

Winpar Holdings Limited

ABN 81 003 035 523

Interim Report

Half year ended 31 December 2013

Winpar Holdings Limited
ABN 81 003 035 523

Directors' Report

31 December 2013

The directors present their report together with the accounts of Winpar Holdings Limited for the half year ended 31 December 2013.

DIRECTORS

The following persons have held office as directors during or since the end of the half-year ended 31 December 2013:

Gordon Bradley Elkington
John David Honan
Steven Shane Pritchard
Alfred Edward Fulton Rofo

REVIEW OF OPERATIONS

The net profit for the period after provision for income tax was \$118,791 (2012: \$129,703).

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 2013 the company paid a fully franked dividend of 2 cents per share to members registered as at 16 October 2013. The total amount of the dividend was \$80,740.

AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration for the half year ended 31 December 2013 is set out on page 3.

Signed on 28 February 2014 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 2013, 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, 28 February 2014

Winpar Holdings Limited
ABN 81 003 035 523

Statement of Profit or Loss and other Comprehensive Income

For the half year ended 31 December 2013

	Note	31 December 2013 \$	31 December 2012 \$
Sale of financial assets held-for-trading	2	150,419	58,459
Cost of sales		(160,821)	(134,832)
Gross loss		(10,402)	(76,373)
Other revenue from ordinary activities	2	242,110	425,441
Finance costs		(688)	(518)
Administration expenses		(28,790)	(69,754)
Occupancy expenses		(8,450)	(2,860)
Other expenses from ordinary activities		(36,790)	(81,323)
Share of loss of an associate		(9,272)	-
Profit / (loss) before income tax		147,718	194,613
Income tax expense		(28,927)	(64,910)
Profit / (loss) from continuing operations		118,791	129,703
Profit / (loss) for the period		118,791	129,703
Other comprehensive income			
Net gain / (loss) on revaluation of financial assets		317,749	39,249
Income tax relating to components of other comprehensive income		(95,325)	(11,776)
Other comprehensive income / (loss) for the period net of tax		222,424	27,473
Total comprehensive income / (loss)		341,215	157,176
Earnings per share			
Basic earnings per share		\$0.03	\$0.04

The accompanying notes form part of these condensed financial statements.

Winpar Holdings Limited
ABN 81 003 035 523

Statement of Financial Position

As at 31 December 2013

	31 December 2013 \$	30 June 2013 \$
ASSETS		
Current assets		
Cash and cash equivalents	90,985	113,064
Trade and other receivables	114,079	7,557
Financial assets (fair value through income)	310,485	356,190
Other assets	4,454	-
Total current assets	520,003	476,811
Non-current assets		
Financial assets	3,431,729	3,124,167
Investments in associates	668,416	629,839
Plant and equipment	1,475	1,818
Deferred tax assets	57,708	170,894
Total non-current assets	4,159,328	3,926,718
Total assets	4,679,331	4,403,529
LIABILITIES		
Current liabilities		
Trade and other payables	122,619	126,967
Current tax payable	25,706	15,490
Borrowings	23,927	14,468
Total current liabilities	172,252	156,925
Non-current liabilities	-	-
Total liabilities	172,252	156,925
Net assets	4,507,079	4,246,604
EQUITY		
Issued capital	4,037,011	4,037,011
Reserves	(75,922)	(298,346)
Retained earnings	545,990	507,939
Total equity	4,507,079	4,246,604

The accompanying notes form part of these condensed financial statements.

Winpar Holdings Limited
ABN 81 003 035 523

Statement of Changes in Equity

For the half year ended 31 December 2013

	Ordinary Shares \$	Retained Earnings \$	Financial Assets Reserve \$	Total \$
Balance at 1 July 2013	4,037,011	507,939	(298,346)	4,246,604
Profit / (loss) for the period	-	118,791	-	118,791
Transactions with owners in their capacity as owners				
Dividends provided for or paid	-	(80,740)	-	(80,740)
Shares issued during the period	-	-	-	-
Revaluation of available-for-sale financial assets (net of tax)	-	-	222,424	222,424
Sub-total	-	38,051	222,424	260,475
Balance at 31 December 2013	4,037,011	545,990	(75,922)	4,507,079

	Ordinary Shares \$	Retained Earnings \$	Assets Reserve \$	Total \$
Balance at 1 July 2012	3,521,511	604,741	(341,572)	3,784,680
Profit / (loss) for the period	-	129,703	-	129,703
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
Revaluation of available-for-sale financial assets (net of tax)	-	-	27,473	27,473
Sub-total	515,500	59,272	27,473	602,245
Balance at 31 December 2012	4,037,011	664,013	(314,099)	4,386,925

The accompanying notes form part of these condensed financial statements.

