

WINPAR HOLDINGS LIMITED  
A.C.N. 003 035 523

G.P.O. Box 4248  
Sydney  
New South Wales 2001  
30 October 2005

Mr. Scott Evans  
General Manager  
Newcastle Stock Exchange Limited

Dear Mr. Evans

I am sending you a copy of Winpar Holdings Limited's audited accounts for the year ended 30 June 2005.

The accounts show an after tax profit of \$95,000, which differs from the after tax profit of \$105,000 shown in the preliminary final statement which was sent to you on 11 September 2005. The difference arose primarily because of an incorrect treatment of franking credits in the preliminary final statement.

Yours sincerely

Gordon B. Elkington  
Secretary

**WINPAR HOLDINGS LIMITED****ANNUAL REPORT 2005****CONTENTS**

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## DIRECTORS' REPORT

The Directors present their report together with the accounts of Winpar Holdings Limited for the financial year ended 30 June 2005.

### DIRECTORS

The following persons have held office as directors during the financial year and since the end of the financial year:

John Weston Seaforth Mackenzie  
Robert Franklin Cameron  
Gordon Bradley Elkington  
John David Honan  
Steven Pritchard

### SECRETARY

The secretary has been Gordon Bradley Elkington during the financial year and since the end of the financial year.

### INFORMATION ABOUT DIRECTORS AND THE SECRETARY

John Weston Seaforth Mackenzie, A.M., B.Sc. Agr. (Hons.), F.A.I.A.S.T., M.A.A.A.C., C.P.Ag.

Mr. Mackenzie is an agricultural scientist with more than 40 years' experience in business and representative organizations. He is a former Treasurer of the National Farmers' Federation and a former Chairman of the Australian Shareholders' Association. He has been a director of the Company since 1996 and is the Company's Chairman.

Robert Franklin Cameron

Mr. Cameron is an affiliate member of both the Australian Stock Exchange Limited and the Stock Exchange of Newcastle Limited. He has worked in the securities industry since 1979. He has been a director of Florin Mining Investment Company Limited since 2004. He has been a director of the Company since 1985 and is the Company's Managing Director.

**Gordon Bradley Elkington, B.Sc. (Hons.), M.Sc., Ph.D., LL.M.**

Dr. Elkington is a Barrister of the Supreme Court of New South Wales. He has been a director of Stokes (Australasia) Limited since 2003. He has been a director of the Company since 1994 and is the Company Secretary.

**John David Honan, B.A., M.A., A.S.I.A.**

Mr. Honan is an associate director and the Chief Economist of Ausbil Dexia Limited, a wholesale funds manager associated with Bank Internationale a Luxembourg and with Dexia. He has also lectured and examined for the Securities Institute of Australia. He has been a director of the Company since 2001.

**Steven Pritchard, B.Com., C.P.A., A.S.I.A.**

Mr. Pritchard is a Certified Practising Accountant, an affiliate member and past director and chairman of The Stock Exchange of Newcastle Limited. He is the principal of the Newcastle based accounting firm Rees Pritchard Pty. Limited. He has been a director of Illuminator Investment Company Limited since 2003 and a director of Florin Mining Investment Company Limited since 2004. He has been a director of the Company since 2003.

#### **DIRECTORS' INTERESTS IN THE COMPANY**

At the date of this report the directors who hold office hold the following relevant interests in shares in the Company.

	Shares held directly	Shares held indirectly
Mr. John Mackenzie	0	251,327
Mr. Robert Cameron	14,102	256,134
Dr. Gordon Elkington	231,981	106,359
Mr. John Honan	0	10,888
Mr. Steven Pritchard	0	193,306

#### **DIRECTORS' MEETINGS ATTENDED**

There were 12 directors meetings held during the financial year. Attendances at these meetings were as follows:

Mr. John Mackenzie	12
Mr. Robert Cameron	11
Dr. Gordon Elkington	12

Mr. John Honan	11	
Mr. Steven Pritchard		11

There was 1 meeting of the audit committee held during the financial year. Attendances at this meeting were as follows:

Mr. John Mackenzie		1
Mr. John Honan	1	
Mr. Steven Pritchard		1

#### PRINCIPAL ACTIVITIES

The principal activities in which the Company was engaged during the financial year were share trading and investment.

The trading portfolio as at 30 June 2005 is set out on pages 23-25.

The investment portfolio as at 30 June 2005 is set out on pages 26-27. The investments making up this portfolio are considered to be long term investments, and are not intended to be traded.

#### RESULT OF OPERATIONS

The net profit for the year after provision for income tax was \$105,750 (2004: \$276,903).

#### REVIEW OF OPERATIONS

There was no change in the nature of the Company's activities during the year, and there were no significant events which affected the Company's performance.

#### DIVIDENDS

On 31 October 2004 the Company paid a fully franked dividend of 3 cents per share to members registered as at 30 September 2004. The total amount of the dividend paid was \$79,762.

On 30 April 2005 the Company paid a fully franked dividend of 3 cents per share to members registered as at 31 March 2005. The total amount of the dividend paid was \$82,155.

The Company proposes to pay a fully franked dividend of 3 cents per share on 30 November 2005 to members registered as at 31 October 2005. The total amount of the dividend will be \$83,681.

#### LIKELY DEVELOPMENTS

The company intends to continue with its activities of share trading, investment and underwriting.

