



WHITEFIELD LIMITED
ABN 50 000 012 895

**REGISTERED OFFICE AND
SHARE REGISTRY:**

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DIRECTORS:

D. J. Iliffe, F.C.A., CHAIRMAN

**A. J. Gluskie, B.Ec., C.A.,
Graduate Diploma Applied Finance and
Investment, ASIA, Chief Executive Officer**

G. J. Gillmore, C.A., B.Com, LLB

J. V. C. Green B.E., M.B.A.

A. L. Holden, F.C.A.

SECRETARY:

P.A.Roberts, B.Bus, C.A.

CHIEF EXECUTIVE OFFICER:

**A.J.Gluskie, B.Ec, C.A.,
Graduate Diploma Applied Finance
and Investment, A.S.I.A.**

AUDITORS:

**Blackett & Lewis
7 Help St,
CHATSWOOD NSW 2067**

STOCK EXCHANGE LISTING:

Australian Stock Exchange

OTHER INFORMATION:

**Whitefield Limited, incorporated and
domiciled in Australia, is a publicly
listed company limited by shares.**





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CEO's Review

OPERATING RESULTS

Whitefield is pleased to report an operating profit after tax of \$4,984,418 for the year ended 31st March 2004. This outcome is 10.1% higher than the prior year result. After adjusting for share issues undertaken during the period, earnings per ordinary share amounted to 12.3cps, an increase of 3.9% on the prior year.

Whitefield's investment portfolio generated a strong positive return of 21.4% for the twelve months. This strong investment return is also reflected in the increase in the company's net asset backing (see below).

In accordance with Whitefield's investment strategy, the company has continued to build its holdings in undervalued sectors of the market, and has consciously elected not to chase investment in stocks where share prices have been trading significantly above their underlying fair value. While we believe this approach generates outperformance over the medium and long term, with the resource sector rallying to levels of overvaluation during the year (a sector to which Whitefield is not directly exposed) the return of the ASX200 Accumulation Index of 23.4% over the same period was slightly higher than Whitefield's return.

Whitefield's investment portfolio has outperformed the ASX200 Accumulation Index by 0.59% per annum over the last five years and 2.67% per annum over the last 20 years. Whitefield has outperformed the ASX200 Accumulation Index in rolling five year periods over 18 of the last 20 years.

Whitefield's investment portfolio has outperformed the ASX200 Accumulation Index by 0.59% per annum over the last five years and 2.67% per annum over the last 20 years.

Approximately 80% of the companies in which we invest increased their dividends during the year. Strongest increases in investment income were received from companies with domestic operations or financial markets exposure.

Stocks which showed the strongest total returns included financials such as Perpetual Trustees, Macquarie Bank and ASX, domestic media including Publishing & Broadcasting and Southern Cross Broadcasting, technology stock Kaz, turnaround stories including CSL and Brambles, insurers Suncorp Metway, IAG and QBE, retailer Harvey Norman, and CBA.

I am very pleased to note that investors who subscribed to Whitefield's rights issue in April 2003, at almost the lowest point in the market, have been soundly rewarded and are already showing a return of more than 20% on their investment. Similarly investors who were able to subscribe to the company's public issue in February 2004, have also benefited from the positive investment returns achieved by Whitefield in the last month of our financial year, although this is yet to be reflected in the share price.

NET ASSET BACKING AND ASSET REVALUATION

The net asset backing for each of the company's ordinary shares (including investments at market value but after allowance for costs of realisation and capital gains tax which would become payable in the event that the entire portfolio was realised) amounted to \$3.18 at 31st March 2004 compared to \$2.85 at the same time one year ago.

The net asset backing of the company's ordinary shares before deferred capital gains tax amounted to \$3.41 compared to \$2.98 one year ago.

The company recorded a positive net after tax revaluation of its investment assets amounting to \$14,610,234 during the twelve months.



ANGUS GLUSKIE BSc, CA, ASIA
CHIEF EXECUTIVE OFFICER

INVESTMENT TRANSACTIONS

During the year the company raised capital through a rights issue and a public issue. Proceeds of these capital raisings were invested right across our investment portfolio. Apart from this general increase in all our investment holdings, other significant investment transactions during the year involved:

- Exiting our holdings in Coates, Crane Group, CSR, Danks, Energy Developments, GWA International, Mayne Group, Reece Holdings, Rinker, Southcorp, Tempo, and Transfield Services
- Reducing our exposure to Australian Stock Exchange, Campbell Bros, QBE, Spotless Group, and Woolworths
- Increasing our holdings in Altium, Amcor, Brambles, CBA, Challenger, CSL, Foodland, Fosters Group, Kaz, Harvey Norman, News Corporation, Patrick Corp, Southern Cross Broadcasting, Volante, and Westfield Holdings.

Notable characteristics of the 2003/4 year included (a) the domestic building industry moving to a cyclical peak, (b) the insurance sector generating extremely favourable earnings margins as the result of very buoyant claims, premium and investment environments, (c) a general uplift in all stock prices as the result of a stronger domestic and global outlook and (d) a rally in resource stocks.

While these factors are very supportive of near term earnings for some companies, investors need to take into account the sustainability of those earnings over future periods as well as the extent to which

those future earnings are already captured in each stock's share price. We stress the importance of the latter fact – as even a good company, with strong future earnings can still be a very poor investment if bought at the wrong price.

For example, during the year our analysis suggested that (a) near term earnings in the building and insurance sectors were very robust due to the peak cycle conditions (b) these near term earnings would not be sustainable over longer time frames with margins ultimately likely to revert towards a normalised average and (c) stock prices in both the building and insurance sectors had risen to such a point that future earnings were increasingly unlikely to provide a sufficient return to investors in these sectors. Accordingly, Whitefield's portfolio was adjusted to limit our exposure to both areas.

Much has been written in recent months about the resurgence of the resource sector – at the present time a sector to which Whitefield is not directly exposed. There is no doubt that growing resource demand from China has benefited this segment of the Australian economy, and that earnings in this sector are likely to be strong in the near term. Notwithstanding this, the resource sector has moved from spectacular highs to spectacular lows with rapidity and with regularity over many, many decades – for the reason that the supply and demand disequilibria which drive resource rallies have tended to be short term, not long term, phenomena. Once returns are averaged across these cycles, resource returns have been less than the returns generated from the broader industrial market - to which Whitefield is heavily exposed.

While we recognise that there may be some points of time when resource stocks may be successfully acquired and held to deliver an acceptable longer term return, we note that the share prices of many major resource stocks are currently trading at moderate percentages above the fair value of the future consensus earnings of those companies. Some investors in the market continue to buy such stocks on the basis that these shares may become even more overvalued.

Whitefield is not prepared to acquire these stocks at inflated prices, and in the current market has preferred to carefully accumulate a portfolio of companies where the fair value of realistically achievable future earnings is equal to or above the current share price. Whitefield's approach is designed to deliver sustainable long term investment outcomes – rather than unsustainable short term gains.

OUTLOOK

Global economic conditions have been extremely favourable over the last year. China has reported a continuation of strong growth, which in turn has supported a recovery in Japanese manufacturing. The US economy has benefited from its falling dollar and low interest rate regime, and recent economic statistics indicate that European economic activity may be slowly improving.

While the Australian economy has also been strong, recent increases in the official cash rate and the resultant pull-back in housing and construction will limit the pace of growth over upcoming months. This slowdown is likely to be offset by increasing strength in the corporate sector, robust international economic conditions and strong demand for commodities.

Within the Australian economy, bank loan growth is likely to ease from the exceptionally high rates experienced in recent years towards more normalised levels. This will be reflected in firm, but not spectacular bank earnings. Domestically and internationally exposed industrials, financials and media stocks are likely to generate moderate earnings growth over 2004 as beneficiaries of the generally robust economic conditions.

Whitefield's investment holdings are strongly tilted towards these sectors, and we believe that this is likely to result in a moderately positive outcome for the company for the upcoming year.

DIVIDENDS TO SHAREHOLDERS

Total dividends on ordinary shares which relate to the 2004

financial year amounted to 12.6 cents per share, the same as in the prior year. All dividends were fully franked.

In accordance with its dividend policy Whitefield aims to pay out dividends which are approximately equal to its net operating profit after tax. The abnormally high level of special dividends received in the 2000 year resulted in Whitefield maintaining its dividend in subsequent years at a level slightly above its operating profit after tax. With the company's underlying operating profit approaching the level of dividends paid, subject to further growth in income, dividends per share are likely to increase in future periods.

SHAREHOLDER NUMBERS AND CAPITAL RAISINGS

During the year Whitefield made a 1:10 rights issue, introduced a dividend reinvestment plan, and most recently completed a public issue of capital. These actions have been designed to enhance liquidity in the company's shares as well as providing investors with suitable avenues to increase their investment in the company.