Winpar Holdings Limited
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Statement of Cash Flows

For the half year ended 31 December 2013

	31 December 2013 \$	31 December 2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from the sale of financial assets held at fair value	204,078	58,459
Payments to suppliers and employees	(237,426)	(204,269)
Other investment income	50,628	79,721
Income tax refund (paid)	(850)	58,269
Net cash provided by operating activities	16,430	(7,820)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of available-for-sale financial assets	261,305	8,038
Purchase of available-for-sale financial assets	(180,683)	-
Additional interests acquired in associate	(47,850)	(525,500)
Net cash provided by investing activities	32,772	(517,462)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issue	-	515,500
Dividends paid	(80,740)	(70,431)
Proceeds from borrowings	9,459	518
Net cash provided by financing activities	(71,281)	445,587
Net (decrease)/increase in cash and cash equivalents held	(22,079)	(79,695)
Cash and cash equivalents at beginning of period	113,064	154,009
Cash and cash equivalents at end of period	90,985	74,314

The accompanying notes form part of these condensed financial statements.

Winpar Holdings Limited
ABN 81 003 035 523

Notes to the Financial Statements

For the half year ended 31 December 2013

1. Significant Accounting Policies

Statement of Compliance

The condensed interim report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards 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 condensed interim 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 stated.

The condensed interim 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 2013, together with any public announcements made during the half year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies and methods of computation adopted in the preparation of the condensed interim financial report are consistent with those adopted and disclosed in the company's 2013 annual financial report for the year ended 30 June 2013.

New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the company from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company.

AASB 12 *Disclosure of Interests in Other Entities*

The company has applied AASB 12 from 1 July 2013. The standard contains the entire disclosure requirement associated with interests in other entities: subsidiaries, joint arrangements (joint operations or joint ventures), associates and unconsolidated structured entities. It has significantly enhanced the disclosure requirements, when compared to the standards that have been replaced.

Winpar Holdings Limited
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Notes to the Financial Statements

For the half year ended 31 December 2013

1. Significant Accounting Policies (continued)

New, revised or amending Accounting Standards and Interpretations adopted (continued)

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

The company has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

AASB 127 Separate Financial Statements (Revised), AASB 128 Investments in Associates and Joint Ventures (Reissued) and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standard

The company has applied AASB 127, AASB 128 and AASB 2011-7 from 1 July 2013. AASB 127 and AASB 128 have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12 and AASB 2011-7 makes numerous consequential changes to a range of Australian Accounting Standards and Interpretations. AASB 128 has also been amended to include the application of the equity method to investments in joint ventures.

AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities

The company has applied AASB 2012-2 amendments from 1 July 2013. The amendments enhance AASB 7 'Financial Instruments: Disclosures' and requires entities to disclose information about rights of set-off and related arrangements, such as collateral agreements. The amendments apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

The company has applied AASB 2012-5 from 1 July 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing costs exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities.

AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments

The company has applied AASB 2012-10 amendments from 1 July 2013, which amends AASB 10 and related standards for the transition guidance relevant to the initial application of those standards. The amendments clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments.

Winpar Holdings Limited
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Notes to the Financial Statements

For the half year ended 31 December 2013

2. Revenue

	31 December 2013 \$	31 December 2012 \$
Revenue		
- Sale of financial assets held for trading	150,419	58,459
Other revenue		
- Interest income	477	2,650
- Dividends received	57,364	64,534
- Trust distributions received	11,676	4,710
- Foreign income received	12,707	8,429
- Other income	1,810	-
- Other financial assets at fair value through profit or loss	146,164	344,933
- Gain on exchange differences	11,912	185
	242,110	425,441
Total revenue	392,529	483,900

3. Dividends

The following dividends were declared and paid:

Fully franked ordinary dividend of 2 (2012: 2 cents) cents per share paid on 30 October 2013	80,740	70,431
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4. Segment Reporting

The company operates in Australia as an investment company.

5. Contingent Liabilities

As at the date of this report no contingent liabilities exist that the Directors are aware of.

6. Subsequent Events

Since 31 December 2013 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
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Directors' Declaration


The Directors of the Company declare:

- (a) in the Directors' opinion the financial statements and notes, as set out on pages 4 to 10:
 - (i) comply with Accounting Standards, the Corporations Regulations and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the Company's financial position as at 31 December 2013 and of its performance for the half year ended on that date;
- (b) that 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 pursuant to s.303 (5) of the *Corporations Act 2001* and is signed on behalf of the Directors.



Steven Shane Pritchard
Director



Gordon Bradley Elkington
Director

28 February 2014

**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 statement of financial position as at 31 December 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 2013 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 2013 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, 28 February 2014