



WHITEFIELD LIMITED
ABN 50 000 012 895

**REGISTERED OFFICE AND
SHARE REGISTRY:**

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SYDNEY N.S.W. 2000

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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, A.S.I.A, 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:

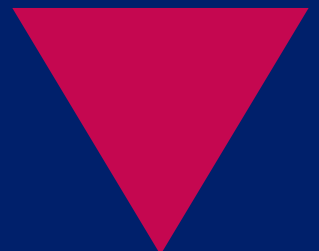
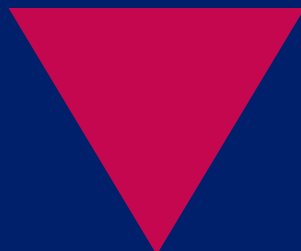
Blackett & Lewis
7 Help St,
CHATSWOOD NSW 2067

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 \$6,467,049 for the year ended 31st March 2005. This strong outcome is 29.8% higher than the prior year result. After adjusting for share issues undertaken during the period, earnings per ordinary share amounted to 14.5cps, an increase of 19.3% on the prior year.

Whitefield's investment portfolio generated a rate of investment return of 22.0% for the twelve months. Following from a return of 21.4% in the prior year, Whitefield's portfolio has produced an accumulated return of 48.1% since the low point in the market in March 2003.

Strongest returns were generated from the company's holdings in the media and financial sectors, in particular Challenger Group, Computershare, Macquarie Bank, Seven Network, Southern Cross Broadcasting and Perpetual Trustees. Other stocks within the Whitefield portfolio which produced strong positive outcomes over the year included Brambles, Campbell Bros, CSL, Foodland, Pacific Hydro, QBE and Wesfarmers.

During the year the company made one share issue in addition to the regular operation of the dividend reinvestment plan. Investors who subscribed to Whitefield's rights issue in November 2004 at \$2.90 have benefited significantly with the company's gross asset backing per share which has escalated rapidly since that date to reach \$3.90 at 31st March 2005.

Whitefield's investment portfolio return of 22.0% for the financial year was stronger than the return of the All Industrials Accumulation Index of 21.8%, but was below that of the ASX200 Accumulation Index which returned 25.6% over this period. While many of the stocks in Whitefield's

portfolio of financial and industrial corporations performed well, the returns of the broader market were boosted by the surge in resource stocks in the last months of the financial year.

While Whitefield's returns may lag the broad market in such buoyant times, we remain comfortable in our strategy of acquiring companies at, or below, the fair value of their future earnings. In many instances of market exuberance, where speculative premiums are added to share prices, the perceived returns of the broader market are often found to be illusory, and can quickly reverse. The rapid falls in resource stock prices in April, subsequent to the financial year end, illustrate the fragility of rallies built on speculative premiums.

The value of Whitefield's disciplined investment strategy can be seen in the consistency of our medium and long term investment outcomes. Whitefield has outperformed the ASX200 Accumulation Index in rolling five year periods over 18 of the last 20 years.

NET ASSET BACKING AND ASSET REVALUATION

The gross asset backing for each of the company's ordinary shares amounted to \$3.90 at 31st March 2005 compared to \$3.41 at the same time one year ago. The net asset backing per ordinary share (which includes investments at market value but is after allowance for costs of realisation and capital gains tax which would become payable in the event that the entire portfolio was realised) at year end amounted to \$3.53 compared to \$3.18 one year ago.

The company recorded a positive net after tax revaluation of its investment assets amounting to \$16,838,637 during the twelve months.

INVESTMENT TRANSACTIONS

During the year the company raised capital through a rights issue in November 2004. The proceeds of this capital raising were invested across our investment portfolio within days of



ANGUS GLUSKIE B.Ec, C.A., A.S.I.A.
CHIEF EXECUTIVE OFFICER

the issue close. Apart from this general increase in all our investment holdings, other significant investment transactions during the year involved:

- Exiting our holdings in Kaz, Lend Lease, Trust Company, Westfield Group
- Reducing our exposure to John Fairfax Holdings and Wesfarmers
- Increasing our holdings in Brambles, Cochlear, Challenger Group, Foodland, Leighton Holdings, Macquarie Bank, Macquarie Infrastructure Group, Multiplex Group, Pacific Brands, Patrick Corporation, Publishing & Broadcasting and Seven Network

Twelve months ago many sectors of the market were trading at moderate discounts to their fair value, and corporate earnings were expanding on the back of a low interest rate environment, supportive fiscal conditions and an upswing in global economic growth. In such a market Whitefield was a happy buyer of many stocks.

Over the year earnings from the media, industrial and financial sectors have grown strongly, and this has steadily been reflected in the share prices of many of these corporations. As anticipated in last year's Annual Report, the weakening in the housing market saw a negative outlook emerge for stocks exposed to the residential construction industry, and again as expected, the outlook for insurers eased as premium rates softened under the weight of growing competition and a return to a more normalized incidence of claims.

With headwinds to global economic growth emerging in the latter months of our financial year, and with the Australian share market having moved beyond fair value we have become increasingly defensive in our approach in recent

Whitefield's share portfolio has produced an accumulated investment return of 48.1% since the low point in the market in March 2003

months. We have sought to build upon our holdings of stocks whose earnings are likely to remain resilient in the face of market volatility, and have sought to avoid those stocks with highly cyclical earnings streams trading at premiums to fair value. We have considered it prudent to reduce our exposure to a small number of stocks whose share prices had risen to such a point that we were unlikely to generate a satisfactory rate of return from future earnings.

OUTLOOK

The outlook for investment markets in 2005 is far less buoyant than a year earlier. In particular, we are increasingly concerned with the emergence of a range of economic imbalances at a global level and expect this to lead to increased market volatility.