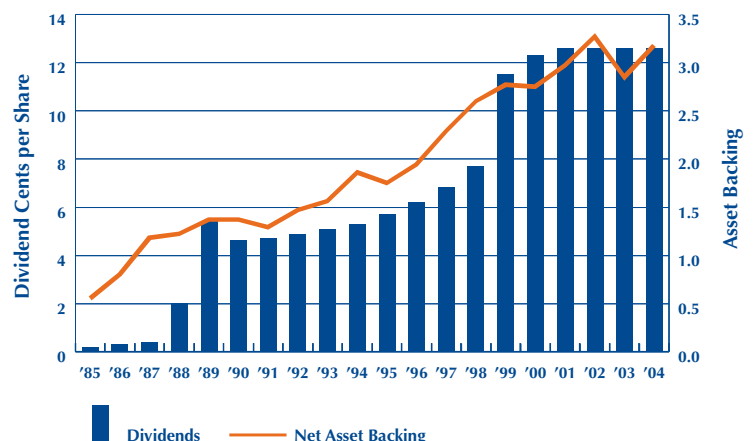
Over the year shareholder numbers have increased by 61%, and the company's asset backing has risen from \$107m to \$135m (net of all tax provisions), an increase of 26%.

The company expects to continue the process of expanding scale and liquidity over future years to ensure that Whitefield remains an attractive investment vehicle for our investors.

ANGUS GLUSKIE

CHIEF EXECUTIVE OFFICER

Dividends Per Share and Net Asset Backing After Tax



WHITEFIELD AND *Its Investment Strategy*

WHITEFIELD

Whitefield is a listed investment company which was founded in 1923. Whitefield provides investors with (a) exposure to a professionally managed portfolio of shares listed on the Australian Stock Exchange (b) a tax efficient investment structure and (c) a low, wholesale management expense ratio.

Whitefield has outperformed the ASX200 Accumulation Index in rolling five year periods over 18 of the last 20 years.

INVESTMENT OBJECTIVE

Whitefield aims to generate an investment return which is in excess of the market return over the longer term from investment in a diversified portfolio of securities listed on the Australian Stock Exchange that are capable of generating dividend income and growth in dividends in current or future years.

INVESTMENT STRATEGY & PROCESS

The investment management process is based on the fundamental premise that the ultimate investment return obtained from any stock is primarily determined by the amount by which a company's

future earnings are greater or less than the level of earnings currently discounted into its share price, combined with the value of the implied discount.

On this basis, Whitefield's investment management team aim to obtain a qualitative and quantitative portrait of the short, medium and long term earnings which are realistically achievable for each stock, as well as the risks or certainty associated with those earnings. This portrait of achievable earnings is compared to the future earnings captured in the stock's current share price and the portfolio structured accordingly.

This process is undertaken through a disciplined routine of research and analysis examining a range of factors including the natural demand for each company's products or services, new markets available, competitive advantage, distribution techniques, competitive positioning, pricing power, strategic actions, competitive positioning of significant suppliers, return on equity, management quality and financial position.

The investment management implications of this strategy are:

- Stocks are emphasised where their long term earnings outlook appears moderately higher than the implied earnings contained within the current share price. This may occur where the current share price implicitly (a) underestimates the normalised level of current

earnings or (b) underestimates the medium or long term achievable earnings growth rates.

A simplified example of this would occur where a company is realistically capable of generating future earnings growth of 6% per annum from a normalised base, yet the current share price implies future earnings growth averaging only 2% per annum over an extended period from the same base. In this case the investment is likely to generate returns higher than the market average.

- Stocks will be removed from the portfolio, or investment avoided, if their price escalates excessively, if their future earnings outlook changes adversely or if risks to the downside increase sufficiently such that in each case realistically achievable earnings are less than the implied earnings contained within the current share price. This may occur where the market (a) overestimates the normalised level of current earnings or (b) overestimates the medium or long term achievable earnings growth rate.

An example of this would occur if a company is realistically capable of generating future earnings growth averaging 6% per annum over the long term but the stock needs to obtain future earnings growth of 10% per annum to justify its current share price.

Whitefield has outperformed the ASX200 Accumulation Index in rolling five year periods over 18 of the last 20 years.

A second example would occur where a company's share price implies that a company's current earnings will be maintained and grown over future years, when realistically the company's current earnings are not sustainable over future years (eg current earnings represent the peak of an economic cycle).

By avoiding investment in a stock in each of these circumstances Whitefield eliminates a potential source of capital loss.

WHITEFIELD'S INVESTMENT TIME HORIZON

Whitefield adopts a medium to long term investment time horizon. In this way, Whitefield seeks to generate investment returns which are higher than the market over long periods of time. This approach minimises transactional costs such as brokerage, maximises benefits from the deferral of capital gains tax, and assists the company in retaining its favourable LIC Discount Capital Gains Tax status.

Whitefield recognises that this may mean that in some circumstances its returns over short time frames may be less than the market return. Notwithstanding this Whitefield believes this approach produces stronger longer term outcomes for investors.

WHITEFIELD'S MANAGEMENT EXPENSE RATIO

Whitefield aims to provide investors with a cost efficient investment vehicle. Whitefield's management expenses currently amount to only 0.32% per annum of the value of its gross investment assets.

Management expenses on listed investment companies vary from the wholesale rates offered by some LICs (usually less than 0.50%pa) to the high retail rates offered by other LICs of 3.00%pa or more (once performance fees are included).

The benefits of a low management expense, such as that offered by Whitefield, can be seen in the graph below. Assuming investment returns are similar, over 25 years approximately 30% of an investor's ultimate investment value (after tax) would be eroded by investing in a vehicle which has a 2% higher management expense.

WHITEFIELD'S TAX STATUS

Whitefield pays income tax on its net taxable investment income at the company tax rate, and is entitled to the benefit of franking credits it receives.

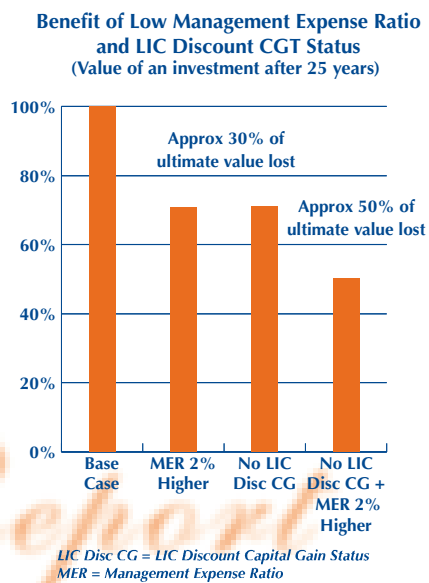
While Whitefield pays tax at the company rate on any net realised capital gains it makes, as an investor with a long term investment horizon, seeking to generate operating profit through current and future dividend earnings, Whitefield obtains the benefit of LIC Discount Capital Gains status.

In this way qualifying capital gains made by Whitefield may be passed through to Whitefield's underlying shareholders so that individual shareholders become entitled to the usual 50% capital gains tax discount. (Superannuation fund shareholders are entitled to their usual 1/3rd capital gains tax discount).

For example, a shareholder with a marginal tax rate of 48.5% pays tax on qualifying realised capital gains

made by Whitefield at the effective rate of 24.25%.

The significant benefit of this tax status can be seen in the following graph. Over 25 years approximately 30% of an individual investor's ultimate value after tax would be eroded by investing in a vehicle which does not have LIC Discount Capital Gains Tax Status (all other factors being equal).



CONTROLLING RISK THROUGH DIVERSITY

Whitefield seeks to control risk through the maintenance of a diversified portfolio of investments. Whitefield's current investment portfolio is spread across 46 stocks, and a broad range of industries.

While Whitefield's investment strategy aims to generate strong returns, investment markets are inherently uncertain, and unexpected events do occur. Whitefield's diverse spread of investments ensures that should any individual investment perform adversely, the impact on the portfolio as a whole is constrained.

Whitefield's spread of investments and industry exposures are shown in full elsewhere in this report.



KEY Personnel



DAVID J. ILIFFE
NON-EXECUTIVE CHAIRMAN,
MEMBER OF AUDIT COMMITTEE, AGE 59

Fellow of Institute of Chartered Accountants,
Fellow of Taxation Institute of Aust,
Chartered Accountant in Public
Practice 1972 – 2000, Director
Employers Mutual Ltd, Chairman
Sylvastate Ltd and van Eyk
Three Pillars Ltd (Director of
Whitefield Ltd since 1990).



