly on-lend funds or indirectly on-lend funds through a Related Party should disclose the current nature of their (or Related Parties) loan portfolio.

The Company satisfies this benchmark by disclosing the following details which are relevant to the loan book as at 30 September 2022. Loan funds are lent to a wide variety of business and consumer customers through a network of offices in New South Wales.

The Company takes security for loans in accordance with its Lending Policy and Procedures Manual which is summarised in Section 5.3. A summary of the security types taken are listed below. The Company lends to a large number of customers in varying industries. By doing so, the Company has reduced its exposure to the credit risk associated with particular customers and industries.

Number and value of loans

Loans by amount (\$)	220,053,486
Number of loans	5,636

Maturity profile of loan portfolio & average interest rates

Average interest rate	0 to 3 months \$	3 to 12 months \$	1 to 5 years \$	Over 5 years \$	Total \$
7.76%	29,186,853	48,908,379	141,942,831	15,423	220,053,486

1. BENCHMARK INFORMATION (CONTINUED)

Number and value of loans by class of activity

	Business	Consumer	Total
Loans by amount (\$)	214,595,920	5,457,566	220,053,486
Loans by number	5,428	208	5,636

Number and value of loans by geographic region

	No.	% of loan portfolio	\$
New South Wales	2,909	46.22	101,725,447
Queensland	1,545	26.48	58,266,670
Victoria	713	15.47	34,046,350
Western Australia	254	5.94	13,060,881
South Australia	142	3.87	8,521,949
Tasmania	35	0.86	1,883,673
ACT	20	0.79	1,737,530
Northern Territory	18	0.37	810,986
TOTAL	5,636	100.00	220,053,486

Analysis of loans more than 30 days in arrears

	Number of loans in arrears	% of loan portfolio	Arrears of principal & interest loan repayments Amount (\$) (Note 1)	% of loan portfolio	(\$ Value of loans in arrears) (Note 2)	% of loan portfolio
Not in arrears (but impaired)	47	0.83	0	0.00	122,873	0.06
More than 30 Days in arrears	169	3.01	173,438	0.08	1,455,494	0.66
More than 60 Days in arrears	70	1.24	127,854	0.06	562,429	0.26
More than 90 Days in arrears	150	2.66	647,032	0.29	1,462,635	0.66
TOTAL	436	7.74	948,324	0.43	3,603,431	1.64

Note 1 – These amounts represent the arrears portion of each loan that is in arrears.

Note 2 – These amounts represent the full amount owing for each loan that is in arrears (ie; it includes both the arrears and non-arrears principal and interest).

A summary of the Company's policy in respect to the management of loans in arrears is set out in Section 5.3.

1. BENCHMARK INFORMATION (CONTINUED)

Further analysis of loans in arrears

	No.	Value of loans Amount (\$)	% of loan portfolio
Arrears loans subject to mortgagee in possession	4	95,611	0.04
Arrears loans subject to legal proceedings	56	450,672	0.20
Arrears loans not subject to legal proceedings (and classified as non-accrual)	1	10,499	0.00
Arrears loans not subject to legal proceedings (and not classified as non-accrual)	375	3,046,649	1.40
TOTAL	436	3,603,431	1.64

Non-accrual loans are categorised as loans that are non-interest bearing, as the likely recovery of full principal and interest is deemed doubtful.

Expected credit losses (ECL)

As at 30 September 2022, a total ECL provision of \$1,911,594 is held which comprises \$1,044,492 for loans exceeding 30 days in arrears, and \$867,102 for 12-months ECL on loans not in arrears.

Renegotiated loans

Renegotiated loans are those loans where principal or interest was otherwise greater than 30 days past due that have been restructured, transferred or whose terms have been renegotiated within the past six months.

As of 30 September 2022 the Company had 0 renegotiated loans.

Largest borrower

Number of loans	Amount (\$)	% of loan portfolio
1	3,188,694	1.45

Aggregate total of the largest 10 borrowers

Number of loans	Amount (\$)	% of loan portfolio
61	13,033,545	5.92

Security profile

Type	No.	Amount (\$)	% of loan portfolio
Plant, equipment & chattels	5,043	186,292,521	84.65
Registered first mortgages – non development loans	79	20,684,350	9.40
Registered first mortgages – development loans	6	5,191,325	2.36
Insurance policies (premium funding)	448	6,354,863	2.89
Security interests over shares & assets	14	386,788	0.18
Registered second mortgages	8	910,511	0.41
Unsecured	38	233,128	0.11
TOTAL	5,636	220,053,486	100.00

1. BENCHMARK INFORMATION (CONTINUED)

BENCHMARK 6 – RELATED PARTY TRANSACTIONS

1. Funds lent to Related Parties

The risk with Related Party transactions is that they might not be made with the same rigour and independence as transactions made on an arm's-length commercial basis. There is a greater risk of the loans defaulting and, therefore, investors' money is at greater risk if including:

- the issuer has a high number of loans to Related Parties;
- the value of those loans;
- the value of the loans as a percentage of total assets; and
- the assessment and approval process for these loans is not independent.

Issuers who on-lend funds to Related Parties should disclose their approach to Related Party transactions.

The Company satisfies this benchmark. Related Party loans account for 0.10% of the Company's total loan portfolio as at 30 September 2022. The Company makes loans to Related Parties in accordance with the terms and conditions set out in its Related Party Transactions Policy and Procedures Manual which is summarised in Section 5.3.

The total value and number of loans to Related Parties as at 30 September 2022 can be summarised as follows:

Loan to	Ref	No. of loans	Amount (\$)	% of loan portfolio	% of total assets	Original loan term or type
Andrew Hayes & Related Parties	(a)	1	35,208	0.02	0.01	48 months
James Dougherty & Related Parties	(a)	2	26,321	0.01	0.01	Line of credit
Related Parties jointly associated with Andrew Hayes, James & Mark Dougherty	(a)	1	4,261	0.00	0.00	36 months
Subsidiaries of Westlawn Finance Limited	(b)	1	157,785	0.07	0.05	10 months
TOTAL		5	223,575	0.10	0.07	

(a) Directors and other Related Parties

Loans to Directors and Related Parties are granted at rates of interest between 7.00% p.a. and 9.00% p.a. Interest on all of these loans is calculated and paid monthly. Security is held for 100% of these loans. Security for these loans comprises a combination of registered first mortgage, plant and equipment, as well as registered Security Interests over shares and assets.

(b) Subsidiaries of Westlawn Finance Limited

A loan to Equity One Mortgage Fund Ltd for Insurance Premium Funding is granted at a fixed interest rate of 8.96%.

2. Funds invested by Related Parties

Notes held by Directors and Related Parties as at 30 September 2022 are as follows:

Notes	Amount (\$)	% of Notes on issue
TOTAL	35,403,797	15.04

1. BENCHMARK INFORMATION (CONTINUED)

BENCHMARK 7 – VALUATIONS

If the issuer does not include information about valuations in the prospectus, it will be more difficult for investors to assess how risky the investment is. Keeping valuations up-to-date and shared among a panel of valuers means they are more likely to be accurate and independent.

Where the issuer is involved in or (directly or indirectly) lends money for property-related activities, it should take the following approach to obtaining and relying on valuations:

- (a) **properties (i.e. real estate) should be valued on an 'as is' and, for development property, on an 'as if complete' basis;**
- (b) **development properties should be re-valued at least every 12 months unless the funds are retained by the issuer and only released in stages to cover project completion costs;**
- (c) **an issuer should have a clear policy on how often it obtains valuations, including how recent a valuation has to be when it makes a new loan;**
- (d) **an issuer should establish a panel of valuers and ensure that no single valuer conducts more than one-third of the total number of valuations obtained; and**
- (e) **the appointment of valuers should be with the trustee's consent.**

The Company does not satisfy this benchmark as it occasionally uses a qualified valuer not on the approved list, or in certain limited circumstances, may rely on other sources for evidence of market value. Further information is detailed below.

The Company has an approved list of panel valuers who provide valuations and this list has been approved by the Trustee. The Trustee does not accept any liability for the valuations provided by the approved valuers. Panel valuers are independent of the Company and have no interest in the subject property or any relationship with the borrower. No one individual valuer conducts more than one third of the total number of valuations obtained. The Company occasionally may be required to utilise the services of a qualified valuer outside the approved list, however only when the property is located outside the region of valuers within the list.

In certain circumstances, the Company may arrange for a property to be appraised by a real estate agent, who may not be a registered property valuer, however only in the instance where the LVR is 70% or below.

A Valuer General valuation confirmed by local council records may also be relied upon when the LVR is 80% or below. Property Contract for Sale purchase price values may be relied upon if funding is provided for purchase purposes, however only when the LVR is 50% or below.

During the period of 1 October 2021 to 30 September 2022, the following number of valuations were obtained to support new mortgage lending:

Source of valuation	Number of valuations	% of total loans
Panel valuers within approved list	22	84.61
Valuer General valuations	3	11.54
Contract for sale purchase price	1	3.85
TOTAL	26	100.00

The Company does not have any loan that is secured against property that accounts for 5% or more of the total value of the Company's loan book.