#### EVENTS SUBSEQUENT TO BALANCE DATE

No matters of significance have arisen since balance date.

#### DIRECTORS' BENEFITS

Since the end of the previous financial year no director of the Company has received or become entitled to receive a benefit arising out of any contract that the director, a firm of which the director is a member or an entity in which the director has a substantial financial interest except as follows.

Commissions were paid on ordinary commercial terms to Cameron Stockbrokers Limited, a company in which each of Mr. Robert Cameron and Mr. Steven Pritchard has a substantial financial interest, for buying and selling shares for the Company. Commissions of \$28,728 in total were paid.

The Company occupies a room adjoining the offices of Cameron Stockbrokers Limited, and uses Cameron Stockbrokers Limited's office facilities. No charge is made for the accommodation or services.

Mr. Pritchard is a director of and holds an indirect beneficial interest in Newcastle Capital Markets Registries Pty. Limited, which has provided share registry services to the Company on ordinary commercial terms. The total amount paid in respect of these services was \$6000.

#### REMUNERATION REPORT

No fees have been paid to the Company's Directors, and no options have been granted or shares issued to Directors as a result of the exercise of options or otherwise during or after the end of the financial year.

The Company is committed to remunerating its management fairly and responsibly.

The Company has only one part-time Executive Officer, Dr. Vincent Chin, who acts as the Company's General Manager. During the financial year he was paid a salary of \$30,000. Superannuation payments of \$2,700 were made on his behalf.

#### INDEMNITIES

No indemnification agreements have been entered into and no insurance premiums have been paid in respect of officers or auditors of the Company during the financial year.

**PROCEEDINGS ON BEHALF OF COMPANY**

No person has applied for leave of the Court to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

**CORPORATE GOVERNANCE**

The Board has the responsibility for ensuring that the Company is properly managed so that shareholders' interests are protected and enhanced, disclosure and reporting obligations are complied with, and conflicts of interest are avoided. To this end the Board has delineated the functions of its officers and management, and has instituted regularly monthly meetings at which the Company's financial position and other matters are reviewed on an ongoing basis.

The Board has established an Audit Committee consisting of non-executive directors, whose function it is to review the Company's accounts independently of management.

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration for the year ended 30 June 2005 has been received and can be found on page 22.

Signed at 10 Spring Street, Sydney on 25 October 2005 in accordance with a resolution of the Board of Directors.

Robert Franklin Cameron  
Director

Gordon Bradley Elkington  
Director





## WINPAR HOLDINGS LIMITED

STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 \$	2004 \$
Sales of shares (trading)		1,471,661	1,043,297
Cost of sales		<u>(1,043,326)</u>	<u>(879,435)</u>
		428,335	163,862
Revaluation of trading stock to market values		<u>(290,829)</u>	<u>355,302</u>
Gross profit		137,506	519,164
Revaluation of investment stock	1	(40,792)	(68,757)
Other revenue from ordinary activities	4	200,508	171,959
Other expenses from ordinary activities	5	<u>(178,913)</u>	<u>(320,975)</u>
<b>Profit/(loss) from ordinary activities before related income tax expense</b>		118,309	301,391
Income tax expense relating to ordinary activities	2	<u>(23,703)</u>	<u>- 24,488</u>
<b>Profit/(loss) from ordinary activities after related income tax expense</b>		<u>94,606</u>	<u>276,903</u>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<u>\$ 94,606</u>	<u>\$ 276,903</u>
<b>Basic earnings per share</b>		<u>\$ 0.034</u>	<u>\$ 0.104</u>

**WINPAR HOLDINGS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2005**

	Note	2005 \$	2004 \$
<b>CURRENT ASSETS</b>			
Cash assets	7	139,357	128,775
Receivables	8	40,207	149,057
Inventories	9	1,717,388	1,506,265
<b>TOTAL CURRENT ASSETS</b>		<u>1,896,952</u>	<u>1,784,097</u>
<b>NON-CURRENT ASSETS</b>			
Property plant & equipment	10	1,850	2,960
Investments	11	1,228,086	1,237,532
Tax assets	12	-	20,079
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,229,936</u>	<u>1,260,571</u>
<b>TOTAL ASSETS</b>		<u>3,126,888</u>	<u>3,044,668</u>
<b>CURRENT LIABILITIES</b>			
Payables	13	109,861	114,828
Borrowings	14	61,184	89,847
Current tax liabilities	15	(237)	(60,095)
Provisions	16	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>170,808</u>	<u>144,580</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	15	16,918	24,201
<b>TOTAL LIABILITIES</b>		<u>187,726</u>	<u>168,781</u>
<b>NET ASSETS</b>		<u>\$ 2,939,162</u>	<u>\$ 2,875,887</u>
<b>EQUITY</b>			
Contributed equity	17	2,789,310	2,658,725
Retained earnings	18	149,852	217,162
		<u>\$ 2,939,162</u>	<u>\$ 2,875,887</u>