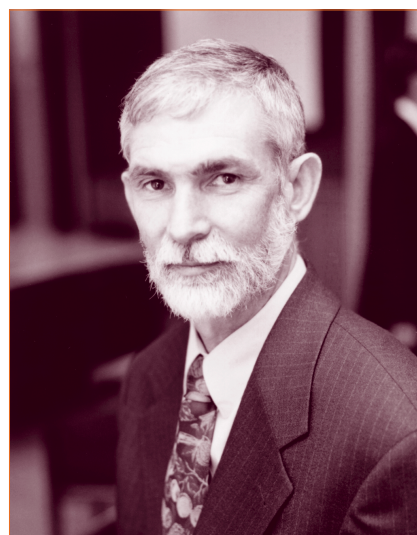
GRAEME J. GILLMORE
NON-EXECUTIVE DIRECTOR,
MEMBER OF AUDIT COMMITTEE, AGE 44

Bachelor of Commerce/Bachelor of Laws,
Chartered Accountant and Solicitor,
Director Sylvastate Ltd,
(Director of Whitefield Ltd
since 1995).



ANGUS J. GLUSKIE
CHIEF EXECUTIVE OFFICER,
DIRECTOR, AGE 37

Bachelor of Economics, Member of the Institute
of Chartered Accountants, Grad.Dip in Applied
Finance & Investment, Associate of the Securities
Institute of Australia, Partner Moore Stephens WI Pty
Ltd 1990-present, Managing Director White Funds
Management Pty Ltd, Chief Executive Officer
Sylvastate Ltd, (Chief Executive Officer since
1996, Director of Whitefield Ltd since 2003).



JOHN V.C. GREEN
NON-EXECUTIVE DIRECTOR,
MEMBER OF AUDIT COMMITTEE, AGE 59

Bachelor of Engineering, Master
of Business Administration (NSW),
Consultant and lecturer in computer
science and software development,
(Director of Whitefield Ltd since 1983).



ALLAN L. HOLDEN
NON-EXECUTIVE DIRECTOR,
MEMBER OF AUDIT COMMITTEE, AGE 69

Fellow of Institute of Chartered Accountants,
Chartered Accountant in public practice
1963-1995, (Director of Whitefield Ltd
since 1996).



PETER A. ROBERTS
COMPANY SECRETARY, AGE 34

Bachelor of Business, Member of Institute of
Chartered Accountants in Aust, Executive Director
of Corporate Services Moore Stephens WI Pty Ltd
and White Funds Management Pty Ltd, Company
Secretary Ironbark Capital Ltd, Sylvastate
Limited and van Eyk Three Pillars Limited.

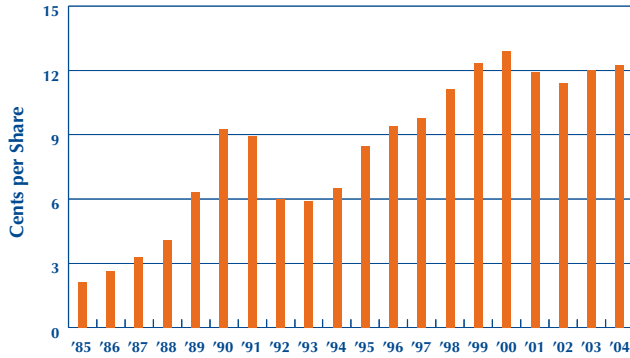
INVESTMENT Portfolio

CODE	NAME	SHARES	MARKET VALUE	WHITEFIELD %	ASX200 %
CONSUMER DISCRETIONERY					
FXJ	FAIRFAX	676,100	2,251,413	1.58%	0.46%
HVN	HARVEY	804,800	2,261,488	1.59%	0.26%
NCP	NEWS CORP.	445,100	5,243,278	3.68%	2.33%
NCPDP	NEWS CORPORATION PREFERRED	755,900	7,853,801	5.51%	4.46%
PBL	PUBL&BROAD	273,700	3,229,660	2.26%	0.75%
SBC	STHNCROSS	162,300	1,743,102	1.22%	0.10%
				15.83%	11.49%
CONSUMER STAPLE					
ETW	EVANS&TATE	378,248	431,203	0.30%	0.00%
FGL	FOSTERS	903,300	3,965,487	2.78%	1.36%
FOA	FOODLAND ASSOCIATED	36,300	689,700	0.48%	0.34%
WOW	WOOLWORTHS	75,852	898,846	0.63%	1.86%
				4.20%	6.87%
ENERGY					
				0.00%	2.82%
FINANCIALS					
AMP	AMP	426,951	2,403,734	1.69%	1.61%
ANZ	ANZ BANKING	510,028	9,670,131	6.78%	5.28%
ASX	ASX	57,900	958,824	0.67%	0.26%
CBA	CWLTH BANK	417,979	13,918,701	9.76%	6.49%
CGF	CHALLENGER FINANCIAL GROUP	3,348,950	1,657,730	1.16%	0.14%
IAG	INSUR.AUST	394,400	1,873,400	1.31%	1.24%
LLC	LEND LEASE	198,117	2,026,737	1.42%	0.56%
MBL	MACQ BANK	161,950	5,797,810	4.07%	1.19%
NAB	NAT. BANK	470,000	14,570,000	10.22%	7.22%
TRU	TRUST CO.	237,120	1,896,960	1.33%	0.00%
PPT	PERPETUAL	126,836	5,587,126	3.92%	0.26%
QBE	QBE INSUR.	157,100	1,756,378	1.23%	1.17%
SOL	SOUL W.H.	142,800	913,920	0.64%	0.00%
SUN	SUNCORP METWAY	124,700	1,768,246	1.24%	1.16%
WBC	WESTPAC BANKING CORPORATION	545,100	9,566,505	6.71%	4.87%
WSF	WESTFIELD	267,590	3,564,299	2.50%	0.84%
				54.64%	44.42%
HEALTH CARE					
CLV	CLOVER	375,000	131,250	0.09%	0.00%
COH	COCHLEAR	15,700	317,611	0.22%	0.17%
CSL	CSL	195,000	4,091,100	2.87%	0.63%
				3.18%	2.58%
INDUSTRIALS					
BIL	BRAMBLES	652,346	3,659,661	2.57%	0.84%
CPU	CSHARE	293,700	922,218	0.65%	0.20%
LEI	LEIGHTON	41,300	429,520	0.30%	0.22%
PRK	PATRICK	700,100	3,556,508	2.49%	0.42%
SPT	SPOT GRP	326,299	1,500,975	1.05%	0.12%
WES	WESFARMER	114,000	3,306,000	2.32%	1.69%
				9.38%	7.04%
INFORMATION TECHNOLOGY					
ALU	ALTIUM LTD	790,200	327,933	0.23%	0.00%
CTL	CITECT	294,100	364,684	0.26%	0.00%
KAZ	KAZ GROUP	1,990,700	686,792	0.48%	0.00%
PWR	POWERLAN	300,000	15,300	0.01%	0.00%
VGL	VOLANTE	727,486	923,907	0.65%	0.00%
				1.63%	0.38%
MATERIALS					
AMC	AMCOR	489,600	3,916,800	2.75%	1.08%
BKW	BRICKWORKS	237,600	2,029,104	1.42%	0.00%
CPB	CAMPB.BROS	85,800	525,096	0.37%	0.00%
JHX	J HARDIE	140,400	912,600	0.64%	0.46%
				5.18%	18.10%
TELECOMMUNICATION SERVICES					
TLS	TELSTRA	1,632,900	7,413,366	5.20%	4.34%
				5.20%	5.10%
UTILITIES					
PHY	PAC HYDRO	381,100	1,097,568	0.77%	0.05%
				0.77%	1.19%
TOTAL BEFORE ESTIMATED COSTS OF REALISATION			142,626,472	100.00%	100.00%

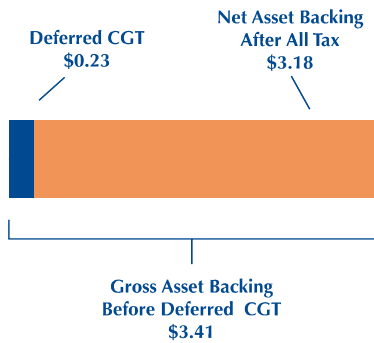
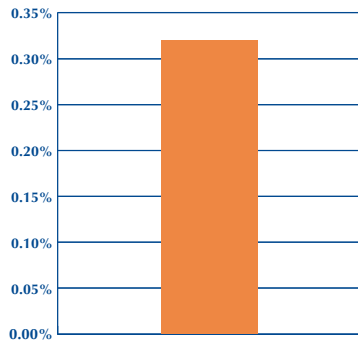


PERFORMANCE *Statistics*

Net Operating Profit after Tax per Share



Management Expense Ratio
(Total Expenses as a % of Assets)



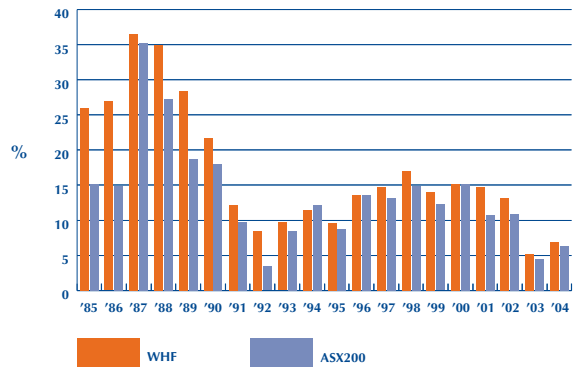
Returns of Whitefield's Investment Portfolio

