

# **Winpar Holdings Limited**

**ABN 81 003 035 523**

## **Annual Report**

**For the Financial Year Ended 30 June 2017**

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

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Winpar Holdings Limited  
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## Chief Executive Officer's Report

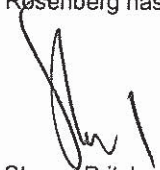
30 June 2017

There has been no significant change in the nature of the company's activities during the course of the year. The company has continued to develop its defensive portfolio of listed and unlisted securities and remains largely debt-free.

The company made a profit of \$157,903 during the year compared to \$124,642 last year. The net asset backing of the shares as at 30 June 2017 was 98 cents compared to 96 cents last year.

On 31 August 2016 an associated company, Penrose Club Holdings Limited, in which Winpar holds a 40 percent interest and whose principal asset was a property in the southern highlands of New South Wales, sold the property for \$2.6 million. The sale was settled on 18 April 2017, and the company's only asset is now cash on deposit.

Winpar has continued to have the encouragement and support of many of its shareholders. These include Messrs Bruce Wareham, Peter Martin, Nick Lucas, Gerry Pauley, Trevin Love, Peter Norman, Tony O'Brien, Don Willing, Ian Meggitt and Dr Peter Donovan. Mr Peter Allen has continued to assist the company with its English investments, and Mr Anton Rosenberg has also been helpful with the company's investment in Penrose.



Steven Pritchard  
Chief Executive Officer

**Winpar Holdings Limited**  
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# Directors' Report

30 June 2017

The directors present their report together with the accounts of Winpar Holdings Limited for the financial year ended 30 June 2017.

## DIRECTORS

The following persons have held office as directors during the financial year and since the end of the financial year:

Alfred Edward Fulton Rofe  
 Gordon Bradley Elkington  
 John David Honan  
 Steven Shane Pritchard  
 David George Maxwell Welsh  
 Francis Ian Malcolm

## SECRETARY

The secretary has been Gordon Bradley Elkington during the financial year and since the end of the financial year.

## INFORMATION ABOUT DIRECTORS AND SECRETARY

Alfred Edward Fulton Rofe, AM, BA, LL.M, Grad Dip Corp Sec Law (Sydney), B Com (UNSW), FCPA, F Fin, ACIS

Mr Rofe is the chairman of the company and a member of the Audit Committee. He practised as a solicitor of the Supreme Court of New South Wales from 1964 to 1997, and lectured in financial accounting at the University of New South Wales from 1974 to 1998. He has served on a number of government committees, and was formerly a member of the Financial Reporting Panel. He was chairman of the Australian Shareholders Association for many years, and in 2002 was appointed as a Member of the Order of Australia for services to the finance industry and the protection of the rights and interests of investors. He has been a director of the Company since 2007.

Gordon Bradley Elkington, BSc (Hons), MSc, Ph D, LL.M

Dr Elkington is a barrister of the Supreme Court of New South Wales. He is a director of Pritchard Equity Limited, Hamilton Securities Limited, Penrose Club Holdings Limited and City West Community Financial Services Limited. He has been a director of the company since 1994.

John David Honan, BA, MA, F Fin

Mr Honan has had many years experience in finance and investment. He has been an associate director and the Chief Economist of Ausbil Dexia Limited, and has also lectured and examined for the Securities Institute of Australia. He has been a director of the company since 2001, and is a member of the Audit Committee.

Steven Shane Pritchard, B Com, CPA, F Fin

Mr Pritchard is the Chief Executive Officer. He is a Certified Practising Accountant and is the principal of the Newcastle based accounting firm Rees Pritchard Pty Limited. He is a director of Illuminator Investment Company Limited, Florin Mining Investment Company Limited, Hamilton Securities Limited, Penrose Club Holdings Limited, Pritchard Equity Limited and South Pacific Stock Exchange Limited. He has been a director of the company since 2003.

