



WEBSTER

producing for the future

from a global perspective

portfolio



WEBSTER

fresh

onions

carrots

shallots

WEBSTER

industry services

*bearings &
engineering*

lifting & safety

*trucks &
machinery*

WEBSTER

corporate

salmon

kelp

WEBSTER

walnuts

Tasmania

NSW

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mission statement:

To be pre-eminent in our region in the food sector through intensive agribusiness and aquaculture; to provide superior returns to our shareholders; and to be a responsible corporate citizen.

2007 was a year of continued operating earnings improvement, most notably with strong contributions from our horticulture and aquaculture interests.



Webster directors are pleased to report that the restructure that has been undertaken in recent years has delivered year-on-year operating earnings growth and the continued reduction in debt has further strengthened the balance sheet. The reported 2007 underlying pre-tax profit was \$10.607 in comparison to an equivalent profit of \$3.774 million in 2006.

Webster continued its growth in walnuts through the successful preparation of an 800-hectare walnut orchard development during the year. This development increases the total area under management in the Riverina district of NSW to 1,600 hectares, which will provide annuity style income streams into the future. Webster is currently

investing in harvesting and processing infrastructure in this region and will utilise its existing marketing and distribution channels to provide fresh, high quality products to consumers, both locally and internationally.

The Walnut operating division achieved a strong operating profit of \$4.9 million for the year, however, within that, the 50% owned associate Webster Walnuts Pty Ltd had a disappointing year. Webster recorded a \$0.6 million equity accounted loss from the associate. The 540-hectare orchard on the east coast of Tasmania owned by the associate was affected by severe frosts in late spring 2006. The frost effect and slower than forecast tree growth led Directors to write down the value of the investment by \$2.0 million in 2007. A further write down on nursery stock was taken when demand for trees for new orchard establishment slowed as MIS projects were affected by changes in tax treatment of new developments.

The Webster Fresh division continued to deliver earnings growth after completing a successful sales season in 2007. It recorded an EBIT of \$2.8 million, in comparison to \$1.9 million in the prior year. Brown onions continued to be the main contributor to the divisional result. Whilst growing conditions were dry, which negatively impacted yields, strong pricing in the Northern European markets more than offset the yield downgrade.

2007 was the first year in which a profit sharing agreement with growers was introduced. The agreement has enabled Webster to produce a higher quality product and focus growers on market outcomes. The arrangement is, again, in place for the 2008 season. The 2007 result is testament to the strong relationships that Webster has with both international and local customers and a reputation for reliability and quality produce.



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Webster's 28 per cent holding of ASX-listed salmon business Tassal Group Limited generated an equity accounted profit of approximately \$5.6 million for the year, up from \$2.7 million in 2006. Tassal continues to focus on becoming globally cost competitive, with significant earnings gains achieved during the year from efficient fish growth and processing. Webster increased its interest in Tassal during the year through participation in the dividend reinvestment plans and an on-market acquisition. A further acquisition of more than 1% was made post balance date.

Webster's 50% owned King Island Joint Venture, Kelp Industries Pty Ltd continued to generate a modest, but satisfactory result for the year.

The Webster Industry Services division, comprising Trucks & Machinery and Bearings & Engineering Supplies continued to underperform in a challenging market environment. The combined EBIT result was \$0.2 million. The Truck & Machinery full year result was below management expectations, however improved market conditions in the second half of the year, primarily in respect of the number of truck units sold saw a satisfactory result achieved for the half. The Bearings & Engineering Supplies business continued to struggle from intense competition and generally lower repair and maintenance spending by industry.

Post balance date, Directors announced the strategic direction of the company would be in the horticulture and aquaculture sectors. The first stage in the strategic focus is the divestment of non-food assets, comprising the Webster Industry Services business units and the 50% interest in Kelp Industries Pty Ltd. In July the company entered into a conditional contract to sell all of the assets. The financial effect of the transaction led to a write down of the industrial assets. A higher, unconditional offer was subsequently received and agreed to in September 2007. Completion is scheduled for mid-October 2007, with expected positive earnings adjustments being accounted for in the 2008 financial year.

During the year the Executive Chairman signalled his intention to stand down after year end and in September 2007 Mr Roberts stood down from the Chairmanship, with non-executive director David Robinson being appointed. Mr Roberts has agreed to stay on as the Chief Executive Officer whilst an executive search is undertaken. It is expected that a new CEO will be appointed before the end of December 2007.

Company Secretary Bruce Davey resigned during September and Financial Controller, Nicholas Abbott, has assumed the role of Company Secretary.

Directors particularly acknowledge and thank all staff for their continued efforts and contributions throughout the year.

With generally sound operating conditions and well positioned business units, directors expect that the company will continue its sound trend in underlying profit and that the company will generate a solid return for the 2007-2008 financial year.

Directors are pleased to have declared an increased dividend, with a 4.5 cent partially franked final dividend on ordinary shares, and the usual 4.5 cent final preference share dividend.

Webster achieved a significant increase in underlying pre-tax profit of \$10.607 million during 2007. This compares with an equivalent profit for 2006 of \$3.774 million.

Webster has continued to improve its operating performance in 2007, with solid returns from associates also achieved. The reported net profit after income tax was \$2.305 million, which included \$6.243 million of non-operating charges. The charges comprise \$5.443 million of walnut and industrial asset write-downs and provision for the retirement payment to the Chief Executive Officer of \$800,000. Webster's balance sheet also strengthened further during 2007 with reduced gearing and solid cash flows from operations.

Webster's vegetable operation, Webster Fresh reported a \$2.799 million EBIT for the year. Dry growing conditions resulted in reduced yields, however strong Northern European pricing more than offset the yield reduction. Profit share grower contracts have continued into the 2008-year with the aim of continuing to reduce volatility in earnings in the future.

Webster Walnuts delivered an EBIT profit of \$4.885 million before non-operating items, up from \$1.465 million in 2006. During the year the division completed the preparation of an 800-hectare walnut orchard development in the Riverina district of New South Wales, increasing the area under management to 1,600 hectares. Revenue streams were also generated from the 800 hectares already under management in the Riverina. The 50% owned associate Webster Walnuts Pty Ltd had a disappointing year after being affected by severe frosts in late spring. The company, which owns a 540-hectare orchard on the east coast of Tasmania incurred a significant loss which led to Webster reporting an equity accounted loss of \$0.570 million for the year. For 2008 new frost mitigation strategies are in place.

Webster's industrial division, comprising Trucks & Machinery and Bearings & Engineering Supplies, reported a combined EBIT result for the year of \$0.197 million, with both divisions performing below expectations. Whilst the full year result for the Trucks & Machinery operation was below expectation, performance in the second half of the year was satisfactory with an improvement in the number of truck units sold. The Bearings & Engineering Supplies business continued to struggle with intense competition and low spend levels by heavy industry negatively impacting sales and margins.

Webster's 28.21% interest in Tasmanian salmon business Tassal Group Limited generated a strong return for the full year, with an equity accounted profit of \$5.629 million, in comparison to \$2.662 million in 2006. Tassal continued to extract earnings through efficient fish growth and processing, with the focus on becoming more globally cost competitive. During the year Webster increased its ownership interest through participation in the



dividend reinvestment plans and a small on-market acquisition.

Cash generation and debt reduction was a continued focus for Webster during 2007 with gearing levels reducing from 34% to 21% at year-end. Operating cash flows were \$8.401 million for the year, which allowed for further debt reduction and the payment of an interim and final dividend.

A 4.5 cent ordinary share final dividend has been declared by directors to be paid on 31 October 2007.

Webster Fresh is a Tasmanian based division with contract growers producing brown and red onions mainly for export and carrots predominantly for the domestic market.

Webster Fresh has a skilled agronomy team that oversees vegetable growing and an experienced group which manages processing operations. Collectively Webster Fresh has a very strong focus on food safety, product traceability and chemical inputs reduction. Webster Fresh prides itself on the reputation it has gained globally for high quality and reliability of supply. Integral to the business is the strong bond and direct relationships that have been developed over many decades with some of the biggest global supermarkets, independent retailers and specialist importers throughout Europe, East Asia and Australia.

The Webster Fresh division recorded a sound result with an EBIT of approximately \$2.8 million predominately generated by brown onion sales. Carrots under performed expectations for the year.

Growing conditions in Tasmania were impacted by dry conditions that resulted in the brown onion tonnage being below expectations, however the European sales season ended on a positive note with strong prices being achieved late in the season. This led to a 'balancing out' of the result, with earnings being consistent with management expectations.

Red onions performed satisfactory given the small volume that is grown and recorded a small positive EBIT result.

Webster Fresh carrots did not meet profit expectations this year with quality and pricing issues impacting the result. Further review of this operation is being undertaken to restore profitability.

The introduction of the profit sharing onion contract has proven to be successful and well received by growers for the 2007 season. The profit scheme underpins a guaranteed minimum payment while enabling growers to participate in upside based on quality and global market conditions. The contract also potentially alleviates some of the volatility in earnings for Webster.



The drilling of onions for 2007-2008 has been completed with crop quality currently in line with expectations. The season has started favourably with agronomic conditions more favourable than the start to last year. The drilling of carrots has commenced and will continue through to mid January. Several new initiatives are being incorporated into the field program this season to improve quality. Foreign currency hedging is currently in line with budget expectations. Early signals are that pricing will be satisfactory for the start of the 2008 season.



Webster Fresh prides itself on the reputation it has gained globally for high quality and reliability of supply.

The Webster Walnut division comprises walnut nurseries owned and operated by Webster in Forth, Tasmania and Griffith in New South Wales (NSW), a 540ha orchard joint venture located at Swansea on the east coast of Tasmania and manages a further 60ha approximately of joint venture orchards scattered around Tasmania.

In addition Webster manages a 250ha property in Griffith NSW for a private investor and 1,350ha for Gunns Limited who are the responsible entity under managed investment schemes (MIS).

In all cases, the harvesting, processing, drying and marketing of the walnuts is also managed by Webster Walnuts. It is envisaged that as the walnut volumes increase, Webster will progressively tap into the Webster Fresh distribution relationships to export walnuts to Europe as a counter seasonal supplier. Some European countries are the highest per capita consumers of walnuts in the world and provides an exciting opportunity for Webster Walnuts as the business grows.

Webster Walnuts concluded a successful year following the establishment and planting of a 740ha property at Leeton in NSW. The EBIT result for the division, before non-operating items, was approximately \$4.9 million with the positive earnings being generated from the developments in NSW.

Walnuts – NSW

In line with the second year of the Heads of Agreement (HOA) with Gunns Limited, a further 800ha of walnut orchard was established in the Riverina district of NSW. A ‘world best practice’, 740ha orchard was established at Leeton and a further 60ha

planted at the previously established ‘Ercildoune’ property.



During the second half of the financial year the Federal Government announced the discontinuance of tax deductibility for non-forestry MIS schemes (including walnuts). While Webster has lobbied against the introduction of the legislative changes, it has ultimately cast a cloud over the continuance of orchard developments under the HOA with Gunns Limited. Alternative funding and investment structures remain options that Webster may pursue, however, a major development of like size to 2007 is not contemplated for 2008.



In a difficult water environment, the NSW walnut orchards managed by Webster are relatively well positioned. The orchards are positioned on the Murrumbidgee Irrigation Scheme, arguably the most reliable water source in the Murray-Darling basin. At the time of writing, the high security (HS) allocation was at 60% with the NSW government indicating an 80% probability that the HS allocation would be increased to the maximum 95% on the 1st of November 2007. Both properties own HS (as compared with General Security) water rights and both properties have on-farm storage.

Tenders have been let for the construction of a hulling and drying line at the Ercildoune property. It is planned to have this facility commissioned prior to the first commercial harvest from the 250ha private investor orchard in March 2008. This facility will also service future Gunns investor orchard crops on the same property.

Walnuts – Tasmania

Webster is a 50% owner of non-controlled entity, Webster Walnuts Pty Ltd (WWPL). WWPL owns a, Webster established, 540 ha orchard near Swansea on the Tasmanian east coast. The Swansea orchard suffered frost damage in late Spring 2006, severely reducing the ultimate crop. WWPL has implemented a more developed frost mitigation strategy for the current year. Whilst the orchard continues to lag expectations, the outlook for the 2008 harvest is more encouraging.

The company also operates in partnership a small number of Tasmanian small walnut orchards (typically 4 ha to 10 ha) on farmer owned land. Modest, but growing crop yields are being obtained from these smaller ventures.

Nursery operations in Tasmania and NSW have been scaled back as the effect of the federal government wind back of non-forestry MIS developments is being assessed.

Webster Limited is the largest shareholder in Tassal Group Limited (Tassal), currently with 29.27%. The Tassal holding fits with the company's strategic positioning - in aquaculture and horticulture activities.

During the year Webster participated in the DRP and also acquired a small number of shares 'on market'. Post balance date a further acquisition of more than 1% was made.

The company's investment in Tassal produced an equity accounted return of approximately \$5.6 million. Tassal has made significant improvements in cost reduction, particular on-farm, but also in factory production and processing. Fish size increments have significantly contributed to the improvement as well.



Webster is also pleased with Tassal's focus on fish health and clean environmental practices – both perceived to be important in continuing the strong growth in consumer acceptance of Tassal product.

The outlook for FY2008 is for a continuance of the progress made to date by Tassal. The equity accounted contribution is anticipated to grow further in the 2008 year.





...focus on fish health and clean environmental practices – both perceived to be important in continuing the strong growth in consumer acceptance of Tassal product.

Webster Industry Services comprises two separate business units. Trucks & Machinery with a state-wide workshop network, spare parts sales and respected dealership brands. Bearing & Engineering Supplies has a state-wide presence with exclusive distribution agreements with some of the most globally recognised engineering solution providers. The Bearing & Engineering division also encompasses the lifting & safety accredited operations.

Trucks and Machinery

The Webster Trucks and Machinery business unit had a moderate improvement over the previous year's results, although still well below management expectations. Revenue increased by approximately \$2.5 million, with the EBIT contribution of \$688,000 being an increase on last year of approximately \$131,000.

Bearing and Engineering Supplies

The Webster Bearing and Engineering business had a disappointing year recording an EBIT loss of approximately \$491,000. Whilst changes to address the poor performance were introduced during the second half of the financial year, these improvements had not come to fruition by the end of June and the annual result was also exacerbated with further one off costs in recognising stock losses and staff termination costs.

Kelp Industries

Kelp Industries Pty Ltd is a King Island based operation that harvests and processes bull kelp with the vast majority sold to half shareholder ISP (International Speciality Products). The bull kelp is used for many applications including the extraction of alginates for inclusion in many commodities including food products and cosmetics.

The operations ran smoothly with a modest dividend being declared.

Divestment of non-food businesses

During July 2007, directors announced the strategic direction of Webster Limited would be focused on the agribusiness and aquaculture sectors. The Trucks & Machinery and Bearings & Engineering Supplies divisions, as well as the company's 50% investment in Kelp Industries Pty Ltd, were identified for divestment. The businesses and assets targeted for divestment were written down in the 2007 accounts to a value ascribed in a conditional contract of sale. The divestment process ultimately resulted in all non-food businesses being sold to Motors Pty Ltd post balance date at a value approximately \$1 million higher than the original value recorded in the 2007 accounts. Any earnings adjustment as a result of the higher than expected proceeds will be taken to account in the 2008 financial year.

The effective date for this divestment of the non-food assets was the 30th of June 2007 with completion occurring on the 12th of October 2007.