	Whitefield (Annualised)	ASX200 Accumulation Index (Annualised)	Above / (Below) ASX200
1 Year	21.42%	23.41%	(1.99%)
5 Years	6.84%	6.25%	0.59%
10 Years	10.39%	9.19%	1.20%
20 Years	14.91%	12.25%	2.67%

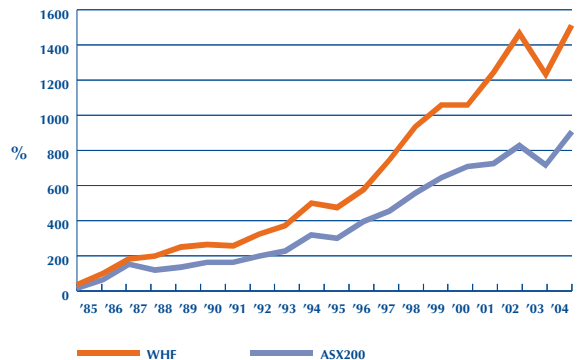
Rolling 5 Year Returns of Portfolio of Whitefield vs ASX200 Accumulation

	Whitefield (Annualised)	ASX200 Accumulation Index (Annualised)	Above / (Below) ASX200
1985	25.93%	15.08%	10.85%
1986	26.83%	14.91%	11.92%
1987	36.53%	35.21%	1.32%
1988	34.90%	27.22%	7.69%
1989	28.45%	18.76%	9.69%
1990	21.75%	17.90%	3.85%
1991	12.14%	9.78%	2.36%
1992	8.53%	3.39%	5.14%
1993	9.66%	8.47%	1.19%
1994	11.41%	12.12%	(0.71%)
1995	9.55%	8.72%	0.83%
1996	13.60%	13.51%	0.09%
1997	14.76%	13.14%	1.62%
1998	16.99%	14.89%	2.11%
1999	14.05%	12.21%	1.84%
2000	15.06%	15.10%	(0.04%)
2001	14.75%	10.80%	3.95%
2002	13.13%	10.87%	2.27%
2003	5.20%	4.47%	0.73%
2004	6.84%	6.25%	0.59%

Rolling 5 Year Returns Whitefield vs ASX200 Accumulation (Annualised)



Cumulative Investment Returns of Whitefield's Portfolio vs ASX200 Accumulation



20 YEAR History

YEAR ENDED	ORD. SHARES ISSUED	CAPITAL RAISED	ISSUED CAPITAL PREFERENCE	ISSUED CAPITAL ORDINARY	OPERATING PROFIT AFTER TAX	DIVIDENDS PAID/PROVIDED	SHAREHOLDERS' EQUITY	DIVIDENDS PER ORDINARY SHARE	OPERATING PROFIT AFTER TAX PER SHARE	NTA AFTER TAX PER ORDINARY SHARE
					\$	\$	\$	CPS	TAX PER SHARE CPS	SHARE \$
1985	Bonus 1/10	-	200,000	3,513,840	818,876	83,082	20,878,745	0.18	2.14	0.55
1986	Bonus 7/10	-	-	-	-	-	-	-	-	-
	Bonus 1/10	-	200,000	6,570,880	1,006,417	141,444	30,337,335	0.33	2.64	0.80
1987	Bonus 1/5	-	200,000	7,885,056	1,248,473	160,559	44,211,310	0.39	3.29	1.18
1988	Bonus 15/4	-	200,000	37,454,016	1,550,314	765,080	45,926,742	2.00	4.10	1.22
1989	-	-	23,790	37,630,226	2,382,705	2,040,984	51,444,004	5.42	6.33	1.37
1990	-	-	23,790	37,630,226	3,495,228	1,732,893	51,458,020	4.60	9.28	1.37
1991	-	-	23,790	37,630,226	3,364,564	1,770,524	48,463,571	4.70	8.94	1.29
1992	-	-	23,790	37,630,226	2,263,820	1,845,785	55,289,228	4.90	6.01	1.47
1993	-	-	23,790	37,630,226	2,230,864	1,921,045	58,774,189	5.10	5.92	1.56
1994	-	-	23,790	37,630,226	2,452,813	1,996,305	70,087,106	5.30	6.51	1.86
1995	-	-	23,790	37,630,226	3,184,646	2,146,826	65,802,669	5.70	8.46	1.75
1996	-	-	23,790	37,630,226	3,543,244	2,334,977	73,145,190	6.20	9.41	1.94
1997	-	-	23,790	37,630,226	3,684,365	2,560,759	86,126,915	6.80	9.79	2.29
1998	-	-	23,790	37,630,226	4,188,379	2,899,431	98,008,523	7.70	11.13	2.60
1999	-	-	23,790	37,630,226	4,644,801	4,329,379	104,416,178	11.50	12.34	2.77
2000	-	-	23,790	37,630,226	4,854,287	4,630,421	103,324,176	12.30	12.89	2.75
2001	-	-	23,790	37,630,226	4,492,141	4,743,311	111,768,388	12.60	11.93	2.97
2002	-	-	23,790	37,630,226	4,296,005	4,743,311	123,252,523	12.60	11.41	3.27
2003	-	-	23,790	37,630,226	4,524,517	2,371,655	107,228,234	12.60	12.02	2.85
1:10 Rights, DRP,										
2004	Public Issue	13,564,135	23,790	42,555,648	4,984,418	4,967,050	135,419,974	12.60	12.25	3.18

NOTE: Shareholders' Equity includes the unrealised market value of Whitefield's investments less tax which would be payable on realisation of all investments and the estimated costs of realisation. Operating profit excludes abnormal profits and losses from the sale of investments. Per share calculations have been adjusted for bonus issues where appropriate.



CORPORATE *Governance Statement*

FOR THE YEAR ENDED 31ST MARCH 2004

This statement outlines the main corporate governance practices adopted by the company, which comply with the ASX Corporate Governance Council recommendations unless otherwise stated.

BOARD OF DIRECTORS AND ITS COMMITTEES

ROLE OF THE BOARD

The Board's primary role is the protection and enhancement of long-term shareholder value. To fulfill this role the Board seeks to address (a) the prudential control of the company's operations, (b) the resourcing, review and monitoring of executive management, (c) the timeliness and accuracy of reporting to shareholders and (d) the determination of the company's broad objectives.

BOARD PROCESSES

The Board has established a number of Board Committees including a Nomination Committee, a Remuneration Committee and an Audit Committee. These committees have written mandates and operating procedures which are reviewed on a regular basis. The Board has also established a range of policies which govern its operation.

The Board currently holds four scheduled meetings each year plus any other strategic meetings as and when necessitated by the company's operations. The agenda for meetings is prepared through the input of the Chairman, Chief Executive Officer and Company Secretary. Standing items include matters of Compliance and Reporting, Financials, Shareholder

Communications and Investment Strategy and Outcomes. Submissions are circulated in advance.

COMPOSITION OF THE BOARD

The names of the directors of the company in office at the date of this Statement are set out in the Directors' Report.

The composition of the Board is determined using the following principles:

- A minimum of three directors;
- An independent, non-executive director as Chairman;
- A majority of non-executive directors;
- One Director being the Chief Executive Officer.

An independent director is considered to be a director (a) who is not a member of management and (b) who has not within the last three years been employed in an executive capacity by the company or been a principal of a professional adviser or consultant to the company (c) is not a significant supplier to the company (d) has no material contractual relationship with the company other than as a director and (e) is free from any interest or business or other relationship which could materially interfere with the director's ability to act in the best interests of the company.

The Chairman is a substantial shareholder in the company and has served on the Board for more than 10 years. While these factors are flagged by the ASX Corporate

Governance Council as possible matters which could compromise independence, in this instance the Board do not believe that these factors materially interfere with the Chairman's ability to act in the best interests of the company. The Board believes that (a) the Chairman satisfies all other criteria for independence (b) while the Chairman has been on the board for more than 10 years, he has only been Chairman for 1 year, and (c) the Board believes the Chairman's shareholding aligns his interest with those of shareholders, rather than otherwise, and (d) the Chairman's shareholding is not a controlling shareholding.

Directors other than the Chief Executive Officer have a usual term of two years, and a maximum term of 3 years.

NOMINATION COMMITTEE

The Nomination Committee oversees the selection and appointment process for directors. The Committee annually reviews the composition of the Board and makes recommendations on the appropriate skill mix, personal qualities, expertise and diversity required. Where a vacancy exists the Committee develops a selection criteria and generates a list of potential candidates, for review, determination of an order of preference and ultimate selection by the Board or shareholders.

The Nomination Committee meets annually unless otherwise required. The Committee met once during the year.