**WINPAR HOLDINGS LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2005**

	Note	2005 \$	2004 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of trading securities		1,483,561	1,019,553
Other investment income		91,042	82,367
Payments for trading securities & and to suppliers		(1,623,884)	(892,969)
Income tax paid		48,951	(72,112)
<b>Net cash used in operating activities</b>		<u>(330)</u>	<u>136,839</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of investments		303,002	213,553
Payments for purchase of investments		(232,096)	(249,161)
Purchases of plant & equipment		-	(79)
<b>Net cash used in operating activities</b>		<u>70,906</u>	<u>(35,687)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(31,331)	(50,968)
Proceeds from share issue		0	51,013
Repayment of borrowings		(28,663)	(135,297)
Proceeds from borrowing		-	-
<b>Net cash used in financing activities</b>		<u>(59,994)</u>	<u>(135,252)</u>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		10,582	(34,100)
<b>CASH HELD AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<u>128,775</u>	<u>162,875</u>
<b>CASH HELD AT THE END OF THE FINANCIAL YEAR</b>		<u>\$ 139,357</u>	<u>128,775</u>

**WINPAR HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005****1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of preparation**

The general purpose financial statements have been prepared in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001.

The financial statements have been prepared on an accrual basis and on the basis of historical costs except where otherwise stated and do not take into account changing money values. The accounting standards have been consistently applied.

**(b) Investments**

Listed investments have been stated at market value. Unlisted investments whose value has been determined by a court have been stated at that value. Other unlisted investments have been stated at cost or directors' valuation.

**(c) Inventories**

The portfolio of shares held as current assets has been stated at its market value.

**(d) Dividends and interest**

Dividends and interest have been brought into account in the statement of financial performance when received or receivable.

**(e) Income tax**

The company has adopted the liability method of tax effect accounting.

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

Future income tax benefits have not been brought into account unless realisation of the benefits is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses have not been brought into account unless there is virtual certainty of realisation of the benefits.

The benefits which have been brought into account or which may be realised in the future have been determined on the assumption that no adverse change will occur in income tax legislation, and in the anticipation that the Company will derive sufficient future assessable income to enable it to realize the benefits and to comply with the conditions of deductibility imposed by law.

**WINPAR HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005****1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)**(f) Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and in deposits at call with financial institutions which are readily convertible into cash on hand.

**g) Impact of International Financial Reporting Standards**

The company is preparing and managing the transition to Australian Equivalents to International Financial Reporting Standards (AIFRS) effective for the financial years commencing from 1 January 2005.

The adoption of AIFRS will be reflected in the company's financial statements for the year ending 30 June 2006. On first time adoption of AIFRS, comparatives for the financial year ended 30 June 2005 are required to be restated. The majority of the AIFRS transitional adjustments will be made retrospective against retained earnings at 1 July 2004.

The company's management, with the assistance of external consultants, has assessed the significance of the expected changes and is preparing for their implementation. The impact of the alternative treatment and elections under AASB 1: First Time Adoption of Australian Equivalents to International Financial Reporting Standards has been considered where applicable.

The Directors are of the opinion that on conversion to AIFRS the financial effect will be minimal. Users of the financial statements should note, that this situation could change if there are any amendments by standard-setters to the current AIFRS or interpretation of the AIFRS requirements changes from the continuing work of the economic entity's AIFRS committee.

**Income Tax**

Currently, Winpar Holdings Limited adopts the liability method of tax-effect accounting whereby the income tax expense is based on the accounting profit adjusted for any permanent differences. Timing differences are currently brought to account as either a provision for deferred income tax or future income tax benefit. Under AASB 112

Winpar Holdings Limited will be required to adopt a balance sheet approach under which temporary differences are identified for each asset and liability rather than the effects of the timing and permanent differences between taxable income and accounting profit.

## WINPAR HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

## 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## g) Adoption of Australian Equivalents to International Financial Reporting Standards (Continued)

## Non-current Investments

Under the pending AASB 139:Financial Instruments: Recognition and Measurement, financial instruments that are classified as available for sale instruments must be carried at fair value. Unrealised gains or losses may be recognised either in income or directly to equity. Current accounting policy is to measure non-current listed investments at market value and unrealised gains and losses are recognised in the Statement of Performance.

Unlisted investments have been stated at cost or directors' valuation, with an annual review by directors to ensure that the carrying amounts are not in excess of the recoverable value of the instrument.

	2005	2004
	\$	\$
<b>2 TAXATION</b>		
The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit/(loss) from ordinary activities before income tax at 30%	35,493	90,417
Tax effect of franked dividends received	(9,717)	(13,566)
Tax effect of trust distributions received	(1,813)	
Adjustment to tax effect accounting of temporary differences		(54,590)
Under/(over) provision prior years	(260)	2,227
	<u>\$ 23,703</u>	<u>\$ 24,488</u>

