

WINPAR HOLDINGS LIMITED

ANNUAL REPORT 2008

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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 2008.

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 Shane Pritchard
Alfred Edward Fulton Rofe

SECRETARY

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

INFORMATION ABOUT DIRECTORS AND SECRETARY

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

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. He is the Company Chairman and a member of the Audit Committee.

Robert Franklin Cameron

Mr. Cameron resigned as a director of the Company on 28 August 2007.

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 is a director of Stokes (Australasia) Limited, Pritchard Equity Limited and Penrose Club Holdings Limited. He has been a director of the Company since 1994. He is the Chief Executive Officer and the Chief Financial Officer.

John David Honan, B.A., M.A., F. Fin.

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. He is a member of the Audit Committee.

Steven Shane Pritchard, B.Com., C.P.A., F. Fin.

Mr. Pritchard is a Certified Practising Accountant, and 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 is a director of Illuminator Investment Company Limited and Florin Mining Investment Company Limited, and the Chairman of Pritchard Equity Limited. He has been a director of the Company since 2003.

Alfred Edward Fulton Rofe, A.M., B.A., LL.M., Grad. Dip. Corp. Sec. Law (Sydney), B. Com. (U.N.S.W.), F.C.P.A., F. Fin., A.C.I.S.

Mr. Rofe practised as a Solicitor of the Supreme Court of New South Wales from 1964 to 1997, and lectured in Financial Accounting at The University of New South Wales from 1974 to 1998. He has served on a number of government committees, and is presently a member of the Financial Reporting Panel. He was Chairman of the Australian Shareholders Association for many years, and in 2002 was appointed as a Member of the Order of Australia for services to the finance industry and the protection of the rights and interests of investors. He was appointed as a director of the Company on 19 September 2007. He is a member of the Audit Committee.

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	11,140
Dr. Gordon Elkington	406,729	0
Mr. John Honan	0	12,049
Mr. Steven Pritchard	0	206,512
Mr. Alfred Rofe	8,272	0

Mrs. Milly Elkington, the wife of Dr. Gordon Elkington, holds 95,068 shares in the Company.

DIRECTORS MEETINGS ATTENDED

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

Mr. John Mackenzie	5
Mr. Robert Cameron	0
Dr. Gordon Elkington	5
Mr. John Honan	4
Mr. Steven Pritchard	5
Mr. Alfred Rofo	5

There were two meetings of the audit committee held during the financial year. Attendances at these meetings were as follows:

Mr. John Mackenzie	2
Mr. John Honan	2
Mr. Alfred Rofo	2

PRINCIPAL ACTIVITIES

The principal activities in which the Company was engaged during the financial year were share trading and investment. There was no change in the nature of these activities during the year.

The trading portfolio as at 30 June 2008 is set out on pages 24-26.

The investment portfolio as at 30 June 2008 is set out on pages 27-29. The investments making up this portfolio are considered to be long term investments, and are not intended to be traded.

REVIEW OF OPERATIONS

The net profit for the year after provision for income tax was \$73,241 (2007: \$1,003,551).

In 2007 the equities market was strong, and the Company recorded a record profit. However in the early part of 2008 the market turned down, resulting in significant writedowns of trading stock and a much reduced profit for 2008.

Recent events in the financial markets suggest that 2009 is also likely to be a difficult year.

The Company has taken the opportunity afforded by recent price falls to purchase some small holdings of top 200 stocks, and will continue to acquire more of these stocks if the market continues to drift.

DIVIDENDS

On 21 December 2007 the Company paid a fully franked dividend of 5 cents per share to members registered as at 31 October 2007. The total amount of the dividend was \$154,909.

On 30 April 2008 the Company paid a fully franked dividend of 5 cents per share to members registered as at 31 March 2008. The total amount of the dividend was \$161,433.

In view of recent events in the financial markets and current market conditions, the Company proposes to pay a reduced dividend of 2 cents per share on 30 October 2008 to members registered as at 16 October 2008. The total amount of the dividend will be \$67,097.

EVENTS SUBSEQUENT TO BALANCE DATE

Other than the matters referred to in the Review of Operations, no matters of significance have arisen since balance date.

REMUNERATION REPORT

At the annual general meeting for 2007 held on 29 November 2007, shareholders approved an annual payment of non-executive directors fees to a limit of \$25,000. During the financial year directors fees were paid as follows.

