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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 2010.

DIRECTORS

The following persons have held office as directors during and since the end of the half-year ended 31 December 2010:

John Weston Seaforth Mackenzie
Gordon Bradley Elkington
John David Honan
Stevan Shane Pritchard
Alfred Edward Fulton Rofa

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 2010 after provision for Income tax was \$228,243 (half-year ended 31 December 2009: net profit of \$657,183).

DIVIDEND

On 29 October 2010 the company paid a dividend of two cents per share to shareholders registered as at 16 October 2010. The total amount of the dividend was \$69,312.

AUDITOR'S DECLARATION

The auditor's independence declaration under section 307C of the Corporations Act for the half-year ended 31 December 2010 is set out on page 2.

Signed at 10 Spring Street, Sydney on 15 March 2011 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 2010 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: 15/03/11

WINPAR HOLDINGS LIMITED
ABN 81 003 035 523
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	31 December 2010 \$	31 December 2009 \$
Sales of shares (trading)	272,776	603,895
Cost of sales	<u>(190,777)</u>	<u>(370,548)</u>
	81,999	233,347
Revaluation of trading stock to market values	<u>239,293</u>	<u>544,851</u>
Gross profit	321,292	778,198
Interest income	376	203
Other revenue from ordinary activities	52,357	74,488
Finance costs	(712)	(8,966)
Other expenses from ordinary activities	<u>(68,377)</u>	<u>(64,652)</u>
Profit/(loss) before income tax	304,936	779,271
Income tax expense	<u>(76,692)</u>	<u>(222,087)</u>
Profit/(loss) for the period	228,244	557,184
Other comprehensive income		
Loss on revaluation of financial assets	10,090	(27,388)
Income tax relating to components of other comprehensive income	3,027	(8,216)
Other comprehensive income for the period, net of tax	<u>7,063</u>	<u>(19,172)</u>
Total comprehensive income/(loss) for the period	<u>235,307</u>	<u>538,012</u>
Basic earnings per share (cents)	0.06	16.3

WINPAR HOLDINGS LIMITED
ABN 81 003 035 523
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	31 December 2010 \$	30 June 2010 \$
CURRENT ASSETS		
Cash & cash equivalents	44,660	39,075
Trade & other receivables	35,524	10,629
Inventories	2,751,549	2,420,755
Other current assets	264	718
TOTAL CURRENT ASSETS	<u>2,831,997</u>	<u>2,471,177</u>
NON-CURRENT ASSETS		
Property plant & equipment	-	-
Financial assets	1,230,112	1,306,014
Deferred tax assets	13,202	71,020
TOTAL NON-CURRENT ASSETS	<u>1,243,314</u>	<u>1,377,034</u>
TOTAL ASSETS	<u>4,075,311</u>	<u>3,848,211</u>
CURRENT LIABILITIES		
Trade & other payables	62,890	80,318
Short term borrowings	15,188	14,476
Current tax liabilities	(3,766)	(25,665)
TOTAL CURRENT LIABILITIES	<u>74,312</u>	<u>69,129</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	-	-
TOTAL LIABILITIES	<u>74,312</u>	<u>69,129</u>
NET ASSETS	<u>4,000,999</u>	<u>3,779,082</u>
EQUITY		
Issued capital	3,521,511	3,465,589
Revaluation reserve	(313,385)	(320,449)
Retained earnings	792,873	633,943
TOTAL EQUITY	<u>4,000,999</u>	<u>3,779,083</u>

WINPAR HOLDINGS LIMITED
ABN 81 003 035 523
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Share Capital Ordinary	Revaluation Reserve	Retained Earnings	Total
	\$		\$	\$
Balance at 1 July 2009	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
Sub-total	3,410,496	(158,013)	818,860	4,071,343
Dividends paid or provided for	-	-	(68,209)	(68,209)
Balance at 31 December 2009	\$ 3,410,496	(158,013)	\$ 750,651	\$ 4,003,134
Balance at 1 July 2010	3,465,589	(320,448)	633,942	3,779,083
Shares issued during the period	55,922	-	-	55,922
Total comprehensive income/(loss) for the period	-	7,063	228,243	235,306
Sub-total	3,521,511	(313,385)	862,185	4,070,311
Dividends paid or provided for	-	-	(69,312)	(69,312)
Balance at 31 December 2010	\$ 3,521,511	(313,385)	\$ 792,873	\$ 4,000,999

WINPAR HOLDINGS LIMITED
 ABN 81 003 035 523
 CONDENSED STATEMENT OF CASH FLOWS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	31 December 2010 \$	31 December 2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of trading securities	272,776	601,062
Dividends received	52,071	47,638
Interest income	376	203
Other investment income	22,759	17,884
Payments for trading securities & to suppliers	(387,193)	(505,355)
Borrowing costs	-	(8,966)
Income tax paid	(2)	(19,273)
Net cash used in operating activities	<u>(39,213)</u>	<u>133,193</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	57,225	0
Payments for purchase of investments	250	0
Net cash used in operating activities	<u>57,475</u>	<u>0</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(13,390)	(68,209)
Repayment of borrowings	-	(66,446)
Proceeds from borrowings	713	-
Net cash used in financing activities	<u>(12,677)</u>	<u>(134,655)</u>
NET INCREASE/(DECREASE) IN CASH HELD	5,585	(1,462)
CASH HELD AT THE BEGINNING OF THE PERIOD	<u>39,075</u>	<u>15,762</u>
CASH HELD AT THE END OF THE PERIOD	<u>\$ 44,660</u>	<u>\$ 14,300</u>

WINPAR HOLDINGS LIMITED
ABN 81 003 035 523
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

1 BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2010 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 2010, 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.

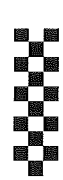
Reporting Basis and Conventions

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.

	31 December 2010	31 December 2009
	\$	\$
2 DIVIDENDS		
Distributions paid	<u>69,312</u>	<u>68,209</u>

3 CONTINGENT LIABILITIES

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



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**WINFAR 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 2010 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-Winston Scaforin Mackenzie
Chairman



Gordon Bradley Elkington
Director

Dated: 15 March 2011

**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 2010, 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 2010 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 2011, would be in the same terms if provided to the directors as at the date of this auditor's review report.



2011/6

**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 2010 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:

SECTION 2A: APPENDIX 3

HALF YEAR REPORT

The following information must be given to NSX under listing rule 6.10

1. Details of the reporting period and the previous corresponding period.
2. Key information in relation to the following. This information must be identified as ***“Results for announcement to the market”***.
 - 2.1 The amount and percentage change up or down from the previous corresponding period of revenue.
 - 2.2 The amount and percentage change up or down from the previous corresponding period of profit (loss) after income tax
 - 2.3 The amount and percentage change up or down from the previous corresponding period of profit (loss) for the period attributable to members of the parent.
 - 2.4 The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends.
 - 2.5 The record date for determining entitlements to the dividends (if any).
 - 2.6 A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.

Note: The information required by item 2 must be placed at the beginning of the report. The other information may be presented in whatever way is the most clear and helpful to users, e.g. combined with the body of the report, combined with notes to the accounts, or set out separately.
3. Net tangible assets per security with the comparative figure for the previous corresponding period.
4. Details of entities over which control has been gained or lost during the period, including the following.
 - 4.1 Name of the entity.
 - 4.2 The date of the gain or loss of control.
 - 4.3 Where material to an understanding of the report – the contribution of such entities to the reporting entity’s profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.

5. Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable, and (if known) the amount per security of foreign sourced dividend or distribution.
6. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.
7. Details of associates and joint venture entities including the name of the associate or joint venture entity and details of the reporting entity's percentage holding in each of these entities and – where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.
8. For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards).
9. For all entities, if the accounts are subject to audit dispute or qualification, a description of the dispute or qualification.

Note: The audit report or review must be provided as part of the report

Please refer to the relevant Practice Note for the preferred format of this information, to be published by the *Exchange* from time to time.

PRELIMINARY FINAL REPORT

The following information must be given to NSX under listing rule 6.11

1. Details of the reporting period and the previous corresponding period.
2. Key information in relation to the following. This information must be identified as ***“Results for announcement to the market”***.
 - 2.1 The amount and percentage change up or down from the previous corresponding period of revenue.
 - 2.2 The amount and percentage change up or down from the previous corresponding period of profit (loss) after income tax.
 - 2.3 The amount and percentage change up or down from the previous corresponding period of profit (loss) for the period attributable to members of the parent.
 - 2.4 The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends.
 - 2.5 The record date for determining entitlements to the dividends (if any).
 - 2.6 A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.

Note: The information required by item 2 must be placed at the beginning of the report. The other information may be presented in whatever way is most convenient, eg combined with the body of the report, combined with notes to the accounts, or set out separately.

3. An income statement together with notes to the statement, prepared in compliance with AASB 101: Presentation of Financial Statements and 108: Accounting Policies, Changes in Accounting Estimates and Errors or the equivalent foreign accounting standard.
4. A balance sheet together with notes to the statement prepared in compliance with AASB 101: Presentation of Financial Statements or the equivalent foreign accounting standard. The statement of financial position may be condensed but must report as line items each significant class of asset, liability, and equity element with appropriate sub-totals.
5. A statement of changes in equity together with notes to the statement prepared in accordance with AASB 101: Presentation of Financial Statements or the equivalent foreign accounting standard.
6. A statement of cash flows together with notes to the statement. The statement of cash flows may be condensed but must report as line items each significant form of cash flow and comply with the disclosure requirements of

AASB 107: Cash Flow Statements, or the equivalent foreign accounting standard.

7. Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable and (if known) the amount per security of foreign sourced dividend or distribution.
8. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.
9. A statement of retained earnings showing movements.
10. Net tangible assets per security with the comparative figure for the previous corresponding period.
11. Details of entities over which control has been gained or lost during the period, including the following.
 - 11.1 Name of the entity.
 - 11.2 The date of the gain or loss of control.
 - 11.3 Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.
12. Details of associates and joint venture entities including the following.
 - 12.1 Name of the associate or joint venture entity.
 - 12.2 Details of the reporting entity's percentage holding in each of these entities.
 - 12.3 Where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.
13. Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.
14. For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards).
15. A commentary on the results for the period. The commentary must be sufficient for the user to be able to compare the information presented with equivalent information for previous periods. The commentary must include

any significant information needed by an investor to make an informed assessment of the entity's activities and results, which would include but not be limited to discussion of the following.

- 15.1 The earnings per security and the nature of any dilution aspects.
 - 15.2 Returns to shareholders including distributions and buy backs.
 - 15.3 Significant features of operating performance.
 - 15.4 The results of segments that are significant to an understanding of the business as a whole.
 - 15.5 A discussion of trends in performance.
 - 15.6 Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified.
16. A statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed
- Note: If the accounts have been audited or subject to review, the audit report or review should be provided with the report.
17. If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification.
18. If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification.

Please refer to the relevant Practice Note for the preferred format of this information, to be published by the *Exchange* from time to time.

FORM: Half yearly/preliminary final report

Name of issuer

Wiinpar Holdings Limited

ACN or ARBN

003 035 523

Half yearly
(tick)

X

Preliminary
final (tick)

Half year/financial year ended
(‘Current period’)

31 December 2010

For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

Extracts from this statement for announcement to the market (see note 1).

				\$A,000
Revenue (item 1.1)	down	54% 1,223	to	565
Profit (loss) for the period (item 1.9)	down	59% 557	to	228
Profit (loss) for the period attributable to members of the parent (item 1.11)	up/down	%	to	
Dividends		Current period	Previous corresponding period	
Franking rate applicable:		100%	100%	
Final dividend (preliminary final report only)(item 10.13-10.14)		2 cents	2 cents	
Amount per security		2 cents	2 cents	
Franked amount per security				
Interim dividend (Half yearly report only) (item 10.11 – 10.12)				
Amount per security		2 cents	2 cents	
Franked amount per security		2 cents	2 cents	
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

Consolidated income statement *(The figures are not equity accounted)*

(see note 3)

(as per paragraphs 81-85 and 88-94 of AASB 101: Presentation of Financial Statements)

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Revenues <i>(item 7.1)</i>	565	1,223
1.2 Expenses, excluding finance costs <i>(item 7.2)</i>	(259)	(435)
1.3 Finance costs	(1)	(9)
1.4 Share of net profits (losses) of associates and joint ventures <i>(item 15.7)</i>		
1.5 Profit (loss) before income tax	305	779
1.6 Income tax expense <i>(see note 4)</i>	77	222
1.7 Profit (loss) from continuing operations	228	557
1.8 Profit (loss) from discontinued operations <i>(item 13.3)</i>		
1.9 Profit (loss) for the period	228	557
1.10 Profit (loss) attributable to minority interests		
1.11 Profit (loss) attributable to members of the parent		
1.12 Basic earnings per security <i>(item 9.1)</i>	.06	16.3
1.13 Diluted earnings per security <i>(item 9.1)</i>		
1.14 Dividends per security <i>(item 9.1)</i>	2 cents	2 cents

Comparison of half-year profits

(Preliminary final statement only)

	Current period - \$A'000	Previous corresponding period - \$A'000
2.1 Consolidated profit (loss) after tax attributable to members reported for the 1st half year <i>(item 1.11 in the half yearly statement)</i>		
2.2 Consolidated profit (loss) after tax attributable to members for the 2nd half year		

Consolidated balance sheet

(See note 5)

(as per paragraphs 68-69 of AASB 101: Financial Statement Presentation)

Current assets		Current period - \$A'000	Previous corresponding period - \$A'000
3.1	Cash and cash equivalents	45	38
3.2	Trade and other receivables	35	18
3.3	Inventories	2,752	2,762
3.4	Other current assets (provide details if material)		
3.5	Total current assets	2,832	2,818
Non-current assets			
3.6	Available for sale investments	1,230	1,414
3.7	Other financial assets		
3.8	Investments in associates		
3.9	Deferred tax assets	13	
3.10	Exploration and evaluation expenditure capitalised (see para. 71 of AASB 1022 – new standard not yet finalised)		
3.11	Development properties (mining entities)		
3.12	Property, plant and equipment (net)		
3.13	Investment properties		
3.14	Goodwill		
3.15	Other intangible assets		
3.16	Other (provide details if material)		
3.17	Total non-current assets	1,243	1,414
3.18	Total assets	4,075	4,232
Current liabilities			
3.19	Trade and other payables	63	67
3.20	Short term borrowings	15	165
3.21	Current tax payable		
3.22	Short term provisions		
3.23	Current portion of long term borrowings		
3.24	Other current liabilities (provide details if material)	(4)	(37)
		74	195
3.25	Liabilities directly associated with non-current assets classified as held for sale (para 38 of AASB 5)		
3.26	Total current liabilities	74	195
Non-current liabilities			

	Current period - \$A'000	Previous corresponding period - \$A'000
3.27 Long-term borrowings		
3.28 Deferred tax liabilities		34
3.29 Long term provisions		
3.30 Other (provide details if material)		
3.31 Total non-current liabilities		34
3.32 Total liabilities	74	229
3.33 Net assets	4,001	4,003
Equity		
3.34 Share capital	3,522	3,410
3.35 Other reserves	(313)	(158)
3.36 Retained earnings	792	751
Amounts recognised directly in equity relating to non-current assets classified as held for sale		
3.37 Parent interest		
3.38 Minority interest		
3.39 Total equity	4,001	4,003

Consolidated statement of changes in equity

(as per paragraphs 96-97 of AASB 101: Presentation of Financial Statements)

	Current period – A\$'000	Previous corresponding period – A\$'000
Revenues recognised directly in equity:		
Expenses recognised directly in equity:		
Revaluation reserve	7	19
4.1 Net income recognised directly in equity	7	19
4.2 Profit for the period	221	538
4.3 Total recognised income and expense for the period		
Attributable to:		
4.4 Members of the parent		
4.5 Minority interest		
Effect of changes in accounting policy (as per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors):		
4.6 Members of the parent entity		
4.7 Minority interest		

Consolidated statement of cash flows*(See note 6)**(as per AASB 107: Cash Flow Statements)*

		Current period - \$A'000	Previous corresponding period - \$A'000
	Cash flows related to operating activities		
5.1	Receipts from customers	273	601
5.2	Payments to suppliers and employees	(387)	(506)
5.3	Interest and other costs of finance paid		(9)
5.4	Income taxes paid		(19)
5.5	Other (provide details if material)	75	66
5.6	Net cash used in operating activities	(39)	133
	Cash flows related to investing activities		
5.7	Payments for purchases of property, plant and equipment		
5.8	Proceeds from sale of property, plant and equipment		
5.9	Payment for purchases of equity investments		
5.10	Proceeds from sale of equity investments	57	
5.11	Loans to other entities		
5.12	Loans repaid by other entities		
5.13	Interest and other items of similar nature received		
5.14	Dividends received		
5.15	Other (provide details if material)		
5.16	Net cash used in investing activities	57	
	Cash flows related to financing activities		
5.17	Proceeds from issues of securities (shares, options, etc.)		
5.18	Proceeds from borrowings	1	
5.19	Repayment of borrowings		(66)
5.20	Dividends paid	(13)	(68)
5.21	Other (provide details if material)		
5.22	Net cash used in financing activities	(12)	(134)
	Net increase (decrease) in cash and cash equivalents		
5.23	Cash at beginning of period (see Reconciliations of cash)	39	40
5.24	Exchange rate adjustments to item 5.23		
5.25	Cash at end of period (see Reconciliation of cash)	45	39

Reconciliation of cash provided by operating activities to profit or loss

(as per paragraph Aus20.1 of AASB 107: Cash Flow Statements)

	Current period \$A'000	Previous corresponding period \$A'000
6.1 Profit (item 1.9)	228	557
Adjustments for:		
6.2 Profit or loss on sale of investments	28	7
6.3 Profit or loss on sale of share trading portfolio	(82)	(233)
6.4 Increase/decrease in DITL	(5)	42
Dividend income DRP		
6.5 Increase/decrease in FITB	55	180
6.6 Increase/decrease in trade and other debtors	(25)	(4)
6.7 Increase/decrease in inventories	(243)	(341)
6.8 Increase/decrease in trade and other creditors	(17)	(56)
6.9 Increase/decrease in income taxes	22	(19)
6.10 Net cash from operating activities (item 5.6)	(39)	133

Notes to the financial statements

Details of revenues and expenses

(see note 16)

(Where items of income and expense are material, disclose nature and amount below in accordance with paragraphs 86-87 of AASB 101: Presentation of Financial Statements)

	Current period - \$A'000	Previous corresponding period - \$A'000
Revenue	565	1,223
7.1 Total Revenue	565	1,223
Expenses		
Expenses	(68)	(65)
Finance costs.	(1)	(9)
Cost of goods sold	(191)	(370)
7.2 Total Expenses	(260)	(444)
Profit (loss) before tax	305	779

Ratios

	Current period	Previous corresponding period
Profit before tax / revenue		
8.1 Consolidated profit (loss) before tax (item 1.5) as a percentage of revenue (item 1.1)	54%	63%
Profit after tax / equity interests		
8.2 Consolidated profit (loss) after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 3.37)		

Earnings per Security

- 9.1 Provide details of basic and fully diluted EPS in accordance with paragraph 70 and Aus 70.1 of AASB 133: Earnings per Share below:

Numerator \$387,553
Denominator 3,428,860

Dividends

- 10.1 Date the dividend is payable
- 10.2 Record date to determine entitlements to the dividend (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer)
- 10.3 If it is a final dividend, has it been declared?
(Preliminary final report only)
- 10.4 The dividend or distribution plans shown below are in operation.

The last date(s) for receipt of election notices to the dividend or distribution plans

10.5 Any other disclosures in relation to *dividends or distributions*

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Dividends paid or provided for on all securities*(as per paragraph Aus126.4 AASB 101: Presentation of Financial Statements)*

		Current period - \$A'000	Previous corresponding period - \$A'000	Franking rate applicable
	Dividends paid or provided for during the reporting period	69	68	
10.6	Current year interim	69	68	
10.7	Franked dividends			
10.8	Previous year final			
10.9	Franked dividends			
	Dividends proposed and not recognised as a liability			
10.10	Franked dividends			

Dividends per security*(as per paragraph Aus126.4 of AASB 101: Presentation of Financial Statements)*

		Current year	Previous year	Franking rate applicable
	Dividends paid or provided for during the reporting period	2 cents	2 cents	
10.11	Current year interim	2 cents	2 cents	
10.12	Franked dividends – cents per share			
10.13	Previous year final			
10.14	Franked dividends – cents per share			
	Dividends proposed and not recognised as a liability			
10.15	Franked dividends – cents per share			

Exploration and evaluation expenditure capitalised

To be completed only by issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit

	Current period \$A'000	Previous corresponding period \$A'000
11.1 Opening balance		
11.2 Expenditure incurred during current period		
11.3 Expenditure written off during current period		
11.4 Acquisitions, disposals, revaluation increments, etc.		
11.5 Expenditure transferred to Development Properties		
11.6 Closing balance as shown in the consolidated balance sheet (item 3.10)		

Development properties

(To be completed only by issuers with mining interests if amounts are material)

	Current period \$A'000	Previous corresponding period \$A'000
12.1 Opening balance		
12.2 Expenditure incurred during current period		
12.3 Expenditure transferred from exploration and evaluation		
12.4 Expenditure written off during current period		
12.5 Acquisitions, disposals, revaluation increments, etc.		
12.6 Expenditure transferred to mine properties		
12.7 Closing balance as shown in the consolidated balance sheet (item 3.11)		

Discontinued Operations

(see note 18)

(as per paragraph 33 of AASB 5: Non-current Assets Held for Sale and Discontinued Operations)

	Current period – A\$'000	Previous corresponding period – A\$'000
13.1 Revenue		
13.2 Expense		
13.3 Profit (loss) from discontinued operations before income tax		
13.4 Income tax expense <i>(as per para 81 (h) of AASB 112)</i>		
13.5 Gain (loss) on sale/disposal of discontinued operations		
13.6 Income tax expense <i>(as per paragraph 81(h) of AASB 112)</i>		

Movements in Equity

(as per paragraph 97 of AASB 101: Financial Statement Presentation)

		Number issued	Number listed	Paid-up value (cents)	Current period – A\$'000	Previous correspondin g period – A\$'000
14.1	Preference securities <i>(description)</i>					
14.2	Balance at start of period					
14.3	a) Increases through issues					
14.4	a) Decreases through returns of capital, buybacks etc.					
14.5	Balance at end of period					
14.6	Ordinary securities <i>(description)</i>	3,465,589	3,465,589	3,465,558,900	3,465	3,410
14.7	Balance at start of period					
14.8	a) Increases through issues	55,922	55,922	5,592,200	56	
14.9	b) Decreases through returns of capital, buybacks etc.					
14.10	Balance at end of period	3,521,511	3,521,511	352,151,100	3,521	3,410
14.11	Convertible Debt Securities <i>(description & conversion factor)</i>					
14.12	Balance at start of period					
14.13	a) Increases through issues					
14.14	b) Decreases through					

	maturity, converted.					
14.15	Balance at end of period					
		Number issued	Number listed	Paid-up value (cents)	Current period – A\$'000	Previous correspondin g period – A\$'000
14.16	Options (description & conversion factor)					
14.17	Balance at start of period					
14.18	Issued during period					
14.19	Exercised during period					
14.20	Expired during period					
14.21	Balance at end of period					
14.22	Debentures (description)					
14.23	Balance at start of period					
14.24	a) Increases through issues					
14.25	b) Decreases through maturity, converted					
14.26	Balance at end of period					
14.27	Unsecured Notes (description)					
14.28	Balance at start of period					
14.29	a) Increases through issues					
14.30	b) Decreases through					

	maturity, converted					
14.31	Balance at end of period					
14.32	Total Securities					

		Current period – A\$'000	Previous corresponding period – A\$'000
	Reserves		
14.33	Balance at start of period	320	139
14.34	Transfers to/from reserves	7	19
14.35	Total for the period	313	158
14.36	Balance at end of period	313	158
14.37	Total reserves		
	Retained earnings		
14.38	Balance at start of period	634	262
14.39	Changes in accounting policy		
14.40	Restated balance		
14.41	Profit for the balance	228	557
14.42	Total for the period	862	819
14.43	Dividends	(69)	(68)
14.44	Balance at end of period	793	751

Details of aggregate share of profits (losses) of associates and joint venture entities*(equity method)**(as per paragraph Aus 37.1 of AASB 128: Investments in Associates and paragraph Aus 57.3 of AASB 131: Interests in Joint Ventures)*

Name of associate or joint venture entity

Reporting entities percentage holding

		Current period - \$A'000	Previous corresponding period - \$A'000
15.1	Profit (loss) before income tax		
15.2	Income tax		
15.3	Profit (loss) after tax		
15.4	Impairment losses		
15.5	Reversals of impairment losses		
15.6	Share of non-capital expenditure contracted for (excluding the supply of inventories)		
15.7	Share of net profit (loss) of associates and joint venture entities		

Control gained over entities having material effect*(See note 8)*16.1 Name of *issuer* (or *group*)16.2 Consolidated profit (loss) after tax of the *issuer* (or *group*) since the date in the current period on which control was acquired16.3 Date from which profit (loss) in *item 16.2* has been calculated16.4 Profit (loss) after tax of the *issuer* (or *group*) for the whole of the previous corresponding period

\$A'000

Loss of control of entities having material effect*(See note 8)*17.1 Name of *issuer* (or *group*)17.2 Consolidated profit (loss) after tax of the entity (or *group*) for the current period to the date of loss of control17.3 Date from which the profit (loss) in *item 17.2* has been calculated17.4 Consolidated profit (loss) after tax of the entity (or *group*) while controlled during the whole of the previous corresponding period

17.5 Contribution to consolidated profit (loss) from sale of interest leading to loss of control

\$A'000

Material interests in entities which are not controlled entities*The economic entity has an interest (that is material to it) in the following entities.*

		Percentage of ownership interest (ordinary securities, units etc) held at end of period or date of disposal		Contribution to profit (loss) (<i>item 1.9</i>)	
18.1	Equity accounted associated entities	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000
				<i>Equity accounted</i>	
18.2	Total				
18.3	Other material interests			Non equity accounted (i.e. part of <i>item 1.9</i>)	
18.4	Total				

Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 114: Segment Reporting. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this statement. However, the following is the personation adopted in the Appendices to AASB 114 and indicates which amount should agree with items included elsewhere in this statement.

		Current period - \$A'000	Previous corresponding period - \$A'000
	Segments		
	Revenue:		
19.1	External sales		
19.2	Inter-segment sales		
19.3	Total (consolidated total equal to item 1.1)		
19.4	Segment result		
19.5	Unallocated expenses		
19.6	Operating profit (equal to item 1.5)		
19.7	Interest expense		
19.8	Interest income		
19.9	Share of profits of associates		
19.10	Income tax expense		
19.11	Net profit (consolidated total equal to item 1.9)		
	Other information		
19.12	Segment assets		
19.13	Investments in equity method associates		
19.14	Unallocated assets		
19.15	Total assets (equal to item 3.18)		
19.16	Segment liabilities		
19.17	Unallocated liabilities		
19.18	Total liabilities (equal to item 3.32)		
19.19	Capital expenditure		
19.20	Depreciation		
19.21	Other non-cash expenses		

NTA Backing

(see note 7)

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	1.13	1.17

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

21.1	
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International Financial Reporting Standards

Under paragraph 39 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, an entity's first Australian-equivalents-to-IFRS's financial report shall include reconciliations of its equity and profit or loss under previous GAAP to its equity and profit or loss under Australian equivalents to IFRS's. See IG63 in the appendix to AASB 1 for guidance.

22.1	
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Under paragraph 4.2 of AASB 1047: Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards, an entity must disclose any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRSs or if the aforementioned impacts are not known or reliably estimable, a statement to that effect.

22.2	
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Comments by directors

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) but may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

Basis of accounts preparation

If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 134: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. This report does not include all notes of the type normally included in an annual financial report [Delete if inapplicable.]

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible). In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations (as per paragraphs 16(b), 16(b) and Aus 16.1 of AASB 134: Interim Financial Reporting)

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Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified.

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Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

Franking credits available \$317,050.

Changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

(Disclose changes in the half yearly statement in accordance with paragraph 16(a) of AASB 134: Interim Financial Reporting. Disclose changes in the preliminary final statement in accordance with paragraphs 28-29 of 108: Accounting Policies, Changes in Accounting Estimates and Errors.)

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An *issuer* shall explain how the transition from previous GAAP to Australian equivalents to IFRS' affected its reported financial position, financial performance and cash flows. (as per paragraph 38 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards)

Revisions in estimates of amounts reported in previous periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year (as per paragraph 16(d) of AASB 134: Interim Financial Reporting)

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assts since the last annual report (as per paragraph 16(j) of AASB 134: Interim Financial Reporting)

The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence (as per paragraph 16(c) of AASB 134: Interim Financial Reporting)

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations (as per paragraph 16(i) of AASB 134: Interim Financial Reporting)

Annual meeting*(Preliminary final statement only)*

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the annual report will be available

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

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2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does/does not* (*delete one*) give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:
- | | |
|---|---|
| <input type="checkbox"/> The financial statements have been audited. | <input type="checkbox"/> The financial statements have been subject to review by a registered auditor (or overseas equivalent). |
| <input type="checkbox"/> The financial statements are in the process of being audited or subject to review. | <input type="checkbox"/> The financial statements have <i>not</i> yet been audited or reviewed. |
5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/will follow immediately they are available* (*delete one*). (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.*)

6. The issuer has/~~does not have~~* (*delete one*) a formally constituted audit committee.

Sign here: Gordon Elkington Date: 15.03.11
(Director/Company secretary)

Print name: Gordon Elkington

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show the amount of the change up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. *Issuers* are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.
2. **True and fair view** If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the *issuer* must attach a note providing additional information and explanations to give a true and fair view.
3. **Consolidated statement of financial performance**
 - Item 1.1 The definition of "revenue" is set out in *AASB 118: Revenue*
 - Item 1.6 This item refers to the total tax attributable to the amount shown in *item 1.5*. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg. fringe benefits tax).
4. **Income tax** If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the issuer must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franking rate applicable" for items in *section 9*.
5. **Consolidated statement of financial position**

Format The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 134: Interim Financial Reporting*, and *AASB 101: Presentation of Financial Statements*. Banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

Basis of revaluation If there has been a material revaluation of non-current assets (including investments) since the last annual report, the *issuer* must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 116: Property, Plant and Equipment*. If the *issuer* has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.
6. **Consolidated statement of cash flows** For definitions of "cash" and other terms used in this statement see *AASB 107: Cash Flow Statements*. *Issuers* should follow the form as closely as possible, but variations are permitted if the *directors* (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 107*.
7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary *securities* (i.e. all liabilities, preference shares, outside equity interests, etc). Mining *issuers* are *not* required to state a net tangible asset backing per ordinary *security*.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the consolidated financial statements. Details must include the

contribution for each gain or loss that increased or decreased the *issuer's* consolidated operating profit (loss) after tax by more than 5% compared to the previous corresponding period.

9. **Equity accounting** If an *issuer* adopts equity accounting, no comparative equity accounting figures are required in the first period following its adoption.
10. **Rounding of figures** This statement anticipates that the information required is given to the nearest \$1,000. However, an *issuer* may report exact figures, if the \$A'000 headings are amended. If an *issuer* qualifies under ASIC Class Order 98/0100 dated 15 July 2004, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A'000 headings are amended.
11. **Comparative figures** Comparative figures are to be presented in accordance with AASB 101: *Presentation of Financial Statements* or AASB 134: *Interim Financial Reporting* as appropriate and are the unadjusted figures from the last annual or half year report as appropriate. However, if the previously reported figures are adjusted to achieve greater comparability, in accordance with an accounting standard or other reason, a note explaining the adjustment must be included with this statement. If no adjustment is made despite a lack of comparability, a note explaining the position should be attached.
12. **Additional information** An *issuer* may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement. The requirement under the listing rules for an *issuer* to complete this statement does not prevent the *issuer* issuing statements more frequently. Additional material lodged with the ASIC under the *Corporations Act* must also be given to the *Exchange*. For example, a *directors'* report and declaration, if lodged with the ASIC, must be given to the *Exchange*.
13. **Accounting Standards** the *Exchange* will accept, for example, the use of International Accounting Standards for *foreign issuers*. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.
14. **Borrowing corporations** This statement may be able to be used by an *issuer* required to comply with the *Corporations Act* as part of its half yearly financial statements if prepared in accordance with Australian Accounting Standards.
15. **Details of expenses** AASB 101: *Presentation of Financial Statements* requires disclosure of expenses according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by the *Exchange*. *Issuers* must disclose details of expenses using the layout (by nature or function) employed in their accounts.

The information in *items 7.1 - 7.2* may be provided in an attachment to Appendix 3

Relevant items AASB 101: *Presentation of Financial Statements* requires the separate disclosure of specific revenues and expenses which are of a size, nature or incidence that disclosure is *relevant*, as defined in AASB 101, in explaining the financial performance of the *issuer*. There is an equivalent requirement in AASB 134: *Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by the *Exchange*.

16. **Dollars** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to "000" must be changed to the reporting value.

17. Discontinuing operations

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by *paragraph 7.5 (g) of AASB 134: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their accounts in accordance with *AASB 5: Non-current Assets for Sale and Discontinued Operations*

In any case, the information may be provided as an attachment to this Appendix 3