## WINPAR HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
<b>3 DIVIDENDS</b>		
Proposed final fully franked ordinary dividend of cents per share	\$ -	\$ -
	<u>          </u>	<u>          </u>
Balance of franking account at year end adjusted for franking credits which will arise from payment of income tax provided for in the financial statements and on dividends recognised as receivable, and after deducting franking credits to be used in payment of dividends and franking credits that may be prevented from distribution in subsequent financial years.	\$ 161,993	\$ 185,810
	<u>          </u>	<u>          </u>
<b>4 OTHER REVENUE FROM ORDINARY ACTIVITIES</b>		
Dividends received	42,583	51,607
Interest received	6,607	7,047
Trust income	8,091	1,917
Foreign source income	23,089	21,399
Sundry income	21,553	-
Foreign currency exchanges	(3,668)	3,071
Profit/(loss) on sale of investment stock	102,253	86,918
	<u>\$ 200,508</u>	<u>\$ 171,959</u>
<b>5 OPERATING PROFIT</b>		
The operating profit is arrived at after charging		
Depreciation	1,110	1,434
Interest paid or payable - other corporations	7,212	2,495
Legal expenses	93,167	206,824
Auditor's remuneration	10,000	7,000
Other expenses	67,424	103,222
	<u>\$ 178,913</u>	<u>\$ 320,975</u>
<b>6 AUDITOR'S REMUNERATION</b>		
Remuneration of the auditor of the Company for:		
Auditing of the financial report	10,000	7,000
Other services	-	-
	<u>\$ 10,000</u>	<u>\$ 7,000</u>
<b>7 CASH ASSETS</b>		
Cash at financial institutions	\$ 139,357	\$ 128,775
	<u>          </u>	<u>          </u>

## WINPAR HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
<b>8 RECEIVABLES</b>		
Trade debtors	12,156	24,056
Other debtors including estimated legal costs recoverable	28,051	125,001
	<u>\$ 40,207</u>	<u>\$ 149,057</u>
<b>9 INVENTORIES</b>		
Listed equities portfolio held for resale		
Market value	\$ 1,717,388	\$ 1,506,265
Cost	<u>\$ 2,459,817</u>	<u>\$ 1,957,278</u>
<b>10 PROPERTY PLANT &amp; EQUIPMENT</b>		
Office furniture & equipment - at cost	5,376	5,376
Accumulated depreciation	(3,526)	(2,416)
	<u>\$ 1,850</u>	<u>\$ 2,960</u>
	<b>Office furniture &amp; equipment</b>	
<b>Movements in carrying amount</b>		
Balance at the beginning of the year	2,960	4,315
Additions	-	79
Depreciation expense	(1,110)	(1,434)
	<u>\$ 1,850</u>	<u>\$ 2,960</u>
<b>11 INVESTMENTS</b>		
Equities portfolio held as investments		
Market value	\$ 1,228,086	\$ 1,237,532
Cost	<u>\$ 1,293,288</u>	<u>\$ 1,262,309</u>
<b>12 TAX ASSETS</b>		
Future income tax benefit	<u>\$ -</u>	<u>\$ 20,079</u>
<b>13 PAYABLES</b>		
Creditors including amounts payable for legal costs	<u>\$ 109,861</u>	<u>\$ 114,828</u>
<b>14 BORROWINGS</b>		
Secured		
BT Margin Lending	61,184	89,481
Unsecured		
Loans	-	366
	<u>\$ 61,184</u>	<u>\$ 89,847</u>



## WINPAR HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

	2005 \$	2004 \$
<b>15 TAX LIABILITIES</b>		
<b>Current</b>		
Income tax	<u>\$ (237)</u>	<u>\$ (60,095)</u>
<b>Non-current</b>		
Income tax	13,445	24,201
Provision for deferred income tax	3,473	-
	<u>\$ 16,918</u>	<u>\$ 24,201</u>
<b>16 PROVISIONS</b>		
Dividend	<u>\$ -</u>	<u>\$ -</u>
<b>17 CONTRIBUTED EQUITY</b>		
Ordinary Shares		
At the beginning of the reporting period	2,658,725	2,581,287
<b>Shares issued during the year</b>		
77,438 at \$1.00 on on 3 May 2004 (underwritten DRP)		77,438
79,762 at \$1.00 on 31 October 2004 (underwritten DRP)	79,762	
50,823 at \$1.00 on 30 April 2005 (DRP)	50,823	
	<u>\$ 2,789,310</u>	<u>\$ 2,658,725</u>
Issued and paid-up capital		
<p>           Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled on a poll to one vote per share at shareholders meetings. On a show of hands each member present at a meeting or by proxy has one vote. In the event of the winding up of the Company ordinary shareholders rank after creditors and share in any proceeds on winding up in proportion to the number of shares held.         </p>		
<b>18 RETAINED PROFITS</b>		
Retained profits at the beginning of the year	217,162	(101,930)
Profit/(loss) after income tax	94,606	276,903
Transfer to unrealised profits reserve	-	119,628
Dividends paid or proposed	(161,916)	(77,439)
	<u>\$ 149,852</u>	<u>\$ 217,162</u>

## WINPAR HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
<b>19 CASH FLOW INFORMATION</b>		
<b>(a) Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related item in the Statement of Financial Position as follows:		
Cash at financial institutions	<u>\$ 139,357</u>	<u>\$ 128,775</u>
<b>(b) Reconciliation of operating profit after tax to cash flow from operating activities</b>		
Profit/(loss) from ordinary activities after income tax	94,606	276,903
Non-cash flows in profit from ordinary activities		
Dividends reinvested		(224)
Depreciation	1,110	1,434
Net loss/(gain) on disposal of investments	(102,254)	(86,918)
Net loss/(gain) on disposal of trading stock	428,335	163,862
Unrealised gains on trading stock	-	-
Unrealised gains on investments	40,792	68,756
Changes in assets and liabilities		
Increase/decrease in deferred tax assets/liabilities	23,551	10,771
Increase/decrease in trade & other debtors	108,851	209,827
Increase/decrease in shares held for resale	(639,458)	(358,896)
Increase/decrease in trade & other creditors	(4,966)	(90,281)
Increase/decrease in income taxes payable	49,103	(58,395)
	<u>\$ (330)</u>	<u>\$ 136,839</u>

**20 FINANCIAL INSTRUMENTS DISCLOSURE****(a) Interest rate risk**

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below.

