

**WINPAR HOLDINGS LIMITED**  
**ABN 81 003 035 523**  
**DIRECTORS' REPORT**

The Directors of Winpar Holdings Limited present their report together with the company's accounts for the half-year ended 31 December 2009.

**DIRECTORS**

The following persons have held office as directors during and since the end of the half-year ended 31 December 2009:

John Weston Seaforth Mackenzie  
Gordon Bradley Elkington  
John David Honan  
Steven Shane Pritchard  
Alfred Edward Fulton Rofe

Each of these persons was a director of the company for the whole of the period.

**REVIEW AND RESULTS OF OPERATIONS**

The company has continued with its principal activities of share trading, investment and underwriting. There has been no significant change in the nature of these activities during the half year.

The net profit of the company for the half-year ended 31 December 2009 after provision for income tax was \$557,183 (half-year ended 31 December 2008: net loss of \$692,400).

**DIVIDEND**

On 30 October 2009 the company paid a dividend of two cents per share to shareholders registered as at 16 October 2009. The total amount of the dividend was \$68,209.

**AUDITOR'S DECLARATION**

The auditor's independence declaration under section 307C of the Corporations Act for the half-year ended 31 December 2009 is set out on page 2.

Signed at 10 Spring Street, Sydney on 15 March 2010 in accordance with a resolution of the Board of Directors.

John Weston Seaforth Mackenzie  
Chairman

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 half-year ended 31 December 2009 there have been:

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

**Graham Baker**  
Graham Baker & Associates

2 Kennedy Place  
St Ives NSW

Dated:

**WINPAR HOLDINGS LIMITED**  
**ABN 81 003 035 523**  
**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	31 December 2009 \$	31 December 2008 \$
Sales of shares (trading)	603,895	141,438
Cost of sales	<u>(370,548)</u>	<u>(126,471)</u>
	233,347	14,967
Revaluation of trading stock to market values	<u>544,851</u>	<u>(1,066,035)</u>
Gross profit	778,198	(1,051,068)
Interest income	203	16,661
Other revenue from ordinary activities	74,488	120,267
Finance costs	(8,966)	(10,305)
Other expenses from ordinary activities	<u>(64,652)</u>	<u>(65,657)</u>
<b>Profit/(loss) before income tax</b>	779,270	(990,103)
Income tax expense	<u>(222,087)</u>	<u>297,703</u>
<b>Profit/(loss) for the period</b>	557,183	(692,400)
<b>Other comprehensive income</b>		
Net loss on revaluation of financial assets	(27,388)	(185,717)
Income tax relating to components of other comprehensive income	<u>(8,216)</u>	<u>(55,715)</u>
Other comprehensive income for the period, net of tax	<u>(19,172)</u>	<u>(130,002)</u>
<b>Total comprehensive income/(loss) for the period</b>	<u>538,011</u>	<u>(822,402)</u>
<b>Basic earnings (cents per share)</b>	16.3	(29.4)

**WINPAR HOLDINGS LIMITED**  
**ABN 81 003 035 523**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2009**

	31 December 2009 \$	30 June 2009 \$
<b>CURRENT ASSETS</b>		
Cash & cash equivalents	38,491	39,953
Trade & other receivables	17,885	14,113
Inventories	2,761,614	2,187,221
Other current assets	266	720
<b>TOTAL CURRENT ASSETS</b>	<u>2,818,256</u>	<u>2,242,007</u>
<b>NON-CURRENT ASSETS</b>		
Property plant & equipment	-	-
Financial assets	1,414,059	1,448,439
Deferred tax assets	-	179,690
<b>TOTAL NON-CURRENT ASSETS</b>	<u>1,414,059</u>	<u>1,628,129</u>
<b>TOTAL ASSETS</b>	<u>4,232,315</u>	<u>3,870,136</u>
<b>CURRENT LIABILITIES</b>		
Trade & other payables	66,703	122,785
Short term borrowings	165,302	231,748
Current tax liabilities	(37,003)	(17,729)
<b>TOTAL CURRENT LIABILITIES</b>	<u>195,002</u>	<u>336,804</u>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	34,180	-
<b>TOTAL LIABILITIES</b>	<u>229,182</u>	<u>336,804</u>
<b>NET ASSETS</b>	<u>4,003,133</u>	<u>3,533,332</u>
<b>EQUITY</b>		
Issued capital	3,410,496	3,410,496
Revaluation reserve	(158,014)	(138,841)
Retained earnings	750,651	261,678
<b>TOTAL EQUITY</b>	<u>4,003,133</u>	<u>3,533,332</u>