The Company makes loans for property related activities in accordance with the terms and conditions set out in its Lending Policy and Procedures Manual and Related Party Transactions Policy and Procedures Manual (refer to Section 5.3 for a summary of these policies).

Funds for property development loans are only released in stages to cover project completion costs. Funds are only provided to the developer when the construction costs are quantified by industry experts, eg; Independent Quantity Surveyors Reports.

Real property assets which are taken as security for loans are valued on an "as is" basis and for development property on an "as if complete" basis. Valuations on an "as is" basis mean the property is valued as it currently exists with regard to current market conditions. Valuations on an "as if complete" basis means the property is valued as if the proposed development has been completed with regard to current market conditions.

Independent valuations are required, for any new loans where real property is taken as security. An update of a valuation is considered during any loan review process which is dependent upon the repayment performance of the loan, level of LVR and general market conditions of property in the region of where the security is located. Valuations based on a valuers report cannot be more than one year old when a new loan is made.

1. BENCHMARK INFORMATION (CONTINUED)

BENCHMARK 8 – LENDING PRINCIPLES – LOAN TO VALUATION RATIOS

A high loan-to-valuation ratio means that the investment is more vulnerable to changing market conditions, such as a downturn in the property market. Therefore, the risk of investors losing their money could be higher.

Where an issuer (directly or indirectly) on lends money in relation to property-related activities, it should maintain the following loan-to-valuation ratios:

- a) where the loan relates to property development – 70% on the basis of the latest complying valuation; and**
- b) in all other cases – 80% on the basis of the latest complying valuation.**

The Company satisfies this benchmark.

The Company's lending activities include property-related loans which are funded within the above lending ratios and in accordance with its Lending Policy and Procedures Manual. Further lending policy details are provided in Section 5.3.

2. DIRECTORS' PROFILES



**JAMES WILLIAM
DOUGHERTY
(CHAIRMAN)**

Jim Dougherty joined the Westlawn Group in 1993 following extensive experience in public accounting and real estate, where he managed the Grafton LJ Hooker Real Estate franchise for ten years. He is a Chartered Accountant, holds a Bachelor of Economics (UNE), a Diploma of Financial Management (UNE), a Certificate IV in Financial Services (Finance/Mortgage Broking) and is the managing director of the parent company, Westlawn Holdings Pty Ltd.

He has been an Executive Director of Westlawn Finance Limited since 1994 and has been Chairman of the Board of Directors of Clarence Property Corporation Ltd, responsible entity for the Westlawn Property Trust, since 2000. He was awarded the Order of Australia Medal in 2014 for services to surf lifesaving and the community.



**GEOFFREY DEAN
SCOFIELD**

Geoff Scofield joined the Company in 1994 as the inaugural manager of the Casino office, the first to be established outside Grafton. He continued in that position until December 2005 when he assumed the newly established role of Regional Manager for the Northern area. In December 2007, he was appointed General Manager – Finance and in July 2008 became a director of the Company. In March 2012 he was appointed Chief Executive Officer of the Company.

Geoff has been involved in the finance industry since 1982 and brings to the Board an extensive background in banking, credit provision/analysis, business development and senior management. Geoff holds a Certificate IV and Diploma in Financial Services (Finance/Mortgage Broking) and is a listed responsible manager of Westlawn's credit licence. He is also a Justice of the Peace.



**MARK CHARLES
DOUGHERTY**

Mark Dougherty joined the Westlawn Group in 1996 and has been a Board Member of the Company since 2000. He holds a Bachelor of Business in Accounting and Administration (SCU) 1985 and a Certificate IV in Financial Services (Finance/Mortgage Broking). Prior to joining the Westlawn Group he held positions with AGC Limited and Big River Timbers Pty Ltd where he gained experience in the areas of finance, management, and accounting.

He is Deputy Chair of the Lismore Diocese Investment Fund and is a Chairperson of Clarence Village Limited, a community based not-for-profit organisation providing quality affordable housing for seniors in the Grafton community.



**ANDREW HARRY
HAYES**

Andrew Hayes joined the Westlawn Group in 2007 following an extensive career in public accounting. Prior to joining the Company, he was a former partner of Hudson Shepherd & Partners which later merged with WHK Rutherfords. He has provided taxation and other advice to the Westlawn Group for over 25 years.

He is a Chartered Accountant, holds a Bachelor of Business in Accounting, a Graduate Diploma in Financial Planning and a Certificate IV in Financial Services (Finance/Mortgage Broking). He holds statutory registrations with the ATO as a Registered Tax Agent and with ASIC as a Registered Company Auditor. He is also a Chartered Tax Adviser of The Tax Institute and a Specialist Advisor of the SMSF Association.

Andrew was appointed a director of the Company in October 2010 and holds the position of Chief Financial Officer and Company Secretary. He is also a founding director of Westlawn Business Services Pty Ltd which continues to provide accounting and taxation services to the Westlawn Group.

2. DIRECTORS' PROFILES (CONTINUED)



**ANDREW MICHAEL
DOUGHERTY**

Andrew Dougherty has over 20 years experience in financial services, project management and vocational education administration. He holds a Bachelor of Business (UNE) 1990, Advanced Diploma Financial Services 2009/10, Certificate IV Financial Services (Broking) 2009 and a Certificate IV Property Services (2011). Andrew operates a diversified financial services practice on the Far North Coast with a focus on financial and investment advice involving; superannuation and retirement planning, mortgage and finance broking and self-managed superannuation funds (SMSFs).

Andrew is a member of the Mortgage Finance Association of Australia (MFAA), Association of Financial Advisers (AFA), the Ballina Chamber of Commerce and is a Justice of the Peace (JP).



**ANDREW DOUGLAS
BENNETT**

Andrew trained as a Chartered Accountant at KPMG 30 years ago. After leaving the accounting profession Andrew spent 6 years with Peabody Coal and Rio Tinto in the Treasury area. More recently Andrew has been involved in the non-bank finance sector where he has been involved with establishing wholesale funding arrangements for Zip Co Limited and Think Tank Commercial Property where he was Chief Financial Officer and Chief Information Officer.

Andrew is the Chief Executive Officer of COG Financial Services Limited and retains Non-executive Directorships with Zip Co Limited and Think Tank Commercial Property subsidiaries.



**CAMERON SCOTT
McCULLAGH**

Cameron McCullagh has over 30 years' experience in the finance sector, having trained as a Chartered Accountant at KPMG. Cameron was a partner at Moore Stephens Sydney and founded and grew White Outsourcing to an entity with back office administration of over \$30 billion. Cameron was CEO of Employers Mutual until 2010, having grown it from \$30 million of annual premium under management to over \$1 billion.

As Steadfast COO, Cameron took operational responsibility for the successful ASX listing of the insurance broking and underwriting agency Steadfast Group.

Cameron is Chairman of A S White Global Pty Limited, which has over 1,000 employees in Australia and Asia providing offshore teams to Australian businesses, and is also a director of Hospitality Employers Mutual Limited (an APRA licensed insurer). He is currently Executive Director of ASX listed COG Financial Services Limited, a leading finance broker and aggregator with revenues in excess of \$220 million.

3. KEY FEATURES OF THE INVESTMENT

3.1 WHAT ARE NOTES?

Notes are unsecured investments which pay interest in arrears on the principal amount invested.

The Notes are issued for terms ranging from 31 days to 5 years.

3.2 HOW IS INTEREST CALCULATED ON THE NOTES?

Interest is calculated on a daily basis from the date the Notes are issued by the Company.

The interest rate payable on the Notes may vary during the term of this Prospectus. The current interest rates are specified on the Interest Rate Sheet. Further information on the Interest Rate Sheet is set out at Section 4.4 of this Prospectus. Once an Application for Notes is accepted, the interest rate specified on the Application Form will apply for the fixed term of the Note.

3.3 WHEN IS INTEREST PAID ON THE NOTES?

Interest will be paid according to the maturity term selected on the Application Form. In cases where Noteholders have requested that the quarterly interest payments be reinvested rather than credited to their bank account, each interest payment will be compounded quarterly until maturity and paid to them at that time together with the original principal amount.

3.4 HOW ARE THE NOTES REDEEMED?

The Noteholder must inform the Company prior to the maturity date that they wish to redeem the Notes. If no instructions are received by the Company, it will reinvest the maturing funds in new Notes for the same term as the maturing investment and at the prevailing interest rate then offered by the Company on Notes for a similar term.