	Weighted average interest rate	Floating interest rate \$	Non-interest bearing \$	Total \$
<b>2005</b>				
<b>Financial assets</b>				
Cash assets	3.0%	139,357	-	139,357
Receivables		-	40,207	40,207
Investments		-	2,945,474	2,945,474
		<u>139,357</u>	<u>2,985,681</u>	<u>3,125,038</u>
<b>Financial liabilities</b>				
Payables		-	109,861	109,861
Borrowings	7.8%	61,184	-	61,184
		<u>61,184</u>	<u>109,861</u>	<u>171,045</u>

## WINPAR HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

	Weighted average interest rate	Floating interest rate \$	Non-interest bearing \$	Total \$
<b>2004</b>				
<b>Financial assets</b>				
Cash assets	1.5%	128,775	-	128,775
Receivables		-	149,057	149,057
Investments		-	2,743,797	2,743,797
		<u>128,775</u>	<u>2,892,854</u>	<u>3,021,629</u>
<b>Financial liabilities</b>				
Payables		-	114,828	114,828
Borrowings	0.5%	89,847	-	89,847
		<u>89,847</u>	<u>114,828</u>	<u>204,675</u>

**20 FINANCIAL INSTRUMENTS DISCLOSURE** (Continued)**(b) Credit risk**

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

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

**(c) Net fair values**

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

**21 SEGMENT REPORTING**

The Company is engaged in investment activities conducted in Australia and the United Kingdom and derives revenue and investment income from listed and unlisted securities and fixed interest.

**22 RELATED PARTY DISCLOSURE****(a) Directors**

The names of directors who have held office during the financial year are:

John Weston Seaforth Mackenzie  
Robert Franklin Cameron  
Gordon Bradley Elkington  
John David Honan  
Steven Pritchard

**WINPAR HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005****22 RELATED PARTY DISCLOSURE** (Continued)**(b) Share transactions of directors**

Directors and director related entities held in aggregate directly, indirectly or beneficially shares in the company totalling 1,041,676 shares. Details of specific holdings are detailed in the Directors Report.

**(c) Directors remuneration**

No director received remuneration from the company in respect of his services as a director.

**(d) Transactions with directors**

Since the end of the previous financial year no director of the Company has received or become entitled to receive a benefit arising out of any contract that the director, a firm of which the director is a member or an entity in which the director has a substantial financial interest except as follows.

Commissions were paid on ordinary commercial terms to Cameron Stockbrokers Limited, a company in which each of Mr Robert Cameron and Mr Steven Pritchard has a substantial financial interest, for buying and selling shares for the Company. Commissions of \$28,728 in total were paid.

Fees were paid to Newcastle Capital Markets Registries Pty Ltd, a company in which Mr Steven Pritchard has an indirect interest for providing share registry services to the company. The total amount paid was \$6,600 (inclusive of GST).

The Company occupies a room adjoining the offices of Cameron Stockbrokers Limited, and uses Cameron Stockbrokers Limited's office facilities. No charge is made for the accommodation or services.

**23 CONTINGENT LIABILITIES**

Some costs orders have been made against the Company in connection with proceedings to which it has been a party. No action has been taken against the company to quantify or recover these costs.

**WINPAR HOLDINGS LIMITED  
DIRECTORS' DECLARATION**

The directors of the company declare that:

1 the financial statements and notes, as set out on the pages 7 to 18 are in accordance with the Corporations Act 2001 and:

- (a) comply with Accounting Standards and the Corporations Regulations 2001; and
- (b) give a true and fair view of the financial position as at 30 June 2005 and of the performance for the year ended on that date.

2 in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed by and on behalf of the directors by:

Robert Franklin Cameron  
Director

Gordon Bradley Elkington  
Director

Dated:

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS WINPAR HOLDINGS LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2005 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**Geoffrey Allan White**  
Chartered Accountant

10 George Street  
Leichhardt NSW

Dated:

**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF WINPAR HOLDINGS LIMITED**

**SCOPE**

I have audited the financial report of Winpar Holdings Limited for the financial year ended 30 June 2005 as set out on pages 7 to 19. The company's directors are responsible for the financial report. I have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

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

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

**INDEPENDENCE**

In accordance with ASIC Class Order 05/83, I declare to the best of my knowledge and belief that the auditor's independence declaration set out on page 18 of the financial report has not changed as at the date of providing my audit opinion.

**AUDIT OPINION**

In our opinion, the financial report of Winpar Holdings Limited is in accordance with:

- (a) Corporations Act, 2001, including:
- (i) giving a true and fair view of the company's financial position as at 30 June 2005 and of its performance for the year ended on that date; and
  - (ii) complying with Accounting Standards in Australia and the Corporation Regulations 2001;
- (b) other mandatory professional reporting requirements in Australia.

**Geoffrey Allan white**  
Chartered Accountant

10 George Street  
Leichhardt NSW

Dated:

WINPAR HOLDINGS LIMITED

DIRECTORS' DECLARATION

In the opinion of the directors:

- (a) the financial statements and notes set out on pages 7-18 are in accordance with the *Corporations Act 2001* including:
  - (aa) giving a true and fair view of the Company's financial position as at 30 June 2005, its financial performance as represented by the results of its operations, and its cash flows for the year ended 30 June 2005; and
  - (ab) complying with Accounting Standards and the *Corporations Regulations 2001*; and
- (b) The Chief Executive Officer and the Chief Finance Officer have each declared that:
  - (ba) the financial records for the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
  - (bb) the financial statements and notes for the financial year comply with Accounting Standards; and
  - (bc) the financial statements and notes for the financial year give a true and fair view.
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed at Sydney on 25 October 2005 in accordance with a resolution of the Board of Directors.

Robert Franklin Cameron  
Director

Gordon Bradley Elkington  
Director

WINPAR HOLDINGS LIMITED  
INDEPENDENT AUDIT REPORT

SCOPE

I have audited the financial statements of Winpar Holdings Limited for the financial year ended 30 June 2005 as set out on pages 7-19 of this report. The Company's directors are responsible for the preparation and presentation of the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company.

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

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

INDEPENDENCE

I am independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. I have given to the Directors of the Company a written Auditor's Independence Declaration, which is referred to in the Director's Report.

In accordance with A.S.I.C. Class Order 05/83 I declare that to the best of my knowledge and belief the declarations set out in Auditor's Independence Declaration remain true as at the date of my providing my audit opinion.

AUDIT OPINION

In my opinion, the financial report of Winpar Holdings Limited is in accordance with:

- (a) the *Corporations Act 2001* including:
  - (aa) giving a true and fair view of the Company's financial position as at 30 June 2004, its financial performance as represented by the results of its operations, and its cash flows for the year



ended 30 June 2004; and

- (ab) complying with Accounting Standards and the *Corporations Regulations 2001*; and
- (b) other mandatory professional reporting requirements.

Signed at 10 George Street, Leichhardt on 26 October 2005.

Geoffrey Allan White  
Chartered Accountant

WINPAR HOLDINGS LIMITED

AUDITOR'S INDEPENDENCE DECLARATION

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2005 there have been:

- (a) no contraventions of the auditor independence requirements set out in the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

Signed at 10 George Street, Leichhardt on 26 October 2005.

Geoffrey Allan White  
Chartered Accountant



**TRADING PORTFOLIO  
AS AT 30 JUNE 2005**

Company	Number	Market \$
Adamus Resources Limited	24,000	10,200
Aevum Limited	20,000	28,000
Atlantic Gold NL	380,000	32,300
Atlantic Gold NL [contributing]	20,000	1,200
Australia Pure Fruits Limited [option]	5,000	2,500
Australian Magnesium Corporation Limited	221,000	1,989
Australian Worldwide Exploration Limited	10,000	20,200
Avoca Resources Limited	50,000	16,000
Beaconsfield Gold NL	50,227	17,579
Beyond International Limited	30,000	10,800
Bidgee Finance Limited	5,000	10,000
Bonlac Limited [note]	110	10,927
Bougainville Copper Limited	1,052	820
Brainytoys Limited	21,169	1,503
Brandrill Limited	200,000	13,400
Brandrill Ltd [convertible note]	260,000	7,540
Brandrill Ltd [option]	2,000	2
Canada Land Limited	91,000	4,095
Capilano Honey Limited	1,500	5,700
Carrington Cotton Corporation Limited	100	425
Chongherr Investments Limited	50,000	1,950
Collins and Leahy Holdings Limited	11,460	17,190
Community Financial Services Victoria	4,000	4,000
Country Road Limited	1,000	1,900
Diatreme Resources Limited	2,430	388
Doncaster East Community Financial	5,000	4,500
Elkedra Diamonds NL	20,000	24,000
Equatorial Mining Limited	100	683
Equity Trustees Limited	3,509	38,949
Farnell and Thomas Limited	8,250	0
Felix Resources Limited	150	429
Florin Mining Investment Company	50,000	7,500
Florin Mining Investment [option: 15.12.06]	50,000	1,250
Florin Mining Investment [option: 15.12.08]	50,000	1,250
G Retail Limited	34,589	3,977