The principal matters about which we have concern are:

- The prices of many important commodities have risen by more than 100%. This is likely to impact negatively on corporate earnings, and ultimately on consumer demand.
- Despite significant commodity price inflation, global bond rates remain near thirty-five year lows.
- A significantly undervalued Chinese currency, while bolstering production in China in the short term, will increasingly result in the erosion of production - and ultimately demand - in developed economies and China's Asian competitors.
- A significantly undervalued Chinese currency is resulting in a growing trade imbalance between China and its trading partners. China is having to buy excessively large amounts of foreign denominated assets to support this. The scale of this imbalance is exceptionally large.
- A significantly undervalued Chinese currency, while restraining global inflation, severely crimps the buying power of the Chinese consumer. It will be difficult for Chinese consumer demand to grow in these circumstances.
- Increased pressure on the US to constrain their fiscal deficit is likely to crimp US demand.

On balance we expect that these factors are likely to result in a moderate slowing of global economic growth.

The Australian economy is moderately well-positioned to withstand such global instability. While the resource sector would ease as the result of a slowing in global demand, the Australian stock market has a limited exposure to manufacturing and heavy industry, areas where rising costs and international competition would have the greatest negative impact. In addition, Australian agricultural produce is likely to be a large beneficiary of the broad level of Chinese growth, and we note that such staple goods will be largely insulated from general economic trends.

Australian economic indicators present a mixed picture. While Australian employment remains strong, and capital expenditure is increasing, retail sales growth has fallen from its 2004 highs. Although the outright level of interest rates remains low, the escalation in short term rates over the last year is having some impact on the consumer. The easing in residential construction experienced over 2004 has recently stabilized, yet most forecasters expect the downward trend to continue.

At this point of inflection in the market, we consider that stocks with robust defensive earnings streams are likely to produce the strongest outcome for investors. In particular banking, infrastructure, and healthcare sectors are likely to be favoured. We see some opportunities in selected stocks in other sectors, where corporate restructuring or business initiatives can enhance earnings and by so doing mitigate the impact of any cyclical downturn.

In 2005/6 Whitefield expects to achieve further growth in our investment income as the positive corporate earnings of 2004 translate into declared dividends. Although we expect further market volatility to be likely, we consider Whitefield's investment portfolio to be well-positioned to withstand any such turbulence that may occur.

DIVIDENDS TO SHAREHOLDERS

The Board of Whitefield has recommended a final fully franked dividend to ordinary shareholders of 7.0 cents per share. This would bring total dividends on ordinary shares which relate to the 2005 financial year to 13.8 cents per share, an increase of 9.5% on the prior year.

SHAREHOLDER NUMBERS AND CAPITAL RAISINGS

During the year Whitefield made a 1:8 rights issue, expanding the company's capital base by approximately \$14,000,000. The issue was undertaken at an attractive point of undervaluation in the equity market, allowing Whitefield's investors to expand their investment in Australian equities at an appropriate time. As noted earlier in this report, the company's gross asset backing at 31st March had already risen to be 34% higher than the issue price in November.

Over the year shareholder numbers have increased by 16%, and the company's gross asset backing has risen from \$145m to \$186m, an increase of 28%. Whitefield's shareholder numbers have now grown by more than 86% over the last two years.

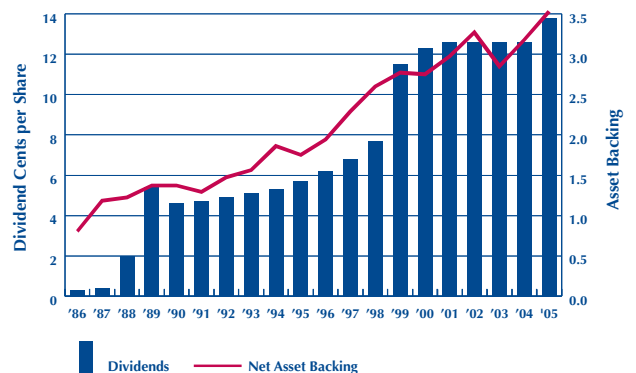
SHARE PURCHASE PLAN

The Board of Whitefield is considering the introduction of a Share Purchase Plan (SPP) for shareholders. An SPP will provide eligible shareholders with the opportunity to apply for between \$500 and \$5,000 of shares at a small discount to the market price of the company's shares. No brokerage would be payable on applications. Such a Plan is aimed at providing a convenient method for ongoing shareholders to build their holding in the company on a regular basis. Further details on a Plan will be provided to shareholders as the year progresses.

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 and 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.

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.

While Whitefield seeks to outperform the market over the medium and long terms, Whitefield recognises that in some circumstances returns over short time frames may be less than the market return

WHITEFIELD'S MANAGEMENT EXPENSE RATIO

Whitefield aims to provide investors with a cost efficient investment vehicle. Whitefield's management expenses currently amount to only 0.31% per annum of the average value of its gross investment assets.

Whitefield does not pay performance fees to its managers or executives and has no share or option plans for Directors or executives.

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 benefit 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

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

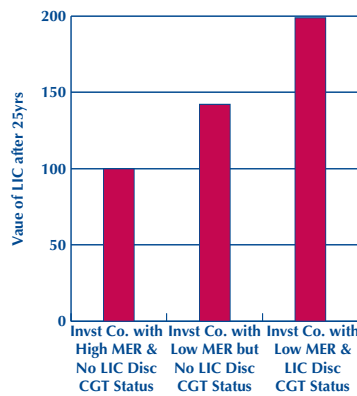
While Whitefield pays tax at the company rate on any net realised capital gains it makes, as an investor with a long term investment horizon, seeking to generate operating profit through current and future dividend earnings, Whitefield obtains the benefit of LIC Discount Capital Gains status.

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).

Benefit of Low Management Expense Ratio and LIC Discount CGT Status



LIC = Listed investment company; MER = Management Expense ratio; High MER = MER 2% higher than Low MER. Assumes investment returns and all other factors equal in each case.

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 47 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.

DIVIDEND POLICY

Whitefield aims to pay dividends in each year which are approximately equal to its net operating profit after tax. When Whitefield realises LIC Discount Capital Gains it will seek to pass the tax status of those gains to underlying shareholders to the extent possible.





KEY *Personnel*



DAVID J. ILIFFE
NON-EXECUTIVE CHAIRMAN,
MEMBER OF AUDIT COMMITTEE, AGE 60

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 Chairman of van Eyk Three Pillars Ltd (Director of Whitefield Ltd since 1990).



GRAEME J. GILLMORE
NON-EXECUTIVE DIRECTOR,
MEMBER OF AUDIT COMMITTEE, AGE 45

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 38

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 60

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 70

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 35

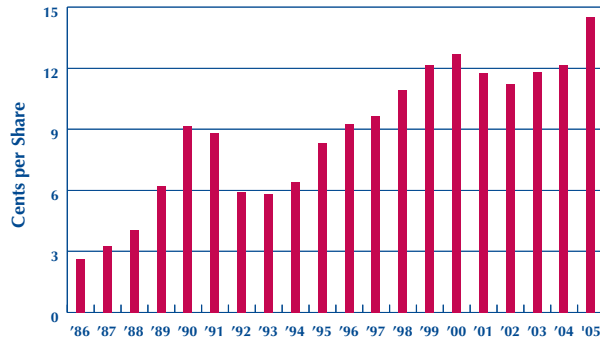
Bachelor of Business, Member of Institute of Chartered Accountants in Aust, Executive Director of Corporate Services Moore Stephens WI Pty Ltd and White Funds Management Pty Ltd, Company Secretary Ironbark Capital Ltd, Sylvastate Limited and van Eyk Three Pillars Limited.

INVESTMENT Portfolio

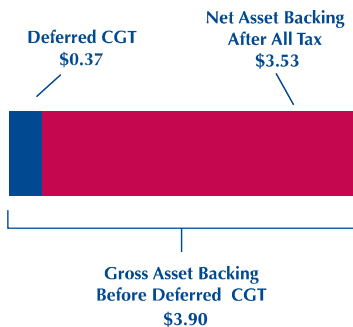
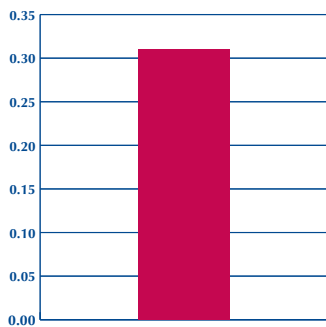
CODE	NAME	SHARES	MARKET VALUE	WHITEFIELD %	ASX200 %
CONSUMER DISCRETIONERY					
FXJ	JOHN FAIRFAX HOLDINGS LIMITED	278,600	1,164,548	0.63%	0.49%
HVN	HARVEY NORMAN HOLDINGS LTD	997,800	2,704,038	1.47%	0.20%
NWS	NEWS CORPORATION INC	217,450	4,955,686	2.70%	0.94%
NWSLV	NEWS CORPORATION INC PREFERRED	369,650	8,154,479	4.44%	1.95%
PBG	PACIFIC BRANDS LIMITED	621,900	1,560,969	0.85%	0.16%
PBL	PUBLISHING AND BROADCASTING LTD	352,900	5,431,131	2.96%	0.82%
SBC	SOUTHERN CROSS BROADCASTING LTD	114,300	1,521,333	0.83%	0.10%
SEV	SEVEN NETWORK LIMITED	466,000	3,625,480	1.97%	0.10%
TAH	TABCORP HOLDINGS LIMITED	199,600	3,359,268	1.83%	1.11%
				17.68%	8.34%
CONSUMER STAPLE					
ETW	EVANS & TATE LIMITED	815,848	758,739	0.41%	0.00%
FGL	FOSTERS GROUP LIMITED	929,400	4,767,822	2.60%	1.30%
FOA	FOODLAND ASSOCIATED LIMITED	103,900	2,604,773	1.42%	0.38%
WOW	WOOLWORTHS LIMITED	79,852	1,281,625	0.70%	2.13%
				5.13%	7.23%
ENERGY					
				0.00%	3.74%
FINANCIALS					
AMP	AMP LIMITED	631,351	4,469,968	2.43%	1.67%
ANZ	ANZ BANKING GROUP LIMITED	461,028	9,506,398	5.18%	4.78%
ASX	AUSTRALIAN STOCK EXCHANGE	31,400	636,164	0.35%	0.26%
BNB	BABCOCK & BROWN LIMITED	6,780	69,224	0.04%	0.16%
CBA	COMMONWEALTH BANK OF AUST	378,179	13,221,138	7.20%	5.67%
CGF	CHALLENGER FINANCIAL GROUP	1,710,250	5,746,440	3.13%	0.17%
IAG	INSURANCE AUSTRALIA GROUP	378,800	2,401,592	1.31%	1.28%
MBL	MACQUARIE BANK LTD	194,850	9,358,646	5.10%	1.37%
MXG	MULTIPLY GROUP LTD	626,300	2,705,616	1.47%	0.34%
NAB	NATIONAL AUSTRALIA BANK LTD	463,200	13,131,720	7.15%	5.62%
PPT	PERPETUAL TRUSTEES LTD	125,236	7,159,742	3.90%	0.28%
QBE	QBE INSURANCE GROUP LTD	178,200	2,653,398	1.44%	1.44%
SOL	SOUL W. H PATTINSON & CO LTD	145,400	1,407,472	0.77%	0.00%
SUN	SUNCORP-METWAY LIMITED	133,200	2,588,076	1.41%	1.34%
WBC	WESTPAC BANKING CORPORATION LTD	586,600	11,162,998	6.08%	4.35%
				46.94%	42.59%
HEALTH CARE					
CLV	CLOVER CORPORATION LTD	375,000	71,250	0.04%	0.00%
COH	COCHLEAR LIMITED	105,600	3,463,680	1.89%	0.23%
CSL	CSL LIMITED	192,100	6,565,978	3.58%	0.86%
				5.50%	2.90%
INDUSTRIALS					
BIL	BRAMBLES INDUSTRIES LIMITED	835,346	6,641,001	3.62%	0.98%
LEI	LEIGHTON HOLDINGS LTD	166,500	1,698,300	0.92%	0.18%
MIG	MACQUARIE INFRASTRUCTURE GROUP	589,500	2,122,200	1.16%	0.99%
PRK	PATRICK CORPORATION LTD	997,500	5,865,300	3.19%	0.47%
SPT	SPOTLESS GROUP LTD	330,999	1,688,095	0.92%	0.11%
WES	WESFARMERS LIMITED	112,500	4,470,750	2.43%	1.91%
				12.24%	8.61%
INFORMATION TECHNOLOGY					
ALU	ALTium TLD	790,200	229,158	0.12%	0.00%
CTL	CITECT CORPORATION LTD	887,900	994,448	0.54%	0.00%
CPU	COMPUTERSHARE LIMITED	327,000	1,834,470	1.00%	0.30%
VGL	VOLANTE GROUP LTD	784,500	1,066,920	0.58%	0.00%
				2.25%	0.47%
MATERIALS					
AMC	AMCOR LIMITED	688,900	4,932,524	2.69%	0.80%
BKW	BRICKWORKS LTD	229,000	2,555,640	1.39%	0.00%
CPB	CAMPBELL BROS LTD	87,900	827,139	0.45%	0.00%
JHX	JAMES HARDIE INDUSTRIES NV	133,400	799,066	0.44%	0.35%
				4.96%	20.04%
TELECOMMUNICATION SERVICES					
TLS	TELSTRA LIMITED	1,517,900	7,726,111	4.21%	3.88%
				4.21%	4.58%
UTILITIES					
PHY	PACIFIC HYDRO LTD	452,000	2,002,360	1.09%	0.07%
				1.09%	1.50%
TOTAL BEFORE ESTIMATED COSTS OF REALISATION			183,662,873	100.00%	100.00%

PERFORMANCE *Statistics*

Net Operating Profit after Tax per Share



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



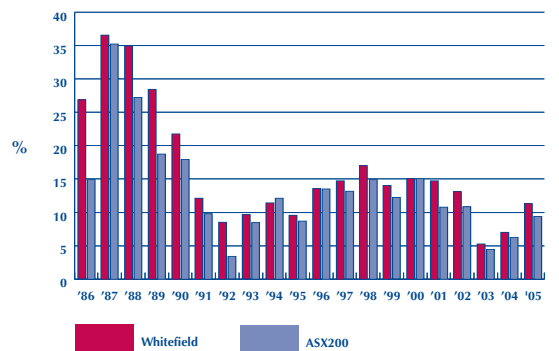
Returns of Whitefield's Investment Portfolio

	Whitefield (Annualised)	ASX200 Accumulation Index (Annualised)	Above / (Below) ASX200
1 Year	21.97%	25.63%	(3.66%)
5 Years	11.31%	9.42%	1.89%
10 Years	13.17%	12.23%	0.94%
20 Years	14.32%	12.72%	1.60%

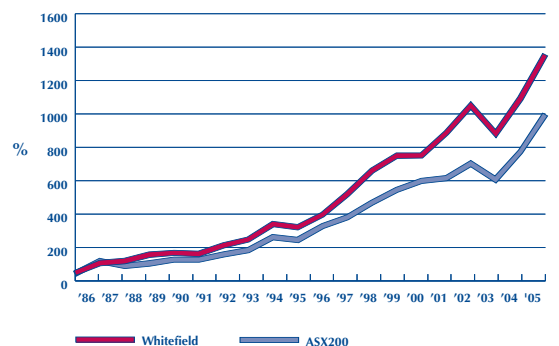
Rolling 5 Year Returns of Portfolio of Whitefield vs ASX200 Accumulation

	Whitefield (Annualised)	ASX200 Accumulation Index (Annualised)	Above / (Below) ASX200
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	5.27%	4.47%	0.80%
2004	7.00%	6.25%	0.75%
2005	11.31%	9.42%	1.89%

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		OPERATING PROFIT	DIVIDENDS	SHAREHOLDERS'	DIVIDENDS	OPERATING	NTA AFTER TAX
			PREFERENCE	ORDINARY	AFTER TAX	PAID	EQUITY	PER ORDINARY	PROFIT AFTER	PER ORDINARY
					\$	\$	\$	SHARE	TAX PER SHARE	SHARE
								CPS	CPS	\$
1986	Bonus 7/10	-		-						
	Bonus 1/10	-	200,000	6,570,880	1,006,417	141,444	30,337,335	0.33	2.63	0.80
1987	Bonus 1/5	-	200,000	7,885,056	1,248,473	160,559	44,211,310	0.39	3.26	1.18
1988	Bonus 15/4	-	200,000	37,454,016	1,550,314	765,080	45,926,742	2.00	4.05	1.22
1989	-	-	23,790	37,630,226	2,382,705	2,040,984	51,444,004	5.42	6.23	1.37
1990	-	-	23,790	37,630,226	3,495,228	1,732,893	51,458,020	4.60	9.14	1.37
1991	-	-	23,790	37,630,226	3,364,564	1,770,524	48,463,571	4.70	8.80	1.29
1992	-	-	23,790	37,630,226	2,263,820	1,845,785	55,289,228	4.90	5.92	1.47
1993	-	-	23,790	37,630,226	2,230,864	1,921,045	58,774,189	5.10	5.83	1.56
1994	-	-	23,790	37,630,226	2,452,813	1,996,305	70,087,106	5.30	6.41	1.86
1995	-	-	23,790	37,630,226	3,184,646	2,146,826	65,802,669	5.70	8.33	1.75
1996	-	-	23,790	37,630,226	3,543,244	2,334,977	73,145,190	6.20	9.26	1.94
1997	-	-	23,790	37,630,226	3,684,365	2,560,759	86,126,915	6.80	9.63	2.29
1998	-	-	23,790	37,630,226	4,188,379	2,899,431	98,008,523	7.70	10.95	2.60
1999	-	-	23,790	37,630,226	4,644,801	4,329,379	104,416,178	11.50	12.14	2.77
2000	-	-	23,790	37,630,226	4,854,287	4,630,421	103,324,176	12.30	12.69	2.75
2001	-	-	23,790	37,630,226	4,492,141	4,743,311	111,768,388	12.60	11.75	2.97
2002	-	-	23,790	37,630,226	4,296,005	4,743,311	123,252,523	12.60	11.23	3.27
2003	-	-	23,790	37,630,226	4,524,517	2,371,655	107,228,234	12.60	11.83	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	12.16	3.18
2005	1:8 Rights, DRP	14,318,181	23,790	47,496,613	6,467,049	5,499,662	167,544,179	13.80	14.51	3.53

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 2005

This statement outlines the main corporate governance practices in place throughout the financial year, 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 fulfil 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, Corporate 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 has served on the Board for more than 10 years. While this factor is flagged by the ASX Corporate Governance Council as a possible matter which could compromise independence, in this instance the Board does not believe that this materially interferes 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 and (b) while the Chairman has been on the board for more than 10 years, he has only been Chairman for 2 years.

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.

- 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.

The company provides no equity based remuneration, such as share or option plans, to Directors.

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. These meetings included meeting with the external auditor twice, 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.

The Auditor is invited to attend the Annual General Meeting of the company.



CORPORATE *Governance Statement* (CONT)

FOR THE YEAR ENDED 31ST MARCH 2005

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.

The Chief Executive Officer and the Chief Financial Officer/Company Secretary provide declaration to the Board twice annually, to certify that the company's financial reports present a true and fair view, in all material respects, of the company's financial condition and operational results and that they have been prepared in accordance with relevant accounting standards.

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 has contracted with White Funds Management Pty Ltd and Moore Stephens WI Pty Ltd to provide investment management and administration services until 19th December 2013. The combined fees payable to the Investment Manager and Administration Manager amount to 0.25% of gross assets per annum, out of which all costs of accounting, administration, share registry and investment management are paid. The Chief Executive Officer receives no fees as an individual but is a Director and Shareholder of White Funds Management Pty Ltd and Moore Stephens WI Pty Ltd

The company provides no equity based remuneration, such as share or option plans, to executives.

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:

- 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;
- 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.



DIRECTORS'

Report

The Directors present their report together with the financial report of Whitefield Limited ("the Company") for the year ended 31st March, 2005 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 profit after tax amounted to \$6,467,049 (2004: \$4,984,418).

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:

<i>(a) Final dividend paid 25th June 2004, proposed in last year's report</i>	
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

IN RESPECT OF THE CURRENT FINANCIAL YEAR:

<i>(b) Interim dividend paid 10th November, 2004</i>	
6.8 cents per ordinary share, fully franked	
0% attributable to discount capital gains	\$2,898,771
4.0 cents per preference share, fully franked	
0% attributable to discount capital gains	\$951
<i>(c) Final dividend recommended by the Directors, not provided, payable 21st June 2005</i>	
7.0 cents per ordinary share, fully franked,	
0% attributable to discount capital gains	\$3,324,763
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:

	2005 \$'000
- 25 June 2004 - Dividend Reinvestment of 73,331 shares at \$3.00 per share to provide additional working capital of \$219,993	220
- 10 November 2004 - Dividend Reinvestment of 89,652 shares at \$3.04 per share to provide additional working capital of \$272,542	273
- 22 November 2004 - Rights issue of 4,777,982 shares at \$2.90 per share to provide additional working capital of \$13,856,148 less transaction costs of \$30,503	13,825
Increase in fully paid share capital	<u>14,318</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 6 of this Annual Financial Report. Particulars of the interest of Directors in the issued capital of the Company are shown on page 27 of this Annual Financial Report.

DIRECTORS' MEETINGS

During the year the Company held 5 Directors' Meetings and 2 Audit Committee Meetings.

	<i>Directors' Meetings Attended</i>	<i>Audit Committee Meetings Attended</i>
G.J. Gillmore	5	2
A.J. Gluskie	5	-
J.V.C. Green	5	2
A.L. Holden	5	2
D.J. Iliffe	5	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' AND EXECUTIVES' 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 a substantial financial interest.

Signed in accordance with a resolution of the Directors.

D.J. ILIFFE, Director

SYDNEY, THIS 3RD DAY OF MAY, 2005

Whitefield



STATEMENT OF *Financial Performance*

FOR THE YEAR ENDED 31ST MARCH, 2005

	Notes	2005 \$	2004 \$
Investment Revenue from ordinary activities	2	7,082,702	5,455,837
Revenue from the sale of investments	1(b)	25,900,860	30,727,569
Cost of Sales	1(b)	(25,900,860)	(30,727,569)
Administrative expenses		(434,705)	(353,255)
Other general expenses from ordinary activities			
Directors' Fees		(18,000)	(17,200)
Listing Fees		(28,858)	(27,730)
Audit Fees	3	(4,620)	(4,400)
Directors Liability Insurance		(29,094)	(21,402)
Net Profit from ordinary activities before related income tax expense		6,567,425	5,031,850
Income tax expense relating to ordinary activities	4	(100,376)	(47,432)
Net Profit after related income tax expense attributable to shareholders		6,467,049	4,984,418
Non-owner changes in equity			
Increase in Investment Fluctuation Reserve	14(b)	5,952,259	11,619,358
Increase/(Decrease) in Asset Revaluation Reserve	14(a)	10,886,378	2,990,876
Total changes in equity excluding transactions with shareholders as shareholders		23,305,686	19,594,652
Basic earnings per share	7	14.51c	12.16c
Diluted earning per share	7	14.51c	12.16c

Annual Report

STATEMENT OF *Financial Position*

FOR THE YEAR ENDED 31ST MARCH, 2005

	Notes	2005 \$	2004 \$
CURRENT ASSETS			
Cash Assets		1,228,870	209,197
Receivables	8	1,019,440	648,683
Investments	9	696,803	2,690,898
Current Tax Assets	4(d)	1,221	1,200
Other	10	30,937	26,399
Total Current Assets		2,977,271	3,576,377
NON-CURRENT ASSETS			
Investments	11	182,742,805	141,906,113
Total Non-Current Assets		182,742,805	141,906,113
Total Assets		185,720,076	145,482,490
CURRENT LIABILITIES			
Payables	12	110,524	101,792
Current Tax Liabilities	4(b)	446,201	24,465
Total Current Liabilities		556,725	126,257
NON-CURRENT LIABILITIES			
Deferred Tax Liabilities	4(c)	17,619,172	9,936,259
Total Non-Current Liabilities		17,619,172	9,936,259
Total Liabilities		18,175,897	10,062,516
NET ASSETS		167,544,179	135,419,974
EQUITY			
Contributed Equity	13	65,561,524	51,243,343
Reserves	14	83,736,000	66,897,363
Retained Profits	15	18,246,655	17,279,268
Total Equity		167,544,179	135,419,974



STATEMENT OF *Cash Flows*

FOR THE YEAR ENDED 31ST MARCH, 2005

Statement of Cash Flows

	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Dividends Received	6,615,923	5,350,977
Interest Received	95,748	148,320
Other Investment Income Received	-	21,576
Payments for Administration & General Expenses	(507,929)	(404,240)
Income Tax (Paid)/Refunded	(366,888)	(639,281)
Net Operating Cash Flows	<u>5,836,854</u>	<u>4,477,352</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments	25,900,860	30,727,569
Payments for Purchase of Investments	(39,533,780)	(44,165,645)
Net Investing Cash Flows	<u>(13,632,920)</u>	<u>(13,438,076)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issue of Shares	14,348,684	13,472,963
Transaction costs from the Issue of Shares	(30,503)	(128,244)
Dividends Paid	(5,499,662)	(4,747,634)
Unclaimed Dividends	(2,780)	13,072
Net Financing Cash Flows	<u>8,815,739</u>	<u>8,610,157</u>
NET INCREASE/(DECREASE) IN CASH HELD	<u>1,019,673</u>	<u>(350,567)</u>
Cash at Beginning of Financial Year	209,197	559,764
CASH AT END OF FINANCIAL YEAR	<u>1,228,870</u>	<u>209,197</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>1,228,870</u>	<u>209,197</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>6,467,049</u>	<u>4,984,418</u>
Net cash Provided by Operating Activities before change in assets and liabilities	6,467,049	4,984,418
Add/(Less) Non-Cash Items:		
Sundry Expense		
Increase/(Decrease) in Income Tax Payable	(265,770)	(591,849)
Increase/(Decrease) in Creditors	11,513	27,433
Decrease/(Increase) in Receivables and Prepayments	(375,938)	57,349
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>5,836,854</u>	<u>4,477,351</u>

NOTES TO THE *Financial Statements*

FOR THE YEAR ENDED 31ST MARCH, 2005

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 a 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) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as being part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

(F) 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.

(G) CASH ASSETS

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

(H) OPERATING SEGMENTS

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

(I) 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.



	2005	2004
	\$	\$
2. REVENUE FROM ORDINARY ACTIVITIES		
Dividends received from Other Companies	6,986,675	5,285,941
Interest Received or Receivable from Other Companies	95,745	148,320
Trust Distributions and Other Income	282	21,576
Total Revenue from Ordinary Activities	<u>7,082,702</u>	<u>5,455,837</u>
3. AUDITOR'S REMUNERATION		
Audit and Review of the Financial Reports	<u>4,620</u>	<u>4,400</u>
4. TAXATION		
(A) INCOME TAX EXPENSE		
Prima facie income tax expense calculated at 30% on the operating profit before abnormal items	1,970,273	1,509,555
Tax effect of permanent differences		
Imputation gross up on dividends received	798,645	626,624
Franking credits on dividends received	(2,662,150)	(2,088,747)
Under/(Over) provision from prior year	(6,392)	-
Income Tax Expense Attributable to Operating Profit	<u>100,376</u>	<u>47,432</u>
(B) CURRENT TAX LIABILITIES		
Movements during the year were as follows:-		
Balance at the beginning of the financial year	24,465	555,760
Current income tax expense	4(a) 100,376	47,432
Income tax (paid)/refunded	(366,888)	(639,281)
Timing Differences	172,883	(194,572)
Deduction for Costs of Capital Raising	(10,235)	(8,185)
Transfer from Provision for Deferred Income Tax on Realisation of Capital Gains	525,600	263,311
	<u>446,201</u>	<u>24,465</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	17,043,077	9,741,687
Timing Differences	576,095	194,572
	<u>17,619,172</u>	<u>9,936,259</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

2005
\$2004
\$1,2211,200

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 2004 - Ordinary Shares

2,598,989

2,370,704

Final 2004 - Preference Shares

951

951

Interim Paid - Ordinary Shares

2,898,771

2,594,442

Interim Paid - Preference Shares

951

951

Total Dividends for Financial Year

5,499,6624,967,048

	DIVIDEND RATE	TOTAL AMOUNT	DATE OF PAYMENT	TAX RATE FOR FRANKING CREDIT	% FRANKED	% DISCOUNT CAPITAL GAINS
2005						
Preference Shares						
Interim	4.0cps	951	8/11/04	30%	100%	0%
Ordinary Shares						
Interim	6.8cps	2,898,771	8/11/04	30%	100%	0%
2004						
Preference Shares						
Final	4.0cps	951	25/6/04	30%	100%	0%
Ordinary Shares						
Final	6.3cps	2,598,989	25/6/04	30%	100%	0%

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

21/6/05

30%

100%

0%

Ordinary Shares

Final 7.0cps

3,324,763

21/6/05

30%

100%

0%

3,325,714

The financial effect of these dividends have not been brought to account in the financial statements for the year ended 31 March 2005 and will be recognised in subsequent financial reports.



6. DIVIDEND FRANKING INFORMATION

	2005 \$	2004 \$
Class C 30% (2004: 30%) franking credits available to shareholders for subsequent financial years	<u>4,358,710</u>	<u>3,662,205</u>

The above amounts are based on the balance of the dividend franking account at year end adjusted 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 2005.

14.51c	12.16c
--------	--------

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 2005.

14.51c	12.16c
--------	--------

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

<u>44,583,949</u>	<u>40,985,190</u>
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There is no contingent issue of shares which would dilute earnings per share.

8. CURRENT ASSETS - RECEIVABLES

Dividend Income Receivables

<u>1,019,440</u>	<u>648,683</u>
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(Dividends Receivable are usually settled within 30 days)

9. CURRENT ASSETS - INVESTMENTS

Commercial Bills of Exchange

<u>696,803</u>	<u>2,690,898</u>
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10. CURRENT ASSETS - OTHER

Prepayments

12,300	7,440
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Other Debtors

18,637	18,959
--------	--------

<u>30,937</u>	<u>26,399</u>
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11. NON-CURRENT ASSETS - INVESTMENTS

Subject to capital gains tax if realised and recorded at net market value

Shares & Equities in Listed Companies

182,742,805	141,906,113
-------------	-------------

<u>182,742,805</u>	<u>141,906,113</u>
--------------------	--------------------

MATERIAL INVESTMENTS IN LISTED EQUITIES(GREATER THAN 5%):

LISTED ENTITY

ACTIVITIES

MARKET VALUE

ANZ Banking Group Limited

Banking	9,506,397
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Commonwealth Bank of Australia

Banking	13,221,138
---------	------------

Macquarie Bank Limited

Banking	9,358,646
---------	-----------

National Australia Bank Ltd

Banking	13,131,720
---------	------------

News Corporation Inc

Media	13,110,164
-------	------------

Westpac Banking Corporation Ltd

Banking	11,162,998
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MATERIAL INVESTMENTS IN LISTED EQUITIES(GREATER THAN 1% OF ISSUED CAPITAL):

Citect Corporation Limited

Software & services

994,448



	Notes	2005 \$	2004 \$
12. CURRENT LIABILITIES - PAYABLES			
Trade Creditors		74,245	62,733
Unclaimed Moneys		36,279	39,059
(Trade Creditors are settled within the terms of payment offered, which is normally within 30 days)		<u>110,524</u>	<u>101,792</u>

13. CONTRIBUTED EQUITY

Share Capital:

47,496,613 (2004:42,555,648) Ordinary Shares, fully paid		65,537,734	51,219,553
23,790 8cps Preference Shares, fully paid		23,790	23,790
Total Share Capital		<u>65,561,524</u>	<u>51,243,343</u>

(A) MOVEMENT IN ORDINARY SHARE CAPITAL

Shares issues during the year

	2005		2004	
	No. Shares	\$	No. Shares	\$
Balance at the beginning of the year	42,555,648	51,219,553	37,630,226	37,655,418
Shares issued under the Dividend Reinvestment Plan	162,983	492,536	72,176	219,416
Shares issued for cash pursuant to a prospectus	4,777,982	13,856,148	4,853,246	13,472,969
Transaction costs arising from issue for cash pursuant to a prospectus	-	(30,503)	-	(128,250)
	<u>47,496,613</u>	<u>65,537,734</u>	<u>42,555,648</u>	<u>51,219,553</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.

	Notes	2005 \$	2004 \$
14. RESERVES			
Asset Revaluation Reserve	14(a)	26,122,196	15,235,818
Investment Fluctuation Reserve	14(b)	57,613,804	51,661,545
		<u>83,736,000</u>	<u>66,897,363</u>
(A) ASSET REVALUATION RESERVE			
Balance at Beginning of Financial Year		15,235,818	12,244,942
Revaluation of Investments (net of tax)		16,838,637	14,610,234
Transfer of Realised Surpluses to Investment Fluctuation Reserve		(5,952,259)	(11,619,358)
Balance at End of Financial Year		<u>26,122,196</u>	<u>15,235,818</u>



	Notes	2005 \$	2004 \$
14. RESERVES (CONT)			
(b) INVESTMENT FLUCTUATION RESERVE			
Balance at Beginning of Financial Year		51,661,545	40,042,187
Transfer from Asset Revaluation Reserve	14(a)	5,952,259	11,619,358
Balance at End of Financial Year		<u>57,613,804</u>	<u>51,661,545</u>
(c) 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(b) and 1(c).			
15. RETAINED PROFITS			
Balance at the Beginning of Financial Year		17,279,268	17,261,897
Profit attributable to Ordinary Activities after income tax		6,467,049	4,984,419
Dividends provided for or paid		(5,499,662)	(4,967,048)
Balance at the End of Financial Year		<u>18,246,655</u>	<u>17,279,268</u>
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		435,606	349,948
		No.	No.
Number of Directors whose remuneration was within the following bands:			
\$0 - \$10,000		4	5
\$330,001 - \$340,000 (see note below)		-	1
\$410,001 - \$420,000 (see note below)		1	-
Total remuneration received or receivable by the Executives (including the Executive Director) from the Company or by any related party, in connection with the management of the Company		\$ 417,606	\$ 332,748
		No.	No.
Number of Executives whose remuneration was within the following bands:			
\$330,001 - \$340,000 (see note below)		-	1
\$410,001 - \$420,000 (see note below)		1	-
Mr A. J. Gluskie received no fee as an individual, but was a member of Moore Stephens WI Pty Ltd and White Funds Management Pty Limited which received fees of \$ 417,606 (2004: \$332,748) 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

	2005 \$	2004 \$
(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) Dividends paid by the Company to Directors and Director related entities on the same basis as to other shareholders	626,609	520,307
(c) Aggregate number of ordinary shares acquired or sold/disposed of by the Directors and Director related entities during the year		
- acquired	566,702	792,896
- sold/disposed	(255,353)	-
- no longer deemed to be Director related	(1,005,952)	-
All acquisitions and disposals of shares by directors and their director related entities occurred at arms length.		
(d) Aggregate number of ordinary shares held at the reporting date by Directors and Director related entities	4,083,551	4,778,154
(e) Details of remuneration and fees received by Directors and Executives are shown at note 16.		