3.5 CAN THE NOTES BE REDEEMED PRIOR TO THE MATURITY DATE?

The Company will consider the early redemption of Notes under the following circumstances:

At the request of the Noteholder

- Noteholders faced with unforeseen or exceptional circumstances of hardship may make a written request for early redemption of some or all of their Notes. Depending upon the circumstances involved, the Company may, in its absolute discretion, allow early redemption of Notes. Noteholder written request will be assessed within 48 hours of being lodged. Any consent granted in early redemption is subject to release of funds 31 days from the date of the written request. In the event of experiencing financial hardship, and subject to consent by the Company, the release of funds without the 31 day notice may be available. Definition in cases of financial hardship can be obtained on the Company's website www.westlawn.com.au. A reduced interest rate reflecting the shorter term may apply to the amount to be repaid.
- In the event of the death of a sole Noteholder, the Company may at the request of the executor of the deceased's estate, redeem some or all of the deceased's Notes, subject to compliance with law. No interest rate reduction or additional fees will apply in these circumstances.

If a Noteholder requests early redemption of a Note, the Company may apply an early redemption fee. The early redemption fee will be determined by applying the interest rate applicable at the commencement date of the Note for the period of the investment until the date of redemption less a 0.25% p.a. reduction. The Company has absolute discretion to allow early redemption of Notes and/or waive the early redemption fee.

At the request of the Company

As a condition of the issue of Notes, the Company reserves the right on 30 days' notice to a Noteholder to redeem any Notes either with or without payment of a premium (including additional interest). The Company expressly reserves this right to redeem Notes as a condition of the issue of Notes under this Prospectus.

3.6 ARE THE NOTES TRANSFERABLE?

Although there is no secondary market for the Notes, Noteholders may transfer their Notes to another person by executing an appropriate transfer form.

3.7 IS BROKERAGE OR STAMP DUTY PAYABLE?

No brokerage or stamp duty is payable on the issue of the Notes.

4. DETAILS OF THE ISSUE

4.1 THE ISSUE

This Prospectus has been prepared to allow the Company to issue Notes pursuant to the Trust Deed between the Company and the Trustee. The issue price for each Note is \$1.00.

4.2 BORROWING LIMITATIONS

The Directors will ensure that the Company's total liabilities do not exceed Shareholders Funds multiplied by 15.

Based on this calculation, the net asset position of \$45,072,914 as at 30 June 2022 would not permit total liabilities to exceed \$676,093,710. As at 30 June 2022 total liabilities were \$253,095,859.

4.3 PURPOSE OF THE ISSUE

Proceeds raised from the issue of the Notes will be used to support the operations and working capital needs of the Company. Funds will be used to purchase a range of financial assets, but predominantly to finance the Company's lending portfolio.

4.4 INTEREST RATES AND TERMS

The interest rates and terms offered on the Notes may vary during the term of this Prospectus.

Applicants are advised to confirm the interest rate and investment term immediately prior to completing the application form by reference to the current Interest Rate Sheet.

The Interest Rate Sheet sets out the current interest rates and terms applicable and can be found on the Company's website www.westlawn.com.au/investment. In addition, the current Interest Rate Sheet is available by calling the Company on 1300 WESTLAWN (or 1300 937 852) or by contacting any office.

Applicants must insert the current interest rate and the term that will apply to their investment on their Application Form.

The 'current interest rate' is the rate offered by the Company for an investment of the amount and term you wish to invest on the day your application is accepted.

If the Application Form completed by an Applicant contains an incorrect interest rate or term or both, the Company will notify the Applicant of the error and advise them of the correct information. Following receipt of such notice, an Applicant will have one month to withdraw their application and have their application money repaid without any interest.

If an Applicant fails to withdraw their application within one month of such notice, the Company will invest the amount applied for by the Applicant on their Application Form at the interest rate and term set out in the notice.

4.5 PRIORITY OF NOTES

The Notes are not secured by any registered Security Interest over any assets of the Company. In the event of the winding up of the Company, Noteholders will rank equally with all other unsecured creditors of the Company, but ahead of shareholders, in respect to the repayment of the money owing under their Notes.

4.6 TAXATION

Taxation may affect a Noteholder's returns. See Section 6.13 on changes to taxation laws for further details.

Please note that information included in this section does not constitute taxation advice to individual investors. The information herein is believed to be correct as at the time of writing this Prospectus. Taxation laws are subject to change, and such changes may materially affect your tax position with respect to an investment in Notes. You should seek qualified, independent financial and taxation advice before deciding to invest.

Noteholders will be entitled to receive both principal and interest in relation to the Notes. The receipt of interest by resident holders of the Notes should be taxable while the principal amount received should not be assessable.

There is a requirement on the Company under the Income Tax Assessment Act 1936 (Cth) to withhold an amount at the highest marginal tax rate from payments of income on the Notes if a Noteholder fails to provide an Australian Tax File Number, or (if applicable) an Australian Business Number (ABN).

Alternatively, to the extent that the Notes are held by non-residents of Australia not carrying on business in Australia, or residents of Australia carrying on business outside Australia at the time the interest is paid, the interest will generally be subject to withholding tax.

4.7 APPLICATION FOR NOTES

To apply for Notes, you must complete an Application Form.

Applications for Notes must be for a minimum of \$100.00.

By lodging an Application Form, the applicant acknowledges that they have received and read this Prospectus.

4. DETAILS OF THE ISSUE (CONTINUED)

4.8 PAYMENT FOR NOTES

The issue price of \$1.00 per Note is payable in full on Application.

All payments are to be made in Australian currency by way of cash, cheque or electronic transfer. Cheques should be made payable to Westlawn Finance Limited and crossed 'not negotiable'.

4.9 WHERE TO SEND YOUR COMPLETED APPLICATION FORM

Completed Application Forms and accompanying cheques may be mailed to:

Westlawn Finance Limited
PO Box 78 GRAFTON NSW 2460

or delivered to:

Westlawn Finance Limited
22 Queen Street Grafton NSW 2460

or any office, contact details of which are listed on the back cover of this Prospectus.

4.10 ACCEPTANCE OF APPLICATIONS

The Company has the sole discretion to issue Notes in accordance with an Application, to decline any Application, or to issue a lesser number of Notes than those for which the Application has been made.

To the extent that Applications are unsuccessful (or partially unsuccessful), the application money (or a portion thereof) will be returned to applicants without interest within 15 days following the receipt of the Application.

4.11 NOTE CERTIFICATE

Noteholders will be sent a certificate for the Notes registered in the name of the Noteholder within 21 days of the issue of the Notes.

4.12 ELECTRONIC PROSPECTUS

This Prospectus is available in electronic form at the Company's website, www.westlawn.com.au. Any person receiving this Prospectus electronically will, on request, be sent a paper copy of the Prospectus and Application Form by the Company free of charge during the period of the offer. Applications must be made by completing a paper copy of the Application Form.

The Application Form included with the Prospectus contains a declaration that the Noteholder has personally received a complete and unaltered Prospectus prior to completing the Application Form.

The Company will not accept a completed Application Form if it has reason to believe that the applicant has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe the Application Form or electronic copy of the Prospectus has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that during the period of the offer the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that this will not occur. Any Noteholder in doubt concerning the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus direct from the Company.

4.13 CONTINUOUS DISCLOSURE

ASIC Regulatory Guide 198 Unlisted disclosing entities: Continuous disclosure obligations (RG198) provides guidance on how the Company should comply with the continuous disclosure obligations under the Corporations Act.

The Company will comply with those requirements by publishing on its website, www.westlawn.com.au, any material information more recent than that contained in the Company's last issued Prospectus. Information disclosed will be that which the Company considers necessary or appropriate to help investors make investment decisions based on timely information. Examples of items that will be disclosed include:

- a) Copies of the Company's quarterly report to ASIC and the Trustee regarding various matters including compliance with benchmarks contained in RG69.
- b) Copies of annual audited financial statements.
- c) Interest Rate Sheet in respect of current rates being offered for the issue of Notes pursuant to this Prospectus.
- d) Any material change in the Company's assets.

4.14 WHOLESALE INVESTORS

The Company reserves the right to negotiate the interest rate in respect to the issue of unsecured notes to wholesale investors.

5. COMPANY PROFILE

5.1 HISTORY

The Company has its origins in Grafton, NSW, when in 1964 brothers Peter and Bill Dougherty started Westlawn Investment Company to provide much-needed finance for the purchase of motor vehicles, sewing machines and electrical goods. In 1972, a partnership was formed with Michael Dougherty and began to actively operate in the finance area whilst also diversifying into the property sector with the acquisition and development of commercial real estate.

In 2001, a new company known as Westlawn Finance Limited was incorporated. Today this Company and its subsidiaries operate the finance and insurance broking businesses.

The Company has a proud history of assisting in the prosperity and growth of businesses and communities across Northern NSW through local knowledge and understanding the needs of the region's people. Over the years, the Company has extended its branch network, opening in Casino in 1994 and Coffs Harbour in 1997. Today, the Company has 8 branches extending from Coffs Harbour in the south to Murwillumbah in the north.

In March 2011, the Company successfully acquired 100% of Coffs Harbour based financier North State Finance Limited.