The Nomination Committee comprised the following members during the year:

- D.J. Iliffe - Independent
(Chairman) Non-Executive
- G.J.Gillmore - Independent
Non-Executive
- A.J.Gluskie - Executive
- J.V.C.Green - Independent
Non-Executive
- A.L.Holden - Independent
Non-Executive

The terms and conditions of the appointment and retirement of non-executive directors are set out in a letter of appointment. The performance of all directors is reviewed annually by the Chairman. Directors whose performance is unsatisfactory are asked to retire.

DIRECTOR DEALING IN COMPANY SHARES

Directors and senior management may acquire shares in the Company, but are prohibited from dealing in Company shares (a) between the close of a month and the release of the company's net asset backing to the ASX or (b) whilst in possession of price-sensitive information.

Independent Professional Advice and Access to Company Information

Each director has the right of access to all relevant company information and to the Company's executives and subject to prior consultation with the Chairman, may seek independent professional advice at the entity's expense. A copy of advice received by the director is made available to all other members of the board.

REMUNERATION COMMITTEE

The Remuneration Committee reviews and makes recommendations to the Board on remuneration of the directors themselves.

The members of the Remuneration Committee during the year were:

- D.J. Iliffe - Independent
(Chairman) Non-Executive
- G.J.Gillmore - Independent
Non-Executive
- A.J.Gluskie - Executive
- J.V.C.Green - Independent
Non-Executive
- A.L.Holden - Independent
Non-Executive

The Remuneration Committee meets once a year, and met once during the last year.

Full details on Directors' remuneration are provided in the Directors' Report.

Audit Committee

The Audit Committee has a documented Charter, approved by the Board. All members must be non-executive directors. The Chairman is not the Chairman of the Board. The Committee is responsible for considering the effectiveness of the systems of internal control and financial reporting.

The members of the Audit Committee during the year were:

- D.J. Iliffe - Independent
Non-Executive
- G.J.Gillmore - Independent
(Chairman) Non-Executive
- J.V.C.Green - Independent
Non-Executive
- A.L.Holden - Independent
Non-Executive

The Audit Committee meets at least two times per year. The Audit Committee met twice in the last year. The Committee also met twice with the external auditor, without management being present.

The responsibilities of the Audit Committee are to ensure that:

- Relevant, reliable and timely information is available to the Board to monitor the performance of the company;
- External reporting is consistent with committee members' information and knowledge and is adequate for shareholder needs;
- Management process support external reporting in a format which facilitates ease of understanding by shareholders and institutions;
- The external audit arrangements are adequate to ensure the maintenance of an effective and efficient external audit. This involves (a) reviewing the terms of engagement, scope and auditor's independence (b) recommendations as to the appointment, removal and remuneration of an auditor and (c) reviewing the provision of non-audit services provided by the external auditor ensuring they do not adversely impact on audit independence;
- Review the company's risk profile and assess the operation of the company's internal control system.



CORPORATE *Governance Statement*

FOR THE YEAR ENDED 31ST MARCH 2004

RISK MANAGEMENT POLICY

The Board acknowledges that it is responsible for the overall system of internal control but recognises that no cost effective internal control system will preclude all errors and irregularities. The Board has delegated responsibility for reviewing the risk profile and reporting on the operation of the internal control system to the Audit Committee.

The Audit Committee (a) requires executive management to report annually on the operation of internal controls, (b) reviews the external audit of internal controls and liaises with the external auditor and (c) conducts any other investigations and obtains any other information it requires in order to report to the Board on the effectiveness of the internal control system.

EXECUTIVE MANAGEMENT

The Chief Executive Officer is responsible for Whitefield's day to day operations. These operations are conducted through White Funds Management Pty Ltd (Investment Manager) and Moore Stephens WI Pty Ltd (Administration Manager). These entities incorporate the specialist wholesale investment and administration personnel who directly, or via their predecessors, have undertaken the company's executive operations since inception. Whitefield contracts with White Funds Management Pty Ltd and Moore Stephens WI Pty Ltd to provide investment management and administration services.

Whitefield's executive management arrangements have been structured to provide investors with an extremely cost efficient investment vehicle and access to a significant depth of professional resources.

A summary of the principal terms and conditions of the agreement may be accessed on the company's website.

ETHICAL STANDARDS

The Board expects all executive and non-executive directors to act professionally in their conduct and with the utmost integrity and objectivity. All executive and non-executive directors must comply with the company's Code of Conduct and Ethics.

SHAREHOLDER COMMUNICATIONS

The Board informs shareholders of all major developments affecting the company's state of affairs as follows:

- Any information of a material nature affecting the company is disclosed to market through release to the ASX as soon as the company becomes aware of such information, in accordance with the ASX Continuous Disclosure requirements;
- All announcements made to the ASX are also available from the company's website (www.whitefield.com.au);
- The Board, Audit Committee, Nomination Committee and Remuneration Committee Charters and Company Policies are available on the company's website.
- Quarterly reports will be mailed to shareholders at the close of each quarter, with the exception of the year-end;
- An Annual Report will be mailed to shareholders at the close of the financial year;
- Net asset backing per share is released to the ASX by the 14th day following each month-end;



DIRECTORS' *Report*

The Directors present their report together with the financial report of Whitefield Limited ("the Company") for the year ended 31st March, 2004 and the auditor's report thereon.

PRINCIPAL ACTIVITY

The principal activity of the Company is investment in the publicly listed equities of Australian companies. No change in this activity took place during the year or is likely in the future.

REVIEW OF OPERATIONS AND RESULTS

Net investment income after tax amounted to \$4,984,418 (2003: \$4,524,517).

A full review of operations and results is included in the accompanying Chief Executive Officer's Review.

DIVIDENDS

Dividends paid or recommended for payment out of the profits since the end of the previous financial year were:

IN RESPECT OF LAST YEAR'S REPORT:

(a) *Final dividend paid 10th June 2003, proposed and provided for in last year's report*

6.3 cents per ordinary share, fully franked
91% attributable to discount capital gains **\$2,370,704**
4.0 cents per preference share, fully franked
91% attributable to discount capital gains **\$951**

IN RESPECT OF THE CURRENT FINANCIAL YEAR:

(b) *Interim dividend paid 26th November, 2003*

6.3 cents per ordinary share, fully franked
23% attributable to discount capital gains **\$2,594,443**
4.0 cents per preference share, fully franked
23% attributable to discount capital gains **\$951**

(c) *Final dividend recommended by the Directors, not provided, payable 25th June 2004 (Shares issued as the result of the recent public issue in February are not entitled to this final dividend, but are entitled to all subsequent dividends)*

6.3 cents per ordinary share, fully franked,
0% attributable to discount capital gains **\$2,598,989**
4.0 cents per preference share, fully franked,
0% attributable to discount capital gains **\$951**

STATE OF AFFAIRS

Significant changes in the state of affairs of the company during the financial year were as follows:

Fully paid ordinary share capital increased during the year as follows:

	2004 \$'000
- 10 June 2003 - Rights issue of 3,551,400 shares at \$2.65 per share to provide additional working capital of \$9,411,209 less transaction costs of \$22,418	9,389
- 26 November 2003 - Dividend Reinvestment of 72,176 shares at \$3.02 per share to provide additional working capital of \$219,416	219
- 2 March 2004 - Placement of 1,301,846 shares at \$3.12 per share provide additional working capital of \$4,061,760 less transaction costs of \$105,826	3,956
Increase in fully paid share capital	<u>13,564</u>

EVENTS SUBSEQUENT TO BALANCE DATE

The final dividend as recommended by the directors will be paid subsequent to balance date and is not provided for in the Statement of Financial Performance.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of material and unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity, in future financial years,



DIRECTORS'

Report

LIKELY DEVELOPMENTS

The Directors have no plans for new developments in the operations of the Company and propose to continue to invest available funds in the publicly listed equities of Australian companies. Further comments on the outlook for the company are included in the Chief Executive Officer's Review.

DIRECTORS

The following persons were Directors of the company during or since the end of the financial year and up to the date of this report:

G.J. Gillmore

A.J. Gluskie

J.V.C. Green

A.L. Holden

D.J. Iliffe

No other Directors held office during the financial year.

The qualifications, experience and special responsibilities of the Directors are shown on page 4 of this Annual Financial Report. Particulars of the interest of Directors in the issued capital of the Company are shown on page 23 of this Annual Financial Report.

DIRECTORS' MEETINGS

During the year the Company held 8 Directors' Meetings and 2 Audit Committee Meetings.

	<i>Directors' Meetings Attended</i>	<i>Audit Committee Meetings Attended</i>
G.J. Gillmore	9	2
A.J. Gluskie	9	-
J.V.C. Green	9	2
A.L. Holden	9	2
D.J. Iliffe	9	2

INDEMNIFICATION AND INSURANCE OF OFFICERS

Since the end of the previous year, the company has paid insurance premiums in respect of a directors' and officers' liability policy which covers the directors and officers of Whitefield Limited. The terms of the policy prohibit disclosure of details of the amount of insurance cover and the nature of the liability insured against.