Gallery Global Limited	747,665	19,439
General Publishers Limited	234,500	46,900
Golden Cross Resources NL	300,000	9,600
Golden Gate Petroleum Limited	55,000	8,250
Grand Hotel Group	43,000	36,335
Gryphon Minerals Limited	120,000	24,000
Halcyon Group Limited	1,300,000	19,500
Hampton Hill Mining NL	516,500	77,475
Hawker Richardson Limited	10,500	5,250
Homeleisure Limited	30,000	7,500
I M B Limited	5,708	17,694
I M D Group Limited	150,000	8,850
Integrated Tree Cropping Limited	10,000	12,000
Jupiter Energy Limited	200,000	12,000
K H Foods Limited	8,000	40,000
Kentor Gold Limited	40,000	15,600
Klondike Source Limited	50,000	750
Korvest Limited	7,500	29,850
K T L Technologies Limited	1,511,730	15,117
Lend Lease Corporation Limited	1,200	15,552
Linden and Conway Limited	600	22,800
Lipa Pharmaceuticals Limited	10,000	14,500
Logan Community Financial Services	25,400	17,780
Lycopodium Limited	25,000	45,000
Macquarie Airports Trust	11,798	42,236
Magellan Petroleum Australia Limited	4,250	5,950
Mandurah Community Financial Services	3,000	3,000
Media Communications Limited	20,000	4,192
Media Corporation Australia Limited	75,400	15,080
Mermaid Marine Australia Limited	84,700	29,645
Metabolic Pharmaceuticals Limited	40,000	24,600
Midas Resources Limited	150,000	10,200
Midwest Corporation Limited	9,422	4,145
Minotaur Exploration Limited	21,625	8,433
Mithril Resources Limited	50,250	10,301
Morning Star Holdings Australia Limited	24,000	840
Multiplex Group	5,000	14,550
National Australia Bank Limited	1,000	30,760
National Can Industries Limited	17,825	26,559
New Bounty Limited	1,461,526	43,845
Oldfields Holdings Limited	45,268	40,741
P Cleland Enterprises Limited	7,100	2,556

Pacifica Group Limited	5,000	9,100
Paradigm Gold Limited	80,000	4,080
Paradigm Gold Limited [option]	5,000	70
Pearl Healthcare Limited	500,000	16,000
Promentum Limited	107	197
Q Limited	463,374	12,047
R C R Tomlinson Limited	80,000	63,200
Red Metal Limited	30,000	7,200
Shieldliner Limited	75,000	14,250
Sigma Company Limited	990	9,157
Smorgon Steel Group Limited	14,000	17,290
Souls Private Equity Limited	100	20
Souls Private Equity Limited [option]	1,955	121
Steamships Trading Company Limited	43,000	163,400
Stokes Australasia Limited	93,270	22,851
Strathfield Group Limited	100,000	6,000
Tasmania Mines Limited	240,562	62,546
Terra Gold Mining Limited	100,000	6,100
The Maryborough Sugar Factory Limited	2,000	14,000
Thundelarra Exploration Limited	56,000	11,480
Tongala and District Financial Services	2,000	1,900
Tooth and Company Limited	79,558	4,455
Traka Resources Limited	50,000	8,500
Transmetro Corporation Limited	35,200	19,360
T Z Limited	35,000	16,625
Villa World Limited	8,000	10,680
Vision Systems Limited	500	560
Warburton Community Financial Services	3,000	4,050
Warrnambool Cheese and Butter Factory	5,000	17,900
W C P Diversified Investments Limited	14,291	214

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**1,717,388**

**INVESTMENT PORTFOLIO  
AS AT 30 JUNE 2005**

Company	Number	Market \$
A Cohen plc	6,100	759
A Cohen plc (non-voting)	1,183	147
A G A Foodservice Group plc	1,400	10,849
Allied Irish Banks plc	550	15,518
Allied Gold Limited	20,000	4,400
Allgas Energy Limited [preference]	285	584
Angostura Holdings plc	10,000	15,374
Berkshire Hathaway Inc	1	3,655
Blooms of Bressingham Holdings plc	15,000	21,396
Blue Planet Financials Growth	2,000	4,981
Brendale Community Finance Limited	5,000	5,000
Broadwater Financial Services Limited	5,000	5,000
Broadstoner Holdings plc [preference]	5,000	10,354
Byford and District Community Development	5,000	5,000
Caffyn plc [preference]	1,852	6,987
Caplay plc	10,000	452
Carlton Investments Limited [preference]	5,496	11,541
C I Traders Limited	500	904
Coal and Allied Industries [preference]	40,690	40,690
D J L Limited [first preference]	652	0
D J L Limited [second preference]	639	0
Fiji Industries Limited	4,555	25,865
Hardys and Hansons plc	500	810
Harris and Company Limited [preference]	5,500	11,000
Hydro Hotel Eastbourne plc	100	2,991
I G C Resources Inc	10,000	5,704
James Latham plc [preference]	2,000	5,186
K H Foods Limited [preference]	3,475	9,069
Linden and Conway Limited [preference]	200	900
London and St Lawrence Investment	5,000	11,195
London Stock Exchange plc	1,714	20,026
Ludowici Limited [first preference]	2,800	2,520
Ludowici Limited [second preference]	3,207	3,046
Mackay Permanent Building Society Limited	7,000	34,300
Mallett plc	2,000	12,266

M C I Inc	1,000	33,767
National Consolidated Limited [preference]	9,926	19,852
New Bounty Limited	364,390	10,931
Nord Anglia Education plc	2,500	6,686
Orica Ltd [preference]	65,944	71,878
Pauls Victoria Limited [preference]	325	835
Phosphate Resources Limited	8,300	37,156
Pioneer Permanent Building Society	20,000	62,000
Public Holdings Australia Limited	299,576	59,915
P Z Cussons plc [preference]	5,000	21,990
P Z Cussons plc [A ordinary]	500	14,014
Ransomes plc [preference]	76,729	145,923
Rights and Issues Investment Trusts plc	5,000	11,082
Rutherland Pty Limited	75,538	76,195
Shepherd Neame Limited	2,212	46,405
Sietel Limited [preference]	16,300	48,900
Simon Group plc	15,000	14,799
Southern Cross Resources	30,000	26,775
Southern Mining Corporation Limited	100	0
Sovereign Reversions plc	2,000	13,550
Starlight Holdings Limited	500	100
Sunshine Coast Community Financial Services Limited	5,000	5,000
Textron Inc	28	2,944
The Investment Company plc	7,600	19,912
The Investment Company plc [preference]	10,000	24,622
The Mildura Cooperative Fruit Company	10,000	22,000
The Peninsular and Oriental [preferred]	3,500	8,245
The Romney Hythe and Dymchurch Railway	200	1,536
The Van Diemens Land Company	30	39
Vealls Limited [preference]	2,150	6,450
Webster Limited [preference]	32,988	36,286
Westco Financial Corp	5	2,364
Whitefield Limited [preference]	6,248	8,122
W H Smith Group plc	1,600	5,401
Witan Investment Trust plc	20,000	29,792
Young and Cos Brewery plc	500	22,584
Yule Catto plc	259	1,539
		<u>1,228,086</u>



**SHAREHOLDER INFORMATION  
AS AT 30 SEPTEMBER 2005**

As at 30 September 2005 the Company had 300 shareholders. The 20 largest shareholders and their shareholdings were as follows:

National Exchange Pty. Limited	291,827
Bell IXL Investments Limited	235,289
Gordon Bradley Elkington	233,073
Darin Investments Pty. Limited	227,630
Abelia Grove Pty. Limited	131,127
National Exchange Pty. Limited	122,078
Henley Underwriting and Investment Company Pty. Limited	120,199
Peters Trading Company Australia Pty. Limited	81,000
Milly Elkington	66,832
Cameron Securities Limited	61,429
A. K. W. Investments Pty. Limited	34,855
Mary Graham Neild	33,796
R. F. C. Investment Holdings Pty. Limited	33,782
Wilcorp No. 41 Pty. Limited	31,463
Peter Windeyer Donovan	30,900
A. K. W. Investments Pty. Limited	28,030
Boulevard Nominees Pty. Limited	28,000
Peter Andrew Martin	27,055
Douglas Robert Graham Neild	26,895
Lynette Gay McLennan	25,504

The distribution of shareholdings was as follows:

Range of holdings	Number of shareholders	Percentage of holders	Number of shares	Percentage of shares
1-1,000	123	42.71	42,092	1.51
1,001-5,000	91	31.60	226,618	8.13
5,001,10,000	24	8.33	187,987	6.74
10,001-100,000	43	14.93	971,390	34.83
100,001 - over	7	2.43	1,361,223	48.80
	288	100.0	2,789,310	100.0

There were 82 shareholders holding less than a marketable parcel of shares.

The substantial shareholders and their shareholdings were as follows:

National Exchange Pty. Limited	413,905
Gordon Bradley Elkington	338,340
Robert Franklin Cameron	270,236
John Weston Seaforth Mackenzie	251,327
Bell IXL Nominees Pty. Limited	235,289
Darin Investments Pty. Limited	227,630
Steven Pritchard	170,885

## FIVE YEAR SUMMARY

	2001	2002	2003	2004	2005
	\$	\$	\$	\$	\$
<b>Financial performance</b>					
Earnings before tax	(167,431)	118,953	(196,593)	301,391	125,309
Tax	(54,564)	35,686	59,626	(24,448)	14,659
Earnings after tax	(112,867)	83,267	(136,967)	276,903	110,650
Dividend provided	51,626	51,626	0	0	0
<b>Financial position</b>					
Current assets	1,847,921	1,971,515	1,834,691	1,784,097	1,896,952
Current liabilities	378,613	310,659	430,253	144,580	163,791
Non-current assets	1,291,482	1,173,388	1,229,515	1,260,571	1,235,507
Non-current liabilities	56,480	98,292	34,968	24,201	13,445
Shareholders' equity	2,704,310	2,735,952	2,598,985	2,875,887	2,955,223
Subscribed capital	2,581,287	2,581,287	2,581,287	2,658,725	2,789,377

**CORPORATE DIRECTORY**

<b>Directors</b>	<b>John Weston Seaforth Mackenzie Robert Franklin Cameron Gordon Bradley Elkington John David Honan Steven Pritchard</b>
<b>Company Secretary</b>	<b>Gordon Bradley Elkington</b>
<b>General Manager</b>	<b>Vincent Chin</b>
<b>Registered office</b>	<b>Level 5 10 Spring Street Sydney New South Wales 2000</b>
<b>Auditor</b>	<b>Geoffrey Allan White Chartered Accountant 10 George Street Leichhardt New South Wales 2040</b>
<b>Solicitor</b>	<b>Stephen Blanks and Associates 119 Evans Street Rozelle New South Wales 2039</b>
<b>Share Registrar</b>	<b>Newcastle Capital Markets Registries Pty. Limited 10 Murray Street Hamilton New South Wales 2303</b>
<b>Bankers</b>	<b>Macquarie Cash Management Trust 20 Bond Street Sydney New South Wales 2000</b>  <b>The Rock Building Society Limited Cnr. Archer and Bolsover Streets Rockhampton Queensland 4500</b>

**Wide Bay Capricorn Building Society Limited**  
**16-20 Barolin Street**  
**Bundaberg**  
**Queensland 4670**

**Manchester Building Society**  
**24 Queen Street**  
**Manchester**  
**United Kingdom**

