

Winpar Holdings Limited

ABN 81 003 035 523

Directors' Report

31 December 2012

The Directors present their report together with the accounts of Winpar Holdings Limited for the financial half-year ended 31 December 2012.

DIRECTORS

The following persons have held office as directors during or since the end of the half-year ended 31 December 2012:

John Weston Seaforth Mackenzie (died 15 July 2012)

Gordon Bradley Elkington

John David Honan

Steven Shane Pritchard

Alfred Edward Fulton Rofe

REVIEW OF OPERATIONS

The net profit for the period after provision for income tax was \$129,703 (2011: a loss of \$61,719).

Because of the general uncertainty in the world markets, the Directors are continuing to adopt a cautious approach to share trading, and taking profits where appropriate. The Company has continued to maintain a margin account for special purposes, but the outstanding balance on the account is nominal, and the Company remains largely debt free.

DIVIDENDS

On 30 October 2012 the Company paid a dividend of 2 cents per share to members registered as at 16 October 2012. The total amount of the dividend was \$70,431.

AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration for the half-year ended 31 December 2012 is set out on page 2.

Signed on 14 March 2013 in accordance with a resolution of the Board of Directors.


Steven Shane Pritchard
Director


Gordon Bradley Elkington
Director

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF WINPAR HOLDINGS LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Winpar Holdings Limited.

As lead audit partner for the review of the financial statements of Winpar Holdings Limited for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



FORSYTHES ASSURANCE & RISK



MJ Matthews
Partner
Newcastle, 14 March 2013

Condensed Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2012

	31 December 2012	31 December 2011
	\$	\$
Sale of financial assets	58,459	154,499
Cost of sales	(134,832)	(489,788)
	(76,373)	(335,289)
Other revenue from ordinary activities	425,441	274,836
Finance costs	(518)	(1,774)
Administration expenses	(69,754)	(41,498)
Occupancy expenses	(2,860)	(3,000)
Other expenses from ordinary activities	(81,323)	(26,530)
Profit before income tax	194,613	(133,255)
Income tax (expense) / benefit	(64,910)	71,536
Profit/(Loss) for the year	129,703	(61,719)
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss		
Net gain/(loss) on revaluation of financial assets	39,249	(133,257)
Income tax (expense)/ benefit relating to components of other comprehensive income	(11,776)	39,977
Other comprehensive income/(loss) for the period, net of tax	27,473	(93,280)
Total comprehensive income/(loss) for the period	157,176	(154,999)
Earnings per share		
Basic earnings/(loss) cents per share	0.04	(0.01)

Condensed Statement of Financial Position

As at 31 December 2012

	Note	31 December 2012 \$	30 June 2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		74,314	154,009
Trade and other receivables		28,451	67,871
Current tax receivable		33,173	91,441
Financial assets (fair value through income)		2,681,314	2,307,733
Other assets		3,476	-
TOTAL CURRENT ASSETS		2,820,728	2,621,054
NON-CURRENT ASSETS			
Financial assets		1,039,043	1,132,269
Investments in associates	2	612,631	-
Deferred tax assets		90,124	166,809
TOTAL NON-CURRENT ASSETS		1,741,798	1,299,078
TOTAL ASSETS		4,562,526	3,920,132
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		163,496	122,546
Borrowings		12,105	12,906
TOTAL CURRENT LIABILITIES		175,601	135,452
NET ASSETS		4,386,925	3,784,680
EQUITY			
Issued capital		4,037,011	3,521,511
Reserves		(314,099)	(341,572)
Retained earnings		664,013	604,741
TOTAL EQUITY		4,386,925	3,784,680

Condensed Statement of Changes in Equity

For the Half-Year Ended 31 December 2012

	Ordinary Shares	Retained Earnings	Financial Assets Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2012	3,521,511	604,741	(341,572)	3,784,680
Profit for the period	-	129,703	-	129,703
Revaluation of Available for sale financial assets (net of tax)	-	-	27,473	27,473
Sub-total	-	129,703	27,473	157,176
Transactions with owners in their capacity as owners				
Dividends provided for or paid	-	(70,431)	-	(70,431)
Shares issued during the period	515,500	-	-	515,500
Sub-total	515,500	(70,431)	-	445,069
Balance at 31 December 2012	4,037,011	664,013	(314,099)	4,386,925