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# Directors' Report

30 June 2017

## INFORMATION ABOUT DIRECTORS AND SECRETARY CONTINUED

David George Maxwell Welsh, MBBS, FRACGP, ASIA, DFS

Dr Welsh is a medical practitioner with post graduate qualifications in finance and investment. He was formerly a director of Stokes Australasia Limited. He was appointed as a director of the company on 5 June 2014.

Francis Ian Malcolm, MBA

Mr Malcolm has had over 20 years' experience in the securities industry as a private client advisor, and has been an executive director of several Westpac subsidiaries. He is a director and general manager of stockbroking firm OpenMarkets.

## DIRECTORS INTERESTS IN THE COMPANY

As at 31 August 2017 the directors who hold office held the following relevant interests in shares in the company.

	<b>Shares held directly</b>	<b>Shares held indirectly</b>
Gordon Elkington	511,802	-
John Honan	-	37,838
Steven Pritchard	-	421,680
Alfred Rofe	18,031	-
David Welsh	977,268	-
Francis Ian Malcolm	-	50,222

Mrs Milly Elkington, the wife of Dr Gordon Elkington, holds 269,148 shares in the company.

## DIRECTORS MEETINGS ATTENDED

There were 11 directors meetings held during the financial year. Attendances at these meetings were as follows:

Gordon Elkington	11
John Honan	11
Steven Pritchard	11
Alfred Rofe	11
David Welsh	9
Francis Ian Malcolm	9

There were two meetings of the audit committee held during the financial year. Attendances at these meetings were as follows:

John Honan	2
Alfred Rofe	2

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# Directors' Report

30 June 2017

## PRINCIPAL ACTIVITIES

The principal activity in which the company was engaged during the financial year was investment in shares and other securities. There was no change in the nature of these activities during the year.

The investment portfolio as at 30 June 2017 is set out on pages 35-38. The investments making up this portfolio are considered to be long term investments, and are not intended to be traded.

## REVIEW OF OPERATIONS

The net profit for the year after provision for income tax was \$157,903 (2016: \$124,642).

The company has continued to maintain a margin account for special purposes, otherwise the company remains largely debt free.

The net asset backing of the shares at balance date was \$0.98. The company retains a high level of franking credits.

## DIVIDENDS

On 7 November 2016 the company paid a fully franked dividend of 2 cents per share to members registered as at 17 October 2016. The total amount of the dividend was \$83,218 of which \$47,662 was paid in cash and \$35,556 was reinvested in new shares under the company's dividend reinvestment plan.

On 31 May 2017 the company paid a fully franked dividend of 2 cents per share to members registered as at 10 May 2017. The total amount of the dividend was \$83,922 of which \$28,698 was paid in cash and \$55,224 was reinvested in new shares under the company's dividend reinvestment plan.

## EVENTS SUBSEQUENT TO BALANCE DATE

There has been no event subsequent to year end which requires disclosure.

**Winpar Holdings Limited**  
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# Directors' Report

30 June 2017

## REMUNERATION REPORT

At the annual general meeting for 2007 held on 29 November 2007, shareholders approved an annual payment of non-executive directors fees to a limit of \$25,000. During the financial year non-executive directors fees were paid or accrued as follows.

Director	Fee	Superannuation	Total
	\$	\$	\$
Steven Pritchard	-	4,166	4,166
Alfred Rofe	4,167	-	4,167
Gordon Elkington	-	4,166	4,166
John Honan	-	4,167	4,167
David Welsh	-	4,167	4,167
Francis Malcolm	4,167	-	4,167
Total	8,334	16,666	25,000

No other fees were paid to directors.

## INDEMNITIES

No indemnification agreements have been entered into and no insurance premiums have been paid in respect of officers or auditors of the company during the financial year.

## PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of the court to bring proceedings on behalf of the company or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

## CORPORATE GOVERNANCE

The board is responsible for ensuring that the company is properly managed so that shareholders interests are protected and enhanced, disclosure and reporting obligations are complied with, and conflicts of interest are avoided. To this end the board has delineated the functions of its officers and management, and regularly reviews the company's financial position and financial performance.