In September 2018, ASX listed COG Financial Services Limited acquired a 32% interest in the Company via an issue of new capital totalling \$14 million. This transaction brought immediate and significant benefits for the Company as it increased Shareholders Funds resulting in a stronger balance sheet and providing greater investor security.

An agreement was entered into dated 31 August 2020 for COG to increase its shareholding in the Company from 32% to 51%. The agreement also provides an option for COG to further increase its shareholding in the Company to 75%, which occurred on 1 November 2021.

In July 2021, the Company entered into an agreement with its parent entity COG to acquire 100% of Centrepnt Finance Pty Ltd, a well-regarded finance broker with operations in Brisbane and Melbourne.

In March 2022, the Company acquired a 70% interest in Equity-One Mortgage Fund Limited ('EMF'). EMF operates a contributory mortgage scheme (peer to peer) that currently has approximately \$420 million of funds under management. The Company has also entered into an agreement with the non-controlling shareholder which contains put and call options that provide the Company an option to acquire (or the non-controlling shareholder to sell) the remaining 30% interest in EMF in three tranches of 10% each from 2024 to 2027.

5.2 CURRENT OPERATIONS

The Company's activities as a Note issuer are regulated under the Corporations Act. The Company reports quarterly to the Trustee and ASIC in accordance with Section 283BF of the Corporations Act.

In addition to Westlawn Finance Limited, the Company operates an insurance broking business through its subsidiary, Westlawn Insurance Brokers Pty Ltd (ABN 65 075 847 291) which is licensed by ASIC and holds an Australian Financial Services Licence No. 246520 under the provisions of the Corporations Act.

In addition, Westlawn Financial Services Limited (ABN 20 141 420 920), a wholly owned subsidiary of the Company, is licensed by ASIC and holds an Australian Financial Services Licence No. 518648 under the provisions of the Corporations Act to operate managed investment schemes. Westlawn Financial Services Limited currently operates one registered managed investment scheme, Westlawn Income Fund ARSN 639 742 288, and has appointed the Company as the investment manager to the Westlawn Income Fund. While other financial products and services are offered under the managed investment scheme, the initial focus of lending under the scheme is on mortgage lending. The Trustee has no involvement or oversight over the loan portfolio and accepts no liability for the loan portfolio of the managed investment scheme. The Investment Management Agreement between the Company and Westlawn Financial Services Limited sets out the investment management services to be provided by the Company, the fees payable to the Company for such services and acknowledges the Company's obligations under the Corporations Act as the issuer of the Notes. The Investment Management Agreement is on arm's length and commercial terms. Whilst Westlawn Financial Services Limited separately raises capital by issuing units in the Westlawn Income Fund which is then utilised in the Westlawn Income Fund's own lending business, certain loans allocated to the Company's lending business differ to the types of loans provided by the Westlawn Income Fund.

The Company operates a finance broking business through its wholly owned subsidiary, Centrepnt Finance Pty Ltd ABN 32 010 650 129. Originally established in 1982, Centrepnt Finance Pty Ltd is one of Australia's most successful and highly regarded providers of financial services in its field.

Equity-One Mortgage Fund Limited ABN 14 106 720 941, a majority-controlled subsidiary of the Company, is licensed by ASIC and hold Australian Financial Services Licence No. 277318 under the provisions of the Corporations Act to operate managed investment schemes. Equity-One Mortgage Fund Limited currently operates one registered managed investment scheme, Equity-One Mortgage Fund ARSN 115 289 579, which operates as a contributory mortgage scheme (peer to peer lender).

The Westlawn Group has approximately 90 employees and consultants, with skills and knowledge in lending, investment and insurance. Our aim is to be flexible and innovative while providing a high standard of customer service.

5. COMPANY PROFILE (CONTINUED)

The Westlawn Group offers a range of financial services to both business and consumers across the eastern seaboard via a branch network in Northern NSW (Grafton, Ballina, Casino, Coffs Harbour, Lismore, Murwillumbah, Yamba and Walcha), with offices also located in Sydney, Brisbane and Melbourne.

The financial products and services include:

- Investments;
- Finance leasing;
- Plant & equipment finance;
- Business loans;
- Commercial and residential mortgage finance (including home loans);
- Motor vehicle dealer finance;
- Insurance premium funding;
- Personal Loans; and
- Personal, domestic, vehicle & business insurance.

Finance funding is sourced principally by the Company raising funds through the issue of Notes under this Prospectus.

The Company holds an Australian Credit Licence (No. 387844).

A licence is required to offer consumer credit products to borrowers under the National Consumer Credit Protection Act 2009. ASIC is responsible for supervising compliance with this Act.

Lending guidelines as set out in the Company's Lending Policy and Procedures Manual ensure that defined criteria are applied in assessing loan applications. The Board appointed Credit Committee reviews the loan portfolio regularly against established criteria including the risk of overexposure in certain loan types, geographic location and industry groupings. The Board and the Credit Committee must approve loans over certain limits and a policy is in place with regard to staff loan approvals.

Refer to Section 5.3 for additional information on this policy. The Company holds memberships of the following organisations:

- Australian Finance Industry Association (AFIA);
- Financiers Association of Australia Limited;
- Australian Finance Group (AFG);
- Finance Brokers Association of Australia (FBAA);
- Australian Financial Complaints Authority (AFCA) – External Dispute Resolution; and
- Provincial Finance Group.

Insurance broking services include insurance on home and contents, motor vehicles, boats, caravans, business, rural, public liability, professional indemnity, personal risk insurance, green slips, earthmoving, heavy haulage and buses.

The insurance division has access to the majority of the leading insurance companies and is a member of:

- National Insurance Brokers Association of Australia (NIBA);
- Steadfast Group Limited; and
- Australian Financial Complaints Authority (AFCA).

5.3 LENDING POLICY AND PROCEDURES

In accordance with industry standards, the Company has adopted and implemented a Lending Policy and Procedures Manual, which covers the Company's policies and procedures in respect to approving, monitoring and recovering loans.

In summary, the Lending Policy and Procedures Manual requires:

- loans to fall within one of the following categories:
 - residential and commercial property loans;
 - residential and commercial property development loans;
 - secured and unsecured personal loans;
 - motor vehicle loans;
 - secured and unsecured business loans;
 - equipment and asset finance; and
 - insurance premium funding.
- loan applicants to provide sufficient evidence that they are well established in their occupation supported by a proven credit repayment record or satisfactory credit report which indicates that they are able to comply with their loan repayment obligations;
- residential home loans must be secured by a registered first mortgage over land;
- business loans are predominantly secured by a registered Security Interest over the business' assets, and where considered appropriate, a registered mortgage over land owned by the business or its principals;
- in respect to motor vehicle loans, equipment and asset finance, a Security Interest must be registered over the relevant chattel;

5. COMPANY PROFILE (CONTINUED)

- for loans secured by a registered mortgage over land, the Company will arrange for the property to be valued by an independent registered valuer or an independent real estate expert or rely on a Valuer General valuation as confirmed by council records. A Contract for Sale purchase price may also be relied upon only in the case that the LVR is below 50%;
 - generally, for property loans the LVR must not exceed:
 - 70% – where the loan relates to property development, on the basis of the latest complying valuation; and
 - 80% – in all other cases, based on the latest complying valuation;
 - in exceptional circumstances, the Credit Committee and the Board may approve loans outside of the above recommended LVR, but only to strongly qualified applicants who are considered to be a low level credit risk;
 - approval of loans are undertaken within designated lending authorities based on the total potential exposure of the borrower as set out below:
 - Branch managers and designated lending officers up to \$75,000
 - Group credit manager up to \$200,000
 - Managing Director/CEO up to \$300,000
 - Credit Committee up to \$1,000,000
 - Board over \$1,000,000.
 - the Credit Committee comprises the Group Credit Manager, Managing Director/CEO and one other Director.
 - any loans to staff of the Company are referred directly to the Managing Director/CEO for approval up to a limit of \$300,000 or alternatively the Credit Committee or Board if in excess of \$300,000.
 - for development loans:
 - construction costs are quantified by industry experts;
 - funds must be released in stages to cover project completion costs; and
 - the development property must be valued on an 'as is' and 'upon completion' basis, with the initial loan based upon 70% of the 'as is' valuation;
 - personnel must actively monitor all loans in order to confirm that loan repayments are made by borrowers when they fall due;
 - personnel must proactively manage borrowers who have a history of making late repayments by contacting them by telephone prior to scheduled repayment dates and advising them of the amount due;
 - if a scheduled repayment is not made by a borrower within seven days of its due date, the borrower will be sent a reminder notice and personnel will be instructed to contact the borrower by telephone;
 - if the scheduled loan repayment remains outstanding for 21 days, the Company will serve a default notice on the borrower and again attempt to contact the borrower by telephone;
 - if the loan remains outstanding for more than 30 days, the Company will:
 - in the case of loans secured by a mortgage over real property, instruct solicitors to commence proceedings against the borrower in order to recover the total amount outstanding including by way of selling the secured property as mortgagee in possession; and
 - in other cases, and where it is considered appropriate (such as for equipment financing and personal loans) the Company or its appointed agent will take all steps reasonably necessary to recover the total amount outstanding in accordance with the loan agreement, including where relevant, taking possession of secured property and selling it.
- In summary, the Related Party Transactions Policy and Procedures Manual reflects Chapter 2E of the Corporations Act and requires:
- Loans to Related Parties are subject to approval by:
 - i) Westlawn Holdings Pty Ltd and COG Financial Services Limited (as shareholders of the Company) where the transaction is not on arms length commercial terms; or
 - ii) the Related Party Transaction Approval Committee, where the transaction is on arms length commercial terms.
 - The Related Party Transaction Approval Committee is:
 - i) the Credit Committee, in the case of loans up to \$1,000,000, or
 - ii) in the case of loans exceeding \$1,000,000, the Board.
 - The Credit Committee comprises the Group Credit Manager, Managing Director/CEO and one other Director.
 - Where a loan to a Related Party is to be approved by the Credit Committee, only Credit Committee members that are independent to the transaction may consider the request for approval.
 - Directors with a conflict of interest must abstain from voting on Related Party loans.