DIRECTORS' BENEFITS

No director or executive since the end of the previous financial year has received or become entitled to receive a benefit, (other than emoluments shown in the financial statements or notes thereto), by reason of a contract made by the Company or a related company with the Director, Executive or with a firm of which a Director or Executive is a member or with a company in which he has substantial financial interest.

Signed in accordance with a resolution of the Directors.

D.J. ILIFFE, Director

SYDNEY, THIS 29TH DAY OF APRIL, 2004

Whitefield



STATEMENT OF *Financial Performance*

FOR THE YEAR ENDED 31ST MARCH, 2004

	Notes	2004 \$	2003 \$
Investment Revenue from ordinary activities	2	5,455,837	5,134,772
Revenue from the sale of investments	1(b)	30,727,569	21,172,800
Cost of Sales	1(b)	(30,727,569)	(21,172,800)
Administrative expenses		(353,255)	(329,683)
Other general expenses from ordinary activities			
Directors' Fees		(17,200)	(18,900)
Listing Fees		(27,730)	(24,059)
Audit Fees	3	(4,400)	(4,540)
Directors Liability Insurance		(21,402)	(20,706)
Net Profit from ordinary activities before related income tax expense		5,031,850	4,736,884
Income tax expense relating to ordinary activities	4	(47,432)	(212,367)
Net Profit after related income tax expense attributable to shareholders		4,984,418	4,524,517
Non-owner changes in equity			
Increase in Investment Fluctuation Reserve	14(c)	11,619,358	12,250,001
Increase/(Decrease) in Asset Revaluation Reserve	14(b)	2,990,876	(30,446,447)
Increase in retained profits on initial adoption of AASB1044			
Provisions, Contingent Liabilities and Contingent Assets	2	-	2,371,655
Total changes in equity excluding transactions with shareholders as shareholders		19,594,652	(11,300,274)
Basic earnings per share	7	12.25c	11.79c
Diluted earning per share	7	12.25c	11.79c

Annual Report

STATEMENT OF *Financial Position*

FOR THE YEAR ENDED 31ST MARCH, 2004

	Notes	2004 \$	2003 \$
CURRENT ASSETS			
Cash Assets		209,197	559,764
Receivables	8	648,683	713,720
Investments	9	2,690,898	649,661
Current Tax Assets	4(d)	1,200	1,323
Other	10	26,399	18,708
Total Current Assets		3,576,377	1,943,176
NON-CURRENT ASSETS			
Investments	11	141,906,113	110,661,295
Total Non-Current Assets		141,906,113	110,661,295
Total Assets		145,482,490	112,604,471
CURRENT LIABILITIES			
Payables	12	101,792	61,287
Current Tax Liabilities	4(b)	24,465	555,760
Total Current Liabilities		126,257	617,047
NON-CURRENT LIABILITIES			
Deferred Tax Liabilities	4(c)	9,936,259	4,759,190
Total Non-Current Liabilities		9,936,259	4,759,190
Total Liabilities		10,062,516	5,376,237
NET ASSETS		135,419,974	107,228,234
EQUITY			
Contributed Equity	13	51,243,343	37,679,208
Reserves	14	66,897,363	52,287,129
Retained Profits	15	17,279,268	17,261,897
Total Equity		135,419,974	107,228,234



STATEMENT OF *Cash Flows*

FOR THE YEAR ENDED 31ST MARCH, 2004

	2004	2003
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Dividends Received	5,350,977	4,799,092
Interest Received	148,320	132,174
Other Investment Income Received	21,576	-
Payments for Administration & General Expenses	(404,240)	(399,351)
Income Tax (Paid)/Refunded	(639,281)	(1,279,591)
Net Operating Cash Flows	<u>4,477,352</u>	<u>3,252,324</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments	30,727,569	21,172,800
Payments for Purchase of Investments	(44,165,645)	(19,853,012)
Net Investing Cash Flows	<u>(13,438,076)</u>	<u>1,319,788</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issue of Shares	13,472,963	-
Transaction costs from the Issue of Shares	(128,244)	-
Dividends Paid	(4,747,634)	(4,743,310)
Unclaimed Dividends	13,072	10,919
Net Financing Cash Flows	<u>8,610,157</u>	<u>(4,732,391)</u>
NET INCREASE/(DECREASE) IN CASH HELD	<u>(350,567)</u>	<u>(160,279)</u>
Cash at Beginning of Financial Year	559,764	720,043
CASH AT END OF FINANCIAL YEAR	<u>209,197</u>	<u>559,764</u>
NOTES TO STATEMENTS OF CASH FLOWS		
(i) Reconciliation of cash -		
For the purpose of the Statement of Cash Flows, cash includes Cash at Bank and at call with a Cash Management Trust. Cash at the end of the year shown in the Statement of Cashflows is reconciled to the Statement of Financial Position as follows:-		
Cash (Interest Bearing)	<u>209,197</u>	<u>559,764</u>
(ii) Reconciliation of profit from Ordinary Activities after Income Tax to Net Cash provided by Operating Activities.		
Operating Profit from Ordinary Activities after Income Tax	<u>4,984,418</u>	<u>4,524,517</u>
Net cash Provided by Operating Activities before change in assets and liabilities	4,984,418	4,524,517
Add/(Less) Non-Cash Items:		
Sundry Expense		19,295
Increase/(Decrease) in Income Tax Payable	(591,849)	(1,067,223)
Increase/(Decrease) in Creditors	27,433	(19,709)
Decrease/(Increase) in Receivables and Prepayments	57,349	(204,556)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>4,477,351</u>	<u>3,252,324</u>

NOTES TO THE *Financial Statements*

FOR THE YEAR ENDED 31ST MARCH, 2004

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

The significant policies which have been adopted in the preparation of this financial report are:

(A) BASIS OF ACCOUNTING

The financial report is a general purpose financial report which has been prepared in accordance with applicable Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The accounting policies are consistent with those of the previous year. In order to reflect changing market values the Directors have adopted a policy to revalue all investments on a daily basis. Apart from this policy, the Financial Statements have been prepared on the basis of historical costs.

(B) INVESTMENTS

The Directors revalue all investments daily to 100% of market value less expected selling costs. The net increase in value after allowance for deferred income tax has been transferred to the Asset Revaluation Reserve. For this reason, cost of sales will always equal sales revenue when investments are sold. On disposal, the balance in the Asset Revaluation Reserve relating to the disposal is transferred to the Capital Profits Reserve. The expected net cash flows from investments have not been discounted to their present value in determining their recoverable amount. Purchases and sales of non-current investments are recognised on the contract date.

(C) INVESTMENT FLUCTUATION RESERVE

Realised gains and losses based on revalued book values (less taxation) on sales of investments are transferred to this Reserve in accordance with the provisions of the Corporations Act 2001 relating to investment companies. Previous revaluations of investments sold are transferred back from the Asset Revaluation Reserve.

(D) INCOME TAX

The company adopts the liability method of tax effect accounting. Income tax expense is calculated on the operating profit adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the statement of financial position as a deferred tax asset or as provision for deferred income tax.

Unused capital losses on realised investments which had arisen prior to balance date have been fully offset against profits which would arise if all investments were realised at the revalued book value at that date (refer note 1 (b) & (c)).

Deferred Tax Assets are not brought to account unless realisation of the asset is beyond reasonable doubt. Deferred Tax Assets relating to entities with tax losses are only brought to account when their realisation is considered virtually certain. The tax effect of unrealised capital losses is not recorded unless realisation is virtually certain.

(E) INVESTMENT REVENUE

Dividends and unit trust distributions are brought to account on the date that the underlying shares or units are quoted as ex-dividend or ex-distribution. Interest income and cash management trust distributions are brought to account as income becomes payable to the company.

(F) CASH ASSETS

Cash Assets includes cash on hand, at bank and short term deposits at call.

(G) OPERATING SEGMENTS

The company operated in Australia only and the principal activity is investment.

(H) DIVIDENDS

Provisions for dividends payable are recognised in the reporting period in which they are declared, for the entire undistributed amount, regardless of the extent to which they will be paid in cash.