Director	Fee	Superannuation	Total
John Mackenzie	\$2,180		\$2,180
Steven Pritchard		\$2,180	\$2,180
Alfred Rofe		\$2,180	\$2,180
Gordon Elkington		\$2,180	\$2,180
John Honan		\$2,180	\$2,180
Total	\$2,180	\$8,720	\$10,900

The Company has no employees or executives other than the directors.

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 is responsible 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 regularly reviews the Company's financial performance and financial position.

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.

AUDITORS INDEPENDENCE DECLARATION


The auditor's independence declaration for the year ended 30 June 2008 is set out on page 7.

Details of the auditor's remuneration for auditing the Company's accounts are set out in note 5 to the accounts. No amounts have been paid or are payable to the auditor for non-audit services.

Signed on 30 September 2008 in accordance with a resolution of the Board of Directors.



Steven Shane Pritchard
Director



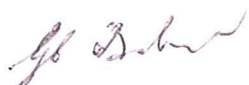
Gordon Bradley Elkington
Director

WINPAR HOLDINGS LIMITED
ABN 81 003 035 523

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2008 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.



Graham Baker
Graham Baker & Associates

2 Kennedy Place
St Ives NSW

Dated: 30th September 2008

WINPAR HOLDINGS LIMITED
ABN 81 003 035 523

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
Sale of financial assets	2	1,371,354	2,137,928
Cost of sales	3	<u>(1,194,577)</u>	<u>(1,536,484)</u>
		176,777	601,444
Financial assets - movements in fair value	2	<u>(758,525)</u>	<u>527,309</u>
Gross profit		(581,748)	1,128,753
Other revenue from ordinary activities	2	755,566	381,285
Finance costs	3	(15,985)	(6,982)
Other expenses from ordinary activities	3	<u>(84,328)</u>	<u>(107,474)</u>
Profit before income tax		73,505	1,395,582
Income tax expense	4	<u>(264)</u>	<u>(392,031)</u>
Profit for the year		<u>73,241</u>	<u>1,003,551</u>
Basic earnings per share	7	<u>\$ 0.023</u>	<u>\$ 0.355</u>

WINPAR HOLDINGS LIMITED
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BALANCE SHEET
AS AT 30 JUNE 2008

	Note	2008 \$	2007 \$
CURRENT ASSETS			
Cash and cash equivalents	8, 20(a)	15,762	60,558
Trade and other receivables	9	635,740	62,128
Inventories	10	2,282,510	2,709,428
TOTAL CURRENT ASSETS		<u>2,934,012</u>	<u>2,832,114</u>
NON-CURRENT ASSETS			
Financial Assets	11	1,702,244	2,248,648
Property plant & equipment	12	452	723
TOTAL NON-CURRENT ASSETS		<u>1,702,696</u>	<u>2,249,371</u>
TOTAL ASSETS		<u>4,636,708</u>	<u>5,081,485</u>
CURRENT LIABILITIES			
Trade and other payables	13	133,368	92,569
Short term borrowings	14	196,372	-
Current tax liabilities	15	29,937	256,177
TOTAL CURRENT LIABILITIES		<u>359,677</u>	<u>348,746</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities	15	115,711	311,748
TOTAL LIABILITIES		<u>475,388</u>	<u>660,494</u>
NET ASSETS		<u>\$ 4,161,320</u>	<u>\$ 4,420,991</u>
EQUITY			
Issued capital	16	3,354,854	3,096,732
Revaluation reserve		(150,105)	124,587
Retained earnings		956,571	1,199,672
TOTAL EQUITY		<u>\$ 4,161,320</u>	<u>\$ 4,420,991</u>

WINPAR HOLDINGS LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

	Note	Share Capital Ordinary	Financial Asset Revaluation Reserve	Retained Earnings	Total
		\$		\$	\$
Balance at 1 July 2006		2,909,345	109,191	432,288	3,450,824
Shares issued during the year	16	187,387			187,387
Profit attributable to members				1,003,551	1,003,551
Revaluation increment/(decrement)			15,396		15,396
Sub-total		3,096,732	124,587	1,435,839	4,657,158
Dividends paid or provided for	6	-		(236,167)	(236,167)
Balance at 30 June 2007		\$3,096,732	\$ 124,587	\$ 1,199,672	\$ 4,420,991
Balance at 1 July 2007		3,096,732	124,587	1,199,672	4,420,991
Shares issued during the year	16	258,122			258,122
Profit attributable to members				73,241	73,241
Revaluation increment/(decrement)			(274,692)		(274,692)
Sub-total		3,354,854	(150,105)	1,272,913	4,477,662
Dividends paid or provided for	6			(316,342)	(316,342)
Balance at 30 June 2008		\$3,354,854	(150,105)	\$ 956,571	\$ 4,161,320

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CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of trading securities		798,022	2,118,546
Other investment income		118,207	173,521
Payments for trading securities and to suppliers		(1,558,792)	(1,742,806)
Income tax paid		(304,815)	(61,496)
Net cash used in operating activities	20(b)	<u>(947,378)</u>	<u>487,765</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		1,127,868	335,584
Payments for purchase of investments		<u>(363,438)</u>	<u>(617,302)</u>
Net cash used in operating activities		<u>764,430</u>	<u>(281,718)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(58,220)	(48,780)
Repayment of borrowings		-	(166,794)
Proceeds from borrowing		<u>196,372</u>	<u>-</u>
Net cash used in financing activities		<u>138,152</u>	<u>(215,574)</u>
NET INCREASE/(DECREASE) IN CASH HELD		(44,796)	(9,527)
CASH AT BEGINNING OF FINANCIAL YEAR		<u>60,558</u>	<u>70,085</u>
CASH AT END OF FINANCIAL YEAR	20(a)	<u>\$ 15,762</u>	<u>\$ 60,558</u>

WINPAR HOLDINGS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) Inventories

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

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment loss.

WINPAR HOLDINGS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the company from the time each asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation rate
Computer equipment	37.50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through the income statement

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in profit or loss in the period in which they arise.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity. Other unlisted investments have been stated at cost or directors' valuation.

Fair Value

Fair Value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, and reference to similar instruments.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

Impairment

At each reporting date the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(e) Impairment of Assets

At each reporting date the carrying values of tangible and intangible assets are reviewed to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, then recoverable amount of the cash-generating unit to which the asset belongs is estimated.

(f) Transactions and Balances

The financial statements are presented in Australian dollars which is the company's functional and presentation currency.

Foreign Currency Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Exchange differences arising on the translation of monetary items are recognised in the income statement.

(g) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities three months or less, and bank overdrafts.

(i) Revenue and Other Income

Dividends and interest have been brought into account in the profit and loss when received or receivable.

(j) Borrowing Costs

Borrowing costs are recognised in the income statement in the period in which they are incurred.

(k) Goods and Services Tax (GST)

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

(l) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

WINPAR HOLDINGS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
2 REVENUE			
Sale of financial assets		<u>1,371,354</u>	<u>2,137,928</u>
Other Revenue :			
Financial assets - movements in fair value		<u>(758,525)</u>	<u>527,309</u>
Dividends received		61,758	98,970
Interest received		6,854	21,306
Trust income		31,351	10,551
Foreign source income		34,529	23,125
Sundry income		-	26,602
Profit on sale of investment stock		<u>621,074</u>	<u>200,731</u>
		<u>755,566</u>	<u>381,285</u>
Total Revenue		<u>\$ 1,368,395</u>	<u>\$ 3,046,522</u>
3 PROFIT FOR THE YEAR			
Cost of sales		<u>1,194,577</u>	<u>1,536,484</u>
Finance costs:			
- external		<u>15,985</u>	<u>6,982</u>
Expenses			
Depreciation		271	433
Auditor's remuneration	5	9,099	11,307
Other expenses		<u>74,958</u>	<u>95,734</u>
		<u>84,328</u>	<u>107,474</u>
Total expenses		<u>\$ 1,294,890</u>	<u>\$ 1,650,940</u>
4 INCOME TAX EXPENSE			
The components of tax expense comprise:			
Current tax		80,405	256,658
Deferred tax		(78,311)	135,217
Over provision in respect of prior years		<u>(1,830)</u>	<u>156</u>
		<u>264</u>	<u>392,031</u>
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%		22,052	418,675
Less tax effect of:			
-rebateable fully franked dividends		(15,008)	(26,318)
-tax effect of WHT		(463)	(482)
-trust distributions received		(4,559)	-
-Non deductible expense		72	-
-under/(over) provision for income tax prior years		<u>(1,830)</u>	<u>156</u>
		<u>\$ 264</u>	<u>\$ 392,031</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
5 AUDITOR'S REMUNERATION		
Remuneration of the auditor of the Company for: Auditing or reviewing the financial report	9,099 <u>\$ 9,099</u>	11,307 <u>\$ 11,307</u>
6 DIVIDENDS		
Distributions paid:		
2008: 21/12/2007 (2007: 8/12/2006) Interim fully franked ordinary dividend paid of 5 cents per share (2007: 3cents) franked at the rate of 30% (2006 30%)	154,909	87,280
2008: 30/04/2008 (2007: 28/06/2007) Interim fully franked ordinary dividend paid of 5 cents per share (2007: 5cents) franked at the rate of 30% (2007 30%)	161,433 <u>316,342</u>	148,887 <u>236,167</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.		
Franking credits accumulated at beginning of year	98,714	100,834
Imputation credits from franked dividends	21,440	37,597
Tax paid net of refunds	254,828	58,326
PAYG instalment	47,562	-
Deferred tax instalment	-	2,689
TFN WHT	463	482
Dividends paid	<u>(135,575)</u> 287,432	<u>(101,214)</u> 98,714
Franking credits expected to arise from payment of 2008 income tax and deferred tax	32,771 <u>\$ 320,203</u>	256,658 <u>\$ 355,372</u>
7 EARNINGS PER SHARE	Cents	Cents
(a) Basic and diluted earnings per share		
Profit from continuing operations attributable to the ordinary equity holders of the company	2.3	35.5
Profit attributable to the ordinary equity holders of the company	<u>2.3</u>	<u>35.5</u>
(b) Reconciliation of earnings used in calculating earnings per share		
Basic and diluted earnings per share		
Profit from continuing operations	\$ 73,241	\$ 1,003,551
Profit attributable to the ordinary equity holders of the company used in calculating basic and diluted earnings per share	<u>\$ 73,241</u>	<u>\$ 1,003,551</u>
(c) Weighted average number of shares used as the denominator	2008 Number	2007 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<u>3,162,583</u>	<u>2,824,808</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
8 CASH AND CASH EQUIVALENTS		
Cash at financial institutions	<u>\$ 15,762</u>	<u>\$ 60,558</u>
9 TRADE AND OTHER RECEIVABLES		
Trade receivables	604,867	31,535
Other receivables	<u>30,873</u>	<u>30,593</u>
	<u>\$ 635,740</u>	<u>\$ 62,128</u>
10 INVENTORIES		
Listed equities portfolio held for resale		
Financial assets held for sale - fair value	<u>\$ 2,282,510</u>	<u>\$ 2,709,428</u>
11 FINANCIAL ASSETS		
Equities portfolio held as investments		
Available-for-sale financial assets	<u>\$ 1,702,244</u>	<u>\$ 2,248,648</u>
Available for sale financial assets comprise		
Listed investments, at fair value		
- shares in listed corporations	1,168,402	1,524,181
Unlisted investments, at cost		
Shares in other corporations at cost	533,842	724,467
Total available for sale financial assets	<u>\$ 1,702,244</u>	<u>\$ 2,248,648</u>
12 PROPERTY PLANT & EQUIPMENT		
Computer equipment - at cost	5,376	5,376
Less accumulated depreciation	<u>(4,924)</u>	<u>(4,653)</u>
	<u>\$ 452</u>	<u>\$ 723</u>
Movements in carrying amount	Computer equipment	Computer equipment
Balance at the beginning of the year	723	1,156
Additions	-	-
Depreciation expense	<u>(271)</u>	<u>(433)</u>
Carrying amount at the end of year	<u>\$ 452</u>	<u>\$ 723</u>
13 TRADE AND OTHER PAYABLES		
Sundry payables and accrued expenses	<u>\$ 133,368</u>	<u>\$ 92,569</u>
14 SHORT TERM BORROWINGS		
Secured liabilities		
BT Margin Lending	<u>\$ 196,372</u>	<u>\$ -</u>

WINPAR HOLDINGS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
15 TAX LIABILITIES		
CURRENT		
Income tax	\$ 29,937	\$ 256,177
NON-CURRENT		
Deferred tax liability	\$ 115,711	\$ 311,748
Deferred tax liability comprises:		
-Tax effect of values adopted in relation to financial assets held for sale	196,577	273,763
-Revaluation Reserve	(64,331)	53,394
-Other	(16,535)	(15,409)
	<u>\$ 115,711</u>	<u>\$ 311,748</u>
16 ISSUED CAPITAL		
Ordinary Shares		
At the beginning of the reporting period	3,096,732	2,909,345
Shares issued during the year		
1,443 at \$1.00 on 10 October 2007 (DRP)	1,443	-
130,492 at \$1.00 on 21 December 2007 (DRP)	130,492	68,389
126,187 at \$1.00 on 30 April 2008 (DRP)	126,187	118,998
	<u>3,354,854</u>	<u>3,096,732</u>

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 in person or by proxy or representative 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.

17 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.

The company has given a guarantee in relation to the sale of its holding of shares in Rutherland Pty Ltd. The guarantee relates to any future claims against Rutherland in respect of unpaid tax and is capped at \$52,073.

18 SEGMENT REPORTING

The company operates in Australia as an investment company.

19 RESERVES

Financial Asset Revaluation Reserve

The revaluation reserve records revaluation of financial assets.

WINPAR HOLDINGS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
20 CASH FLOW INFORMATION		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related item in the Statement of Financial Position as follows:		
Cash at financial institutions	\$ 15,762	\$ 60,558
(b) Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit/(loss) from ordinary activities after income tax	73,241	1,003,551
Non-cash flows in profit from ordinary activities		
Dividends reinvested	(153)	-
Depreciation	270	433
Net loss/(gain) on disposal of investments	(621,223)	(200,782)
Net loss/(gain) on disposal of trading stock	(176,779)	(601,444)
Changes in assets and liabilities		
(Increase)/decrease in deferred tax assets/liabilities	(78,311)	135,217
(Increase)/decrease in trade & other debtors	(574,274)	(29,996)
(Increase)/decrease in prepayments	662	(662)
(Increase)/decrease in shares held for resale	614,630	43,598
Increase/(decrease) in trade & other creditors	40,800	(57,468)
Increase/(decrease) in income taxes payable	(226,241)	195,318
	<u>\$ (947,378)</u>	<u>\$ 487,765</u>

21 DIRECTORS' COMPENSATION

(a) Directors

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

John Weston Seaforth Mackenzie (Chairman)

Robert Franklin Cameron

Gordon Bradley Elkington

John David Honan

Steven Shane Pritchard

Alfred Edward Fulton Rofe

(b) Share transactions of directors

Directors and director related entities held in aggregate directly, indirectly or beneficially shares in the company totalling 710,784 shares. Details of specific holdings are detailed in the Directors Report.

(c) Directors remuneration

Directors' remuneration has been included in the Remuneration Report section of the Directors Report.

(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 \$128,083 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 \$11,763 (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.

WINPAR HOLDINGS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

21 DIRECTORS' COMPENSATION

(d) Transactions with directors continued

On 30 June 2008 the company sold its share holding in Ransomes PLC. The sale transaction included a parcel of shares which were owned by Dr. Gordon Elkington. The proceeds on sale were received by the company. The proceeds on sale due to Dr. Gordon Elkington amounted to \$33,217.

22 FINANCIAL RISK MANAGEMENT

(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 \$
2008				
Financial assets				
Cash and cash equivalents	4.0%	15,762		15,762
Receivables			635,740	635,740
Investments			3,984,754	3,984,754
		<u>15,762</u>	<u>4,620,494</u>	<u>4,636,256</u>
Financial liabilities				
Payables		-	133,368	133,368
Borrowings	10.0%	196,372		196,372
		<u>196,372</u>	<u>133,368</u>	<u>329,740</u>
2007				
Financial assets				
Cash and cash equivalents	3.0%	60,558	-	60,558
Receivables		-	62,128	62,128
Investments		-	4,958,076	4,958,076
		<u>60,558</u>	<u>5,020,204</u>	<u>5,080,762</u>
Financial liabilities				
Payables		-	92,569	92,569
Borrowings	0.0%	-	-	-
		<u>-</u>	<u>92,569</u>	<u>92,569</u>

(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 Balance Sheet, is the carrying amount. The Company is not materially exposed to any individual credit risk.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company monitors its cash flow requirements and ensures that it has either cash or access to short term borrowing facilities to meet any payments. The assets of the Company are largely in the form of readily tradable securities which can be sold on the market if necessary.

(d) Market risk

Market risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market conditions. Because the Company invests a substantial part of its assets in tradable securities which are not risk free, it is always subject to market risk. The investments are however widely spread so that the risk is minimised.

(e) Net fair values

The carrying amounts of financial instruments on the Balance Sheet approximate their net fair values.