5. COMPANY PROFILE (CONTINUED)

5.4 LIQUIDITY RISK MANAGEMENT POLICY

There is a mismatch between the maturity profiles of the Company's assets and the maturity profiles of the Company's liabilities. The risk in such a mismatch is that the Company may not have adequate liquidity to meet its obligations as they fall due – principally, the need to meet the rights of Noteholders to redeem their funds as required. The Company has adopted and implemented a Liquidity Risk Management Policy that establishes practices to manage this mismatch under a range of market conditions and is summarised further below.

- Liquidity management is the responsibility of the Board and executive.
- The Company shall adhere to its liquidity policy and review it regularly to take account of changing operating circumstances.
- The Company models liquidity scenarios over a rolling 12 month timeframe including the stress testing of rollover rates of Noteholders. The objective of this modelling is to determine the Company's capacity for asset growth whilst meeting all repayment obligations over the next 12 months.
- The stress testing includes scenarios significantly more severe than any conditions that have prevailed since the establishment of the business more than 50 years ago.
- The Company is required to maintain a minimum holding of 9% of its total liabilities in liquid assets.
- Liquid assets are monitored daily and reported to senior management.
- Cash flow forecasts are prepared monthly and cover the next three and twelve months and incorporate a range of assumptions around cash inflows and outflows. In particular cash outflows in respect of Noteholder redemptions are forecast by utilising the twelve month historical rolling average in respect of redemptions.

6. INVESTMENT RISKS

6.1 GENERAL

Potential Noteholders should be aware that an investment in the Notes carries particular risks, a number of which are outside the control of the Company. The following issues should be taken into account when evaluating an investment in the Notes.

6.2 NOTES ARE UNSECURED

In the event that the Company is wound up, Noteholders will equally rank with all other unsecured creditors of the Company, but ahead of shareholders in respect to the repayment of money owing under their Notes. If there are insufficient funds on the winding up to pay all unsecured creditors, Noteholders may lose some or all of the money they have invested.

6.3 CREDIT RISK

This is the risk that a borrower fails to repay outstanding principal and interest owing or that the security (if any) provided by a borrower, if required to be realised, is insufficient to repay outstanding principal and interest payments owing to the Company.

The financial performance of the Company and its ability to make payments to Noteholders is to a large extent, dependent upon borrowers repaying their loans. If for any reason borrowers default on their loan repayments, then this could impair the Company's ability to make repayments to Noteholders.

There is also a risk that the Company will not have sufficient security over a borrower's assets to recover the full amount owing under the loan, in circumstances where the borrower is in default. This could arise as a result of deterioration of economic conditions which impact values of security offered by the borrower.

Finally, the above risks concerning failure by borrowers to repay loans advanced by the Company then feeds into a further risk to Noteholders. That risk is a risk of the Company's accounts, as they relate to the Company's loan assets, becoming inaccurate – the Company's accounts might over-value those loan assets, and/or there might be under-provisioning in the Company's accounts for bad debts and impairments of loans and advances.

The repayment of the money you have invested in Notes and interest payments are not guaranteed by the Company.

For further information on the Company's exposure to credit risk, including disclosures on loan numbers, loan arrears, geographic location and security taken, refer to Section 1, Benchmark 5.

Also see Section 7.2 below for the Company's statement of profit or loss for the year ended 30 June 2022, which sets out details of bad debts written off, and impairment of loans and advances.

6.4 LIQUIDITY RISK

The market for the Notes is illiquid as there is no secondary market. In addition, for Notes issued for a fixed term, the Company is not required to redeem the Notes prior to the maturity date, although the Company will consider early redemption in special circumstances as set out in Section 3.5.

The Company prepares regular cash flow models to assist it in ensuring that it has sufficient cash reserves to meet anticipated redemption requests. However, if the Company was to receive an abnormally high level of redemption requests from Noteholders at maturity, there is a risk that it may not be able to meet its redemption obligations to all Noteholders.

For further information on how the Company manages its liquidity risk, refer to Section 1, Benchmark 2.

6.5 INTEREST RATE RISK

This is the risk due to any mismatch between the interest rate on borrowings to that of lending.

The Company manages interest rate risk by using a combination of fixed and variable interest rate lending and borrowing.

The Company maintains an interest rate lending margin over and above its cost of funds which provides a buffer for upward movements in interest rates.

6.6 LENDING REGULATION

The conduct of the Company's consumer lending is primarily regulated by the National Consumer Credit Protection Act. In order to provide credit services, the Company must hold an Australian Credit Licence (ACL). If the Company or its representatives were to seriously breach the National Consumer Credit Protection Act then the Company may be fined, required to pay compensation to a client, be prohibited from engaging in some business activities, subject to limitations or conditions in relation to its business activities, or have its ACL revoked.

In order to maintain its ACL, the Company must meet certain financial requirements. If for any reason the Company is not able to meet those conditions, ASIC will revoke its ACL.

If any of these events occur, they could have an adverse effect on the operations and performance of the Company and its ability to make repayments to Noteholders.

The regulatory environment for credit service providers is becoming increasingly onerous. Further changes to the regulatory environment for credit services in Australia may have an adverse impact on the operations and performance of the Company.

6. INVESTMENT RISKS (CONTINUED)

6.7 LOSS OF REPUTATION

The Company's business relies to a large extent on its ability to attract and retain clients through its reputation for integrity and the ability of individual representatives to build relationships with clients.

If a client is not satisfied with the services provided or the Company is involved in litigation, it may be damaging to the Company. The Company may be forced to incur significant legal expenses. In such circumstances, the Company may also incur significant reputational damage and financial harm if litigation is successful or if further action is taken by ASIC. This could adversely affect the Company's capacity to make repayments to Noteholders.

6.8 DEPENDENCE UPON KEY PERSONNEL

The Company depends on the talent and experience of its personnel as its primary asset. Should any key personnel leave the Company, this may have a negative impact on the Company. It may be difficult to replace them, or to do so in a timely manner or at comparable expense. Additionally, any key personnel of the Company who leave to work for a competitor may adversely impact the Company.

In summary, the Company's ability to attract and retain personnel will affect its ability to perform its commitments and achieve forecast revenues. Additionally, increases in recruitment, wages and contractor costs may adversely impact upon the financial performance of the Company.

6.9 TECHNOLOGY AND INFORMATION SYSTEMS

The Company has invested significant capital in technology. However, there can be no guarantee that this technology will continue to service the Company into the future. If the Company is required to update its IT systems, then these costs are likely to be significant and could adversely affect the Company's financial performance.

6.10 MANAGEMENT OF RISKS BY THE COMPANY

The Company actively manages its businesses with a view to balancing income returns with capital security. This is achieved by a number of business practices including:

- employing experienced and professional personnel who have knowledge of the people, products and the markets in which they operate;
- reviewing loan accounts on an ongoing basis and an internal audit system is in place;
- providing appropriate doubtful debts provisions;
- reviewing all line of credit loan accounts and industry exposures regularly by the Credit Committee;
- reviewing performance of all loan accounts by producing weekly arrears reports and actioning as required; and
- maintaining a clearly understood long term vision for the Company.

6.11 COVID-19

The continuing outbreak of COVID-19 may create an adverse risk to the Company's business, whether from government measures put in place to combat the virus or otherwise. There is a risk that the economic state in Australia may diminish as a result. This deterioration may result in a decline in demand for the products offered by the Company. It may also affect the ability of existing customers to make loan repayments and mean further repayment holidays are given by the Company to its customers, decreasing the Company's financial performance. The Company actively manages any loan holiday agreements, as has been described at Benchmark 5, but there can be no guarantee that economic conditions will not worsen as a result of COVID-19.

6.12 GENERAL ECONOMIC CONDITIONS

The Company may be adversely affected by any deterioration in the general economic conditions in the local, state, national and international economy.