	2004 \$	2003 \$
2. REVENUE FROM ORDINARY ACTIVITIES		
Dividends received from Other Companies	5,285,941	5,002,598
Interest Received or Receivable from Other Companies	148,320	132,174
Trust Distributions and Other Income	21,576	-
Total Revenue from Ordinary Activities	<u>5,455,837</u>	<u>5,134,772</u>
3. AUDITOR'S REMUNERATION		
Audit and Review of the Financial Reports	<u>4,400</u>	<u>4,540</u>
4. TAXATION		
(A) INCOME TAX EXPENSE		
Prima facie income tax expense calculated at 30% on the operating profit before abnormal items	1,509,555	1,421,065
Tax effect of permanent differences		
Imputation gross up on dividends received	626,624	-
Rebateable Dividends	-	(1,201,946)
Franking credits on dividends received	(2,088,747)	-
Non-Assesable Dividends	-	(45,375)
Under/(Over) provision from prior year	-	32,833
Adjustments to reflect change of future tax rate	-	5,790
Income Tax Expense Attributable to Operating Profit	<u>47,432</u>	<u>212,367</u>
(B) CURRENT TAX LIABILITIES		
Movements during the year were as follows:-		
Balance at the beginning of the financial year	555,760	1,116,513
Current income tax expense	47,432	212,367
Income tax (paid)/refunded	(639,281)	(1,279,591)
Timing Differences	(194,572)	-
Deduction for Costs of Capital Raising	(8,185)	-
Transfer from Provision for Deferred Income Tax on Realisation of Capital Gains	263,311	506,471
	<u>24,465</u>	<u>555,760</u>
(C) DEFERRED TAX LIABILITIES		
Provision for deferred income tax comprises the estimated expense at current income tax rates of 30% on the following items:-		
Provision for capital gains tax on unrealised investments	9,741,687	4,759,190
Timing Differences	194,572	-
	<u>9,936,259</u>	<u>4,759,190</u>



4. TAXATION (CONT)

(d) CURRENT TAX ASSETS

Current tax assets comprises the estimated expense at current income tax rates on the following items:

Expense provisions not currently deductible

2004

\$

1,200

2003

\$

1,323

The potential future income tax benefit will only be obtained if-

- (i) the company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised;
- (ii) the company continues to comply with the conditions for deductibility imposed by the law, and
- (iii) no changes in tax legislation adversely affect the company in realising the benefit.

5. DIVIDENDS PAID OR PROVIDED

Final 2003 - Ordinary Shares

2,370,704

-

Final 2003 - Preference Shares

951

-

Interim Paid - Ordinary Shares

2,594,442

2,370,704

Interim Paid - Preference Shares

951

951

Total Dividends for Financial Year

4,743,310

2,371,655

	DIVIDEND RATE	TOTAL AMOUNT	DATE OF PAYMENT	TAX RATE FOR FRANKING CREDIT	% FRANKED	% DISCOUNT CAPITAL GAINS
2004						
Preference Shares						
Interim	4.0cps	951	27/11/03	30%	100%	23%
Ordinary Shares						
Interim	6.3cps	2,594,442	27/11/03	30%	100%	23%
2003						
Preference Shares						
Interim	4.0cps	951	26/11/02	30%	100%	100%
Final	4.0cps	951	10/06/03	30%	100%	91%
Ordinary Shares						
Interim	6.3cps	2,370,704	26/11/03	30%	100%	100%
Final	6.3cps	2,370,704	10/06/03	30%	100%	91%

No Unfranked Dividends have been declared or paid during the year.

Subsequent Events

Since the end of the Financial Year, the Directors have recommended the following dividends:

Preference Shares

Final 4.0cps

951

25/06/04

30%

100%

0%

Ordinary Shares

Final 6.3cps

2,598,989

25/06/04

30%

100%

0%

2,599,940

The financial effect of these dividends have not been brought to account in the financial statements for the year ended 30 June 2004 and will be recognised in subsequent financial reports.



6. DIVIDEND FRANKING INFORMATION

	2004 \$	2003 \$
Class C 30% (2003: 30%) franking credits available to shareholders for subsequent financial years	<u>3,662,205</u>	<u>3,594,208</u>

Balance of franking account adjusted to reflect a tax paid basis from 1 July 2002 and for:

- (a) franking credits which will arise from the payment of income tax provided for in the financial statements;
- (b) franking debits that will arise from the payment of dividends recognised as a liability at year-end;
- (c) franking credits that will arise from the receipt of dividends recognised as receivables at year-end;
- (d) franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

7. EARNINGS PER SHARE

Basic earnings per issued share have been calculated using the weighted average number of ordinary shares of the Company outstanding during the year to 31st March 2004.

12.25c	11.79c
--------	--------

Diluted earnings per issued share have been calculated using the weighted average number of ordinary shares of the Company outstanding during the year to 31st March 2004.

12.25c	11.79c
--------	--------

Weighted average number of ordinary shares used in the calculation of basic earnings per share:

<u>40,701,915</u>	<u>37,630,226</u>
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There has been no change in the number of issued shares during the year or prior year and there is no contingent issue of shares which would dilute earnings per share.

8. CURRENT ASSETS - RECEIVABLES

Dividend Income Receivables

<u>648,683</u>	<u>713,720</u>
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(Dividends Receivable are usually settled within 30 days)

9. CURRENT ASSETS - INVESTMENTS

Commercial Bills of Exchange

<u>2,690,898</u>	<u>649,661</u>
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10. CURRENT ASSETS - OTHER

Prepayments

7,440	8,547
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Other Debtors

19,959	10,161
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<u>26,399</u>	<u>18,708</u>
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11. NON-CURRENT ASSETS - INVESTMENTS

Not subject to capital gains tax if realised, and recorded at net market value

Shares & Equities in Listed Companies

-	16,997,876
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Subject to capital gains tax if realised and recorded at net market value

Shares & Equities in Listed Companies

141,906,113	93,663,419
-------------	------------

<u>141,906,113</u>	<u>110,661,295</u>
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11. NON-CURRENT ASSETS - INVESTMENTS (CONT)

MATERIAL INVESTMENTS IN LISTED EQUITIES:

LISTED ENTITY	ACTIVITIES	MARKET VALUE
ANZ Banking Group Limited	Banking	7,028,560
Commonwealth Bank of Australia	Banking	13,918,701
National Australia Bank Ltd	Banking	14,570,000
The News Corporation	Media	13,097,079
Telstra	Telecommunications Services	7,143,366
Westpac Banking Corporation Ltd	Banking	9,566,505

Notes	2004	2003
	\$	\$

12. CURRENT LIABILITIES - PAYABLES

Trade Creditors	62,733	35,300
Unclaimed Moneys	39,059	25,987
	<u>101,792</u>	<u>61,287</u>

(Trade Creditors are settled within the terms of payment offered, which is normally within 30 days)

13. CONTRIBUTED EQUITY

Share Capital:		
42,555,648 Ordinary Shares, fully paid	51,219,553	37,655,418
23,790 8cps Preference Shares, fully paid	23,790	23,790
Total Share Capital	<u>51,243,343</u>	<u>37,679,208</u>

Preference shares carry the right to cumulative dividends of 8cps per annum are not redeemable and carry no further right to participate in profits. There were no arrears of dividend at balance date.

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders meetings. In the event of winding up the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds on liquidation.

14. RESERVES

General Reserve	14(a)	-	-
Asset Revaluation Reserve	14(b)	15,235,818	12,244,942
Investment Fluctuation Reserve	14(c)	51,661,545	40,042,187
		<u>66,897,363</u>	<u>52,287,129</u>

(A) GENERAL RESERVE

Balance at Beginning of Financial Year		-	5,500,000
Transfer to Retained Profits	15	-	(5,500,000)
Balance at End of Financial Year		<u>-</u>	<u>-</u>

The amount that stood to credit of the General Reserve resulted from prior period allocations of retained profits for non-specific purposes. The balance of this reserve was transferred to retained profits during the prior year.



	Notes	2004 \$	2003 \$
14. RESERVES (CONT)			
(B) ASSET REVALUATION RESERVE			
Balance at Beginning of Financial Year		12,244,942	42,691,389
Revaluation of Investments (net of tax)		14,610,234	(18,196,446)
Transfer of Realised Surpluses to Investment Fluctuation Reserve	16(c)	(11,619,358)	(12,250,001)
Balance at End of Financial Year		15,235,818	12,244,942
(C) INVESTMENT FLUCTUATION RESERVE			
Balance at Beginning of Financial Year		40,042,187	27,772,891
Adjustment re Change in Tax Rates		-	19,295
Transfer from Asset Revaluation Reserve	14(b)	11,619,358	12,250,001
Balance at End of Financial Year		51,661,545	40,042,187
(D) NATURE AND PURPOSE OF RESERVES			
For a description of the nature and purpose of the Asset Revaluation Reserve and the Investment Fluctuation Reserve refer to note 1(c) and 1(b).			
15. RETAINED PROFITS			
Balance at the Beginning of Financial Year		17,261,897	9,609,035
Profit attributable to Ordinary Activities after income tax		4,984,419	4,524,517
Dividends provided for or paid		(4,967,048)	(4,743,310)
Net Effect of initial adoption of <i>AASB 1044 Provisions, Contingent Liabilities and Contingent Assets</i>			2,371,655
Transfer from General Reserve	14(a)		5,500,000
Balance at the End of Financial Year		17,279,268	17,261,897
16. DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION			
Total remuneration consisting of income paid or payable, or otherwise made available to the Directors of the Company from the Company or by any related party, in connection with the management of the Company		332,748	321,525
		No.	No.
Number of Directors whose remuneration was within the following bands:			
0 - \$10,000		4	5
\$300,001 - \$310,000 (see note below)		1	1
		\$	\$
Total remuneration received or receivable by the Executives (including Executive Directors) from the Company or by any related party, in connection with the management of the Company		332,748	302,625
		No.	No.
Number of Executives whose remuneration was within the following bands:			
\$300,001 - \$310,000 (see note below)		-	1
\$330,001 - \$340,000 (see note below)		1	-



16. DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION (CONT)

Mr A. J. Gluskie received no fee as an individual, but was a member of Moore Stephens WI Pty Ltd (previously White Iliffe) and White Fund Management Pty Limited which received fees of \$ 332,748 (2003: \$302,625) during the year for the management of the Company, out of which all costs of accounting, administration, share registry and investment management were paid.