Information on Directors

Director	Qualifications and Experience	Special Responsibilities	Particulars of Directors' Interests in Ordinary Shares of Webster Limited (1)	
R J Roberts B Ec MBA Age 57	Appointed a non-executive director in September 1995, managing director October 1996 – October 2001, non-executive chairman October 2001 – January 2004 and executive chairman in January 2004. Chairman of Clements Marshall Consolidated Limited, Australian Walnut Properties Limited and Director of Tassal Group Limited and Deputy Chancellor of the University of Tasmania. Resides in Hobart.	Executive Chairman Chairman of nomination & appointments committee	Ordinary	3,667 (P) 4,897,811 (R)
C E Bright BA MA Age 62	Appointed non-executive director August 2005. Director of Futuris Corporation Limited, Integrated Tree Cropping Limited, Australian Agricultural Company Limited, Tassal Group Limited and Chairman of the Supervisory Board of Bremer Woll-Kammerei AG. Resides in Melbourne.	Non-executive director. Chairman of audit committee and member of remuneration committee and nomination & appointments committee	Ordinary	2,000 (P) 16,720,854 (R)
D W Robinson MBBS FRACS Age 61	Appointed non-executive director in June 2005. Director of Australian Food & Fibre Limited. Resides in Brisbane.	Non-executive director. Member of audit committee and nomination & appointments committee and Chairman of remuneration committee	Ordinary	2,000 (P) 3,892 (R)
S Stone BSc (Hons) PhD Age 55	Appointed non-executive director in May 2006. Resides in Adelaide.	Non-executive director. Member of the audit committee, remuneration committee and the nominations & appointments committee.	Ordinary	1,000 (P)
G A Hunt Age 48	Appointed Alternate for C E Bright August 2005. Managing director of Elders Limited Group and director of Elders Rural Bank Limited, Elders Insurance Limited and Commissioner PT Elders Indonesia. Resides in Adelaide.	Alternate non-executive director.	Ordinary	1,026 (P) 16,720,854 (R)

Notes:

(1) (P) = personal shareholding, (R) = relevant interest.

The directors of Webster Limited (ACN 009 476 000) submit herewith the annual financial report of the company for the financial year ended 30 June 2007. In order to comply with the provisions of the Corporations Act 2001, the director's report as follows:

The names of the directors of the company during or since the end of the financial year are:

Directors

R J Roberts	Executive Chairman
C E Bright	Non-executive Director
D W Robinson	Non-executive Director
S Stone	Non-executive Director

All of the above named directors have held office during and since the end of the financial year.

Company Secretary

Mr B R Davey

Mr Davey is the company's Commercial Services Manager having joined Webster in late 2004. Mr Davey is a Certified Practising Accountant, a member of CPA Australia and holds a Bachelor of Commerce from the University of Tasmania. Mr Davey is also company secretary of all controlled subsidiary companies.

Principal Activities

The principal activities of the consolidated entity during the year were industrial and transport services and the production, processing and marketing of vegetables and walnuts. Webster also has a key stake in the salmon industry through its 28% ownership of Tassal Group Limited.

Trading Results

The profit after tax of the consolidated group for the year was \$2.305 million. This result includes \$6.243 million of significant items.

Directorships of Other Listed Companies

Directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of directorship
R J Roberts	Tassal Group Limited	Since 2005
C E Bright	Futuris Corporation Limited	Since 2002
	Integrated Tree Cropping Limited	Since 2002 (publicly listed in 2004)
	Bremer Woll-Kammerei AG	Since 2002
	Australian Agricultural Company Limited	Since 2002
	Tassal Group Limited	Since 2005
D W Robinson	Australian Food & Fibre Limited	Since 1999
S Stone	Western Kingfish Limited	Since 2007 (publicly listed July 2007)

Review of Operations

The 2007 financial year was a period of operating earnings growth. The contribution from operations during the year was a marked improvement on the prior year, with solid returns from associates also achieved. The profit after income tax, but before significant items was \$8.548 million, in comparison to \$3.524 million in 2006. Total sales revenue for continuing and discontinued operations rose during the financial year by 14% to \$79.682 million; the increase being predominantly due to the improved revenue streams generated through the Webster Walnuts division.

The company's vegetable operation, Webster Fresh, reported a solid result for the year, reporting a \$2.799 million EBIT. This compares with \$1.902 million in 2006. Whilst growing conditions were very dry and volume was down on expectation, the quality of the product and an increased demand in Northern Europe resulted in an above budget sales price per tonne. The introduction of profit share grower contracts in 2007 has continued into the 2008 season and will continue to reduce volatility in earnings in the future.

2007 was also a successful year for the Webster Walnuts division, which delivered an EBIT profit of \$4.885 million, before non-operating items, up from \$1.465 million in 2006. The division completed the preparation of an 800 hectare walnut orchard development in the Riverina district of New South Wales during the year, increasing the area under management in this region to 1,600 hectares. In addition to the orchard development, revenue streams were generated from the management of the 550 hectares developed in 2006. The 540-hectare orchard on Tasmania's east coast, owned by associate Webster Walnuts Pty Ltd, had a disappointing year after being

affected by severe frosts in late spring. Whilst the 2007 yield was below expectation, an improvement is expected in 2008 with frost mitigation strategies now in place. Webster reported an equity accounted loss of \$0.570 million for the year from this associate.

Webster Industry Services, comprising a Trucks & Machinery business and Bearings & Engineering Supplies business reported a combined \$0.197 million EBIT profit. Whilst performance of the Truck & Machinery business was below expectation for the full year, the business performed satisfactorily in the second half of the year, with an improvement in the number of truck units sold. The Bearings & Engineering Supplies business continues to struggle with revenue and profit margins being well below expectation. Intense competition and continued lower spend levels from heavy industry impacted the result negatively.

Webster's 28.21% interest in listed salmon business Tassal Group Limited generated a strong full year result. The equity accounted profit for the year amounted to approximately \$5.629 million, in comparison to \$2.662 million in 2006. Tassal marine operations management has been able to extract value through efficient fish growth and processing and is becoming more globally cost competitive. The result being significant year-on-year earnings growth. During the year Webster increased its interest in Tassal Group Limited marginally through participation in the dividend reinvestment plan and a small on-market acquisition.

Consistent with prior years, Webster continues to focus on cash generation and debt reduction. Operating cash flows were \$8.401 million during 2007. These funds were used for debt reduction, which amounted to \$3.710 million; interim and final dividend payments of \$1.554 million; and net investing activities of \$2.331 million. Finance costs continued to decrease during 2007 and gearing levels fell from 34% to 21% at year-end. The company is well positioned for growth in future years through acquisition in the aquaculture and horticulture segments.

Dividends

During the year, directors declared and paid the following dividends:

- Dividends of 4.5 cents per share on the cumulative non-redeeming preference shares were paid on 30 September 2006 and 31 March 2007 (fully franked at 30% tax rate).
- A final dividend of 3 cents per share franked to 100% at 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 31 October 2006.
- An interim dividend of 1 cent per share franked to 100% at 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 30 April 2007.

The directors have declared a 4.5 cent per share dividend franked to 5.15% at 30% corporate income tax rate, payable on 31 October 2007. The record date for determining entitlement to the dividends is 9 October 2007.

Issue of Shares

1,260,832 ordinary shares were issued under the company's dividend reinvestment plan. 1,001,123 were issued on 31 October 2006 and 259,709 were issued on 30 April 2007.

Changes in State of Affairs

Other than as disclosed in the accompanying financial statements and notes thereto, and as discussed below under subsequent events, there has been no significant change in the state of affairs of the consolidated group during the year.

Likely Developments

Likely developments in the consolidated group's operations known at the date of this report have been covered elsewhere within this report. In the directors' opinion, any further disclosure of information would prejudice the company's interests.

Subsequent Events

The directors are not aware of any matter or circumstance that has arisen since the end of the financial year, that has significantly or may significantly affect the operations of the consolidated group, the results of those operations or the state of affairs of the consolidated group in subsequent financial years, other than those outlined below:

- The plan to dispose of the industrial businesses and the company's 50% interest in Kelp Industries Pty Ltd, as discussed in note 31 to the financial statements; and
- The potential transfer of aquaculture and horticulture assets from Futuris Corporation Limited to Webster Limited, as discussed in note 32 to the financial statements.
- Upon his retirement the Chief Executive Officer has accepted a termination payment as outlined below in the Remuneration Report and is expected to cease in this capacity in September 2007.

Options

No shares of any controlled entity were issued during or since the end of the financial year by virtue of the exercise of any options.

No new options over the shares of the company or any controlled entity have been granted by the company or any controlled entity during or since the end of the year.

Directors' Meetings

The number of directors' meetings and meetings of committees of directors held in the period each director held office during the year, and the number of meetings attended by each director, are included with the information on directors on page 19.

Officers Indemnities and Insurance

During the current financial year the company paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary, Mr B R Davey, and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

Rounding Off of Amounts

The company is a company of the kind referred to in ASIC Class Order 98/0100 dated 10 July 1998 and, in accordance with that Class Order, amounts in the directors' report and the financial report have been rounded off to the nearest thousand dollars unless specifically stated to be otherwise.

Environmental Regulations

The consolidated group operates various processing facilities that are subject to environmental controls.

There are no known issues that are outstanding with regulatory authorities and the group is operating within accepted guidelines.

Non-Audit Services

The directors are satisfied that the provision of non-audit services during the year by the auditors (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 4 to the financial statements.

The directors are of the opinion that the services disclosed in note 4 to the financial statements do not compromise the external auditor's independence, based on the advice received from the Audit Committee, for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and
- None of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditors own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Independence Declaration by Auditor

The auditor's independence declaration is included on page 23.

Remuneration Report

The non-executive directors are responsible for reviewing the compensation arrangements for all senior executives and directors. The review is conducted annually, having regard to management performance and comparative, external compensation levels. Independent advice may be sought on compensation packages and directors' fees.

Elements of Key Management Personnel Compensation

The compensation of key management personnel includes salary/fees, movements in accrued annual and long service leave, benefits (including the provision of motor vehicle, superannuation and fringe benefits) and incentive schemes (including performance related bonuses).

The Board established a cash-based short-term incentive (STI) program in the 2006 financial year, however during that year bonus payments were only made at the discretion of the remuneration committee and were not made in accordance with the STI program. In the 2007 financial year bonus payments have

been provided for in accordance with the company's cash-based STI program. The total amount provided for amounts to \$588,850 (2006: Nil). The program is applicable to the Chief Executive Officer and other key management personnel that act in an executive capacity. The STI program is linked to and only payable on the delivery of above budget earnings performance. The value of any cash-based payment is determined with reference to 'normalised profit' and is not impacted by capital transactions. The bonus is payable as follows:

Stage 1

- For operating divisional executives, 15% of total cost to company (TCC) is payable if their respective divisional earnings before interest and income tax (EBIT) is 5% above budget for the year.
- For corporate executives, 15% of TCC is payable if the consolidated net profit before income tax (NPBT) is 5% above budget for the year.

Stage 2

- For all executives who achieve stage 1 of the program, an additional 1% of TCC is payable for every 1% of NPBT achieved above the stage 1 threshold of 5%. The maximum bonus payable under the STI program is 50% of TCC.

The company currently does not have in place any long-term incentive programs.

As at the date of this report no key management personnel hold any options for the purchase of shares in the company or any controlled entity. Outlined below is the compensation of all key management personnel of the company and the consolidated group.

Key Management Personnel Details

The key management personnel of Webster Limited during the year were:

- R J Roberts (Chairman, Chief Executive Officer)
- C E Bright (Non-executive)
- D W Robinson (Non-executive)
- S Stone (Non-executive)
- N Abbott (Financial Controller)
- B Davey (Commercial Services Manager)
- S Eiszle (State Manager, Webster Bearing & Engineering Supplies), Resigned 7 February 2007
- L Curran (State Manager, Webster Trucks & Machinery)
- T Gadsby (Information Technology and Communications Manager)
- S Stegmann (Commercial Manager, Webster Fresh and Webster Walnuts)
- L Titmus (Manager, Webster Walnuts)
- R Gilham (Operations Manager, Webster Fresh)
- N Carey (Marketing Manager, Webster Fresh)

Key Management Personnel Compensation

The aggregate compensation of the key management personnel of the consolidated entity and the company is set out below:

	Consolidated		Company	
	2007 (\$)	2006 (\$)	2007 (\$)	2006 (\$)
Short-term employee benefits	2,018,420	1,426,484	1,524,909	1,149,920
Post-employment benefits	108,505	107,607	82,563	81,245
Termination benefits	817,462	-	817,462	-
	<u>2,944,387</u>	<u>1,534,091</u>	<u>2,424,934</u>	<u>1,231,165</u>

The compensation of each member of the key management personnel of the consolidated entity is set out below:

Key Management Personnel Compensation

The remuneration committee reviews the remuneration packages of all key management personnel and makes recommendations to the board. Remuneration packages are reviewed and determined with due regard to current rates and are benchmarked against comparable industry salaries.

The following table discloses compensation of the key management personnel of the consolidated entity:

2007	Short - Term			Post Employment	Other Long-Term	Termination	Share - based Payments	Total
Key Management Personnel	Salary & fees	Bonus	Non - Monetary					\$
R J Roberts (i)	300,435	160,000	16,291	25,979	-	800,000	-	1,302,705
D W Robinson	32,112	-	4,524	2,889	-	-	-	39,525
C E Bright	35,321	-	4,524	3,179	-	-	-	43,024
S J L Stone	35,000	-	4,524	-	-	-	-	39,524
N Abbott	111,172	64,400	8,400	10,479	-	-	-	194,451
B R Davey	102,535	68,600	35,647	9,003	-	-	-	215,785
S P Eiszele (ii)	56,431	-	11,375	5,002	-	17,462	-	90,270
L G Curran	94,822	-	19,500	7,920	-	-	-	122,242
T M Gadsby	94,759	55,125	9,191	8,324	-	-	-	167,399
S J Stegmann	99,108	55,125	3,000	9,121	-	-	-	166,354
L T Titmus	113,621	68,600	18,000	9,788	-	-	-	210,009
N D Carey	93,976	58,750	19,500	8,452	-	-	-	180,678
R P Gilham	86,302	58,250	19,500	8,369	-	-	-	172,421
Total	1,255,594	588,850	173,976	108,505	-	817,462	-	2,944,387

(i) The termination payment of \$800,000 represents approximately 2.5 years payout of the remainder of the employment contract of Mr R J Roberts, which will be paid upon him ceasing to be Chief Executive Officer. This is expected to occur in September 2007. This payment is for past services rendered to the company.

(ii) Mr S P Eiszele resigned on 7 February 2007.

Key Management Personnel Compensation

The following table discloses compensation of the key management personnel of the consolidated entity:

2006	Short - Term			Post Employment	Other Long-Term	Termination	Share - based Payments	Total
Key Management Personnel	Salary & fees	Bonus	Non - Monetary					\$
R J Roberts (i)	276,123	30,000	16,615	22,643	-	-	-	345,381
R Manassen	8,334	-	1,616	-	-	-	-	9,950
D W Robinson	29,309	-	4,847	2,691	-	-	-	36,847
G A Hunt	2,351	-	404	-	-	-	-	2,755
C E Bright	29,360	-	4,443	2,676	-	-	-	36,479
S J L Stone	5,466	-	808	-	-	-	-	6,274
N Abbott	93,179	7,500	8,870	8,107	-	-	-	117,656
B R Davey	95,437	7,500	21,141	8,273	-	-	-	132,351
S P Eiszele	81,511	1,000	18,000	7,336	-	-	-	107,847
L G Curran	88,246	1,000	18,000	7,464	-	-	-	114,710
T M Gadsby	102,996	4,000	311	8,543	-	-	-	115,850
S J Stegmann	83,839	4,000	3,000	7,050	-	-	-	97,889
L T Titmus	92,778	10,000	18,000	9,157	-	-	-	129,935
N D Carey	73,524	4,000	18,000	8,775	-	-	-	104,299
R P Gilham	68,201	4,000	18,000	10,537	-	-	-	100,738
W A McIntosh (ii)	65,229	-	5,546	4,355	-	-	-	75,130
Total	1,195,883	73,000	157,601	107,607	-	-	-	1,534,091

(i) Mr R J Roberts has been contracted for a period of three years from 1 November 2004 as Chairman and Chief Executive Officer. The contract specifies that a minimum of three months notice be given by either party in the event of termination.

(ii) Mr W A McIntosh resigned 28th of September 2005.

Key Management Personnel Share Plan Options

The consolidated entity has a Key Management Personnel Share Option Plan which was approved by shareholders at the 1999 Annual General Meeting. The Plan permits the Board to offer options, at its discretion, to selected senior executives, including executive directors. The offer of options to executive directors must be approved by a special resolution of shareholders.

	Note	Number	
		2007	2006
Balance at beginning of the financial year		-	-
Exercised during the financial year	(a)	-	-
Lapsed during the financial year	(b)	-	-
Balance at end of the financial year	(c)	-	-

Executive share options carry no rights to dividends and no voting rights. Options may be exercised at any time from the date of issue to the date of expiry.

(a) Exercised During the Financial Year

No Options were exercised during the financial year.

(b) Lapsed During the Financial Year

No Options lapsed during the financial year.

(c) Balance at End of the Financial Year

At year end, there were no options outstanding.

Directors' Meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 13 board meetings, 7 audit committee meetings, 1 nomination & appointments meetings, and 3 remuneration committee meetings were held.

Directors	Board of Directors		Audit Committee		Nomination & appointments committee		Remuneration committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
R J Roberts	13	13	7	7	1	1	3	3
C E Bright	13	13	7	7	1	1	3	3
D W Robinson	13	13	7	7	1	1	3	3
S Stone	13	13	7	7	1	1	3	3

Corporate Governance

In fulfilling its obligations and responsibilities to its various stakeholders, the board of Webster Limited recognises the need to implement and maintain a robust system of governance. The board has established a program that aims to meet best practice in standards of accountability, disclosure, responsibility and transparency.

The Australian Stock Exchange (“ASX”) Corporate Governance Council has released guidelines under which companies are now obliged to report on an “if not why not” basis on whether they comply with their published “Principles of Good Corporate Governance and Best Practice Recommendations”, as outlined in those guidelines.

The company complies with most of the principles outlined in the ASX guidelines and the board remains committed to reviewing all practices to ensure that an appropriate and functional solution is in place for a company of Webster’s size and type of operation.

Set out below is a summary of the company’s current practices in each of the 10 areas identified in the ASX guidelines.

1. Role of the Board and Management

The Webster Limited board of directors is responsible for the overall corporate governance of the consolidated group including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The relationship between the board and management is a partnership that is crucial to the company’s long-term success. The separation of responsibilities between the board and management is clearly understood and respected.

2. Composition of the Board

The company has recognised the importance of having a balanced board comprised of directors with an appropriate range of backgrounds, skills and experience. As at the date of this report the board comprises four directors, three of whom are non-executive. It is the intention of the board to maintain a majority of non-executives on the board.

The board considers the independence of directors can be assessed on their capacity to act in accordance with their duties and put the interests of the company and its shareholders first, so that they are objectively capable of exercising independent judgment. The board considers that each of the current directors has this capacity. The board notes the definition of “independence” contained in the ASX guidelines and recognises that S Stone and D W Robinson meet the guidelines’ definition of “independent”.

The directors as a group are responsible for reviewing membership of the board and for selecting new directors. The Constitution requires that any new director appointed by the board must seek election at the next Annual General Meeting.

3. Board Committees and Processes

The board of Webster Limited is supported by the following committees. These committees, which each have their own charter and operating procedures, assist the board in the discharge of its obligations by the review of financial reports, audit, compliance, remuneration and the composition and self-appraisal of the board itself. In addition, directors meet outside normal board and committee meetings from time to time, in accordance with good corporate governance practice.

(i) Audit Committee

The audit committee monitors internal control policies and procedures designed to safeguard company assets and to ensure the integrity of financial reporting. It advises on the establishment and maintenance of a framework of internal controls and appropriate ethical standards for the management of the consolidated group.

The audit committee is also responsible for identifying areas of significant business risk and ensuring arrangements are in place to manage them. It reviews the annual and half-year financial statements before the board considers them. It is also responsible for ensuring compliance with the Corporations Act, ASX Listing Rules and any other matters with external governing or statutory bodies.

Among its specific responsibilities, the committee reviews and advises the board on the nomination and remuneration of external auditors and the adequacy of existing external and internal audit arrangements including the scope and quality of audits.

The committee met 7 times during the 2006/07 year. Current members of the audit committee are Messrs C E Bright (Chairman), R J Roberts, D W Robinson and S Stone. The Financial Controller, Company Secretary and the external audit partner in charge of the Webster Limited audit attend meetings of this committee by invitation.

The committee also meets from time to time with the external auditors, independent of management.

(ii) Nomination and Appointments Committee

The main responsibilities of the nomination and appointments committee are to review the composition and membership of the board and to make recommendations on new appointments. There were no new appointments made during the year.

Any director may, at any time, recommend a person to the nomination and appointment committee for consideration as a director.

The members of the nomination and appointments committee are Messrs R J Roberts (Chairman), C E Bright, D W Robinson and S Stone. The committee meets as required.

(iii) Remuneration Committee

The remuneration committee reviews and makes recommendations to the board on remuneration packages and policies applicable to executive and non-executive directors and senior executives. The current members of the remuneration

committee are Messrs D W Robinson (Chairman), C E Bright, S Stone and R J Roberts. R J Roberts is excluded from meetings where discussions surround his salary package.

4. Ethical and Responsible Decision Making

As part of the board's continuing commitment to promote ethical and responsible decision making the company has a Code of Conduct which establishes a range of procedures and guidelines to ensure that the highest ethical standards, corporate behaviour, and accountability are maintained.

The Code of Conduct was established in 1994 to guide executives, management and employees in carrying out their duties and responsibilities.

The Code of Conduct covers such matters as:

- (a) responsibilities to shareholders;
- (b) conflict of interest;
- (c) confidentiality;
- (d) protection of the company assets;
- (e) relations with customers and suppliers;
- (f) employment practices; and
- (g) responsibilities to the community.

Webster Limited has developed and adopted a Share Trading Policy that prohibits employees trading the company's shares due to knowledge of undisclosed information. At other times, directors and employees are permitted to trade in Webster Limited securities subject to compliance with statutory and other relevant regulatory restrictions. Directors refer all trading of company shares by them to the Company Secretary for ASX lodgement requirements.

Directors may, after prior approval of the Chairman, obtain independent professional advice at the company's expense for the purposes of the proper performance of their duties.

5. Integrity of Financial Reporting

The board is responsible for the integrity of financial data and has instigated an internal control framework to ensure accurate financial reporting of monthly actual results against budgets approved by directors and revised forecasts. The Chief Executive Officer and Financial Controller state in writing to the board that the consolidated entity's financial reports present a true and fair view, in all material respects, of the consolidated entity's financial condition and operational results and are in accordance with relevant accounting standards.

The audit committee provides assistance to directors in fulfilling their responsibility to the company's shareholders and potential investors in relation to the financial risk, audit, corporate accounting and reporting practices of the company.

6. Disclosure Practices

Webster Limited places considerable importance on accurate and effective communication with its existing and potential shareholders.

Webster Limited is committed to complying with the continuous disclosure obligations of the Corporations Act 2001 and the ASX Listing Rules. The company has developed and adopted a continuous disclosure policy and procedure, which ensures all material matters concerning the company are conveyed immediately and effectively. Webster Limited understands and respects the fact that timely disclosure of relevant information is central to the efficient operation of the securities market.

Information is communicated through the distribution of the annual and half yearly reports, direct mailings and announcements through the ASX.

Webster Limited posts all reports, newsletters, ASX releases, Annual Meeting and other major presentations on its website - www.websterltd.com.au.

The external audit partner in charge of the Webster Limited audit is invited to attend the Annual General Meeting and is available to answer shareholder questions related to the conduct of the audit, and the preparation and content of the auditor's report.

7. Identifying and Managing Risk

The audit committee is responsible for the establishment of a group-wide risk profile. The objective is to identify, evaluate, and monitor material risks that the company is facing, and to ensure effective management or monitoring of those risks.

The board is responsible for the company's system of internal controls and monitors the operational and financial aspects of the company's activities through the audit committee. The board and the audit committee are both involved in identifying key areas of risk such as insurance, interest rate and exchange exposure and ensuring that appropriate measures of protection are taken.

The company has in place a number of risk management controls which include the following:

- risk management policy and practices;
- policies and procedures for the management of financial risk and treasury operations including exposures to foreign currencies, financial instruments, and movements in interest rates;
- guidelines and limits for the approval of capital expenditure and investments; and
- a comprehensive insurance program.

Management is required to provide regular reports on each of these matters.

8. Monitor and Encourage Enhanced Performance

The company recognises that the process of enhancing shareholder value is dependent upon the performance of directors and management. Ensuring they each have the knowledge and information required to perform their duties, together with the regular review of performance, are important factors in meeting the company's objectives.

The performance of individual directors, the board as a whole and key executives is reviewed annually by the nomination & appointments committee.

9. Remunerate Fairly and Responsibly

As mentioned above, the company has a remuneration committee that determines the remuneration of executive directors and oversees the remuneration packages of those executives reporting directly to the managing director. It also reviews all equity based incentive schemes for approval of the board.

The only benefits currently paid to non-executive directors are the base fee and superannuation, approved in aggregate by shareholders. There is no scheme for the payment of retirement benefits to non-executive directors.

10. Recognise the Legitimate Interests of Stakeholders

The company has established a basic code of conduct that provides guidance to employees and directors on compliance with legal and other normal business obligations.

With the various business activities conducted by Webster Limited, the company is subject to a wide range of legal requirements. As part of the company's risk management program an audit of these requirements was undertaken during 2004/05. In several areas directors and officers can be held personally responsible for corporate behaviour inconsistent with these requirements. Accordingly, continual training in this area forms an integral part of the company's risk management program.

Signed in accordance with a resolution of the directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors



R.J. Roberts
Chairman
Hobart, 29 August 2007

Deloitte.

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Independence declaration to the directors of Webster Limited

The Board of Directors
Webster Limited
120 Campbell St
HOBART TAS 7001

29 August 2007

Dear Board Members

Webster Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Webster Limited.

As lead audit partner for the audit of the financial statements of Webster Limited for the financial year ended 30 June 2007, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Craig Barling
Partner
Chartered Accountants

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**Independent Auditor's Report to the members of
Webster Limited****Report on the Financial Report and AASB 124 Compensation Disclosures
in the Directors' Report**

We have audited the accompanying financial report of Webster Limited, which comprises the balance sheet as at 30 June 2007, and the income statement, cash flow statement and statement of recognised income and expense for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 26 to 71.

We have also audited the compensation disclosures contained in the directors' report. As permitted by the Corporations Regulations 2001, the company has disclosed information about the compensation of key management personnel ("compensation disclosures") as required by paragraphs Aus 25.4 to Aus 25.7.2 of Accounting Standard AASB 124 Related Party Disclosures ("AASB 124"), under the heading "remuneration report" on pages 16 to 19 of the directors' report, and not in the financial report.

Directors' Responsibility for the Financial Report and the AASB 124 Compensation Disclosures Contained in the Directors' Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The directors are also responsible for the compensation disclosures contained in the directors' report. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the consolidated financial statements and notes complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report and compensation disclosures contained in the directors' report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and the compensation disclosures comply with AASB 124.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and the compensation disclosures contained in the directors' report. The procedures selected

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depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report and the compensation disclosures contained in the directors' report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report and the compensation disclosures contained in the directors' report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report and the compensation disclosures contained in the directors' report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion on the Financial Report

In our opinion:

- (a) the financial report of Webster Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Auditor's Opinion on the AASB 124 Compensation Disclosures Contained in the Directors' Report

In our opinion, the compensation disclosures that are contained pages 16 to 19 under the heading "remuneration report" of the directors' report comply with paragraphs Aus 25.4 to Aus 25.7.2 of Accounting Standard AASB 124 Related Party Disclosures.



DELOITTE TOUCHE TOHMATSU



Craig Barling
Partner
Chartered Accountants
Hobart, 29 August 2007

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Directors' Declaration

The directors declare that:

In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company and the consolidated entity; and

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

At the date of this declaration, the company is within the class of companies affected by ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the directors' opinion, there are reasonable grounds to believe that the company and the companies to which the ASIC Class Order applies, as detailed in note 24 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors



R.J. Roberts
Chairman
Hobart, 29 August 2007

income statement

for the financial year ended 30 June 2007

WEBSTER
limited

	Note	Consolidated		Company	
		2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
Revenue	2	45,900	36,566	15,744	9,022
Cost of sales		(21,157)	(18,834)	(3,450)	(3,033)
Gross Profit		24,743	17,732	12,294	5,989
Other income	2	1,875	2,702	3,521	3,677
Share of net profits of associates and joint ventures accounted for using the equity method		5,059	2,200	-	-
Distribution expenses		(8,665)	(8,803)	(9)	(48)
Marketing expenses		(778)	(737)	(265)	(217)
Operational expenses		(7,223)	(4,739)	(7,325)	(4,471)
Administration expenses		(2,928)	(2,755)	(1,636)	(1,366)
Finance costs		(1,315)	(1,523)	(1,313)	(1,511)
Other expenses		(161)	(303)	(30)	-
Profit/(loss) before significant items and before income tax expense		10,607	3,774	5,237	2,053
Non-recurring profit on disposal of investment		-	1,713		1,317
Impairment loss on associate	2	(2,000)	-	(3,290)	-
Impairment of walnut assets	2	(500)	-	(500)	-
Termination package		(800)	-	(800)	-
Profit/(loss) after significant items and before income tax expense		7,307	5,487	647	3,370
Income tax (expense)/income	3	(1,872)	161	(764)	511
Profit/(loss) from continuing operations		5,435	5,648	(117)	3,881
Loss from discontinued operations	31	(3,130)	(414)	(3,214)	(498)
Profit/(loss) for the period		2,305	5,234	(3,331)	3,383
Profit/(loss) attributable to members of the parent entity		2,305	5,234	(3,331)	3,383
Earnings per share for continuing and discontinued operations					
Basic (cents per share)	22	3.74	8.69		
Diluted (cents per share)	22	3.74	8.69		
Earnings per share from continuing operations					
Basic (cents per share)	22	8.83	9.38		
Diluted (cents per share)	22	8.83	9.38		

Notes to the financial statements are included on pages 32 to 71.

	Note	Consolidated		Company	
		2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
Current Assets					
Cash and cash equivalents	28(a)	4,285	3,477	4,201	3,231
Trade and other receivables	5	18,231	17,137	13,710	12,877
Other financial assets	6	4,207	2,339	7,200	5,341
Inventories	7	1,823	9,546	119	6,594
Other assets	8	506	325	506	325
Agricultural assets	13	299	1,194	299	1,194
		29,351	34,018	26,035	29,562
Assets classified as held for sale	9	9,136	-	9,136	-
Total current assets		38,487	34,018	35,171	29,562
Non-Current Assets					
Other financial assets	6	13	15	48,255	49,913
Investments accounted for using the equity method	10	42,106	37,585	-	-
Property, plant and equipment	11	9,247	11,895	7,218	9,609
Investment property	12	1,050	1,058	989	997
Goodwill	14	286	286	-	-
Total non-current assets		52,702	50,839	56,462	60,519
Total assets		91,189	84,857	91,633	90,081
Current Liabilities					
Trade and other payables	15	13,262	10,104	8,893	7,720
Borrowings	16	12,437	16,989	23,533	22,801
Other financial liabilities	17	12	62	-	-
Provisions	18	499	1,408	235	1,061
		26,210	28,563	32,661	31,582
Liabilities directly associated with assets classified as held for sale	19	5,205	-	5,205	-
Total current liabilities		31,415	28,563	37,866	31,582
Non-Current Liabilities					
Borrowings	16	2,857	3,435	2,849	3,411
Deferred tax liabilities	3	4,038	2,345	3,744	3,159
Provisions	18	133	138	113	113
Total non-current liabilities		7,028	5,918	6,706	6,683
Total liabilities		38,443	34,481	44,572	38,265
Net assets		52,746	50,376	47,061	51,816
Equity					
Issued capital	20	39,819	38,798	39,819	38,798
Reserves		2,288	799	-	-
Retained earnings	21	10,639	10,779	7,242	13,018
Total equity		52,746	50,376	47,061	51,816

Notes to the financial statements are included on pages 32 to 71.

statement of changes in equity

for the financial year ended 30 June 2007

WEBSTER
limited

Consolidated	Ordinary Shares	Cumulative Preference Shares	General Reserve 1	Asset Revaluation Reserve 2	Hedging Reserve 3	Retained Earnings	Total Attributable to Equity Holders of the Entity
							(\$'000)
Balance at 1 July 2005	37,897	394	-	817	-	6,734	45,842
Gain/(loss) taken to equity	-	-	-	-	(20)	-	(20)
Profit for the year	-	-	-	-	-	5,234	5,234
Total recognised income and expense for the year	-	-	-	-	(20)	5,234	5,214
Effect of changes in accounting policy as restated:							
Recognition of equity as a liability	-	(394)	-	-	-	-	(394)
Contribution of equity net of transaction costs	569	-	-	-	-	-	569
Equity issued under Company dividend reinvestment plan	332	-	-	-	-	-	332
Dividends paid or provided for	-	-	-	-	-	(1,189)	(1,189)
Rounding adjustment	-	-	-	2	-	-	2
Balance at 30 June 2006	38,798	-	-	819	(20)	10,779	50,376
Balance at 1 July 2006	38,798	-	-	819	(20)	10,779	50,376
Gain/(loss) taken to equity	-	-	-	-	59	-	59
Profit for the year	-	-	-	-	-	2,305	2,305
Total recognised income and expense for the year	-	-	-	-	59	2,305	2,364
Equity issued under Company dividend reinvestment plan	1,021	-	-	-	-	-	1,021
Share of associates reserves	-	-	120	1,310	-	-	1,430
Dividends paid or provided for	-	-	-	-	-	(2,445)	(2,445)
Balance at 30 June 2007	39,819	-	120	2,129	39	10,639	52,746

Notes to the financial statements are included on pages 32 to 71.

Company	Ordinary Shares	Cumulative Preference Shares	General Reserve 1	Asset Revaluation Reserve 2	Hedging Reserve 3	Retained Earnings	Total Attributable to Equity Holders of the Entity
							(\$'000)
Balance at 1 July 2005	37,897	394	-	-	-	10,820	49,111
Profit for the year	-	-	-	-	-	3,383	3,383
Total recognised income and expense for the year	-	-	-	-	-	3,383	3,383
Effect of changes in accounting policy as restated							
Recognition of equity as a liability	-	(394)	-	-	-	-	(394)
Contribution of equity net of transaction costs	569	-	-	-	-	-	569
Equity issued under Company dividend reinvestment plan	332	-	-	-	-	-	332
Dividends paid or provided for	-	-	-	-	-	(1,189)	(1,189)
Rounding adjustment	-	-	-	-	-	4	4
Balance at 30 June 2006	38,798	-	-	-	-	13,018	51,816
Balance at 1 July 2006	38,798	-	-	-	-	13,018	51,816
Profit for the year	-	-	-	-	-	(3,331)	(3,331)
Total recognised income and expense for the year	-	-	-	-	-	(3,331)	(3,331)
Equity issued under Company dividend reinvestment plan	1,021	-	-	-	-	-	1,021
Dividends paid or provided for	-	-	-	-	-	(2,445)	(2,445)
Balance at 30 June 2007	39,819	-	-	-	-	7,242	47,061

1. This reserve captures the movement in reserves of associates including their share based payments reserve and hedging reserve, but excluding the asset revaluation reserve.
2. Balance relates to the movement in share of Associates' asset revaluation reserves.
3. The hedging reserve represents hedging gains or losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in profit or loss when the hedged transaction impacts the profit or loss, or is included as a basis adjustment to the non-financial hedged item, consistent with the applicable accounting policy.

Notes to the financial statements are included on pages 32 to 71.

statement of cash flows

for the financial year ended 30 June 2007

WEBSTER
limited

	Note	Consolidated		Company	
		2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
Cash Flows from Operating Activities					
Receipts from customers		83,205	71,704	53,178	41,625
Payments to suppliers and employees		(73,794)	(68,205)	(48,990)	(41,035)
Interest and other costs of finance paid		(1,010)	(1,078)	(1,010)	(1,066)
Income tax refunded		-	29	-	29
Net cash provided by/(used in) operating activities	28(g)	8,401	2,450	3,178	(447)
Cash Flows from Investing Activities					
Payment for investment securities		(237)	(3,475)	(237)	(3,475)
Proceeds from sale of investments		-	1,998	-	1,998
Interest received		476	457	462	415
Dividends and partnership distributions received		90	799	90	799
Payment for agricultural assets, property, plant and equipment		(1,350)	(1,578)	(1,202)	(1,421)
Proceeds from sale of agricultural assets, property, plant and equipment		495	3,004	443	580
Amounts advanced to related parties		(1,861)	-	(1,861)	-
Proceeds from borrowings to related parties		56	716	56	716
Proceeds from repayment of loans to others		-	253	-	77
Proceeds of borrowings from related parties		-	-	5,291	4,427
Net cash provided by/(used in) investing activities		(2,331)	2,174	3,042	4,116
Cash Flows from Financing Activities					
Proceeds from borrowings from others		246	505	246	505
Repayment of borrowings from others		(3,163)	(3,395)	(3,163)	(2,695)
Employee share purchase plan loan repayments		2	7	2	7
Principal repayments under finance lease		(793)	(1,080)	(781)	(1,039)
Dividends paid		(1,554)	(882)	(1,554)	(882)
Proceeds from the issue of equity securities		-	569	-	569
Net cash provided by/(used in) financing activities		(5,262)	(4,276)	(5,250)	(3,535)
Net increase/(decrease) in cash and cash equivalents		808	348	970	134
Cash and cash equivalents at the beginning of the financial year		3,477	3,129	3,231	3,097
Cash and cash equivalents at the end of the financial year	28(a)	4,285	3,477	4,201	3,231

Notes to the financial statements are included on pages 32 to 71.

General Information

Webster Limited is a listed public company, incorporated and operating in Australia.

Webster Limited's registered office and its principal place of business is at 120 Campbell Street, Hobart, Tasmania 7000.

1. Adoption of New & Revised Accounting Standards and Significant Accounting Policies

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has resulted in changes to the Group's accounting policies in the following areas that have affected the amounts reported for the current or prior years:

Financial guarantee contracts (AASB 2005-09 'Amendments to Australian Accounting Standards')

The adoption of the new and revised Standards and Interpretations has also resulted in a change to the Group's accounting policies in relation to business combinations involving entities under common control. Such business combinations were formally within the scope of ASSB 3 'Business Combinations', but are now scoped out of that Standard by AASB 2005-6 'Amendments to Australian Accounting Standards'.

At the date of authorisation of the financial report, the following Standards and Interpretations were in issue but not yet effective:

AASB 7 'Financial Instruments: Disclosures' and consequential amendments to other accounting standards resulting from its issue (effective for annual reporting periods beginning on or after 1 January 2007).

AASB 101 'Presentation of Financial Statements'—revised standard (effective for annual reporting periods beginning on or after 1 January 2007).

Interpretation 10 'Interim Financial Reporting and Impairment' (Effective for annual reporting periods beginning on or after 1 November 2006).

The directors anticipate that the adoption of these Standards and Interpretations in the future periods will have no material financial impact on the financial statements of the company or the Group. The circumstances addressed by Interpretation 10, which prohibits the reversal of certain impairment losses, do not affect either the company's or the Group's previously reported results.

Accordingly, there will be no impact to these financial statements on adoption of the Interpretation.

The application of AASB 101 (revised), AASB 7 and AASB 2005-10 will not affect any of the amounts recognised in the financial statements, but will change the disclosures presently

made in relation to the company's and the Group's financial instruments and the objectives, policies and processes for managing capital.

These Standards and Interpretations will be first applied in the financial report of the Group that relates to the annual reporting period beginning after the effective date of each pronouncement, which will be the company's annual reporting period beginning 1 July 2007.

Accounting for financial guarantee contracts

The AASB released AASB 2005-9 'Amendments to Australian Accounting Standards' in September 2005. AASB 2005-9 amends AASB 139 'Financial Instruments: Recognition and measurement' to require certain financial guarantee contracts to be recognised in accordance with AASB 139 and measured initially at their fair values, and subsequently measured at the higher of the amount recognised as a provision and the amount initially recognised less cumulative amortisation in accordance with the revenue recognition policies described in note 1(b).

The changes introduced by AASB 2005-9 are applied by the Group with effect from the beginning of the comparative reporting period presented in this financial report (ie with effect from 1 July 2005). The group is a party to a financial guarantee contract where an entity in the group has provided a financial guarantee to a bank in respect of an entity external to the Webster Limited group. Webster Limited (the company) is also party to a deed of cross guarantee with other entities in the group. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees, to each creditor, payment in full of any debt in accordance with the deed of cross guarantee.

The application of these amendments results in such financial guarantee contracts now being recognised and measured at the higher of the best estimate of the expenditure required to settle the obligation and the amount initially recognised less, where appropriate, cumulative amortisation. The impact of this change in accounting policy in the consolidated financial statements at the beginning of the comparative period is that no liability and associated deferred tax asset was required to be recognised for the financial guarantee contracts. No material adjustment was required in the separate financial statements of the company to recognise the financial guarantee liability associated with its exposure under the deed of cross guarantee.

There is no movement in the comparative year and current year profits as a result of the adoption of the new accounting policy.

Accounting for business combinations involving entities or businesses under common control

The AASB released AASB 2005-6 'Amendments to Australian Accounting Standards' in June 2006. AASB 2005-6 amends AASB 3 'Business Combinations' by removing business combinations involving entities or business under common

control from its scope. The effect of the scope amendment is that there is no longer an explicit guidance under Accounting Standards as to how to account for these types of business combinations.

Due to the requirements of AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' permitting the non-restatement of pre-transaction business combinations, the amendment has no effect on the financial statements of the company or Group for the current or prior reporting periods. However, future transactions involving entities under common control will be affected. Details of the entities accounting policies in relation to common control transactions are outlined in note 24.

Significant Accounting Policies

Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law. The financial report includes the separate financial statements of the company and the consolidated financial statements of the group. Accounting Standards include Australian equivalents to International Financial Reporting Standards (A-IFRS). Compliance with A-IFRS ensures that the consolidated financial statements and notes of the company and the group comply with International Financial Reporting Standards (IFRS). The parent entity financial statements and notes also comply with IFRS except for the disclosure requirements in IAS 32 'Financial Instruments: Disclosure and Presentation' as the Australian equivalent Accounting Standard, AASB 132 'Financial Instruments: Disclosure and Presentation' does not require such disclosures to be presented by the parent entity where its separate financial statements are presented together with the consolidated financial statements of the group.

The financial statements were authorised for issue by the directors on 29 August 2007.

Basis of Preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of Company and entities controlled by the Company (its subsidiaries) (referred to as 'the Group' in these financial statements). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. In the separate financial statements of the Company, intra-group transactions ('common control transactions') are generally accounted for by reference to the existing (consolidated) book value of the items. Where the transaction value of common control transactions differ from their consolidated book value, the difference is recognised as a contribution by or distribution to equity participants by the transacting entities.

(b) Revenue Recognition

Sale of goods - Revenue from the sale of goods and disposal of other assets is recognised when the consolidated entity has transferred to the buyer the significant risk and rewards of ownership of the goods, except with respect to agricultural assets (see note 1 (e)).

Rendering of services - Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion is determined as revenue from time and material contracts and is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

Royalties - Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Dividend and interest revenue - Dividend revenue is recognised when the shareholder's right to receive the payment has been established. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(c) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, borrowings are measured at amortised cost with any differences between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

All other borrowing costs are recognised in the profit and loss in the period in which they are incurred.

(d) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to a insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(e) Agricultural Assets

Agricultural assets are valued at net market value. Net market value is the amount which could be expected to be received from the disposal of the asset in an active and liquid market after deducting costs associated with enhancement and/or costs expected to be incurred in realising the proceeds of such disposal. The net increment/(decrement) in the net market value of agricultural assets is recognised as revenue/(expense) in the financial year. Where an active and liquid market is not available, historical cost is used as an estimate of net market value.

(f) Impairment of Assets

At each reporting date, Webster Limited reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the assets do not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the assets belong.

Goodwill is tested for impairment annually and whenever there is an indication that the asset has been impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimate of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss is subsequently reversed, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(g) Property, Plant and Equipment

Land and buildings are measured at cost. After initial recognition the asset is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on buildings is charged to profit or loss.

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

Buildings	40 - 100 years
Leasehold improvements	2 - 20 years
Plant and equipment	3 - 20 years

(h) Leased Assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Group as lessor – Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Group as lessee – Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease incentives – In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(i) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

(j) Goodwill

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. Goodwill is subsequently measured at its cost less any impairment losses. Any impairment is recognised immediately in profit or loss and is not subsequent reversed. Refer also note 1(f).

(k) Derivative Financial Instruments

The Group enters in to a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks and interest rate risk, including forward foreign exchange contracts and interest rate swaps.

Further details of derivative financial instruments are disclosed in note 29 to the financial statements.

Derivatives are initially recognised at fair value on the date a derivative contract is entered in to and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit immediately, unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit and loss depends on the nature of the hedge

relationship. Webster Limited designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges).

Cash flow hedge – The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit and loss. Amounts deferred in equity are recycled in profit and loss in the period when the hedged item is recognised in profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability. Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

Derivatives that do not qualify for hedge accounting – certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in profit and loss.

Embedded derivatives – derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

(l) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months, are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Defined contribution plans – Contributions to defined contribution superannuation plans are expensed when incurred.

(m) Financial Assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Subsequent to initial recognition, investments in subsidiaries are measured at cost in the company financial statements. Subsequent to initial recognition investments in associates are accounted for under the equity method in the consolidated financial statements and the cost method in the company financial statements.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss – The Group has classified certain shares and options as financial assets at fair value through profit or loss. Financial assets held for trading purposes are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss. Fair value is determined in the manner described below.

Held-to-maturity investments – Bills of exchange and debentures with fixed or determinable payments and fixed maturity dates where that the group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-Maturity Investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Loans and receivables – Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are recorded at amortised cost using the effective interest method less impairment.

Interest is recognised by applying the effective interest rate.

Impairment of financial assets – Financial assets, other than those at fair value through the profit and loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When the trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit and loss.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit and loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(n) Financial Instruments Issued by the Company

Debt and equity instruments – debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Compound instruments – the component parts of compound instruments are classified separately as liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or upon the instruments reaching maturity. The equity component initially brought to account is determined by deducting the amount of the liability component from the amount of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects and is not subsequently remeasured.

Financial guarantee contract liabilities – Financial guarantee contract liabilities are measured initially at their fair value and subsequently at the higher of the amount recognised as a provision and the amount initially recognised less cumulative amortisation in accordance with revenue recognition policies described in note 1(b).

Interest and dividends – interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments.

(o) Foreign Currency

Foreign currency transactions – All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise except that:

- exchange differences which relate to assets under construction for future productive use are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (refer note 1(k));
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

(p) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(q) Income Tax

Current tax - Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax - Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability to tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other

than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in branches, associates and joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period's when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period - Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(r) Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

(s) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured

using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(t) Research and Development Costs

Research costs are recognised as an expense in the period in which it is incurred. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period incurred.

Government grants are assistance by the government in the form of transfers of resources to the Group in return for past or future compliance with certain conditions relating to the operating activities of the consolidated entity. Government grants include government assistance where there are no conditions specifically relating to the operating activities of the consolidated entity other than the requirement to operate in certain regions or industry sectors.

Government grants relating to income are recognised as income over the periods necessary to match them with the related costs. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised as income of the period in which it becomes receivable.

Government grants relating to assets are treated as deferred income and recognised in profit and loss over the expected useful lives of the assets concerned.

(u) Critical judgement and estimation of uncertainty

The following are key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year:

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which the goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

(v) Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 'Business Combinations' are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations', which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit and loss.

	Note	Consolidated		Company	
		2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
2 Profit from Operations					
(a) Revenue					
Revenue from continuing and discontinuing operations consisted of the following items:					
Continuing operations					
Revenue from the sale of goods		43,994	36,248	13,838	8,705
Revenue from the rendering of services		1,906	318	1,906	317
		45,900	36,566	15,744	9,022
Discontinuing operations					
Revenue from the sale of goods		35,688	33,592	35,688	33,592
		35,688	33,592	35,688	33,592
Agricultural assets:					
Unrealised increment in net market value of agricultural assets - plants		-	185	-	185
		-	185	-	185
Interest revenue:					
- Wholly-owned controlled entities		-	-	607	685
- Other related parties		279	172	279	172
- Other entities		115	181	101	138
		394	353	987	995
Dividends:					
Associates		-	-	1,688	1,492
		-	-	1,688	1,492
Rental Revenue		605	1,065	844	1,029
Other		720	834	(24)	(10)
		1,325	1,899	820	1,019
		1,719	2,437	3,495	3,691
(b) Profit before income tax					
Profit/(loss) before income tax has been arrived at after crediting/(charging) the following gains and losses from continuing and discontinuing operations:					
Gain/(loss) on disposal of property, plant and equipment and agricultural assets		56	(14)	26	(14)
		56	(14)	26	(14)
Net foreign exchange gains/(losses)		37	113	-	-
R&D grants		63	166	-	-
		156	265	26	(14)
Total other income		1,875	2,702	3,521	3,677
Discontinuing operations					
Other revenue		228	310	228	310
		228	310	228	310

	Note	Consolidated		Company	
		2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
2 Profit from Operations <i>(continued)</i>					
Profit has for the year includes the following expenses:					
Cost of sales		21,157	18,834	3,450	3,033
Impairment of plant & equipment		130	-	130	-
Revaluation of agricultural assets		370	-	370	-
Impairment of investments		2,000	-	3,290	-
Finance costs:					
Interest on loans		1,175	1,342	1,175	1,338
Dividends on instruments classified as financial liabilities		36	36	36	36
Other finance costs		104	145	102	137
		1,315	1,523	1,313	1,511
Net bad and doubtful debts arising from:					
Other entities		(28)	162	21	25
Direct operating expenses of investment of investment properties:					
Properties generating rental income		25	21	-	-
Depreciation of non-current assets		874	984	453	463
Amortisation of non-current assets		226	348	202	301
		1,100	1,332	655	764
Research and development costs immediately expensed		161	303	30	-
Operating lease rental expense					
Minimum lease payments		527	526	207	191
Employee benefit expense:					
Termination benefits:					
Other employee benefits		909	105	837	47

3 Income Taxes

(a) Income tax recognised in profit or loss

Tax expense/(income) comprises:

Note	Consolidated		Company	
	2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
Current tax expense/(income)	1,710	1,104	1,148	812
Adjustments recognised in the current year in relation to the current tax of prior years	(110)	-	(110)	-
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	2	722	(842)	356
Benefit arising from previously unrecognised tax loss, tax credits or temporary differences of a prior period that is used to reduce:				
- current tax expense/(income)	(562)	(1,103)	-	(811)
- deferred tax expense	-	(1,131)	-	(1,115)
Write down of deferred tax assets	653	-	389	-
Other	-	-	-	-
Total tax expense/(income)	1,693	(408)	585	(758)
Attributable to:				
Continuing operations	1,872	(161)	764	(511)
Discontinued operations (note 31)	(179)	(247)	(179)	(247)
	1,693	(408)	585	(758)
The prima facie income tax expense on pre-tax accounting profit from operations reconciles to income tax expense in the financial statements as follows:				
Profit from continuing operations	7,307	5,487	647	3,370
Loss from discontinued operations	(3,309)	(661)	(3,393)	(745)
Profit from operations	3,998	4,826	(2,746)	2,625
Income tax expense calculated at 30%	1,199	1,448	(824)	788
Non-deductible expenses	531	17	22	11
Non-assessable income	(1,543)	(120)	-	-
Subsidiary attribution	-	491	-	491
Dividend offsets	(39)	(26)	(39)	(26)
Equity share of associates	-	(238)	-	-
Previously unrecognised and unused tax losses and tax offsets now recognised as deferred tax assets	(306)	(1,884)	-	(1,926)
Tax effect of impairment of investments	1,795	-	987	-
Write down of deferred tax assets	389	-	389	-
Adjustments recognised in the current year in relation to the current tax of prior years	(102)	-	(110)	-
Other	(231)	(95)	160	(95)
	494	(1,856)	1,409	(1,546)
Under/(over) provision of income tax in previous year	-	-	-	-
	494	(1,856)	1,409	(1,546)
	1,693	(408)	585	(758)

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

	Note	Consolidated		Company	
		2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
3 Income Taxes <i>(continued)</i>					
(b) Income tax recognised directly in equity					
The following current and deferred amounts were charged directly to equity during the period:					
Current tax:					
Share-issue expenses		-	-	-	-
Share buy-back expenses		-	-	-	-
Deferred tax:					
Revaluation of financial instruments treated as cash flow hedges		-	-	-	-
Adjustment to retained earnings associated with changes in accounting policies		-	-	-	-
Equity accounting adjustments		-	-	-	-
		-	-	-	-
(c) Current tax assets and liabilities					
Current tax assets:					
Franking deficit tax recoverable		-	-	-	-
Tax refund receivable		-	-	-	-
		-	-	-	-
Current tax liabilities:					
Franking deficit tax payable		-	-	-	-
Income tax payable attributable to the parent entity		-	-	-	-
		-	-	-	-

3 Income Taxes *(continued)*

Taxable and deductible temporary differences arise from the following:

	Consolidated						
	Opening balance \$'000	Charged to income \$'000	Charged to equity \$'000	Acquisitions/ disposals \$'000	Exchange differences \$'000	Changes in tax rate \$'000	Closing balance \$'000
2007							
Net deferred tax liabilities:							
Investment in associates	(3,042)	(1,195)	-	-	-	-	(4,237)
Property, plant & equipment	(921)	(4)	-	-	-	-	(925)
Financial assets - non receivables	(152)	85	-	-	-	-	(67)
Inventory & agricultural assets	(628)	31	-	-	-	-	(597)
Other	(421)	401	-	-	-	-	(20)
	(5,164)	(682)	-	-	-	-	(5,846)
Net deferred tax assets:							
Provisions	603	358	-	-	-	-	961
Subsidiary attribution	-	-	-	-	-	-	-
Financial assets - receivables	171	(118)	-	-	-	-	53
Property, plant & equipment	236	(55)	-	-	-	-	181
Other	104	495	-	-	-	-	599
	1,114	680	-	-	-	-	1,794
	(4,050)	(2)	-	-	-	-	(4,052)
Unused tax losses:							
Tax losses	1,705	(1,691)	-	-	-	-	14
	1,705	(1,691)	-	-	-	-	14
	(2,345)	(1,693)	-	-	-	-	(4,038)

	Consolidated						
	Opening balance \$'000	Charged to income \$'000	Charged to equity \$'000	Acquisitions/ disposals \$'000	Exchange differences \$'000	Changes in tax rate \$'000	Closing balance \$'000
2006							
Net deferred tax liabilities:							
Investment in associates	(2,692)	(350)	-	-	-	-	(3,042)
Property, plant & equipment	(903)	(18)	-	-	-	-	(921)
Financial assets - non receivables	(166)	14	-	-	-	-	(152)
Inventory & agricultural assets	(588)	(40)	-	-	-	-	(628)
Other	(421)	-	-	-	-	-	(421)
	(4,770)	(394)	-	-	-	-	(5,164)
Net deferred tax assets:							
Provisions	506	97	-	-	-	-	603
Subsidiary attribution	491	(491)	-	-	-	-	-
Financial assets - receivables	156	15	-	-	-	-	171
Property, plant & equipment	227	9	-	-	-	-	236
Other	62	42	-	-	-	-	104
	1,442	(328)	-	-	-	-	1,114
	(3,328)	(722)	-	-	-	-	(4,050)
Unused tax losses:							
Tax losses	574	1,131	-	-	-	-	1,705
	574	1,131	-	-	-	-	1,705
	(2,754)	409	-	-	-	-	(2,345)

3 Income Taxes (continued)

	Company						Closing balance \$'000
	Opening balance \$'000	Charged to income \$'000	Charged to equity \$'000	Acquisitions/ disposals \$'000	Exchange differences \$'000	Changes in tax rate \$'000	
2007							
Net deferred tax liabilities:							
Investment in associates	(3,856)	-	-	-	-	-	(3,856)
Property, plant & equipment	(910)	(4)	-	-	-	-	(914)
Financial assets - non receivables	(152)	85	-	-	-	-	(67)
Inventory	(547)	8	-	-	-	-	(539)
	(5,465)	89	-	-	-	-	(5,376)
Net deferred tax assets:							
Provisions	491	377	-	-	-	-	868
Financial assets - receivables	168	(118)	-	-	-	-	50
Property, plant & equipment	102	(1)	-	-	-	-	101
Other	105	495	-	-	-	-	600
	866	753	-	-	-	-	1,619
	(4,599)	842	-	-	-	-	(3,757)
Unused tax losses:							
Tax losses	1,440	(1,427)	-	-	-	-	13
	1,440	(1,427)	-	-	-	-	13
	(3,159)	(585)	-	-	-	-	(3,744)

	Company						Closing balance \$'000
	Opening balance \$'000	Charged to income \$'000	Charged to equity \$'000	Acquisitions/ disposals \$'000	Exchange differences \$'000	Changes in tax rate \$'000	
2006							
Net deferred tax liabilities:							
Investment in associates	(3,856)	-	-	-	-	-	(3,856)
Property, plant & equipment	(903)	(7)	-	-	-	-	(910)
Financial assets - non receivables	(166)	14	-	-	-	-	(152)
Inventory	(495)	(52)	-	-	-	-	(547)
	(5,420)	(45)	-	-	-	-	(5,465)
Net deferred tax assets:							
Provisions	396	95	-	-	-	-	491
Subsidiary attribution	491	(491)	-	-	-	-	-
Financial assets - receivables	152	16	-	-	-	-	168
Property, plant & equipment	75	27	-	-	-	-	102
Other	63	42	-	-	-	-	105
	1,177	(311)	-	-	-	-	866
	(4,243)	(356)	-	-	-	-	(4,599)
Unused tax losses:							
Tax losses	325	1,115	-	-	-	-	1,440
	325	1,115	-	-	-	-	1,440
	(3,918)	759	-	-	-	-	(3,159)

	Note	Consolidated		Company	
		2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
3					
Income Taxes <i>(continued)</i>					
Unrecognised deferred tax balances					
The following deferred tax assets have not been brought to account as assets:					
Tax losses - revenue		7,191	7,497	-	-
Tax losses - capital		4,274	4,274	-	-
Temporary differences		987	-	987	-
		12,452	11,771	987	-

	Note	Consolidated		Company	
		2007 (\$)	2006 (\$)	2007 (\$)	2006 (\$)
4					
Remuneration of Auditors					
<u>Auditor of the Parent Entity</u>					
Audit or review of the financial report		96,500	94,000	71,500	69,000
Taxation services		57,577	26,400	50,977	20,350
Accounting advice		12,750	7,762	12,750	7,762
Audit of subsidiaries		-	2,250	-	2,250
		166,827	130,412	135,227	99,362
<u>Other Auditors</u>					
Other non-audit services *		-	2,800	-	2,470
		-	2,800	-	2,470
		166,827	133,212	135,227	101,832

The auditor of Webster Limited is Deloitte Touche Tohmatsu.

* The parent entity paid audit fees to other auditors of the company's subsidiaries.

	Note	Consolidated		Company	
		2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
5					
Trade and Other Receivables					
Current					
Trade receivables		18,170	17,572	13,688	13,371
Allowance for doubtful debts		(10)	(522)	-	(512)
		18,160	17,050	13,688	12,859
Goods and services tax (GST) recoverable		71	87	22	18
		18,231	17,137	13,710	12,877

- (i) The average credit period on sales of goods of the operating divisions within the company is 30 days. No interest is charged on the trade receivable for the first 30 days from the date of the invoice. Thereafter, interest is charged at 16.5% per annum on the outstanding balance. An allowance has been made for estimated irrecoverable amounts from the sale of goods and services, determined by reference to past default experience. The movement in the allowance was \$512 thousand (company: \$512 thousand). \$351 thousand was recognised in the profit or loss for the current financial year, whilst \$161 thousand relates to allowance that is planned to be disposed as a part of the discontinued operation, as outlined in note 31.

	Note	Consolidated		Company	
		2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
6 Other Financial Assets					
(a) Current					
At fair value					
Foreign currency forward contracts		51	41	-	-
		51	41	-	-
At amortised cost					
Interest-bearing loans advanced to:					
- Wholly-owned controlled entities		-	1	1,951	1,951
- Other related parties		4,156	2,297	4,156	2,297
Non-interest bearing, non-trade receivables from:					
- Wholly-owned controlled entities		-	-	1,093	1,093
		4,156	2,298	7,200	5,341
		4,207	2,339	7,200	5,341
(b) Non-Current					
At fair value					
Loans relating to employee share purchase plans		13	15	13	15
		13	15	13	15
At amortised cost					
Shares in:					
Subsidiaries		-	-	8,975	8,975
Associates		-	-	39,267	40,923
		-	-	48,242	49,898
		13	15	48,255	49,913
7 Inventories					
Current					
Raw materials at cost		1,251	1,636	-	3
Work in progress at cost		453	1,766	-	447
Non-living produce extracted from agricultural assets at net market value		119	26	119	26
Finished goods at cost		-	6,118	-	6,118
		1,823	9,546	119	6,594
Classified as part of discontinued operations (note 31)		5,748	-	5,748	-
Less Impairment Loss		(2,831)	-	(2,831)	-
		4,740	9,546	3,036	6,594
8 Other Assets					
Prepayments		506	325	506	325
9 Assets classified as held for sale					
Assets related to the industrial businesses and Kelp Industries Pty Ltd (note 31)		9,136	-	9,136	-

10 Investments Accounted for Using the Equity Method

Associates:

	Note	Consolidated Carrying Amount		Ownership Interest	
		2007 (\$'000)	2006 (\$'000)	2007 (%)	2006 (%)
Kelp Industries Pty Ltd					
- kelp processor	(i) (iii)	-	206	-	50
- incorporated in Australia					
Tassal Group Limited					
- salmon producer & processor	(ii)	39,887	32,591	28	28
- incorporated in Australia					
- quoted price at 30 June 2007 \$3.32					
Webster Walnuts Pty Ltd					
- walnut orchardist	(iv)	2,219	4,788	50	50
- incorporated in Australia					
		42,106	37,585		

(i) Reporting date 31 December.

(ii) Webster Limited acquired additional shares in Tassal Group Limited during the year and currently has a 28.21% ownership interest.

(iii) Kelp Industries Pty Ltd is a discontinued operation at balance date, as detailed in note 31.

(iv) The Directors conducted an impairment analysis in relation to the investment in Webster Walnuts Pty Ltd as at 30 June 2007. This analysis resulted in an impairment loss of \$2 million being recognised in the profit and loss during the 2007 financial year. This loss is disclosed in the Income Statement under "Impairment loss on associate".

Summarised financial information of associates:

Current Assets	113,783	80,782
Non-Current Assets	106,424	89,896
Current Liabilities	(36,956)	(55,467)
Non-Current Liabilities	(68,551)	(23,221)
Net Assets	114,700	91,990
Revenue	248,720	210,104
Net profit	19,181	9,793
Share of associates' profit or loss:		
Share of profit/(loss) before income tax	7,471	3,341
Income tax expense	(2,412)	(1,141)
Share of associates' profit/(loss)	5,059	2,200

Dividends received from associates

During the year the consolidated entity received dividends of \$1,688 thousand (2006: \$1,492 thousand) from its associates.