In particular, the movement of interest rates will impact on the Company's finance business. Upward movements of interest rates may affect the ability of the Company's customers to service their finance arrangements where the rates on their loan agreements are variable and hence loan defaults may rise. Downward movements in interest rates have a positive effect on the Company's customers' ability to meet loan repayments where variable interest rates apply but may make Notes less attractive to investors. The Company actively manages its loan portfolio to ensure existing and forecast commitments to Noteholders are met.

6.13 LEGISLATION AND OTHER REGULATORY STANDARDS

Any variation in legislation and government policy may affect the Company and the business environment in which it operates.

There may be change to taxation laws, policy or practice that adversely affects the withholding position that applies to the Notes, or the tax position of the Company. Changes to withholding tax in respect of the Notes may result in a decrease in after tax interest payments on the Notes.

7. FINANCIAL INFORMATION

7.1 INTRODUCTION

This financial information should be read in conjunction with the investment risks in Section 6, and other information contained in the Prospectus.

The information provided in this section represents financial information of the Company as a consolidated entity, consisting of the Company and the entities it controlled at the end of, or during, the year. This financial information has been extracted from the Company's audited financial statements in respect of the year ended 30 June 2022. The Company's audited financial statements in respect of the year ended 30 June 2022 are incorporated into and form part of this Prospectus and are likely to be of interest to prospective investors and their advisers. During the term of this Prospectus, copies of the Company's audited financial statements are available free of charge on request or on the Company's website, www.westlawn.com.au.

Past performance is not a guide to future performance.

7. FINANCIAL INFORMATION (CONTINUED)

7.2 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Set out below is a summary of the Company's statement of profit or loss and other comprehensive income for the year ended 30 June 2022 and the corresponding prior years ended 30 June 2021 and 30 June 2020.

Consolidated	2022 \$	2021 \$	2020 \$
Revenue			
Interest income	13,639,405	13,520,258	13,960,506
Interest expense	(4,222,318)	(4,838,051)	(5,478,276)
Total net interest income	9,417,087	8,682,207	8,482,230
Non-interest revenue	19,185,025	6,827,031	7,128,119
Other income	451,849	947,326	–
Total revenue after interest expense	29,053,961	16,456,564	15,610,349
Expenses			
Bad debts written off	(3,038,547)	(630,450)	(1,132,802)
Reversal of impairment of loans and advances	2,553,846	(2,066,629)	190,740
Computer & IT expenses	(740,388)	(559,487)	(382,427)
Depreciation and amortisation expense	(1,862,361)	(572,211)	(570,295)
Employee benefits expense	(8,617,771)	(6,156,743)	(5,765,713)
Fees and commission paid	(4,586,523)	(345,569)	(290,343)
Reversal of impairment of assets	101,984	–	–
Impairment of investments	(186,880)	(110,000)	(800,000)
Legal and credit expenses	(1,143,344)	(93,505)	(116,581)
Loss on disposal of assets	(41,646)	(38,696)	(6,465)
Other expenses	(2,475,586)	(1,724,638)	(1,868,026)
Total expenses	(20,037,216)	(12,297,928)	(10,741,912)
Profit before income tax expense	9,016,745	4,158,636	4,868,437
Income tax expense	(2,888,104)	(1,207,526)	(1,369,099)
Profit after income tax expense for the year	6,128,641	2,951,110	3,499,338
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and buildings, net of tax	427,314	–	–
Gain on the revaluation of equity instruments at fair value through other comprehensive income, net of tax	14,654	2,196,683	6,149
Loss on the revaluation of equity instruments at fair value through other comprehensive income, net of tax	–	–	(1,638,677)
Other comprehensive income for the year, net of tax	441,968	2,196,683	(1,632,528)
Total comprehensive income for the year	6,570,609	5,147,793	1,866,810
Profit for the year is attributable to:			
Non-controlling interest	339,486	55,162	61,573
Owners of Westlawn Finance Limited	5,789,155	2,895,948	3,437,765
Total comprehensive income for the year is attributable to:	6,128,641	2,951,110	3,499,338
Non-controlling interest	342,417	60,078	60,945
Owners of Westlawn Finance Limited	6,228,192	5,087,715	1,805,865
	6,570,609	5,147,793	1,866,810

7. FINANCIAL INFORMATION (CONTINUED)

7.3 STATEMENT OF FINANCIAL POSITION

Set out below is a summary of the Company's statement of financial position as at 30 June 2022 and the corresponding prior year as at 30 June 2021.

Consolidated	2022 \$	2021 \$
Assets		
Cash and cash equivalents	36,339,369	59,931,251
Trade and other receivables	1,311,290	401,464
Other assets	641,507	462,909
Non-current assets classified as held for sale	–	110,000
Loans and advances	206,487,000	183,464,154
Financial assets at fair value through other comprehensive income	170,864	4,036,619
Other financial assets	5,464,445	8,363,039
Property, plant and equipment	5,393,776	4,779,556
Right-of-use assets	729,362	632,760
Intangibles	41,077,957	2,870,553
Deferred tax assets	553,203	464,944
Total assets	298,168,773	265,517,249
Liabilities		
Trade and other payables	14,471,162	14,456,133
Interest bearing liabilities	228,461,289	212,025,920
Lease Liabilities	752,288	636,916
Income tax	287,456	2,361,234
Provisions	2,444,731	1,565,757
Other	97,922	–
Deferred tax liabilities	6,581,011	–
Total liabilities	253,095,859	231,045,960
Net assets	45,072,914	34,471,289
Equity		
Issued capital	24,094,643	24,094,643
Reserves	1,925,906	1,623,925
Retained profits	13,690,145	8,529,975
Equity attributable to the owners of Westlawn Finance Limited	39,710,694	34,248,543
Non-controlling interest	5,362,220	222,746
Total equity	45,072,914	34,471,289

Contingent liabilities

The Company has incurred, in the normal course of business, contingent liabilities for guarantees totalling \$102,647 as at 30 June 2022. Included in this amount are guarantees provided on behalf of the Company or Related Parties totalling \$25,944.

7. FINANCIAL INFORMATION (CONTINUED)

7.4 STATEMENT OF CHANGES IN EQUITY

Set out below is a summary of the Company's statement of changes in equity for the year ended 30 June 2022 and the corresponding prior year ended 30 June 2021.

Consolidated	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 year	–	–	2,895,948	55,162	2,951,110
Other comprehensive income for the year, net of tax	–	2,191,767	–	4,916	2,196,683
Total comprehensive income for the year	–	2,191,767	2,895,948	60,078	5,147,793
Transfers from reserves on sale of financial assets	–	59,696	(59,696)	–	–
<i>Transactions with owners in their capacity as owners:</i>					
Dividends paid	–	–	(4,500,000)	(25,000)	(4,525,000)
Balance at 30 June 2021	24,094,643	1,623,925	8,529,975	222,746	34,471,289

Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2021	24,094,643	1,623,925	8,529,975	222,746	34,471,289
Profit after income tax expense for the year	–	–	5,789,155	339,486	6,128,641
Other comprehensive income for the year, net of tax	–	439,037	–	2,931	441,968
Total comprehensive income for the year	–	439,037	5,789,155	342,417	6,570,609
Transfer from reserves on disposal of property	–	(7,000)	7,000	–	–
Transfer from reserves on disposal of investments	–	(130,056)	130,056	–	–
Adjustment to reflect disposal of part interest in subsidiary	–	–	733,959	245,612	979,571
<i>Transactions with owners in their capacity as owners:</i>					
Acquisition of subsidiary with non-controlling interests	–	–	–	4,617,445	4,617,445
Dividends paid	–	–	(1,500,000)	(66,000)	(1,566,000)
Balance at 30 June 2022	24,094,643	1,925,906	13,690,145	5,362,220	45,072,914

7. FINANCIAL INFORMATION (CONTINUED)

7.5 STATEMENT OF CASH FLOWS

Set out below is a summary of the Company's statement of cash flows for the year ended 30 June 2022 and the corresponding prior years ended 30 June 2021 and 30 June 2020.