17. RELATED PARTY DISCLOSURE

(a) Directors holding office at any stage throughout the year were J.V.C. Green, A.L. Holden, D.J. Iliffe, G.J. Gillmore and A.J. Gluskie.

(b) The Company had an investment of just over 10% of the issued capital of Sylvastate Limited, which was disposed during the year.

(c) Dividends paid by the Company to Directors and Director related entities on the same basis as to other shareholders

2004
\$

2003
\$

520,307

2,268,390

(d) Aggregate number of ordinary shares acquired or sold/disposed of by the Directors and Director related entities during the year

- acquired

792,896

40,000

- sold/disposed

(19,923)

- no longer deemed to be Director related

(14,303,568)

All acquisitions and disposals of shares by directors and their director related entities occurred at arms length.

(e) Aggregate number of ordinary shares held at the reporting date by Directors and Director related entities

4,778,154

3,985,258

(f) Details of remuneration and fees received by Directors and Executives are shown at note 16.

(g) During the year authorised representatives of Moore Stephens WI Pty Ltd (the administration manager) received fees amounting to \$13,273 on the same basis as all other stockbrokers and licensed financial advisers for the handling of applications associated with the company's public issue of shares.

18. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE

(A) TERMS, CONDITIONS AND ACCOUNTING POLICIES

The Company's accounting policies are included in Note 1, while the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance date, are included under the appropriate note for that instrument.

(B) CREDIT RISK EXPOSURES

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The credit risk on financial assets, excluding investments, of the Company which have been recognised on the Statement of Financial Position, is the carrying amount. The Company is not materially exposed to any individual credit risk.



18. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE (CONT)

(c) NET FAIR VALUES

The carrying amounts of financial instruments in the Statement of Financial Position approximate their net fair values.

(d) INTEREST RATE RISK EXPOSURE

The Company's and economic entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

	Floating Interest Rate \$		Less than 1 year \$		Non Interest Bearing \$		TOTAL \$	
	2004	2003	2004	2003	2004	2003	2004	2003
Financial Assets								
Cash	209,197	559,764	-	-	-	-	209,197	559,764
Other Receivables	-	-	-	-	648,683	713,720	648,683	713,720
Investments	-	-	2,690,898	649,661	141,906,113	110,661,295	144,597,011	111,310,956
	<u>209,197</u>	<u>559,764</u>	<u>2,690,898</u>	<u>649,661</u>	<u>142,554,796</u>	<u>111,375,015</u>	<u>145,454,891</u>	<u>112,584,440</u>
Financial Liabilities								
Other Creditors	-	-	-	-	101,792	61,287	101,792	61,287
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,792</u>	<u>61,287</u>	<u>101,792</u>	<u>61,287</u>
Weighted Av Interest Rate								
Cash							4.25%	4.25%
Other Receivables							-	-
Investments							5.34%	4.78%

19. EVENTS SUBSEQUENT TO BALANCE DATE

The final dividend as recommended by the directors will be paid subsequent to balance date and is not provided for in the Statement of Financial Performance.

Other than the matter discussed above there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of material and unusual nature likely, in the opinion of the directors of the Company to significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity, in future financial years.

20. SEGMENT REPORTING

The Company is engaged in investment activities conducted in Australia and derives investment income from listed securities, short term interest bearing securities and cash holdings.



DIRECTORS'

Declaration

In the opinion of the directors of Whitefield Limited:

1. The financial statements and notes set out on pages 15 to 25, are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the financial position of the company as at the 31st March 2004 as represented by the results of operations and cash flows, for the year ended on that date; and
 - (b) complying with Accounting Standards in Australia and the Corporations Regulations 2001.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DATED AT SYDNEY THIS 29TH DAY OF APRIL, 2004

Signed in accordance with a resolution of the directors:

D.J. ILIFFE, Director

INDEPENDENT

Auditor's Report

SCOPE

TO THE MEMBERS OF WHITEFIELD LIMITED

THE FINANCIAL REPORT AND DIRECTOR'S RESPONSIBILITY

The financial report consists of the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes and the directors' declaration as set out on pages 15 to 26.

The Company's directors are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This included responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for the accounting policies.

AUDIT APPROACH

We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the Company's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

AUDIT OPINION

In our opinion, the financial report of the Company is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 31st March, 2004 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the

Corporations Regulations 2001; and

- (b) other mandatory professional reporting requirements in Australia.

SIGNED AT SYDNEY THIS 4TH DAY OF MAY 2004

Blackett & Lewis, Chartered Accountants

B.E. Bird, Partner



DETAILS OF Shareholders

STATEMENT OF SHAREHOLDINGS

At the date of this Report, 31st March, 2004, 1,686 members held 42,555,648 ordinary shares in the Company and 20 members held 23,790, 8% Cumulative Preference shares in the Company. The twenty largest ordinary shareholdings were equivalent to 53.81% of the 42,555,648 ordinary shares issued, and the twenty largest preference shareholdings were equivalent to 100% of the total 23,790 preference shares issued. The distribution of shares was as follows:-

No. of Ordinary Shares Held	No. of Ordinary Shareholders	No. of Preference Shares Held	No. of Preference Shareholders
1 - 1,000	233	1 - 1,000	14
1,001 - 5,000	694	1,001 - 5,000	4
5,001 - 10,000	321	5,001 - 10,000	2
10,001 and over	438	10,001 and over	-

DIRECTORS' SHAREHOLDINGS

The Directors of the Company as at 29th April, 2004 held the following shares or relevant interest in shares:-

Director	Ord Shares Acquired/(Disposed) During Year	Ord Shares Held at 31/3/04	Pref. Shares Acquired/(Disposed) During Year	Pref Shares Held at 31/3/04
G.J.Gillmore	192,415	253,658	-	-
A.J. Gluskie	220,326	260,326	-	-
J.V.C. Green	110,868	1,141,723	-	-
A.L. Holden	44,375	647,119	-	-
D.J.Iliffe	224,912	2,474,028	-	1,300

SUBSTANTIAL SHAREHOLDERS

Notice has been received of substantial shareholdings as follows:

Shareholder	Ordinary Shares	Preference Shares
D.J.Iliffe	2,474,028	1,300
L.J.Gluskie	12,721,520	200
L.J.Gluskie (Holdings) Pty Ltd	12,721,523	200
Sylvastate Limited	2,305,757	0

The Corporations Law requires shares in which an associate has a relevant interest to be included in each declaration of interest and as a result shareholdings may be included in the declarations of several different shareholders.

VOTING RIGHTS

On a show of hands, every member present has one vote and upon a poll, every member present in person or by proxy has one vote for each share held. For voting purposes there is no distinction between ordinary and preference shares.



TOP 20

Shareholders

Shareholder	No. Shares	% of Issued
L J Gluskie Holdings Pty Limited	9,890,152	23.97
Sylvastate Limited	2,305,757	5.59
Paignton Pty Limited	1,508,927	3.66
Clyde Green Pty Ltd	1,135,489	2.75
Pards Pty Limited	935,000	2.27
Mrs Marian Evans	838,782	2.03
Chickenfeed Pty Ltd	796,950	1.93
Peter R Barclay & Marilyn Faith Barclay <Atf Glengarnock Super Fund>	763,500	1.79
Jean Mary Deck	672,835	1.63
Jean Price	650,407	1.58
Caithness Consolidated Pty Ltd	524,612	1.27
Merran K. Dunlop	486,566	1.18
Margaret E. Dobbin	402,115	0.97
Allan L Holden	354,469	0.86
Patterson Carriers Pty Ltd	360,000	0.85
Nedloh Investments Pty Limited	292,650	0.71
Nelrose Investments Pty Limited	265,748	0.64
David John Iliffe	261,042	0.63
Employers Mutual Ltd	234,118	0.57
Homer Agency Pty Limited	221,029	0.54
	<u>22,900,148</u>	<u>53.81%</u>



Whitefield