Contingent Liabilities and Capital Commitments

There are no contingent liabilities and capital commitments related to associates.

11 Property, Plant and Equipment

Gross carrying amount

	Freehold land at cost	Buildings at cost	Leasehold improvements at cost	Plant and equipment at cost	Equipment under finance lease at cost	TOTAL
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Balance at 1 July 2006	611	5,031	631	11,133	2,968	20,374
Additions	-	24	5	1,094	227	1,350
Disposals	(19)	-	-	(136)	(1,445)	(1,600)
Impairment loss	-	-	-	(130)	-	(130)
Classified as held for sale	-	-	(371)	(5,575)	(844)	(6,790)
Balance at 30 June 2007	592	5,055	265	6,386	906	13,204

Accumulated depreciation/amortisation and impairment

Balance at 1 July 2006	-	(99)	(257)	(6,773)	(1,350)	(8,479)
Disposals	-	-	-	125	1,115	1,240
Depreciation expense	-	(58)	(59)	(1,008)	(459)	(1,584)
Classified as held for sale	-	-	226	4,259	381	4,866
Balance at 30 June 2007	-	(157)	(90)	(3,397)	(313)	(3,957)

Net book value

As at 30 June 2006	611	4,932	374	4,360	1,618	11,895
As at 30 June 2007	592	4,898	175	2,989	593	9,247

Company

	Freehold land at cost	Buildings at cost	Leasehold improvements at cost	Plant and equipment at cost	Equipment under finance lease at cost	TOTAL
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)

Gross Carrying Amount

Balance at 1 July 2006	611	5,030	531	6,926	2,831	15,929
Additions	-	24	5	946	227	1,202
Disposals	(19)	-	-	(128)	(1,445)	(1,592)
Impairment loss	-	-	-	(130)	-	(130)
Classified as held for sale	-	-	(371)	(5,575)	(844)	(6,790)
Balance at 30 June 2007	592	5,054	165	2,039	769	8,619

Accumulated depreciation/amortisation and impairment

Balance at 1 July 2006	-	(99)	(234)	(4,738)	(1,249)	(6,320)
Disposals	-	-	-	75	1,115	1,190
Depreciation expense	-	(58)	(50)	(595)	(434)	(1,137)
Classified as held for sale	-	-	226	4,259	381	4,866
Balance at 30 June 2007	-	(157)	(58)	(999)	(187)	(1,401)

Net Book Value

As at 30 June 2006	611	4,931	297	2,188	1,582	9,609
As at 30 June 2007	592	4,897	107	1,040	582	7,218

11 Property, Plant and Equipment *(continued)*

Aggregate depreciation allocated, whether recognised as an expense or capitalised as part of the carrying amount of other assets during the year:

	Consolidated		Company	
	2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
Buildings	58	55	58	55
Leasehold improvements	59	59	50	50
Plant and equipment	1,008	1,093	595	571
Equipment under finance lease	459	630	434	582
	1,584	1,837	1,137	1,258

Consolidated			Company		
Freehold land at cost	Buildings at cost	TOTAL	Freehold land at cost	Buildings at cost	TOTAL
(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)

12 Investment Property

Gross Carrying Amount

Balance at 1 July 2006	398	674	1,072	337	674	1,011
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance at 30 June 2007	398	674	1,072	337	674	1,011

Accumulated depreciation/ amortisation and impairment

Balance at 1 July 2006	-	(14)	(14)	-	(14)	(14)
Disposals	-	-	-	-	-	-
Depreciation expense	-	(8)	(8)	-	(8)	(8)
Balance at 30 June 2007	-	(22)	(22)	-	(22)	(22)

Net Book Value

As at 30 June 2006	398	660	1,058	337	660	997
As at 30 June 2007	398	652	1,050	337	652	989

Investment properties are depreciated using the straight line method over their useful lives of 100 years.

The investment properties are both commercial and residential buildings occupied by short to medium term tenants. Fair value can not be determined reliably as independent valuations were not obtained.

	Note	Consolidated		Company	
		2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
13 Agricultural Assets					
(a) Current					
At net market value					
- Nursery walnut trees	(i)	299	1,194	299	1,194
		299	1,194	299	1,194

(b) Reconciliation of changes in the carrying amount of Agricultural Assets

	Consolidated Company	
	2007 (\$'000)	2006 (\$'000)
Carrying value at the beginning of the financial year	1,194	1,194
Purchases	2,349	2,349
Sales	(2,874)	(2,874)
Revaluation of agricultural assets	(370)	(370)
Carrying value at the end of the financial year	299	299

(i) Nursery Walnut Trees

Webster Limited owns and operates walnut tree nurseries at Merseylea and Forthside in Tasmania and Griffith in NSW. Budwood is grafted to rootstock and buds are patch budded to rootstock, then grown for a minimum of 6 months before sale. The net market value of the rootstock has been based on cost as there is no active market for Webster Limited to trade in walnut rootstock. The net market value of grafted and budded nursery walnut trees is based on the expected sale value of the trees according to age, quality and target market. The total number of grafted and budded walnut trees on hand at the end of the financial year was 5,159 (2006: 37,926). The total number of rootstocks on hand to be used for grafting at the end of the financial year was 160,000 (2006: 120,000). The change in fair value less any point of sale costs is disclosed in note 2(a).

	Note	Consolidated		Company	
		2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
14 Goodwill					
Gross carrying amount					
Balance at beginning of financial year		286	286	-	-
Balance at end of financial year		286	286	-	-
Net book value					
At the beginning of the financial year		286	286	-	-
At the end of the financial year		286	286	-	-

Allocation of goodwill

Goodwill has been allocated for impairment testing purposes to a single cash generating unit - vegetable operations, global.

Vegetable operations - global

The recoverable amount of the vegetable operations - global units is determined based on a value in use calculation which uses cash flow projections covering a five year period, and a discount rate of 12% p.a. (2006: 12%). Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

	Note	Consolidated		Company	
		2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
15 Trade and Other Payables					
Current					
Trade payables		12,601	9,498	8,233	7,114
Goods and services tax (GST) payable		661	606	660	606
		13,262	10,104	8,893	7,720

(i) The average credit period on purchases is 30 days. Interest is charged on a creditor by creditor basis. The consolidated entity has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

16 Borrowings

(a) Current

At amortised cost

Secured

Bank loans	(i)	4,000	5,000	4,000	5,000
Loans from other entities	(ii)	140	1,463	140	1,463
Finance lease liabilities	(iii)	184	980	168	968

Unsecured

Loans from					
- Wholly-owned controlled entities		-	-	11,112	5,824
- Other related parties		54	18	54	18
- Other entities		8,059	9,528	8,059	9,528
		12,437	16,989	23,533	22,801

(b) Non-Current

At amortised cost

Secured

Loans from other entities	(ii)	327	466	327	466
Finance lease liabilities	(iii)	438	680	430	656

Unsecured

Loans from other entities		1,698	1,895	1,698	1,895
Non-redeemable cumulative preference shares	(iv)	394	394	394	394
		2,857	3,435	2,849	3,411

- (i) Secured by floating charge over assets, the value of which exceeds the loan.
 (ii) Secured by mortgage over the property, the value of which exceeds the loan.
 (iii) Secured by assets leased, the value of which exceeds the lease liability.
 (iv) 394,000 9% non-redeemable cumulative preference shares were issued on 15 March 1986 at an issue price of \$1.00 per share.

17 Other Financial Liabilities

(a) Current

At fair value:

Foreign currency forward contracts		12	62	-	-
		12	62	-	-

	Note	Consolidated		Company	
		2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
18 Provisions					
(a) Current					
Employee benefits		386	1,220	235	1,061
Export sales rebates		113	188	-	-
		499	1,408	235	1,061
(b) Non-Current					
Employee benefits		133	138	113	113
(c) Movements in Provisions					
		Consolidated			
		Export Sales Rebates (i) (\$'000)			
Balance at 30 June 2006		188			
Additional provision recognised		135			
Reductions arising from payments/other sacrifices of future economic benefits		(210)			
Balance at 30 June 2007		113			
Current		113			
Non-Current		-			
		113			

(i) The provision for export sales rebates represents the directors' best estimate of potential claims made by customers with respect to the quality of fresh produce exported overseas. The estimate has been made based on historical trends and current claims outstanding at the end of the financial year.

	Note	Consolidated		Company	
		2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
19 Liabilities directly associated with assets classified as held for sale					
Liabilities related to the industrial businesses and Kelp Industries Pty Ltd (note 31)		5,205	-	5,205	-
20 Issued Capital					
62,111,170 (2006: 60,850,338) fully paid ordinary shares	(i)	39,819	38,798	39,819	38,798
		39,819	38,798	39,819	38,798

20 Issued Capital *(continued)*

	2007		2006	
	Number	(\$'000)	Number	(\$'000)
(i) Fully Paid Ordinary Share Capital				
Balance at beginning of financial year	60,850,338	38,798	59,457,989	37,897
Shares issued under supplementary prospectus (iii)	-	-	948,250	569
Shares issued under dividend re-investment plan (iv)	1,260,832	1,021	444,099	332
Balance at end of financial year	62,111,170	39,819	60,850,338	38,798

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(ii) Fully Paid Cumulative Non-Redeemable Preference Share Capital

Balance at beginning of financial year	-	-	394,000	394
Reclassification due to a change in accounting policy	-	-	(394,000)	(394)
Balance at end of financial year	-	-	-	-

Cumulative non-redeemable preference shares carry a fixed dividend rate of 9% per annum. Voting rights are limited to matters affecting the rights of such shareholders. Due to a change in accounting policy these securities were reclassified as debt instruments during the 2006 financial year.

(iii) Share Capital Issued During the Previous Financial Year

During the 2003 financial year, 3 million share options were issued under a Supplementary Prospectus. These options had a 3 years expiry date and an exercise price of 60 cents per share. During the 2006 financial year 948,250 shares were issued under the Supplementary Prospectus. At the end of the 2006 financial year all options had expired.

On 31 October 2005, Webster Limited paid a 2c dividend with a dividend re-investment option. Under the dividend re-investment plan Webster Limited issued an additional 444,099 shares.

(iv) Share Capital Issued During the Financial Year

On 31 October 2006, Webster Limited paid a 3c final dividend with a dividend re-investment option. Under the dividend re-investment plan Webster Limited issued an additional 1,001,123 shares (2006: 444,099).

On 30 April 2007, Webster Limited paid a 1c interim dividend with a dividend re-investment option. Under the dividend re-investment plan Webster Limited issued an additional 259,709 shares (2006: Nil).

21 Retained Earnings

	Note	Consolidated		Company	
		2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
Balance at beginning of financial year		10,779	6,734	13,018	10,820
Net profit/(loss) attributable to members of the parent entity		2,305	5,234	(3,331)	3,383
Dividends provided for or paid	23	(2,445)	(1,189)	(2,445)	(1,189)
Rounding Adjustment		-	-	-	4
Balance at end of financial year		10,639	10,779	7,242	13,018

22 Earnings Per Share

		Consolidated Cents per Share	
		2007	2006
<hr/>			
Basic earnings per share			
From continuing operations	(a)	8.83	9.38
From discontinued operations	(a)	(5.08)	(0.69)
Total basic earnings per share		3.74	8.69
<hr/>			
Diluted earnings per share			
From continuing operations	(b)	8.83	9.38
From discontinued operations	(b)	(5.08)	(0.69)
		3.74	8.69

(a) Basic Earnings per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

		2007	2006	2007	2006
		(\$'000)	(\$'000)	No.	No.
Earnings	(i)	2,305	5,234		
Earnings from continuing operations	(i)	5,435	5,648		
Weighted average number of ordinary shares for the purposes of basic earnings per share				61,557,500	60,224,346

- (i) Earnings used in the calculation of total basic earnings per share and basic earnings per share reconciles to net profit in the income statement as follows:

		2007	2006
		(\$'000)	(\$'000)
Net profit/(loss)		2,305	5,234
Earnings used in the calculation of basic EPS		2,305	5,234
Adjustments to exclude profit/(loss) for the period from discontinued operations		3,130	414
Earnings used in the calculation of basic EPS from continuing operations		5,435	5,648

(b) Diluted Earnings per Share

The earnings and weighted average number of ordinary and potential ordinary shares used in the calculation of diluted earnings per share are as follows:

		2007	2006	2007	2006
		(\$'000)	(\$'000)	No.	No.
Earnings	(i)	2,305	5,234		
Earnings from continuing operations	(i)	5,435	5,648		
Weighted average number of ordinary and potential ordinary shares for the purpose of diluted earnings per share				61,557,500	60,224,346

22 Earnings Per Share *(continued)*

- (i) Earnings used in the calculation of total diluted earnings per share and diluted earnings per share from continuing operations reconciles to net profit in the income statement as follows:

	2007 (\$'000)	2006 (\$'000)
Net profit/(loss)	2,305	5,234
Earnings used in the calculation of basic EPS	2,305	5,234
Adjustments to exclude profit/(loss) for the period from discontinued operations	3,130	414
Earnings used in the calculation of diluted EPS from continuing operations	5,435	5,648

- (ii) Weighted average number of ordinary and potential ordinary shares used in the calculation of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	2007 (\$'000)	2006 (\$'000)
Weighted average number of ordinary shares used in the calculation of basic EPS	61,557,500	60,224,346
Weighted average number of shares used in the calculation of diluted EPS	61,557,500	60,224,346

	2007		2006	
Note	Cents per share	Total (\$'000)	Cents per share	Total (\$'000)

23 Dividends

Fully paid ordinary shares

Final Dividend franked to 30%	3.0	1,826	2.0	1,189
Interim Dividend franked to 30%	1.0	619	-	-
		2,445		1,189

Company

	2007 (\$'000)	2006 (\$'000)
Adjusted franking account balance	69	1,093
Impact on franking account balance of dividends not recognised	69	782
Income tax consequences of unrecognised dividends.	-	-

The Directors have declared a 4.5 cent per share dividend franked to 5.15% at 30% corporate income tax rate, payable on 31 October 2007. The record date for determining entitlement to the dividend is 9 October 2007.

24 Subsidiaries

	Note	Country of Incorporation	Ownership Interest	
			2007 (%)	2006 (%)
Parent Entity				
Webster Limited		Australia		
Controlled Entities				
Clements Marshall Consolidated Limited	(iii)	Australia	100	100
Cygnets Canning Company Pty Ltd	(iii)	Australia	100	100
Clements and Marshall Pty Ltd	(iii)	Australia	100	100
Field Fresh Tasmania	(iii)	Australia	100	100
Tasmanian Trading Company Limited	(iv)	Hong Kong	-	100
Webster Finance Pty Ltd	(iii)	Australia	100	100
Walnuts Australia Pty Ltd		Australia	100	100
Australian Walnut Properties Limited	(iv)	Australia	-	100

- (i) The above entities are audited by Deloitte Touche Tohmatsu with the exception of Tasmanian Trading Company Limited.
- (ii) All entities carry on business in Australia with the exception of Tasmanian Trading Company Limited which carried on business in Hong Kong.
- (iii) These wholly-owned controlled entities have obtained approval under the ASIC Class Order granting relief from the requirement to produce audited financial reports and are party to a cross guarantee.
- (iv) On 25 September 2006 and 2 March 2007 Australian Walnut Properties Limited and Tasmanian Trading Company Limited respectively were voluntarily deregistered.
- (v) The parent entity has entered into a range of cross guarantees and registered mortgage debentures over all assets and capital of Webster Limited, which include all of the above entities (with the exception of Tasmanian Trading Company Limited) under its banking arrangements with National Australia Bank dated 14 November 2006.

The consolidated balance sheet and income statement of entities which are party to the deed of cross guarantee are:

(a) Income Statement

The Income Statement presented on page 27 represents the consolidated financial performance of entities which are party to the deed of cross guarantee. Tasmanian Trading Company Limited, Walnuts Australia Pty Ltd and Australian Walnuts Properties Limited, which are not parties to the cross guarantee, were not trading entities during the financial year.