Consolidated	2022 \$	2021 \$	2020 \$
Cash flows from operating activities			
Interest and rent received from external investments	13,821,438	13,764,174	14,324,750
Other receipts	20,426,846	6,739,378	6,792,363
Payments to suppliers and employees	(17,118,176)	(8,892,168)	(8,101,290)
	17,130,108	11,611,384	13,015,823
Interest and other finance costs paid	(4,235,784)	(4,875,874)	(5,699,122)
Income taxes paid	(5,223,616)	(2,193,460)	(129,448)
Net cash from operating activities	7,670,708	4,542,050	7,187,253
Cash flows from investing activities			
Payments for purchase of subsidiary, net of cash acquired	(25,012,146)	–	–
Payments for investments	(1,847,250)	(7,129,029)	(7,255,766)
Payments for property, plant and equipment	(214,215)	(409,887)	(141,245)
Payments for intangibles	(145,606)	(366,210)	–
Proceeds from disposal of investments	9,752,068	6,310,800	1,837,595
Proceeds from disposal of property, plant and equipment	244,173	2,538,919	17,272
Dividends received	100,344	137,931	20,088
Net loans (advanced) repaid	(28,762,601)	(2,752,150)	(9,658,371)
Net cash from/(used in) investing activities	(45,885,233)	(1,669,626)	(15,180,427)
Cash flows from financing activities			
Net increase (decrease) in unsecured notes	16,435,370	18,341,397	10,960,218
Dividends paid	(1,500,000)	(4,500,000)	(1,000,000)
Repayment of lease liabilities	(246,727)	(160,066)	–
Dividends paid (non-controlling interest)	(66,000)	(25,000)	(20,000)
Net cash from/(used in) financing activities	14,622,643	13,656,331	9,940,218
Net decrease in cash and cash equivalents	(23,591,882)	16,528,755	1,947,044
Cash and cash equivalents at the beginning of the financial year	59,931,251	43,402,496	41,455,452
Cash and cash equivalents at the end of the financial year	36,339,369	59,931,251	43,402,496

8. SIGNIFICANT DOCUMENTS

8.1 MATERIAL DOCUMENTS

The Board considers that certain agreements relating to the Company are significant to the Offer, the operations of the Company or may be relevant to investors. A description of material documents is set out below.

Copies of the following documents are available for inspection during normal office hours at the registered office of the Company for 13 months after the date of this Prospectus:

- Constitution of the Company
- Trust Deed
- Consents to the issue of this Prospectus.

A copy of the Constitution and the Trust Deed will be provided free of charge on request during the period for which Notes are offered under this Prospectus. Investors should read the documents in their entirety to satisfy themselves as to the terms.

8.2 TRUST DEED

GENERAL

The Trust Deed governs the terms and conditions on which the Notes are created and issued. In the event of the winding up of the Company, Noteholders rank equally with all other unsecured creditors of the Company, but ahead of shareholders, in respect to the payment of money owing under the Notes. If any debenture notes are issued by the Company, they will have priority over the Notes as the payment obligations in respect of the debenture notes must be secured by a registered Security Interest granted by the Company.

Each Note has a principal value of \$1.00 and bears interest as advised by the Company calculated on the principal amount which is payable as advised by the Company. The Notes are transferable.

The Notes are to be issued upon and subject to the Trust Deed, the Note conditions and the terms set out in the Prospectus.

REDEMPTION AND PAYMENT

On the maturity date, the Company must repay the principal amount of the Notes due for redemption. If payment is overdue, then the Company will pay a default rate of 1% above the rate applicable to the Notes.

Unless the Prospectus or the Application Form provides for the frequency of payment of interest by the Company, interest is payable on redemption of the Notes.

Where a Note term matures on a weekend or public holiday, payment will be made on the next business day. The Application Form will also allow Noteholders to choose how frequently interest will be received.

The Company can redeem Notes upon the request of the Noteholder, at the discretion of the Company.

If the Noteholder fails to request redemption prior to the date of maturity, the Notes will be re-issued for an equivalent period at the prevailing interest rate for principal monies of that amount.

All Notes redeemed by the Company will be cancelled.

Any interest, principal or other monies payable on or in respect of any Notes may be paid by cheque or by direct deposit to a nominated account.

OBLIGATIONS OF THE COMPANY

Under the Trust Deed, the Company covenants with the Trustee that it will comply with all obligations under the Trust Deed and the Corporations Act.

The Company pays to the Trustee an annual fee payable in arrears by quarterly payments. The Company pays to the Trustee additional fees for further services at an hourly rate.

The Trustee or the Company may at any time convene a meeting of the Noteholders.

A meeting of the Noteholders has the following powers exercisable by special resolution only, namely the:

- power to sanction any compromise or arrangement proposed to be made between the Company and the Noteholders;
- power to approve any modification of the provisions of the Trust Deed;
- power to approve anything which is required to be approved by special resolution under the Trust Deed;
- power to waive any breach or default by the Company under the Trust Deed;
- power to sanction the postponement or acceleration of the repayment of any Notes or any other term of the Notes; and
- power to give any release in respect of anything done or omitted by the Trustee and to remove the Trustee.

Other provisions applicable are reasonably similar to the procedures for convening and holding a general meeting of a company.

The Trustee may at its discretion institute such proceedings against the Company as it may think fit to enforce any obligation, condition or provision binding on the Company under the Trust Deed.

8. SIGNIFICANT DOCUMENTS (CONTINUED)

DEFAULT

The Company will be in default and all principal and interest monies will become immediately due and repayable on written demand by the Trustee upon the happening of any of the following events of default:

- the Company fails to make payment of any moneys in respect of the Notes when due and such failure continues for a period of one month or if such failure continues for a period of 14 days after notice in writing from the Trustee requiring such failure be rectified;
- if any judgement exceeding \$500,000 is executed or enforced upon or against the assets of the Company or any subsidiary of the Company and is not satisfied or stayed within 28 days;
- if a controller (as defined in the Corporations Act) is validly appointed to the Company or any subsidiary of the Company or a major part of it;
- if the Trustee becomes entitled to exercise a right under this Deed including the Notes to recover and of the secured moneys;
- where, except for the purposes of a solvency reconstruction or amalgamation:
 - an application to a court (which is not withdrawn or stayed within 15 business days) or an order is made, proceedings are commenced (which are not withdrawn or stayed within 15 business days) or a resolution is passed for:
 - the winding-up, dissolution or administration of the Company;
 - the Company to enter a creditors' scheme of arrangement or similar arrangement; or
 - the Company ceases or suspends the conduct of all of its business or disposes of all of its assets or threatens to do so;
 - with respect to any substantial part of the assets of the Company:
 - a controller is appointed; or
 - any distress, attachment or execution is levied or enforced against the Company and is not satisfied within 15 business days;
 - the Company stops payment of its debts generally; or
 - the Company asks the Trustee to appoint a controller over the assets of the Company;
- the Company or any subsidiary is in default under any of its obligations under the Trust Deed (other than an obligation to pay moneys) and is not remedied within 14 days after the Trustee has given written notice; or
- circumstances exist in respect of the Company which would oblige a court to presume that the Company is insolvency within the meaning of section 459C of the Corporations Act.

9. ADDITIONAL INFORMATION

9.1 CONSENTS

The Trustee has given and not withdrawn its written consent to be named as the Trustee in this Prospectus. However, the Trustee has not authorised or caused the issue of this Prospectus and was not involved in preparing, nor does it take any responsibility or liability for this Prospectus. Neither the Trustee nor any of its related parties or associates makes any representations as to the truth or accuracy of the contents of this Prospectus. The Trustee has relied upon the Company for the accuracy of the content of this Prospectus. The Trustee has no involvement or control in the approval of any related party loans or any other steps taken under or in connection with the Company's affairs and operations. The Trustee does not make any representations as to the performance of the Company, the maintenance of capital, or any particular rate of return.

McCullough Robertson Lawyers has given its written consent to being named in this Prospectus as Lawyers to the Company in the form and context in which it is named and has not withdrawn that consent prior to lodgement of this Prospectus with ASIC.

Thomas Noble & Russell Chartered Accountants has given its written consent to being named in this Prospectus as Auditors of the Company in the form and context in which it is named and has not withdrawn that consent prior to lodgement of this Prospectus with ASIC.

Other than as specifically provided above, none of the persons named in this section:

- make or purport to make any statement in this Prospectus; or
- are responsible for any statement in this Prospectus; or
- have authorised or caused the issue of this Prospectus.

9.2 INTERESTS AND FEES OF EXPERTS AND OTHER PERSONS INVOLVED IN THE PROSPECTUS

Other than as set out below or otherwise disclosed in this Prospectus no person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus or a promoter of the Offer has:

- had any interest at any time during the past two years in the formation or promotion of the Company or in the transactions entered into by the Company; and
- been paid or agreed to be paid, or received or agreed to receive any benefit for services provided in connection with the formation or promotion of the Company.

McCullough Robertson Lawyers has performed certain work in relation to the Prospectus. An amount of approximately \$6,050 (including GST) has been paid or agreed to be paid in respect of these services.

McCullough Robertson Lawyers has not undertaken due diligence in relation to the Westlawn Group or the Offer and has not verified any of the factual statements contained in this Prospectus.

9.3 DISCLOSURE OF INTERESTS

- The Company is 75% owned by COG, of which entities associated with C S McCullagh own approximately 20%. Mr C S McCullagh is an Executive Director of COG.

A further 15% of the Company is owned by Westlawn Holdings, which in turn is 100% owned by entities associated with J W Dougherty, M C Dougherty and A M Dougherty. The remaining 10% is owned by entities associated with G D Scofield (5%) and A H Hayes (5%).

- Directors' emoluments for the year from 1 July 2021 to 30 June 2022 totalled \$1,017,289.
- The Company has provided loans to Related Parties, details of which are set out in Section 1 Benchmark 6.

