

# **Winpar Holdings Limited**

**ABN 81 003 035 523**

## **Interim Report**

**Half year ended 31 December 2015**

**Winpar Holdings Limited**  
**ABN 81 003 035 523**

## Directors' Report

31 December 2015

The directors present their report together with the accounts of Winpar Holdings Limited for the half year ended 31 December 2015.

### DIRECTORS

The following persons have held office as directors during and since the end of the half-year ended 31 December 2015:

Alfred Edward Fulton Rofe  
 Gordon Bradley Elkington  
 John David Honan  
 Steven Shane Pritchard  
 David George Maxwell Welsh  
 William Lewis Timms (retired 19 November 2015)  
 Francis Ian Malcolm (appointed 19 November 2015)

### REVIEW OF OPERATIONS

The net loss for the period after provision for income tax was \$7,055 (2014: profit of \$57,625). Comprehensive loss for the period was \$151,518 compared with comprehensive income of \$154,714 for the half year ended 31 December 2014.

Winpar is a long term value investor and does not engage in share trading. 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.

The net asset backing of the shares at balance date was \$0.99 (30 June 2015: \$1.05).

### DIVIDENDS

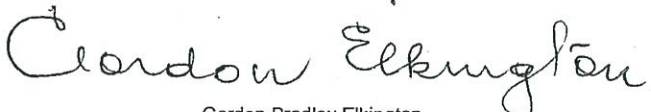
On 30 December 2015 the company paid a fully franked dividend of 2 cents per share to members registered as at 15 December 2015. The total amount of the dividend was \$81,810 of which \$46,196 was paid in cash and \$35,614 was reinvested in new shares under Winpar's dividend reinvestment plan.

### AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the half year ended 31 December 2015 is set out on page 3.

Signed on 10 March 2016 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 2015, 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.



**PKF**  
Chartered Accountants

Newcastle

Dated: 10 March 2016



**Martin Matthews**  
Partner

Winpar Holdings Limited  
ABN 81 003 035 523

## Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2015

	Note	31 December 2015			31 December 2014		
		Revenue \$	Capital \$	Total \$	Revenue \$	Capital \$	Total \$
Net gains / (losses) for the period on securities realised in the investment portfolio		-	136,286	136,286	-	2,607	2,607
Other revenue from ordinary activities	2	79,175	-	79,175	172,996	-	172,996
Finance costs		(1,353)	-	(1,353)	(1,324)	-	(1,324)
Administration expenses		(30,096)	-	(30,096)	(21,979)	-	(21,979)
Legal expenses		(171,119)	-	(171,119)	(50,656)	-	(50,656)
Occupancy expenses		(9,656)	-	(9,656)	(9,612)	-	(9,612)
Other expenses from ordinary activities		(32,653)	-	(32,653)	(29,102)	-	(29,102)
Share of loss of associate		(5,387)	-	(5,387)	(6,745)	-	(6,745)
<b>(Loss)/profit before income tax</b>		<b>(171,089)</b>	<b>136,286</b>	<b>(34,803)</b>	<b>53,578</b>	<b>2,607</b>	<b>56,185</b>
Income tax benefit / (expense)		68,634	(40,886)	27,748	2,222	(782)	1,440
<b>(Loss)/profit from continuing operations</b>		<b>(102,455)</b>	<b>95,400</b>	<b>(7,055)</b>	<b>55,800</b>	<b>1,825</b>	<b>57,625</b>
<b>(Loss)/profit for the period</b>		<b>(102,455)</b>	<b>95,400</b>	<b>(7,055)</b>	<b>55,800</b>	<b>1,825</b>	<b>57,625</b>
<b>Other comprehensive income</b>							
Net (loss) / gain on revaluation of financial assets		-	(206,376)	(206,376)	-	138,699	138,699
Income tax relating to components of other comprehensive income		-	61,913	61,913	-	(41,610)	(41,610)
<b>Other comprehensive income for the period net of tax</b>		<b>-</b>	<b>(144,463)</b>	<b>(144,463)</b>	<b>-</b>	<b>97,089</b>	<b>97,089</b>
<b>Total comprehensive income</b>		<b>(102,455)</b>	<b>(49,063)</b>	<b>(151,518)</b>	<b>55,800</b>	<b>98,914</b>	<b>154,714</b>
<b>Earnings per share</b>							
Basic earnings per share				\$0.00			\$0.03

The accompanying notes form part of these financial statements.