24 Subsidiaries *(continued)*
(b) Balance Sheet
Current Assets

Cash and cash equivalents	4,285	3,477
Trade and other receivables	18,231	17,137
Other financial assets	4,207	2,339
Inventories	1,823	9,546
Other assets	506	325
Agricultural assets	299	1,194

29,351 34,018

Assets classified as held for sale

9,136 -

Total current assets
38,487 34,018
Non-Current Assets

Other financial assets	13	15
Investments accounted for using the equity method	42,106	37,585
Property, plant and equipment	9,247	11,895
Investment property	1,050	1,058
Goodwill	286	286

52,702 50,839

Total non-current assets
Total assets
91,189 84,857
Current Liabilities

Trade and other payables	13,262	10,104
Borrowings	12,437	16,989
Other financial liabilities	12	62
Provisions	499	1,408

26,210 28,563

Liabilities directly associated with assets classified as held for sale

5,205 -

Total current liabilities
31,415 28,563
Non-Current Liabilities

Borrowings	2,857	3,435
Deferred tax liabilities	4,038	2,345
Provisions	133	138

7,028 5,918

Total non-current liabilities
Total liabilities
38,443 34,481
Net assets
52,746 50,376
Equity

Issued capital	39,819	38,798
Reserves	2,288	799
Retained earnings *	10,639	10,779

52,746 50,376

Total equity
*** Retained Earnings**

Retained earnings at the beginning of the financial year	10,779	6,734
Net profit	2,305	5,234
Dividend provided for or paid	(2,445)	(1,189)
Retained earnings at the end of the financial year	10,639	10,779

	Note	Consolidated		Company	
		2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
25 Commitments for Expenditure					
(a) Lease Commitments					
<u>Non-cancellable operating leases</u>	(i)				
Not longer than 1 year		1,212	1,184	995	967
Longer than 1 year and not longer than 5 years		3,615	4,171	3,121	3,462
Longer than 5 years		705	1,258	705	1,258
		5,532	6,613	4,821	5,687
<u>Non-cancellable operating leases</u>					
Continuing operations		1,475	1,774	764	848
Discontinued operations		4,057	4,839	4,057	4,839
		5,532	6,613	4,821	5,687
The non-cancellable operating leases of the discontinued operation transfer to the purchaser on the disposal of the discontinued operation (note 31).					
<u>Finance lease liabilities</u>	(ii)				
Not longer than 1 year		579	1,172	560	1,157
Longer than 1 year and not longer than 5 years		744	791	735	763
Longer than 5 years		-	-	-	-
Minimum lease payments		1,323	1,963	1,295	1,920
Less: Future finance charges		(110)	(127)	(109)	(124)
Less: Goods and services tax (GST)		(119)	(176)	(116)	(172)
Finance lease liabilities		1,094	1,660	1,070	1,624
Present value of minimum future lease payments:					
- Not longer than 1 year		467	980	451	968
- Longer than 1 year and not longer than 5 years		627	680	619	656
		1,094	1,660	1,070	1,624
<u>Continuing operations included in the financial statements as:</u>					
- Current interest-bearing liabilities		184	538	168	526
- Non-current interest-bearing liabilities		438	296	430	272
		622	834	598	798
<u>Discontinuing operations</u>					
- Current interest-bearing liabilities	(iii)	283	442	283	442
- Non-current interest-bearing liabilities	(iii)	189	384	189	384
		472	826	472	826

(i) Operating lease commitments relate to properties and equipment with lease terms of up to 10 years.

(ii) Finance lease liabilities relate to various plant and equipment with lease terms of up to 5 years.

(iii) The finance leases of the discontinuing operation transfer to the purchaser on the disposal of the discontinued operation (note 31).

	Note	Consolidated		Company	
		2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
26	Contingent Liabilities				
	Maximum liability for termination benefits under:				
	- Service agreements	-	427	-	427
	Indemnity by the company in respect of employees transferred to an associated company	46	46	46	46
	Guarantees by subsidiary company under deeds of assignment of property leases - estimated maximum potential liability equivalent to six months rent	583	583	-	-
	Claims and litigation against the company which is being defended and for which no provision is made in the financial statements	980	30	980	30
		1,609	1,086	1,026	503

In respect of the consolidated entity's share of contingent liabilities of associates, the extent to which an outflow of funds will be required is dependent on the future operations of the associates being more or less favourable than currently expected. The consolidated entity's share of contingent liabilities of associates is disclosed at note 10.

27 Segment Information
(a) Information on Business Segments

	Industry Services (discontinued operations)		Horticulture		Aquaculture		TOTAL	
	2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
Continuing Operations								
Revenues								
External sales	-	-	45,900	36,336	-	-	45,900	36,336
Other revenue	-	-	3,002	1,921	-	-	3,002	1,921
Segment total	-	-	48,902	38,257	-	-	48,902	38,257
Unallocated/Consolidation Adj							(1,127)	2,973
Total							47,775	41,230
Results								
Segment result	-	-	5,184	3,367	5,629	2,662	10,813	6,029
Borrowing costs							(1,315)	(1,594)
Unallocated							(2,191)	1,052
Profit before tax							7,307	5,487
Income tax (expense)/benefit							(1,872)	161
Profit/(loss) for the year from continuing operations							5,435	5,648
Discontinued operations								
Revenues								
External sales	35,562	33,504	-	-	-	-	35,562	33,504
Internal sales	126	88	-	-	-	-	126	88
Other revenue	228	310	-	-	-	-	228	310
Segment total	35,916	33,902	-	-	-	-	35,916	33,902
Total							35,916	33,902
Results								
Segment result	194	(74)	-	-	-	-	194	(74)
Borrowing costs							(93)	(70)
Unallocated (2007: Includes loss on disposal of Industry Services)							(3,410)	(517)
Profit/(loss) before tax							(3,309)	(661)
Income tax (expense)/benefit							179	247
Profit/(loss) for the year from discontinued operations							(3,130)	(414)
Profit for the year							2,305	5,234
Segment Assets & Liabilities								
Assets								
Segment assets	8,586	13,244	30,516	23,272	39,887	32,591	78,989	69,107
Unallocated							12,200	15,750
Total							91,189	84,857
Liabilities								
Segment liabilities	(5,205)	(6,583)	(11,666)	(6,318)	-	-	(16,871)	(12,901)
Unallocated							(21,572)	(21,580)
Total							(38,443)	(34,481)

27 Segment Information (continued)

	Industry Services (discontinued operations)		Horticulture		Aquaculture	
	2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
Other Information						
Acquisition of non-current assets	488	483	760	231	-	-
Depreciation and amortisation	495	504	596	681	-	-
Other non-cash expenses	-	1	500	7	-	-
Carrying value of investments accounted for using the equity method	-	-	2,219	4,788	39,887	32,591
Share of net profit/(loss) of associate and joint venture entities accounted for under equity method	-	-	(570)	(606)	5,629	2,662

Products within each business segment

For management purposes, the consolidated entity is organised into three major operating divisions. These divisions are the basis on which the consolidated entity reports its primary segment information. The principal products and services of each of these divisions are as follows:

- Industrial Services (discontinued operations) - Wholesaling of a range of finished goods including industrial supplies, heavy machinery and automotive parts throughout Tasmania.
- Horticulture - Growing, processing, packing and marketing of fruit, vegetables and nuts for export and domestic markets.
- Aquaculture - Investment in the production, processing, value-adding and marketing of salmon for export and domestic markets and the harvesting and processing of kelp.

(b) Information on Geographical Segments

The consolidated entity is based solely in Tasmania. Goods are sold in both domestic and international markets.

Geographical Segment	Revenue from external customers		Segment assets		Acquisition of segment assets	
	2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
Australia	57,053	48,282	91,189	85,616	1,248	714
Europe	20,307	15,972	-	-	-	-
Other	4,102	5,586	-	-	-	-

The consolidated entity's three divisions operate in three principal geographical locations - Australia, Asia and Europe. The composition of each geographical segment is as follows:

- Australia The Webster Group manufactures, produces and sells a broad range of its products in Australia.
- Europe The Webster Group sells onions into Northern Europe.
- Asia The Webster Group sells onions and carrots into Asia.

28 Notes to the cash flow statement *(continued)*
(g) Reconciliation of profit for the period to net cash flows from operating activities

	Consolidated		Company	
	2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
Profit/(loss) for the period	2,305	5,234	(3,331)	3,383
Depreciation and amortisation of non-current assets	1,597	1,837	1,149	1,269
Adjustments relating to self-generating and regenerating assets	-	(185)	-	(185)
Net (profit)/loss on sale of non-current assets	(67)	(222)	(36)	(193)
Net (profit)/loss on sale of investments	-	(1,715)	-	(1,338)
Impairment loss on discontinued operation	2,943	-	2,939	-
Impairment of plant & equipment	130	-	130	-
Impairment of agricultural assets	370	-	370	-
Impairment of investments	2,000	-	3,290	-
Interest income received or receivable	(476)	(457)	(462)	(415)
Debt instrument dividends paid	36	36	36	36
Share of associates' (profit)/loss and dividends	(5,147)	(2,284)	(1,688)	(1,492)
Net amount set aside to provisions	138	144	38	25
Amounts paid out of provisions	(239)	(112)	(51)	-
Other	3	70	66	90
Net goods and services tax refunded/(paid)	(726)	(617)	(1,497)	(1,340)
Decrease in income tax payable	-	29	-	29
Changes in net assets and liabilities, net of effects from the disposal of businesses (excluding impairment loss of discontinued operation):				
- Decrease/(increase) in receivables	(4,640)	(4,566)	(3,608)	(5,453)
- Decrease/(increase) in inventories	2,500	1,835	1,252	2,193
- Increase/(decrease) in payables	5,981	3,831	3,996	3,702
- Increase/(decrease) in tax balances	1,693	(408)	585	(758)
Net cash flows from operating activities	8,401	2,450	3,178	(447)

29 Financial Instruments
(a) Financial Risk Management Objectives

The consolidated entity's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets and manages the financial risks relating to the operations of the consolidated entity.

The consolidated entity does not enter in to or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the consolidated entity's policies approved by the board of directors, which provide written principles on the use of financial derivatives. Compliance with policies and exposure limits are monitored by the Treasury Committee on a continuous basis.

The consolidated entity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The consolidated entity enters in to a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including:

- forward foreign exchange contracts to hedge the exchange rate risks arising on the export of produce to Europe and Japan; and
- interest rate swaps to mitigate the risk of rising interest rates.

(b) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

29 Financial Instruments (continued)

(c) Foreign Currency Risk Management

The group undertakes certain transactions denominated in foreign currencies, hence exposure to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts and currency swap agreements.

(d) Forward Foreign Exchange Contracts and Options

It is the policy of all entities in the consolidated entity to enter into forward foreign exchange contracts to cover 100% of the exposure generated by specific foreign currency payments and receipts. The consolidated entity also enters into forward foreign exchange contracts and AUD call option contracts to manage the risk associated with anticipated horticultural export transactions. A progressive cover strategy is adopted from the time of budgeting through to harvest when up to 90% of exposure is hedged.

The following table details the aggregate foreign currency contracts outstanding as at reporting date:

	Average Exchange Rate		Foreign Currency	
	2007	2006	2007 (FC'000)	2006 (FC'000)
Outstanding Contracts				
<u>Due within 3 months:</u>				
Sell				
- British Pound	0.3955	0.4188	108	211
- Euro	0.5938	0.5953	355	593
- Japanese Yen	92.0300	77.6500	1,000	8,000
- United States Dollar	-	0.7924	-	182
<u>Due after 6 months:</u>				
Sell				
- British Pound	0.4186	-	113	-
- Japanese Yen	-	79.4600	-	35,200
- Euro	-	0.5645	-	2,120
Buy				
- United States Dollar	0.8335	-	(920)	-
			656	46,306

	Contract Value		Fair Value	
	2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
<u>Due within 3 months:</u>				
Sell				
- British Pound	273	504	17	(18)
- Euro	598	996	32	(21)
- Japanese Yen	11	103	1	9
- United States Dollar	-	250	-	4
<u>Due after 6 months:</u>				
Sell				
- British Pound	270	-	1	-
- Japanese Yen	-	443	-	6
- Euro	-	3,755	-	31
Buy				
- United States Dollar	(1,104)	-	(12)	-
	48	6,051	39	11

29 Financial Instruments *(continued)*
(e) Hedges of Anticipated Future Transactions

The economic entity has entered into contracts to supply onions and carrots to customers in Europe and Japan. The economic entity has entered into forward foreign exchange contracts (for the 2007/08 season) to hedge the exchange rate risk arising from these anticipated future transactions and the freight costs associated with supplying product to these customers.

As at the reporting date the aggregate amount of unrealised profits under forward foreign exchange contracts relating to anticipated future transactions is \$39,000 and is deferred in the hedging reserve to the extent that the hedge has been determined to be effective. Such unrealised profits will be realised during the 2008 financial year when the anticipated future transactions take place.

(f) Interest Rate Risk Management

The company and the Group is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. The company uses interest rate swap contracts to manage interest rate exposure. Under these contracts, the company agrees to exchange the difference between fixed and floating interest amounts calculated on agreed notional principal amounts. Such contracts enable the company to mitigate the risk of rising interest rates. The interest rate swap settles on a quarterly basis. The floating rate on the interest rate swap is the Australian BBSW.

The following table details the interest rate swap contracts outstanding as at the reporting date:

	Average Fixed Interest Rate		Notional Principal Amount	
	2007 (%)	2006 (%)	2007 (\$'000)	2006 (\$'000)
Outstanding Contracts				
Less than 1 year	5.82	-	5,000	-
1 to 2 years	-	5.82	-	5,000
2 to 5 years	-	-	-	-
			5,000	5,000
			Fair Value	
			2007 (\$'000)	2006 (\$'000)
Less than 1 year			29	-
1 to 2 years			-	26
2 to 5 years			-	-
			29	26

(g) Credit Risk Management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity undertakes credit check prior to dealing with any new counterparty and obtains sufficient collateral or other security, where appropriate, as a means of mitigating the risk of financial loss from defaults. The consolidated entity exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded are spread amongst approved counterparties. The consolidated entity measures credit risk on a fair value basis.

Trade accounts receivable consist of a large number of customers, spread across diverse industries and geographical locations. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

The consolidated entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies.

The carrying amount of financial instruments recorded in the financial statements, net of any allowances for losses, represent the consolidated entity's maximum exposure to credit risk without taking account of the value of any collateral obtained.

29 Financial Instruments *(continued)*

(h) Fair Value of Financial Instruments

The directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximate their fair value (2006: net fair value).

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.
- the fair value of derivative instruments, included in hedging assets and liabilities, are calculated using quoted prices. Where such prices are not available use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments.

The transaction costs are included in the determination of net fair value.

The following tables detail the fair value of financial assets and financial liabilities

	Carrying amount		Fair value	
	2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
Financial Assets				
Interest rate swap	-	29	-	26
Forward foreign exchange contracts	-	39	-	11
	-	68	-	37
Financial Liabilities				
Cumulative non-redeemable preference shares	394	394	394	394
	394	394	394	394

(I) Liquidity Risk Management

The consolidated entity manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continually monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities.