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.

(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 \$	
	2005	2004	2005	2004	2005	2004	2005	2004
Financial Assets								
Cash	1,228,870	209,197	-	-	-	-	1,228,870	209,197
Other Receivables	-	-	-	-	1,019,440	648,683	1,019,440	648,683
Investments	-	-	696,803	2,690,898	182,742,805	141,906,113	183,439,608	144,597,011
	1,228,870	209,197	696,803	2,690,898	183,762,845	142,554,796	185,687,918	145,454,891

18. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE (CONT)

	Floating		Less than		Non		TOTAL	
	Interest Rate		1 year		Interest Bearing		\$	
	\$	\$	\$	\$	\$	\$	\$	\$
	2005	2004	2005	2004	2005	2004	2005	2004
Financial Liabilities								
Other Creditors	-	-	-	-	110,524	101,792	110,524	101,792
	-	-	-	-	110,524	101,792	110,524	101,792
Weighted Av Interest Rate								
Cash							5.25%	4.25%
Other Receivables							-	-
Investments							5.25%	5.34%

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.

21. ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. Whitefield Limited will report for the first time in compliance with IFRS when the results for the 30 September 2005 half-year are released. IFRS require that entities complying with IFRS for the first time also restate their comparative financial statements using IFRS except for AASB 32 Financial Instruments: Disclosure and Presentation, AASB 39 Financial Instruments: Recognition and Measurement.

The Company's management, along with its auditors, are assessing the significance of these changes and preparing for their implementation. An IFRS committee has been established to oversee and manage the Company's transition to IFRS.

The directors are of the opinion that the key differences in the Company's accounting policies which will arise from the adoption of IFRS are:

Income Tax

Currently, the Company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the accounting profit adjusted for any permanent differences. Timing differences are currently brought to account as either a provision for deferred income tax or future income tax benefit. Under the equivalent to IAS 12, the Company will be required to adopt a balance sheet approach under which temporary differences are identified for each asset and liability rather than the effects of the timing and permanent differences between taxable income and accounting profit.

Financial Assets

Financial assets will be classified as "available for sale securities" and will continue to be recognised in the Statement of Financial Position at fair value. During the period changes in fair value for investment securities will be recognised in Equity. The fair value of financial assets will be measured at bid price and will exclude disposal costs.

The gain or loss on realised investments, calculated by deducting the historical cost from the net proceeds of sale, and associated taxation, shall be brought to account in the Statement of Financial Performance.



DIRECTORS' *Declaration*

*I*n 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 2005 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 3RD DAY OF MAY, 2005

Signed in accordance with a resolution of the Directors:

D.J. ILIFFE, Director

INDEPENDENT *Auditor's Report*

TO THE MEMBERS OF WHITEFIELD LIMITED

SCOPE

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, 2005 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 3RD DAY OF MAY 2005

Blackett & Lewis, Chartered Accountants

B.E.Bird, Partner



DETAILS OF *Shareholders*

STATEMENT OF SHAREHOLDINGS

At the date of this Report, 31st March, 2005, 1,952 members held 47,496,613 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 49.68% of the 47,496,613 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	199	1 - 1,000	14
1,001 - 5,000	776	1,001 - 5,000	4
5,001 - 10,000	401	5,001 - 10,000	2
10,001 and over	576	10,001 and over	-

DIRECTORS' SHAREHOLDINGS

The Directors of the Company as at 31st March, 2005 held the following shares or relevant interest in shares:-

Director	Ord Shares Acquired/(Disposed) During Year	Ord Shares Held at 31/3/05	Pref. Shares Acquired/(Disposed) During Year	Pref Shares Held at 31/3/04
G.J.Gillmore	31,712	291,088	-	-
A.J. Gluskie	124,036	386,362	-	-
J.V.C. Green	6,971	1,148,724	-	-
A.L. Holden	81,015	728,010	-	-
D.J.Iliffe	63,291	1,529,367	-	1,300

SUBSTANTIAL SHAREHOLDERS

Notice has been received of substantial shareholdings as follows:

Shareholder	Ordinary Shares	Preference Shares
Caithness Nominees Pty Limited	4,500,000	-
L.J.Gluskie	13,009,741	200
S.C.Gluskie	13,009,741	200

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

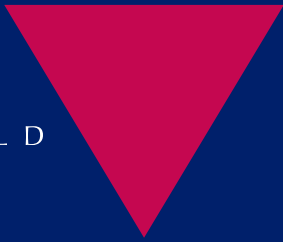
Shareholders

Shareholder	No. Shares	% of Issued
Caithness Nominees Pty Limited	4,500,000	9.48
Shane Carolyn Gluskie	3,000,000	6.32
Laurence J Gluskie	2,915,764	6.14
Sylvastate Limited	2,593,977	5.46
Clyde Green Pty Ltd	1,142,490	2.41
Nelrose Investments Pty Limited	1,035,374	2.18
Pards Pty Limited	990,875	2.09
Merran K Dunlop	989,542	2.08
Margaret E. Dobbin	905,091	1.91
Chickenfeed Pty Ltd	896,569	1.89
Jean Mary Deck	727,331	1.53
Glengarnock Super Fund	708,938	1.49
Jean Price	650,407	1.37
John E Gill Trading Pty Ltd	568,837	1.20
Allan L Holden	398,778	0.84
Patterson Carriers Pty Ltd	370,285	0.78
Fiducio Pty Limited	339,737	0.72
Nedloh Investments Pty Ltd	329,232	0.69
Employers Mutual Ltd	263,383	0.55
David J Iliffe	261,042	0.55
	<u>23,587,652</u>	<u>49.68%</u>





WHITEFIELD



Whitefield