9. ADDITIONAL INFORMATION (CONTINUED)

9.4 REMUNERATION OF THE TRUSTEE

The Trustee receives remuneration and is reimbursed for expenses in accordance with the terms of the Trust Deed (refer Section 9).

Remuneration and reimbursements totalling \$86,951 (including GST) covering the year to 30 June 2022 have been paid to the Trustee. The Trustee has no other interest in the promotion of the Company and no amounts, whether in cash, shares or otherwise, have been paid or agreed to be paid to the Trustee to induce it to act in that or another capacity, or for other services rendered by it in connection with the Company.

9.5 ISSUE EXPENSES

The total estimated expenses of the Issue (including GST) comprise:

	Amount (\$)
Legal Fees	6,050
Design & Printing	6,006
ASIC	3,206
Trustee Expenses	3,850
TOTAL	\$TBC

9.6 PRIVACY

Upon applying for Notes in the Company, applicants will be required to provide personal information such as name, address, telephone/fax numbers, tax file number and account details. The Company will collect, hold and use that personal information to assess Applications, provide facilities and services to Noteholders and undertake appropriate administration. Access to information may be disclosed by the Company to its agents and service providers on the basis that they deal with such information in accordance with the Privacy Act 1988 as amended. The personal information you supply may be utilised at a later date by the Company or its Related Parties to market, direct to yourself, additional products or services. You may decline, at any time, to receive promotional material. Under the Privacy Act 1988 as amended, Noteholders may request access to their personal information held by contacting the Company as set out in the Directory.

9.7 ANTI MONEY LAUNDERING

The Company is a 'reporting entity', under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, and is required to verify the identity of investors and report certain investment activity to AUSTRAC.

We may ask you to supply us with information that is reasonably required in order to comply with our obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006.

9.8 AUTHORISATION OF THIS PROSPECTUS

Each of the Directors has consented to the issue and lodgement of this prospectus with ASIC as required by Section 720 of the Corporations Act.

Signed for Westlawn Finance Limited by:



James William Dougherty
Chairman



Geoffrey Dean Scofield
Director

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I/We hereby apply for Unsecured Notes of Westlawn Finance Limited on the terms and conditions contained in the prospectus dated 25 November 2022 and on this Application Form. I/We declare that all statements made by me/us are complete and accurate. This Application Form must not be issued to any person unless accompanied by the prospectus to which it relates. No Unsecured Notes will be issued on the basis of this prospectus after its expiry on 24 December 2023.

1. APPLICANT(S)

INDIVIDUAL OR JOINT ACCOUNTS

APPLICANT 1

Mr/Mrs/Miss/Ms
Surname

Given names

TFN

D.O.B

APPLICANT 2

Mr/Mrs/Miss/Ms
Surname

Given names

TFN

D.O.B

CORPORATION, TRUSTEE, SUPERANNUATION FUND OR OTHER ENTITY*

Name

ABN

TFN

ADDRESS DETAILS

Residential address

Postal address (if different to above)

Contact name & telephone number

Email

* Other Entity being an individual trustee, partnership, firm or incorporated/unincorporated association (club)

2. INVESTMENT OPTIONS AVAILABLE

Term (insert nominated term)		Interest rate % p.a.	Investment amount (insert)	Interest instructions [Monthly, quarterly, compound quarterly, or interest at maturity 31 days, 2 and 12 month terms only]
31 days-2 months		%	\$	
3-5 months		%	\$	
6-11 months		%	\$	
12-23 months		%	\$	
24-35 months		%	\$	
36-47 months		%	\$	
48-59 months		%	\$	
60 months		%	\$	

You should check with us whether your copy of the Interest Rate Sheet is current prior to completion of this Application Form. If the interest rate or investment period specified in any application made by an investor is out of date, application monies may be refunded on the terms set out in the Prospectus. This Application Form should be accompanied by payment in full.

Office use only:

Westlawn Finance A/C No.

Certificate No/s.

Contact ID's

3. INTEREST PAYMENT INSTRUCTIONS

Interest on fixed term investments may be compounded (excluding monthly), or transferred directly to another financial institution. Please indicate below your preferred method of payment and bank account details if applicable.

Please tick an appropriate box ☐ Re-invest ☐ Transfer to another financial institution (as detailed below)

Account name	Account number
Bank	Branch
	BSB number

4. AUTHORITY TO OPERATE AN ACCOUNT

Please tick an appropriate box ☐ Any one to sign ☐ Any two to sign ☐ All to sign

5. ELECTRONIC COMMUNICATIONS CONSENT

Important information about rights: You can consent to email communications between us. If you do, we will email you notices, statements and other documents rather than post them to you. If you do consent:

- We may no longer post documents to you.
- You should regularly check your emails for documents we send you.
- Where possible, we will use email to respond to emails you send us or to provide you with other information you may require.
- You can withdraw your consent to email communication between us at any time.

By providing us with your name and an email address (Part 1), you consent to email communication between us and to us sending you notices, statements and other documents by email. If you leave the email address blank, we will send you notices by post and communicate with you in other ways, such as by phone or in person. **Note:** You can change your email address by emailing your new address to: graffton@westlawn.com.au. You can cancel your consent for us to email you by phone on 1300 WESTLAWN (1300 937 852).

6. POLITICALLY EXPOSED PERSON

The law requires us to identify each person who is a "politically exposed person" (PEP). A PEP is a senior official at any level of government in Australia or overseas, or with an international agency, and a member of the official's family and their close associates.

If you are a PEP, please tick this box ☐ If you are NOT a PEP, please tick this box ☐

Please provide the following information for each person who is a PEP:

If a person is a senior official in any level of government in Australia, or a family member or close associate of an official, please state:

the official's name:	the position held:
the government body:	and, if relevant, the name of the family member or close associate:

And the relationship to the senior official:

7. SIGNATURE(S) BY APPLICANT(S)

Individuals: by applicant or applicant's authorised attorney. The Power of Attorney must be produced if it has not already been sighted by the Company.

Partnerships: applications to be made in the names of and signed by all partners.

Joint Holdings: all parties must sign.

Companies: applications must be executed by Directors/Director and Secretary or a sole Director pursuant to Section 127 of the Corporations Act.

INDIVIDUAL OR JOINT APPLICANTS	COMPANY APPLICANTS
<div>Signature of applicant (1)</div>	<div>Common seal (if required)</div>
<div>Signature of applicant (2)</div>	<div>Director (or sole Director)</div>
	<div>Director / Secretary</div>
<div>Date / /</div>	<div>Date / /</div>

Please note that should the Company signatories alter in the term of this investment, a copy of the minutes of the meeting concerning the appointment of new signatories will be required by Westlawn Finance Limited.

Westlawn Finance Limited
Head Office, 22 Queen Street
(PO Box 78) GRAFTON NSW 2460
P: 1300 WESTLAWN (1300 937 852)
W: www.westlawn.com.au

☐ I do not wish to receive further information regarding other products and services offered by the Westlawn Group.

Westlawn
FINANCE LIMITED

ABN 19 096 725 218

NOTES

LOCATIONS

HEAD OFFICE

GRAFTON

22 Queen Street
PO Box 78
GRAFTON NSW 2460

P: (02) 6642 0400
F: (02) 6642 0474
E: grafton@westlawn.com.au

FREECALL

1300 WESTLAWN
(1300 937 852)

BRANCHES

BALLINA

Shop 4, Level 1
28 Cherry Street
PO Box 1316
BALLINA NSW 2478

P: (02) 6618 2400
E: ballina@westlawn.com.au

BRISBANE

Suite 7, 2092 Logan Road
Upper Mount Gravatt QLD 4122

P: (07) 3722 2400

CASINO

91 Barker Street
PO Box 1024
CASINO NSW 2470

P: (02) 6661 4900
E: casino@westlawn.com.au

CHATSWOOD

Level 1, 72 Archer Street
CHATSWOOD NSW 2067

P: (02) 8448 1151

COFFS HARBOUR

Level 1, The Vault
92-98 Harbour Drive
PO Box 2165
COFFS HARBOUR NSW 2450

P: (02) 6691 6600
E: coffs@westlawn.com.au

LISMORE

Westlawn Building
Suite 4B, Level 4
29 Molesworth Street
PO Box 1321
LISMORE NSW 2480

P: (02) 6625 9600
E: lismore@westlawn.com.au

MELBOURNE

Level 13
256 Queen Street
MELBOURNE VIC 3000

P: (03) 9602 3477

MURWILLUMBAH

Level 1, Unit 1
63 Wollumbin Street
PO Box 106
MURWILLUMBAH NSW 2484

P: (02) 6671 3300
E: murwillumbah@westlawn.com.au

WALCHA

37W Fitzroy Street
WALCHA NSW 2354

P: (02) 6778 0099

YAMBA

26 Yamba Street
PO Box 460
YAMBA NSW 2464

P: (02) 6603 3600
E: yamba@westlawn.com.au