	Ordinary Shares	Retained Earnings	Financial Assets Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2011	3,521,511	826,912	(278,182)	4,070,241
Loss for the period	-	(61,719)	-	(61,719)
Revaluation of Available for sale financial assets (net of tax)	-	-	(93,280)	(93,280)
Sub-total	-	(61,719)	(93,280)	(154,999)
Transactions with owners in their capacity as owners				
Dividends provided for or paid	-	(70,485)	-	(70,485)
Shares issued during the period	-	-	-	-
Sub-total	-	(70,485)	-	(70,485)
Balance at 31 December 2011	3,521,511	694,708	(371,462)	3,844,757

The accompanying notes form part of these condensed financial statements.

Condensed Statement of Cash Flows

For the Half-Year Ended 31 December 2012

	31 December 2012 \$	31 December 2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Proceeds from sale of financial assets held at fair value	58,459	154,499
Payments to suppliers and employees	(204,269)	(213,044)
Other investment income	79,721	120,373
Income tax paid	58,269	(72,183)
Net cash used in operating activities	(7,820)	(10,355)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of available-for-sale financial assets	8,038	8,336
Additional interests acquired in associates	(525,500)	-
Net cash (used in) / provided by investing activities	(517,462)	8,336
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from share issue	515,500	-
Dividends paid	(70,431)	(70,485)
Proceeds from borrowings	518	46,165
Net cash provided by / (used in) financing activities	445,587	(24,320)
Net (decrease) in cash and cash equivalents held	(79,695)	(26,339)
Cash and cash equivalents at beginning of the period	154,009	39,230
Cash and cash equivalents at end of the period	74,314	12,891

Notes to the Financial Statements

For the Half-Year Ended 31 December 2012

1. Significant Accounting Policies

Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of Preparation

The financial 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. All amounts are presented in Australian dollars, unless otherwise noted.

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 2012, together with any public announcements made during the half-year.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2012 annual financial report for the financial year ended 30 June 2012, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the company include:

- Amendments to AASB 1, 5, 7, 101, 112, 120, 121, 132, 133 and 134 as a consequence of AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the company's accounting policies and has no effect on the amounts reported for the current or prior half-years. However, the application of AASB 2011-9 has resulted in changes to the company's presentation of, or disclosure in, its half-year financial statements. AASB 2011-9 introduces new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss. The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

2 Investments in Associates

An associate is an entity over which the company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the company's share of the profit or loss and other comprehensive income of the associate. When the company's share of losses of an associate exceeds the company's interest in that associate, the company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the company has incurred legal or constructive obligations or made payments on behalf of the associate.

On 31 December 2012, the company acquired a 29.31% interest in Penrose Club Holdings Limited, an unlisted public company incorporated in Australia and engaged in property ownership. The consideration for the acquisition was \$525,500 funded primarily by a placement of shares in Winpar Holdings Limited.

Notes to the Financial Statements

For the Half-Year Ended 31 December 2012

3 Dividends

The following dividends were declared and paid

Fully franked ordinary dividend of 2 cents (2011: 2 cents) per share paid on 30 October 2012

31 December 2012	31 December 2011
\$	\$
70,431	70,485

4 Segment Reporting

The company operates in Australia as an investment company.

5 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.

6 Subsequent Events

Since 31 December 2012 to the date of this report there have been no events specific to the company of which the Directors are aware which have had a material effect on the company or its financial position.

7 Key Management and Personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

Winpar Holdings Limited

ABN #1 003 035 523

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance of the directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors

Director

Steven Shane Pritchard

Director

Gordon Bradley Elkington

Dated 14 March 2013

**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 2012, and the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the period ended on that date, a statement of accounting policies, other explanatory notes and the directors' declaration of the company.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with 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 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 Australian Auditing Standard on Review Engagements ASRE 2410 *Review of 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 Winpar Holdings Limited's financial position at 31 December 2012 and its performance for the period 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 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 audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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:

(i) giving a true and fair view of the Winpar Holdings Limited's financial position as at 31 December 2012 and of its performance for the period ended on that date; and

(ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



FORSYTHES ASSURANCE & RISK



MJ Matthews
Partner

Chartered Accountants
Newcastle, 14 March 2013