**WINPAR HOLDINGS LIMITED**  
**ABN 81 003 035 523**  
**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	Share Capital Ordinary	Revaluation Reserve	Retained Earnings	Total
	\$		\$	\$
<b>Balance at 1 July 2008</b>	3,354,854	(150,105)	956,571	4,161,320
Shares issued during the period	55,642	-	-	55,642
Total comprehensive income/(loss) for the period	-	(130,002)	(692,400)	(822,402)
<b>Sub-total</b>	3,410,496	(280,107)	264,171	3,394,560
Dividends paid or provided for	-	-	(67,097)	(67,097)
<b>Balance at 31 December 2008</b>	<b>\$ 3,410,496</b>	<b>(280,107)</b>	<b>\$ 197,074</b>	<b>\$ 3,327,463</b>
<b>Balance at 1 July 2009</b>	3,410,496	(138,841)	261,677	3,533,332
Shares issued during the period	-	-	-	-
Total comprehensive income/(loss) for the period	-	(19,172)	557,183	538,011
<b>Sub-total</b>	3,410,496	(158,013)	818,860	4,071,343
Dividends paid or provided for	-	-	(68,209)	(68,209)
<b>Balance at 31 December 2009</b>	<b>\$ 3,410,496</b>	<b>(158,013)</b>	<b>\$ 750,651</b>	<b>\$ 4,003,134</b>

**WINPAR HOLDINGS LIMITED**  
**ABN 81 003 035 523**  
**CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	31 December 2009 \$	31 December 2008 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sale of trading securities	601,062	746,305
Dividends received	47,638	49,708
Interest income	203	16,661
Other investment income	17,884	2,227
Payments for trading securities & to suppliers	(505,355)	(695,813)
Borrowing costs	(8,966)	(10,305)
Income tax paid	(19,273)	(36,890)
<b>Net cash used in operating activities</b>	<u>133,193</u>	<u>71,893</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	-	110,408
Payments for purchase of investments	-	(66,940)
<b>Net cash used in operating activities</b>	<u>-</u>	<u>43,468</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(68,209)	(11,455)
Repayment of borrowings	(66,446)	-
Proceeds from borrowings	-	26,786
<b>Net cash used in financing activities</b>	<u>(134,655)</u>	<u>15,331</u>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	(1,462)	130,692
<b>CASH HELD AT THE BEGINNING OF THE PERIOD</b>	<u>39,953</u>	<u>15,762</u>
<b>CASH HELD AT THE END OF THE PERIOD</b>	<u>\$ 38,491</u>	<u>\$ 146,454</u>

**WINPAR HOLDINGS LIMITED**  
**ABN 81 003 035 523**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

**1 BASIS OF PREPARATION**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2009 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Winpar Holdings Limited. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the company for the year ended 30 June 2009, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

**Accounting Standards not Previously Applied**

The company has adopted the following new and revised Australian Accounting Standard issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

**Presentation of Financial Statements**

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of Income Statement with Statement of Comprehensive Income. Items of income and expenses not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the Statement of Changes in Equity;
- the adoption of the single statement approach to the presentation of the Statement of Comprehensive Income; and
- other financial statements are renamed in accordance with the Standard.

**Reporting Basis and Conventions**

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

	<b>31 December 2009</b>	<b>30 June 2009</b>
	\$	\$
<b>2 DIVIDENDS</b>		
Distributions paid	<u>68,209</u>	<u>67,097</u>

**3 CONTINGENT LIABILITIES**

There has been no change in contingent liabilities since the last annual reporting date.

**WINPAR HOLDINGS LIMITED**  
**ABN 81 003 035 523**  
**DIRECTORS' DECLARATION**

The directors of the company declare that:

- 1 The financial statements and notes, as set out on the pages 1 to 7:
  - (a) comply with Accounting Standard AASB 134 Interim Financial Reporting ; and
  - (b) give a true and fair view of the entity's financial position as at 31 December 2009 and of its performance for the half-year 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 as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

John Weston Seaforth Mackenzie  
Chairman

Gordon Bradley Elkington  
Director

Dated: 15 March 2010



**WINPAR HOLDINGS LIMITED  
INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF WINPAR HOLDINGS LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Winpar Holdings Limited which comprises the condensed statement of financial position as at 31 December 2009, the condensed statement of comprehensive income, the condensed statement of changes in equity, the condensed statement of cash flows for the half-year ended on that date, the accounting policies and other selected explanatory notes and the directors' declaration.

**Directors' Responsibility for the Half-Year Financial Report**

The directors of the entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001. As the auditor of Winpar Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an opinion.

**Independence**

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Winpar Holdings Limited on 15 March 2010, would be in the same terms if provided to the directors as at the date of this auditor's review report.

**WINPAR HOLDINGS LIMITED  
INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF WINPAR HOLDINGS LIMITED**

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Winpar Holdings Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

**Graham Baker**  
Graham Baker & Associates

2 Kennedy Place  
St Ives NSW

Dated: