

WEBSTER DOLILTA FINANCE LIMITED (the Borrower)

REPORT TO THE TRUSTEE – QUARTER ENDED JUNE 2012

Pursuant to the provisions of the Corporations Act and the Debenture Trust Deed dated 17 December 1999, we herewith provide our report for the quarter ended **30 June 2012** in relation to Webster Dolilta Finance Limited.

The Report is pursuant to Section 283BF of the Corporations Act.

- a) The Borrower confirms that there has been no failure by the Borrower or any guarantor to comply with the terms of the notes or the provisions of the Trust Deed or Chapter 2L of the Corporations Act during the quarter.
[Sec 283BF(4)(a)]
- b) The Borrower confirms that the Borrower has had no events during the quarter that have caused or could cause one or more of the following:
 - (i) any amount deposited or lent under the notes to become immediately payable;
 - (ii) the notes to become immediately enforceable;
 - (iii) any other right or remedy under the terms of the notes or provisions of the Trust Deed to become immediately enforceable.*[Sec 283BF(4)(b)]*
- c) The Borrower confirms that the Borrower has not had any circumstances that have occurred during the quarter that materially prejudice:
 - (i) the Borrower, any of its subsidiaries, or any of the guarantors; or
 - (ii) any security of charge included in or created by the notes or the Trust Deed.*[Sec 283BF(4)(c)]*
- d) The Borrower confirms that the Borrower, its subsidiaries and guarantors have not had any substantial change in the nature of their business during the quarter.
[Sec 283BF(4)(d)]
- e) The Borrower confirms that the Borrower remains focused on its principal activities of issuing Notes to the public and lending monies secured by first mortgages over real estate as permitted under the above Trust Deed.
- f) The Borrower confirms that none of the following has happened to the Borrower during the above quarter:
 - (i) the appointment of a guarantor;
 - (ii) the cessation of liability of a guarantor body for the payment of the whole or part of the money for which it was liable under the guarantee;
 - (iii) a change in name of a guarantor.*[Sec 283BF(4)(e)]*
- g) The Borrower confirms that the Borrower has not created a new charge during the quarter.
[Sec 283BE, Clause 10.2]

- h) The Borrower confirms that the Borrower has no amounts outstanding on any advances at the end of the quarter from a charge created where:
- (i) the total amount to be advanced on the security of the charge is indeterminate; and
 - (ii) the advances are merged in a current account with bankers, trade creditors or anyone else.
- [Sec 283BF(4)(f) and Sec 283BE]*

- i) The Borrower confirms that the Borrower has not experienced any matters that may materially prejudice any security or the interest of debenture holders.
- [Sec 283BF(4)(g)]*

- j) The Borrower confirms that during the quarter the following amounts have been deposited with or lent to a related body corporate:

Company	A.C.N.	\$
NIL	NIL	NIL

[Sec 283BF(5)(a)]

- k) The Borrower confirms that the total amount of money owing to the Borrower at the end of the above quarter in respect of the loans to related body corporate are as follows:

Company	A.C.N.	\$
NIL	NIL	NIL

[Sec 283BF(5)(b)]

- l) The Borrower confirms that the Borrower has not assumed any liability for a related body corporate during the above quarter. **If a liability is assumed for the quarter please provide details of the extent of the liability during the quarter and the extent of the liability at the end of the quarter.**
- [Sec 283BF(6)]*

- m) The Borrower confirms that the Borrower has issued the following securities:

	This Quarter \$	Total \$
Value of Notes issued	\$2,247,104	\$110,987,826

Value of Notes maturing within 12 months	\$1,232,079	\$97,114,407
Value of Notes maturing beyond 12 months	\$1,015,025	\$13,873,419

[Clause 9.06(a)]

- n) The Borrower confirms that the Trust Deed:

- Covenants;
- Representations; and
- Warranties

Are in force and effect and have been complied with.

[Trust Deed]

- o) The Borrower confirms that the Borrower has provided to the Trustee, a copy of all:
- Reports;
 - Accounts;
 - Notices; and
 - Circulars
- Sent by the Borrower or any Director to its members, note holders or ASIC at the same time that it sent the same.
(Clause 6.08(i))
- p) The Borrower confirms that the Borrower has lent all monies within the permitted lending policies determined under the Security and Risk Assessment section in the Prospectus.
(Prospectus, Section 6.7)
- q) The Borrower confirms that the Borrower has complied at all times with the requirements of Chapter 6CA (dealing with continuous disclosure) of the Corporations Act 2001 and no circumstances arose during the quarter that required the Borrower to issue a supplementary prospectus, replacement prospectus or issue a continuous disclosure notice.
- r) The Borrower confirms that the Borrower continues to meet the minimum requirements of the Borrowing Limitations
(Clause 8.01, 8.04 & 9.07 (b)(i))
- s) The Borrower confirms that the Borrower has provided to the Trustee a Six Monthly Report of the Auditor within the specified timeframe.
[Clause 9.05]
- t) The Borrower confirms that the Borrower has not exceeded the LVR of any loan as published in the current prospectus or, if not published, in the abovementioned Trust Deed.
- u) The Borrower confirms that the Borrower has made all interest and principal payments to note holders when they fell due.
[Clause 9.06(a)]
- v) The Borrower confirms that the Borrower and its subsidiaries have not sustained any material trading or capital loss, trading as a group.
[Clause 9.07(b)(vii)]
- w) The Borrower confirms that the Borrower or any Guarantor has not incurred any contingent liabilities. If contingent liabilities have been incurred:
- The amount is \$ NIL
 - A liability of \$ NIL has matured, or is likely to mature within the succeeding twelve (12) months which will materially affect the Borrower and any Guarantor in its or their ability to repay stock.
- [Clause 9.07(b)(viii)]*

- x) The Borrower confirms that there has been no change in any accounting method or methods of valuation or assets or liabilities and no circumstances have arisen, which render adherence to the existing method of valuation of assets or liabilities, misleading or inappropriate. **[If there are any changes provide particulars.]**
[Clause 9.07(b)(ix)]
- y) The Borrower confirms that in the opinion of the Directors the Current Assets of the Borrower and its subsidiaries appear in the relevant books at values which are realisable in the ordinary course of business.
[Clause 9.07(b)(x)]
- z) The Borrower confirms that the Directors are not aware of any material changes in the laws of any place which might affect the enforceability of Guarantees and Charges given to or in favour of the Trustee.
[Clause 9.07(b)(xi)]
- aa) The Borrower confirms that the Borrower has maintained such insurance with a reputable insurer as would be effected by a prudent company engaged in a similar business and has at all times ensured the premiums and other sums have been paid when they fall due.
[Clause 9.08]
- bb) The Borrower confirms that the Borrower has ensured that the funds have been invested in accordance of Clause 11 and that there have been no breaches of restrictions or limitations contained therein.
[Clause 11]
- cc) The Borrower confirms that the Borrower has not entered into any joint first mortgages without first notifying the Trustee
[Clause 11.03]
- dd) The Borrower confirms that the Borrower has had no Events of Enforcement and Default.
[Clause 12]
- ee) The Borrower confirms that it complied with each condition of its Australian Financial Services Licence Number 234971 during the quarter.

ASIC Regulatory Guide 69: Debenture- Improving Disclosure for Retail Investors

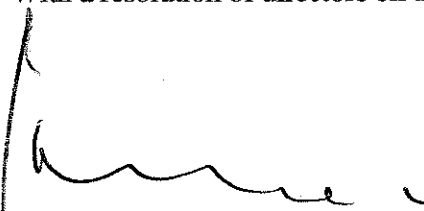
- ff) The Borrower confirms that it has made all necessary disclosures against the benchmarks in its disclosure documents and all disclosures remain true and correct.
- gg) The Borrower confirms that it continues to meet all benchmarks that the Borrower has stated in disclosure documents that it meets.
- hh) The Borrower confirms that where the Borrower has disclosed that it does not meet the benchmarks on an “if not, why not” basis, the disclosure the Borrower has made continues to be correct and accurate in all material respects and is not misleading.
- ii) The Borrower confirms that hereunder, details the “promises” (as referred to, for instance, in RG 69. 109 dated June 2010) it has made in disclosure documents it has issued and confirms that it has complied with each of the promises it has made in those disclosure documents:
 - How to Invest
 - Payment of Interest
 - Variation of Interest Rates and Maturity Dates Offered
 - Repayment of Principal and Interest
 - Withdrawal Before Maturity
 - Security And Risk Assessment
 - Lending Policies
 - Fees and Brokerage

Annexure “A” provides disclosure as to whether or not the Borrower has met each of the benchmarks outlined in ASIC Regulatory Guide 69: Debentures-improving disclosure for retail investors.