Winpar Holdings Limited  
ABN 81 003 035 523

# Statement of Financial Position

As at 31 December 2015

	31 December 2015 \$	30 June 2015 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	49,640	85,045
Trade and other receivables	38,646	64,719
Current tax receivable	31	848
Other assets	5,554	-
<b>Total current assets</b>	<b>93,871</b>	<b>150,612</b>
<b>Non-current assets</b>		
Financial assets	3,342,360	3,649,981
Investment in associate	695,107	700,494
Plant and equipment	575	709
Deferred tax assets	187,402	97,744
<b>Total non-current assets</b>	<b>4,225,444</b>	<b>4,448,928</b>
<b>Total assets</b>	<b>4,319,315</b>	<b>4,599,540</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	55,499	289,033
Borrowings	151,182	159
<b>Total current liabilities</b>	<b>206,681</b>	<b>289,192</b>
<b>Non-current liabilities</b>	-	-
<b>Total liabilities</b>	<b>206,681</b>	<b>289,192</b>
<b>Net assets</b>	<b>4,112,634</b>	<b>4,310,348</b>
<b>EQUITY</b>		
Issued capital	4,126,207	4,090,593
Reserves	(206,133)	(61,670)
Retained earnings	192,560	281,425
<b>Total equity</b>	<b>4,112,634</b>	<b>4,310,348</b>

The accompanying notes form part of these financial statements.



Winpar Holdings Limited  
ABN 81 003 035 523

## Statement of Changes in Equity

For the half year ended 31 December 2015

	Ordinary Shares \$	Retained Earnings \$	Financial Assets Reserve \$	Total \$
<b>Balance at 1 July 2015</b>	<b>4,090,593</b>	<b>281,425</b>	<b>(61,670)</b>	<b>4,310,348</b>
(Loss) / profit for the period	-	(7,055)	-	(7,055)
<b>Transactions with owners in their capacity as owners</b>				
Dividends provided for or paid	-	(81,810)	-	(81,810)
Shares issued during the period	35,614	-	-	35,614
Revaluation of available-for-sale financial assets (net of tax)	-	-	(144,463)	(144,463)
<b>Sub-total</b>	<b>35,614</b>	<b>(88,865)</b>	<b>(144,463)</b>	<b>(197,714)</b>
<b>Balance at 31 December 2015</b>	<b>4,126,207</b>	<b>192,560</b>	<b>(206,133)</b>	<b>4,112,634</b>

	Ordinary Shares \$	Retained Earnings \$	Financial Assets Reserve \$	Total \$
<b>Balance at 1 July 2014</b>	<b>4,037,011</b>	<b>479,698</b>	<b>(167,225)</b>	<b>4,349,484</b>
Profit / (loss) for the period	-	57,625	-	57,625
<b>Transactions with owners in their capacity as owners</b>				
Dividends provided for or paid	-	(80,740)	-	(80,740)
Revaluation of available-for-sale financial assets (net of tax)	-	-	97,089	97,089
<b>Sub-total</b>	<b>-</b>	<b>(23,115)</b>	<b>97,089</b>	<b>73,974</b>
<b>Balance at 31 December 2014</b>	<b>4,037,011</b>	<b>456,583</b>	<b>(70,136)</b>	<b>4,423,458</b>

The accompanying notes form part of these financial statements.

Winpar Holdings Limited  
ABN 81 003 035 523

## Statement of Cash Flows

For the half year ended 31 December 2015

	31 December 2015 \$	31 December 2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(483,832)	(153,486)
Other investment income	101,843	175,480
Income tax refund	821	-
Net cash (used in) / provided by operating activities	(381,168)	21,994
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of available-for-sale financial assets	369,507	193,706
Purchase of available-for-sale financial assets	(128,571)	(157,199)
Net cash provided by investing activities	240,936	36,507
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(46,196)	(80,740)
Proceeds from borrowings	151,023	31,954
Net cash provided by / (used in) financing activities	104,827	(48,786)
Net (decrease) / increase in cash and cash equivalents held	(35,405)	9,715
Cash and cash equivalents at beginning of period	85,045	72,389
Cash and cash equivalents at end of period	49,640	82,104

The accompanying notes form part of these financial statements.

Winpar Holdings Limited  
ABN 81 003 035 523

# Notes to the Financial Statements

For the half year ended 31 December 2015

## 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 2015, 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 2015 annual financial report for the year ended 30 June 2015. To enhance and provide greater clarity to users on the company's results the Statement of Profit or Loss and Other Comprehensive Income has been presented with separate revenue and capital columns.

### Excess of current liabilities over current assets

At 31 December 2015, the company had current assets of \$93,871 and current liabilities of \$206,681, a deficiency of \$112,810. The condensed interim financial report has been prepared on a going concern basis, which contemplates the realisation of assets and satisfaction of liabilities in the ordinary course of business. The directors will realise a portion of the company's investment portfolio to enable the company to meet any debts as and when they fall due and payable if required. It is on this basis that the going concern assumption is considered appropriate.

### 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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.



Winpar Holdings Limited  
ABN 81 003 035 523

# Notes to the Financial Statements

For the half year ended 31 December 2015

## 2. Revenue

	31 December 2015 \$	31 December 2014 \$
Other revenue		
- Interest income	511	564
- Dividends received	60,892	147,623
- Trust distributions received	1,436	6,371
- Foreign income received	13,651	12,010
- Other income	3,753	1,185
- (Loss) / gain on exchange differences	(1,068)	5,243
<b>Total revenue</b>	<b>79,175</b>	<b>172,996</b>

## 3. Dividends

The following dividends were declared and paid:

Fully franked ordinary dividend of 2 cents (2014: 2 cents) per share paid on 30 December 2015

	<b>81,810</b>	80,740

## 4. Segment Reporting

The company operates in Australia as an investment company.

## 5. Contingent Liabilities

Winpar is one of 12 defendants in proceedings commenced in the Supreme Court of Tasmania by Baron Corporation Pty Limited ("Baron"), which is seeking an order under section 664F of the *Corporations Act* for approval of the acquisition by Baron of shares held by Winpar in New Bounty Pty Limited at \$0.01 per share. Winpar has written off costs in the proceedings as they have been incurred, but expects to recover some of these costs from Baron under section 664F(4) of the *Corporations Act*. Section 664F(4) also requires Baron to bear its own costs.

## 6. Subsequent Events

Since 31 December 2015, there has been a correction in Australian and global equity markets which has adversely affected the valuation of the company's investment portfolio.

Other than the event mentioned, there have been no other 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.

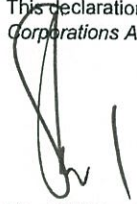
Winpar Holdings Limited  
ABN 81 003 035 523

## Directors' Declaration

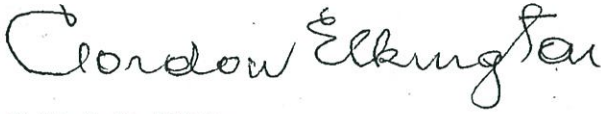
The Directors of the Company declare that:

- (a) in the Directors' opinion the financial statements and notes, as set out on pages 4 to 9, are in accordance with the *Corporations Act 2001* and:
  - (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 2015 and of its performance for the half year ended on that date;
- (b) 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

10 March 2016

## 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 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

### Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### 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 the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Australian 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.

PKF(NS) Audit & Assurance Limited  
Partnership  
ABN 61 620 934 600

Liability limited by a scheme  
approved under Professional  
Standards Legislation

Sydney  
Level 6, 1 O'Connell Street  
Sydney NSW 2000 Australia  
GPO Box 5446 Sydney NSW 2001  
p +61 2 9346 0000  
f +61 2 9346 0099

Newcastle  
755 Hunter Street  
Newcastle West NSW 2302 Australia  
PO Box 2368 Dangar NSW 2309  
p +61 2 4962 2688  
f +61 2 4962 3245

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

**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 of the company's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (ii) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.



**PKF**  
Chartered Accountants

Newcastle

Dated: 10 March 2016



**Martin Matthews**  
Partner