29 Financial Instruments (continued)
(j) Maturity Profile of Financial Instruments

The following table details the consolidated entity's exposure to interest rate risk as at 30 June 2007:

	Weighted Average Effective Rate (%)	Variable Interest Rate (\$'000)	Fixed Maturity Dates						Non- Interest Bearing (\$'000)	TOTAL (\$'000)
			Less than 1 year (\$'000)	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years		
2007										
Financial Assets										
<u>Continuing operations</u>										
Cash and cash equivalents	6.10	-	4,202	-	-	-	-	-	83	4,285
Trade receivables	-	-	-	-	-	-	-	-	18,231	18,231
Related entity receivables	8.94	4,156	-	-	-	-	-	-	51	4,207
Employee share purchase plan receivables	-	-	-	-	-	-	-	-	13	13
Investments	-	-	-	-	-	-	-	-	42,106	42,106
Prepayments	-	-	-	-	-	-	-	-	506	506
<u>Discontinued operations</u>										
Trade receivables	-	-	-	-	-	-	-	-	4,051	4,051
Investments	-	-	-	-	-	-	-	-	204	204
Prepayments	-	-	-	-	-	-	-	-	40	40
		4,156	4,202	-	-	-	-	-	65,285	73,643
Financial Liabilities										
<u>Continuing operations</u>										
Trade payables	-	-	-	-	-	-	-	-	13,274	13,274
Bank loans	7.64	4,000	-	-	-	-	-	-	-	4,000
Related party loans	5.35	54	-	-	-	-	-	-	-	54
Other loans	6.42	1,543	6,604	1,700	284	52	-	394	41	10,618
Finance lease liabilities	7.21	-	184	193	152	80	13	-	-	622
Employee benefits	-	-	-	-	-	-	-	-	519	519
Export sales rebates	-	-	-	-	-	-	-	-	113	113
<u>Discontinued operations</u>										
Trade payables	-	-	-	-	-	-	-	-	2,935	2,935
Other loans	8.24	985	-	-	-	-	-	-	-	985
Finance lease liabilities	7.17	-	283	143	46	-	-	-	-	472
Employee benefits	-	-	-	-	-	-	-	-	813	813
		6,582	7,071	2,036	482	132	13	394	17,695	34,405

The following table details the consolidated entity's exposure to interest rate risk as at 30 June 2006:

	Weighted Average Effective Rate (%)	Variable Interest Rate (\$'000)	Fixed Maturity Dates						Non- Interest Bearing (\$'000)	TOTAL (\$'000)
			Less than 1 year (\$'000)	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years		
2006										
Financial Assets										
Cash and cash equivalents	5.50	-	2,845	-	-	-	-	-	632	3,477
Trade receivables	-	-	-	-	-	-	-	-	17,137	17,137
Related entity receivables	8.48	2,295	-	-	-	-	-	-	44	2,339
Employee share purchase plan receivables	-	-	-	-	-	-	-	-	15	15
Investments	-	-	-	-	-	-	-	-	37,585	37,585
Prepayments	-	-	-	-	-	-	-	-	325	325
		2,295	2,845	-	-	-	-	-	55,738	60,878
Financial Liabilities										
Trade payables	-	-	-	-	-	-	-	-	10,166	10,166
Bank loans	7.74	1,000	4,000	-	-	-	-	-	-	5,000
Related party loans	4.90	18	-	-	-	-	-	-	-	18
Other loans	6.53	2,834	8,113	422	1,149	748	46	394	40	13,746
Finance lease liabilities	7.23	-	980	377	239	64	-	-	-	1,660
Employee benefits	-	-	-	-	-	-	-	-	1,358	1,358
Export sales rebates	-	-	-	-	-	-	-	-	188	188
		3,852	13,093	799	1,388	812	46	394	11,752	32,136

30 Related Party Disclosures

(a) Key Management Personnel Details

The key management personnel of Webster Limited during the year were:

- R J Roberts (Chairman, Chief Executive Officer)
- D W Robinson (Non-executive)
- C E Bright (Non-executive)
- S Stone (Non-executive)
- N Abbott (Financial Controller)
- B Davey (Commercial Services Manager)
- S Eiszele (State Manager, Webster Bearing & Engineering Supplies), Resigned 7 February 2007
- L Curran (State Manager, Webster Trucks & Machinery)
- T Gadsby (Information Technology and Communications Manager)
- S Stegmann (Commercial Manager, Webster Fresh and Webster Walnuts)
- L Titmus (Manager, Webster Walnuts)
- R Gilham (Operations Manager, Webster Fresh)
- N Carey (Marketing Manager, Webster Fresh)

(b) Key Management Personnel Compensation

	Consolidated		Company	
	2007 (\$)	2006 (\$)	2007 (\$)	2006 (\$)
Short-term employee benefits	2,018,420	1,426,484	1,524,909	1,149,920
Post-employment benefits	108,505	107,607	82,563	81,245
Termination benefits	817,462	-	817,462	-
	<u>2,944,387</u>	<u>1,534,091</u>	<u>2,424,934</u>	<u>1,231,165</u>

Further information on key management personnel is contained in the remuneration report within the directors report.

(c) Loan disclosures

Current

Loans from key management personnel form part of the Agriwise Unsecured Notes and do not carry a fixed term.

Deposit accounts held by directors

- R J Roberts	317	2,829	317	2,829
- Interest paid on deposit accounts @ 5.35% (2006: 4.9%)	40	27	40	27

There were no loans to directors or director-related entities.

Deposit accounts held by key management personnel

- L Curran	455	587	455	587
- Interest paid on deposit accounts @ 5.35% (2006: 4.9%)	25	19	25	19

All transactions with directors and key management personnel of the company and controlled entities and their director-related entities, including those stated above and those involving the purchase or sale of goods and services, were within normal customer or employee relationships, on terms no more favourable than those available to other customers, employees or shareholders.

30 Related Party Disclosures (continued)

Number of ordinary shares (ORD) held directly, indirectly or beneficially	Type	Balance @ 1/7/06	Received on exercise of options	Net other change	Balance @ 30/6/07
Key management personnel					
R J Roberts	ORD	4,666,588	-	234,890	4,901,478
D Robinson	ORD	5,892	-	-	5,892
C E Bright	ORD	15,394,164	-	1,326,690	16,720,854
S Stone	ORD	1,000	-	-	1,000
N Abbott	ORD	1,182	-	1,563	2,745
B Davey	ORD	-	-	1,562	1,562
S Eiszele	ORD	-	-	-	-
L Curran	ORD	1,182	-	-	1,182
T Gadsby	ORD	-	-	1,033	1,033
S Stegmann	ORD	-	-	-	-
L Titmus	ORD	1,185	-	2,221	3,406
R Gilham	ORD	-	-	1,185	1,185
N Carey	ORD	190	-	1,562	1,752
		20,071,383	-	1,570,706	21,642,089

No Webster Limited shares or share options were issued to directors or director-related entities during the financial year.

Other Transactions with Key Management Personnel

During the financial year, directors and their director-related entities purchased goods, which were domestic or trivial in nature, from the company on the same terms and conditions available to other employees and customers.

(e) Equity Interests in Related Parties
Equity Interests in Controlled Entities

Details of percentage of ordinary shares held in controlled entities are disclosed in note 24 to the financial statements.

Equity Interests in Associates & Joint Ventures

Details of interests in associates are disclosed in note 10 to the financial statements.

(f) Transactions within the wholly owned group

During the year, the company advanced and repaid loans, received loans and provided accounting and administrative assistance to other entities in the consolidated group.

These transactions were on normal commercial terms and conditions, with the exception of an interest-free loan by the company to Webster Finance Pty Ltd of \$1,093,000 (2006: \$1,093,000). Amounts receivable from and payable to controlled entities are disclosed in notes 5, 15 and 16 to the financial statements. Interest and dividend revenues and interest expenses are disclosed in note 2 to the financial statements.

(g) Transactions with other related parties

Transactions between the company and associated companies consist of the sale of rural and industrial supplies, loans to and from these companies, the payment and receipt of interest thereon, the provision of accounting and administrative assistance and the receipt of dividends. Interest and dividend revenue and interest expenses are disclosed in note 2 to the financial statements.

All transactions with other related parties are made on normal commercial terms and conditions and there are no material transactions that require further disclosure.

(h) Parent Entity

The parent entity in the consolidated entity is Webster Limited.

The ultimate Australian parent entity is Webster Limited.

31 Discontinued Operations

Plan to dispose of the industrial businesses and interest in Kelp Industries Pty Ltd

On the 27th of June 2007, Directors agreed to divest the company's industrial businesses, comprising Webster Trucks & Machinery and Webster Bearings & Engineering Supplies, and its 50% interest in associate Kelp Industries Pty Ltd. The Purchaser is Ironbound Pty Ltd, a related party of Executive Chairman, R J Roberts. On 3rd July 2007 this divestment was formalised in a business sale agreement, which was executed and announced to the Australian Stock Exchange on the same day. The divestment is consistent with the company's long-term strategic direction to grow in the areas of aquaculture and horticulture.

The business sale agreement has an effective date of 30 June 2007, with an expected completion date of 31 August 2007, or as agreed between the parties. The agreement has a number of conditions precedent, including obtaining shareholder approval, which Directors consider are likely to be satisfied to enable completion of the agreement to occur. The divestment includes the sale of all assets and undertakings of the operating businesses, the sale of corporate assets, such as computer equipment, software and furniture, and the sale of shares in Kelp Industries Pty Ltd. Net consideration is \$3,931,000, which represents a gross consideration of \$4,500,000, which is reduced by the value of employee entitlements transferred to the purchaser (discounted by 30%). The carrying value of consolidated net assets at 27 June 2007 being divested was \$6,762,000 (Company: \$6,758,000). Estimated costs in relation to the transaction amount to \$112,000.

The result of the discontinuing operation which has been included in the income statement are as follows. The comparative profit and cash flows from discontinuing operations have been represented to include those operations classified as discontinuing in the prior period:

	Consolidated	
	2007 (\$'000)	2006 (\$'000)
Profit from discontinued operations		
Revenue (note 2)	35,688	33,592
Other income (note 2)	228	310
Share of net profits of associate accounted for using the equity method	88	84
	36,004	33,986
Expenses	(36,370)	(34,647)
Profit before income tax expense	(366)	(661)
Attributable income tax (expense)/benefit	179	247
	(187)	(414)
Gain/(loss) on disposal of operation	(2,943)	-
	(2,943)	-
Attributable income tax expense	-	-
	(2,943)	-
Loss for the year from discontinued operations	(3,130)	(414)
Cash flows from discontinued operations		
Net cash flow from operating activities	704	2,149
Net cash flow from investing activities	(138)	(285)
Net cash flow from financing activities	(690)	(711)
Net cash flows	(124)	1,153

31 Discontinued Operations *(continued)*

The major classes of assets and liabilities comprising the operations and investments classified as held for sale at balance date are as follows:

	Consolidated	
	2007 (\$'000)	2006 (\$'000)
Trade and other receivables	4,051	-
Inventories	5,748	-
Other assets	40	-
Investments accounted for using the equity method	204	-
Property, plant and equipment	1,924	-
Impairment loss	(2,831)	-
Total assets classified as held for sale	9,136	-
Trade and other payables	(2,935)	-
Borrowings	(1,457)	-
Provisions	(813)	-
Total liabilities associated with assets classified as held for sale	(5,205)	-
Net assets held for sale	3,931	-

32 Subsequent Events

Aquaculture and Horticulture Strategy

On 15 August 2007 Directors released an ASX announcement regarding the company's strategic direction. This direction is in aquaculture and horticulture, with in-principle agreement reached between Webster Limited and Futuris Corporation Limited to progress this direction through a number of transactions. These transactions comprise the transfer of Futuris' aquaculture and horticulture interest to Webster in exchange for ordinary shares; and the provision to Webster of a \$25 million secured loan facility convertible to ordinary shares to fund future rationalisation opportunities. The transfer of the assets is subject to due diligence and valuation, and Webster Limited shareholder approval.

Final dividend declared

On 29 August 2007, the Directors declared a final dividend of 4.5 cents per ordinary share in respect to the financial year ended 30 June 2007. The dividend will be franked to 5.15% at the 30% corporate income tax rate and will be paid on 31 October 2007. The record date for determining entitlement to this dividend is 9 October 2007. The Company's Dividend Reinvestment Plan will apply to the dividend, with a discount rate of 5% applicable.

Since the end of the year the directors are not aware of any matter or circumstance that has arisen, other than that which described above or as detailed in note 31, that has significantly or may significantly affect the operations of the consolidated group, the results of those operations or the state of affairs of the consolidated group in subsequent financial years.

Number and distribution of shareholders

	Ordinary	Cumulative Preference
1 - 1,000	1,479	179
1,001 - 5,000	738	24
5,001 -10,000	262	5
10,001 - 100,000	321	10
100,001 and over	60	0
Total number of shareholders	2,860	218
Total number of issued shares listed	62,111,170	394,000
Number of shareholders holding less than a marketable parcel	752	133

Voting Rights

Articles 63 to 70 of the Company's Constitution govern the voting rights of members. In summary, but without prejudice to the provisions of the Constitution, at any meeting of the Company every member present in person or by proxy or by attorney or by duly authorised representative shall on a show of hands be entitled to vote and, on a poll, be entitled to one vote for each share held. Preference shareholders' voting rights are limited to matters affecting the rights of such shareholders.

Substantial shareholders

	Number of Shares	%	Class of Shares
Elders Limited	18,318,854	29.49	Ordinary
Sandhurst Trustees Limited (JMFG Consol A/C)	4,444,911	7.16	Ordinary
Cogent Nominees Pty Ltd	3,871,597	6.23	Ordinary
The Tasmanian Gifts Company Pty Ltd	3,390,653	5.46	Ordinary
ANZ Nominees Limited	2,652,568	4.27	Ordinary

Twenty largest shareholders

Listed Ordinary Shares	Number of Shares	%	Listed 9% Cumulative Preference Shares	Number of Shares	%
Elders Limited	18,318,854	29.49	Mr David Calvert & Mrs Lorne Calvert (Southpork Super Fd A/c)	73,155	18.57
Sandhurst Trustees Ltd (JMFG Consol A/C))	4,444,911	7.16	Mr Brian David Faulkner & Mrs Wendy Jean Faulkner	50,000	12.69
Cogent Nominees Pty Ltd	3,871,597	6.23	Winpar Holdings Limited	34,270	8.70
The Tasmanian Gifts Company Pty Ltd	3,390,653	5.46	Mr Brian David Faulkner & Mr Robert Paul Nicolson	23,000	5.84
ANZ Nominees Limited	2,652,568	4.27	Cogent Nominees Pty Limited	20,556	5.22
Belfort Investment Advisors Limited	2,600,000	4.19	Trust Company Fiduciary Services Ltd (Keith J Smith A/c)	14,188	3.60
National Nominees Limited	1,686,242	2.71	Mrs Frances Lorne Calvert	14,156	3.59
Rathvale Pty Ltd	1,303,136	2.10	Mrs June Lorimer Tutty	14,062	3.57
Mrs Jeanette Wright	825,508	1.33	Mr Brian David Faulkner	12,019	3.05
Kaplan Equity Limited	815,450	1.31	Lesley Patricia Colman	11,800	2.99
Citicorp Nominees Pty Ltd	584,005	0.94	Wilcorp No 41 Pty Ltd	7,800	1.98
Hemwood Pty Ltd	583,078	0.94	Dr Gordon Bradley Elkington	7,340	1.86
HSBC Custody Nominees (Australia) Limited	441,850	0.71	Mary Graham Neild	6,800	1.73
Mr Donald Webster	435,423	0.70	Mr David John Doberer (David J Doberer S/F A/c)	5,800	1.47
Berzins Asset Management Pty Ltd	420,000	0.68	Mr James Ralston Brown	5,118	1.30
Mr Benjamin Slonim	417,173	0.67	Mr Julian Boulnois (Burning Bush S/F A/c)	5,000	1.27
Meadgate Pty Ltd	397,494	0.64	Mrs Joyce Merle Pulman	5,000	1.27
Stadiums Pty Ltd	390,000	0.63	Ladon Pty Ltd	4,822	1.22
Mrs Diana Ritchie	350,000	0.56	Mrs Gwendoline Shelton	4,062	1.03
Mr Grantly Mearns	333,215	0.54	RFC Investment Holdings P/L (RF Cameron Super Fund A/c)	3,500	0.89



producing for the future
from a global perspective

WEBSTER

Webster Limited Directors

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C E Bright

D W Robinson

S Stone

Company Secretary

Mr N Abbott

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