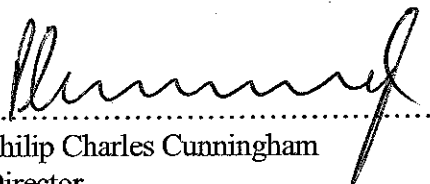
Annexure “B” provides disclosure of the Investment portfolio.

On the basis of the above, the directors declare that they are of the view that the financial position and performance of the Borrower is such that the property of the Borrower (and of each guarantor, if relevant) that is or should be available will be sufficient to repay the amount of each Debenture when it becomes due and payable.

This declaration has been made in accordance
With a resolution of directors on the 27th July 2012



William Hamish McGregor
Director
(Signature)



Philip Charles Cunningham
Director
(Signature)

Annexure "A"
ASIC Regulatory Guide 69: Debentures-improving disclosure for retail investors
Disclosure against Benchmarks

Please disclose whether the Borrower met each of the benchmarks outlined in ASIC's Regulatory Guide 69: Debentures-improving disclosure for retail investors during the quarter. Where the Borrowers did not meet a benchmark during the quarter, please explain why that is.

Benchmark One-Equity Capital

Does not Comply- Unchanged since our replacement Prospectus dated 15th December 2011-As at the 30th June 2012 Equity Capital was \$4,450,147 or 4.01%

Benchmark Two-Liquidity

Complies- Unchanged since our replacement Prospectus dated 15th December 2011
As at the 30th June 2012 Liquidity was 19.21%

Benchmark Three-Rollovers

Complies- Unchanged since our replacement Prospectus dated 15th December 2011

Benchmark Four-Debt Maturity

Complies- Unchanged since our replacement Prospectus dated 15th December 2011

Benchmark Five-Loan Portfolio

Complies- Unchanged since our replacement Prospectus dated 15th December 2011

Benchmark Six-Related Party Transactions

Complies- Unchanged since our replacement Prospectus dated 15th December 2011

Benchmark Seven-Valuations

Does not Comply- Unchanged since our replacement Prospectus dated 15th December 2011

Benchmark Eight-Lending Principles-Loan to Valuation Ratios

Complies- Unchanged since our replacement Prospectus dated 15th December 2011

Annexure "B"
Investment Portfolio of
Webster Dolittle Finance Ltd

Quarter End 30th June 2012

I. The Balance Sheet of the Company is as follows:-

Assets	Current Quarter %	
Cash and deposits at call	1,705,718	1.44%
Other Authorised Investments	20,826,590	17.60%
Real Property #	4,951,072	4.18%
Secured lending (excluding Prop. Dev.)	86,824,017	73.38%
Property Development lending	5,968,250	5.04%
Unsecured Lending	167,002	0.14%
Intangible assets	244,473	0.21%
Provision for Doubtful Debts	-2,372,748	-2.01%
Total Assets	118,314,374	100.00%
Liabilities		
Debenture noteholders	112,826,267	99.09%
Other liabilities	1,037,960	0.91%
Total Liabilities	113,864,227	100.00%
Net Assets	4,450,147	
Equity		
Contributed equity	3,415,955	76.76%
Accumulated profits/losses	1,034,192	23.24%
Total Equity	4,450,147	100.00%

limited to 10% of monies deposited

2. The Lending portfolio as at this quarter end is as follows:-

Number of loans	421
Average loan size	\$220,805.86
Number of loans that comprise more than 10% of the Principal Monies to any one party or associated party.	nil
Value of loans that comprise more than 10% of the Principal Monies to any one party or associated party.	nil
Longest term to loan maturity	25 years
Average term to loan maturity	3 years renewable
Average interest rate charged to Borrowers	9.72%
Average Rate of Return	2.88%

3. Total Loan Portfolio by Security Type as at this quarter end is as follows:-

Security Type *	\$	%
Residential	46,019,686.00	49.51%
Commercial & Industrial	32,955,505.00	35.45%
Development	5,968,250.00	6.42%
Rural	8,015,832.00	8.62%
Total	92,959,273.00	

* Please add other types as required

4. Total secured property by State/Territory as at this quarter end is as follows:-

State / Territory	Loan Portfolio			Secured Property	
	No.	\$	%	\$	%
NSW	5	3,989,762	4.29%	7,981,000	4.43%
QLD	4	1,017,367	1.09%	1,635,000	0.91%
VIC	405	85,603,600.72	92.09%	166,519,588.00	92.44%
WA	0	0	0.00%	0	0.00
SA	1	1578210.71	1.70%	2,380,000	0.00
TAS	2	770,332	0.83%	1,620,000	0.90%
ACT	0	0	0.00%	0	0.00
NT	0	0	0.00%	0	0.00
Total	417	92,959,273	100.00%	180,135,588	100.00

5. Level of Arrears for the Loan Portfolio (provide details of loans in arrears in excess of 30 days)

Loan No.	Loan Balance	No. of days in arrears	Value of Security	Amount of Arrears in excess \$1,000	Current Valuation Date	LVR %
	\$	> 30 days	\$			
2201	51,424.01	32	148,000	787.77	01-Jan-10	34.75%
4706	214,506.08	38	306,000	10,662.08	01-Jan-10	70.10%
3933	284,230.84	41	450,000	1,012.00	05-May-10	63.16%
2773	138,792.14	91	190,900	7,470.19	01-Jul-06	72.70%
3192	281,132.70	91	479,554	8,619.28	22-Nov-11	58.62%
4220	816,003.93	91	822,000	25,769.08	08-May-08	62.59%
3531	560,976.44	104	975,000	18,228.70	02-May-07	57.54%
5642	118,374.93	162	266,000	11,378.93	01-Jul-10	44.50%
1182	160,943.23	164	239,500	8,817.23	01-Jul-10	67.20%
3708	51,510.78	257	50,000	3,806.64	12-Sep-11	103.02%
3708	319,693.69	394	450,000	31,742.88	08-Nov-10	71.04%
3708	327,987.79	425	420,000	35,919.91	12-Jan-11	78.09%
3708	137,313.47	425	210,000	15,433.30	30-Jun-11	65.39%
3708	135,651.48	486	406,500	17,639.20	16-Aug-11	33.37%
Total	3,598,541.51		5,413,454	197,287.19		

6. Financial Ratios

Ratio	This Quarter End	Previous Quarter End
Working capital (%)	18.78%	21.76%
Debt to Equity Ratio (%)	2250.93%	2285.94%
Interest cover %	10.39%	9.51%
The amount Total Tangible Assets exceeds Total External Liabilities (Clause 8)	\$5,042,237	\$4,870,024
The amount Total Tangible Assets exceeds Total External Liabilities as a percent (Clause 8)	4.44%	4.37%

7. Properties under Mortgagee in Possession

Security Type (Residential, Commercial etc)	Loan Amount (incl arrears)	Security Value	LVR	Provision for Anticipated Loss	Comments	Value Date
Hotel/Motel Complex (Residential & Commercial)	3,788,954.00	3,250,000.00	116.58%	538,714.00	Linked securities- being serviced	Mar-11
Motel Complex (Commercial)	5,108,928.00	3,670,294.00	139.20%	1,410,252.00	Linked securities- being serviced	Jul-09
Commercial/Residential B&B	742,427.00	500,000.00	148.49%	242,547.00	Interest Nil - not being serviced	May-05
TOTAL	9,640,309.00	7,420,294.00		2,191,513.00	Specific Provision	
Amount held in Balance Sheet as Provision for Bad & Doubtful Debts	30th June 2012	2,372,632.00				