The board has established an audit committee consisting of non-executive directors. The committee reviews the company's accounts independently of management.

Winpar Holdings Limited  
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## Directors' Report

30 June 2017

### AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2017 is set out on page 8.

### NON AUDIT SERVICES

Details of the auditor's remuneration for auditing the company's accounts are set out in note 17 to the accounts. No amounts have been paid or are payable to the auditor for non-audit services.

### ENVIRONMENTAL REGULATION

The company's operations are not subject to any particular significant environmental regulation under any law of the Commonwealth or any State or Territory.

Signed on 11 September 2017 in accordance with a resolution of the Board of Directors.



Steven Shane Pritchard  
Director



Gordon Bradley Elkington  
Director



Winpar Holdings Limited

ACN: 003 035 523

### Auditor's Independence Declaration under section 307C of the Corporations Act 2001

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Winpar Holdings Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.



PKF



SCOTT TOBUTT  
PARTNER

11 SEPTEMBER 2017  
SYDNEY, NSW

**PKF(NS) Audit & Assurance Limited Partnership Sydney**

ABN 91 850 861 839  
Liability limited by a scheme  
approved under Professional  
Standards Legislation

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Winpar Holdings Limited  
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# Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 30 June 2017

	Note	30 June 2017			30 June 2016		
		Revenue \$	Capital \$	Total \$	Revenue \$	Capital \$	Total \$
Net gains for the period on securities realised in the investment portfolio		-	84,815	84,815	-	220,547	220,547
Other revenue from ordinary activities	2	216,154	-	216,154	124,458	-	124,458
Finance costs	3	(11,830)	-	(11,830)	(5,923)	-	(5,923)
Administration expenses		(65,638)	-	(65,638)	(46,954)	-	(46,954)
Legal expenses		-	-	-	(171,119)	-	(171,119)
Occupancy expenses		(19,613)	-	(19,613)	(20,151)	-	(20,151)
Other expenses from ordinary activities	3	(61,967)	-	(61,967)	(62,637)	-	(62,637)
Share of profit of associate	10	7,797	-	7,797	107,214	-	107,214
<b>Profit/(loss) before income tax</b>		<b>64,903</b>	<b>84,815</b>	<b>149,718</b>	<b>(75,112)</b>	<b>220,547</b>	<b>145,435</b>
Income tax benefit / (expense)	4	33,630	(25,445)	8,185	45,371	(66,164)	(20,793)
<b>Profit/(loss) from continuing operations</b>		<b>98,533</b>	<b>59,370</b>	<b>157,903</b>	<b>(29,741)</b>	<b>154,383</b>	<b>124,642</b>
<b>Profit/(loss) for the period</b>		<b>98,533</b>	<b>59,370</b>	<b>157,903</b>	<b>(29,741)</b>	<b>154,383</b>	<b>124,642</b>
<b>Other comprehensive income</b>							
Net gain / (loss) on revaluation of financial assets		-	150,627	150,627	-	(498,411)	(498,411)
Income tax (expense) / benefit relating to components of other comprehensive income		-	(45,188)	(45,188)	-	149,523	149,523
<b>Other comprehensive income for the period net of tax</b>		<b>-</b>	<b>105,439</b>	<b>105,439</b>	<b>-</b>	<b>(348,888)</b>	<b>(348,888)</b>
<b>Total comprehensive income</b>		<b>98,533</b>	<b>164,809</b>	<b>263,342</b>	<b>(29,741)</b>	<b>(194,505)</b>	<b>(224,246)</b>
<b>Earnings per share</b>							
Basic earnings per share	5			<b>\$0.04</b>			<b>\$0.03</b>

The accompanying notes form part of these financial statements.

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# Statement of Financial Position

As at 30 June 2017

	Note	30 June 2017 \$	30 June 2016 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	135,674	121,627
Trade and other receivables	7	171,049	53,348
Current tax receivable	8(a)	30	31
Other assets		1,125	-
<b>Total current assets</b>		<b>307,878</b>	<b>175,006</b>
<b>Non-current assets</b>			
Financial assets	9	2,974,545	2,945,580
Investment in associate	10	1,003,697	807,708
Plant and equipment		291	444
Deferred tax assets	8(b)	189,469	226,470
<b>Total non-current assets</b>		<b>4,168,002</b>	<b>3,980,202</b>
<b>Total assets</b>		<b>4,475,880</b>	<b>4,155,208</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	89,371	33,217
Borrowings	12	207,701	130,166
<b>Total current liabilities</b>		<b>297,072</b>	<b>163,383</b>
<b>Non-current liabilities</b>		-	-
<b>Total liabilities</b>		<b>297,072</b>	<b>163,383</b>
<b>Net assets</b>		<b>4,178,808</b>	<b>3,991,825</b>
<b>EQUITY</b>			
Issued capital	13	4,251,430	4,160,650
Reserves	15	(195,083)	(300,522)
Retained earnings		122,461	131,697
<b>Total equity</b>		<b>4,178,808</b>	<b>3,991,825</b>

The accompanying notes form part of these financial statements.

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# Statement of Changes in Equity

For the Financial Year Ended 30 June 2017

	Note	Ordinary Shares \$	Retained Earnings \$	General Reserve \$	Financial Assets Reserve \$	Total \$
<b>Balance at 1 July 2016</b>		<b>4,160,650</b>	<b>131,697</b>	<b>110,036</b>	<b>(410,558)</b>	<b>3,991,825</b>
Profit for the period		-	157,903	-	-	157,903
Transfer to general reserve		-	-	-	-	-
Dividends provided for or paid	14	-	(167,139)	-	-	(167,139)
Shares issued during the period	13	90,780	-	-	-	90,780
Revaluation of available-for-sale financial assets (net of tax)		-	-	-	105,439	105,439
<b>Sub-total</b>		<b>90,780</b>	<b>(9,236)</b>	<b>-</b>	<b>105,439</b>	<b>186,983</b>
<b>Balance at 30 June 2017</b>		<b>4,251,430</b>	<b>122,461</b>	<b>110,036</b>	<b>(305,119)</b>	<b>4,178,808</b>

		Ordinary Shares \$	Retained Earnings \$	General Reserve \$	Financial Assets Reserve \$	Total \$
<b>Balance at 1 July 2015</b>		4,090,593	281,425	-	(61,670)	4,310,348
Profit for the period		-	124,642	-	-	124,642
Transfer to general reserve		-	(192,560)	192,560	-	-
Dividends provided for or paid	14	-	(81,810)	(82,524)	-	(164,334)
Shares issued during the period	13	70,057	-	-	-	70,057
Revaluation of available-for-sale financial assets (net of tax)		-	-	-	(348,888)	(348,888)
<b>Sub-total</b>		<b>70,057</b>	<b>(149,728)</b>	<b>110,036</b>	<b>(348,888)</b>	<b>(318,523)</b>
<b>Balance at 30 June 2016</b>		<b>4,160,650</b>	<b>131,697</b>	<b>110,036</b>	<b>(410,558)</b>	<b>3,991,825</b>

The accompanying notes form part of these financial statements.

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# Statement of Cash Flows

**For the Financial Year Ended 30 June 2017**

	<b>Note</b>	<b>30 June 2017 \$</b>	<b>30 June 2016 \$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		<b>(92,036)</b>	(556,410)
Other investment income		<b>98,454</b>	129,491
Finance costs		<b>(11,830)</b>	(5,923)
Income tax refund		-	817
Net cash provided by / (used in) operating activities	<b>16(b)</b>	<b>(5,412)</b>	(432,025)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of available-for-sale financial assets		<b>381,277</b>	716,467
Purchase of available-for-sale financial assets		<b>(362,994)</b>	(283,590)
Net cash provided by investing activities		<b>18,283</b>	432,877
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		<b>(76,359)</b>	(94,277)
Proceeds from borrowings		<b>77,535</b>	130,007
Net cash provided by financing activities		<b>1,176</b>	35,730
Net increase in cash and cash equivalents held		<b>14,047</b>	36,582
Cash and cash equivalents at beginning of period		<b>121,627</b>	85,045
Cash and cash equivalents at end of period	<b>16(a)</b>	<b>135,674</b>	121,627

The accompanying notes form part of these financial statements.

**Winpar Holdings Limited**  
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# Notes to the Financial Statements

**For the Financial Year Ended 30 June 2017**

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the company comply with the International Financial Reporting Standards ('IFRS').

### New and revised Accounting Standards

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 is disclosed in the relevant accounting policy.

### Basis of preparation

The financial report has been prepared on the 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.

### Accounting Policies

The following is a summary of the material accounting policies adopted by the company in preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### (a) Investment Portfolio

##### (i) Statement of Financial Position classification

The investment portfolio relates to holdings of securities which the directors intend to retain on a long-term basis.

The investment portfolio is classified as a 'non-current asset'.

Ordinary securities within the investment portfolio are classified as 'financial assets measured at fair value through 'other comprehensive income' in accordance with AASB 9.

##### (ii) Valuation of investment portfolio

Securities, including listed and unlisted shares and notes and options, are initially brought to account at cost, which is the cost of acquisition including transaction costs and are re-valued to market values continuously.

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# Notes to the Financial Statements

For the Financial Year Ended 30 June 2017

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### (a) Investment Portfolio continued

Increments and decrements on Ordinary Securities are recognised as comprehensive income and taken to the Investment Revaluation Reserve.

Where disposal of an investment occurs, any revaluation increment or decrement relating to it is transferred from the Investment Revaluation Reserve to retained earnings.

#### (iii) Income from holding of securities

Distributions relating to listed securities are recognised as income when those securities are quoted on an ex-distribution basis and distributions relating to unlisted securities are recognised as income when received. If the distributions are capital returns on ordinary securities the amount of the distribution is treated as an adjustment to the carrying value of the securities.

### (b) Fair Value of Financial Assets and Liabilities

The fair value of cash and cash equivalents, and non-interest bearing monetary financial assets and liabilities of the company approximates their carrying value.

### (c) Income Tax

The income tax expense (benefit) for the year comprises current income tax expense (benefit) and deferred tax expense (benefit).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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# Notes to the Financial Statements

For the Financial Year Ended 30 June 2017

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### (c) Income Tax continued

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred assets and liabilities relate to income taxes levied by the same taxation authority where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

### (d) Foreign Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rates. Exchange differences arising on the translation of monetary items are recognised in the profit or loss.

### (e) Provisions

Provisions are recognised when the entity has a present (legal or constructive) obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

### (f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

### (g) Revenue and Other Income

Dividends and interest have been brought into account in the profit and loss when received or receivable.

### (h) Borrowing Costs

Borrowing costs are recognised in the profit or loss in the period in which they are incurred.

### (i) Associate Accounting Policy

Associates are entities over which the company has significant influence but not control, generally accompanied by a shareholding of between 20 per cent and 50 per cent of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost in the company's financial statements.



Winpar Holdings Limited  
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# Notes to the Financial Statements

For the Financial Year Ended 30 June 2017

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### (i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

### (j) Comparative Figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

### (k) Segment Reporting

Operating segments are reported using the 'management approach', where the information presented in a manner consistent with the internal reporting used by the Chief Operating Decision Maker ('CODM'). The Board has been identified as the CODM, as it is responsible for allocating resources and assessing performance of the operating segments.

### (l) Earnings per share

#### Basic earnings per share

Basic earnings per share is calculated by dividing the profit of the company by the weighted average number of ordinary shares outstanding during the year.

#### Diluted earnings per share

As there are no options, convertible notes or other dilutive instruments on issue, 'diluted earnings per share' is the same as 'basic earnings per share'. This similarly applies to diluted net operating profit per share.

### (m) Critical Accounting Estimates and Judgments

The preparation of financial reports in conformity with AIFRS requires the use of certain critical accounting estimates. This requires the Board and management to exercise their judgment in the process of applying the company's accounting policies.

The carrying amounts of certain assets and liabilities are determined based on estimates and assumptions of future events. In accordance with AASB 112 Income Taxes, deferred tax benefits have been recognised for Capital Gains Tax (CGT) on the unrealised loss in the Investment Portfolio at current tax rates.

As the directors do not intend to dispose of the portfolio, this tax asset may not be crystallised at the amount disclosed at Note 8. In addition, the tax benefit that arises on disposal of these securities may be impacted by changes in tax legislation relating to treatment of capital gains and the rate of taxation applicable to such gains at the time of disposal.

The company has recognised deferred tax assets in relation to carried forward revenue and capital losses and deductible temporary differences as disclosed in Note 8. The company recognises these assets only if the company considers it is probable that future taxable amounts will be available to utilise these temporary differences and losses. The company intends to not dispose of portfolio assets until there are gains on the investments which the Directors believe will be sufficient to recoup the deferred tax assets.

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# Notes to the Financial Statements

For the Financial Year Ended 30 June 2017

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### (n) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over its expected useful life as follows:

Plant and equipment	3 years
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

### (o) Standards issued but not yet effective

The AASB has issued new and amended accounting standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these Standards. The following summarises those future requirements, and their impact on the Company:

**AASB 9 Financial Instruments – Classification and Measurement** (applicable for annual reporting periods beginning on or after 1 January 2018). AASB 9 introduces new requirements for classifying and measuring financial assets, and new requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

**AASB 15 Revenue from Contracts with Customers**, (applicable for annual reporting periods beginning on or after 1 January 2018). The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The company's main source of income are interest, dividends and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard.

**AASB 16 Leases** (applicable for annual reporting periods beginning on or after 1 January 2019) The AASB has issued a new standard for the recognition of leases. This will replace AASB 117 and some lease-related interpretations. AASB 16 introduces new requirements for accounting for leases "on balance sheet" by lessees, including new disclosure requirements.

The company does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the company's financial statements.

Winpar Holdings Limited  
ABN 81 003 035 523

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2017

## 2. Revenue

	2017 \$	2016 \$
Other revenue		
- Interest income	6,441	914
- Dividends received	125,328	88,044
- Trust distributions received	9,182	2,840
- Foreign income received	20,323	27,441
- Other income	58,215	7,821
- Loss on exchange differences	(3,335)	(2,602)
	<u>216,154</u>	<u>124,458</u>
<b>Total revenue</b>	<u><b>216,154</b></u>	<u><b>124,458</b></u>

## 3. Results for the year

Finance costs:

- external

	11,830	5,923
	<u>11,830</u>	<u>5,923</u>
	<u>61,967</u>	<u>62,637</u>
	<u><b>73,797</b></u>	<u><b>68,560</b></u>

Other expenses from ordinary activities

## 4. Income tax expense

(a) The components of tax expense comprise:

### Current tax expense

Current tax

- -

### Deferred tax expense

Deferred tax

19,072 20,793

Under provision for income tax in prior years

(27,257) -

**Total income tax (benefit) / expense**

**(8,185)** 20,793

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

## Notes to the Financial Statements

For the Financial Year Ended 30 June 2017

### 4. Income tax expense continued

2017	2016
\$	\$

(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

Prima facie tax payable on (loss)/profit from ordinary activities before income tax at 30% (2016: 30%)

42,576	43,631
--------	--------

Less:

Tax effect of:

- rebateable fully franked dividends

(28,040)	(22,830)
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- difference in capital gains

4,250	-
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- tax effective trust distributions received

286	(8)
-----	-----

- under provision for income tax in prior year

(27,257)	-
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Income tax expense / (benefit)

(8,185)	20,793
---------	--------

### 5. Earnings per share

(a) Reconciliation of earnings to profit or loss from continuing operations

Profit/(loss) from continuing operations

157,903	124,642
---------	---------

(b) Earnings used to calculate overall earnings per share

157,903	124,642
---------	---------

(c) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

4,188,078	4,109,624
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(d) Basic earnings per share

Basic earnings per share - cents

4	3
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### 6. Cash and cash equivalents

Cash and cash equivalents

135,674	121,627
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### 7. Trade and other receivables

Trade and other receivables

171,049	53,348
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Winpar Holdings Limited  
ABN 81 003 035 523

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2017

## 8. Tax

	2017 \$	2016 \$
<b>(a) Current Tax Asset</b>		
Current tax	30	31

## (b) Deferred tax assets

	Opening Balance \$	Charged to Income \$	Charged directly to Equity \$	Closing Balance \$
<b>Deferred tax assets</b>				
Financial assets held for trading				
- Accounting	-	-	-	-
- Tax	-	-	-	-
Accruals	4,531	(293)	-	4,238
Deferred tax assets attributable to tax losses	66,782	(20,501)	-	46,281
Capital losses	-	-	-	-
Revaluation reserve	26,431	-	149,523	175,954
<b>Balance at 30 June 2016</b>	<b>97,744</b>	<b>(20,794)</b>	<b>149,523</b>	<b>226,473</b>
Financial assets held for trading				
- Accounting	-	-	-	-
- Tax	-	-	-	-
Accruals	4,238	7,448	-	11,686
Deferred tax assets attributable to tax losses	46,281	736	-	47,017
Capital losses	-	-	-	-
Revaluation reserve	175,954	-	(45,188)	130,766
<b>Balance at 30 June 2017</b>	<b>226,473</b>	<b>8,184</b>	<b>(45,188)</b>	<b>189,469</b>

## 9. Financial assets

	2017 \$	2016 \$
<b>Available-for-sale financial assets comprise:</b>		
<b>NON-CURRENT</b>		
Listed investments, at fair value		
- shares in listed corporations	2,308,535	2,279,570
Unlisted investments, at fair value		
- shares in other corporations	666,010	666,010
<b>Total available-for-sale financial assets</b>	<b>2,974,545</b>	<b>2,945,580</b>

Winpar Holdings Limited  
ABN 81 003 035 523

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2017

## 10. Investments in associates

Interests in associates are accounted for using the equity method of accounting. Information in relating to associates is set out below.

Associate	Principal Activities	Percentage interest	
		2017 %	2016 %
Penrose Club Holdings Limited	Property Ownership	40.06	32.49

Information in relation to the associate is set out below.

	2017 \$	2016 \$
<i>Share of assets and liabilities</i>		
Current assets	1,105,696	1,407
Non current assets	9,214	873,832
Total assets	1,114,910	875,239
Current liabilities	111,213	34,340
Non current liabilities	-	33,191
Total liabilities	111,213	67,531
Net assets	1,003,697	807,708
<i>Share of revenue, expenses and results</i>		
Revenue	19,966	-
Expenses	(12,308)	(10,504)
Profit/ (loss) before income tax	7,658	(10,504)
Income tax benefit	139	40,468
Revaluation of non-current assets (net of tax)	-	77,250
Profit after income tax	7,797	107,214

## 11. Trade and other payables

Trade and other payables	89,371	33,217
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Winpar Holdings Limited  
ABN 81 003 035 523

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2017

## 12. Borrowings

	2017 \$	2016 \$
<b>CURRENT</b>		
Secured liabilities:		
BT Margin Loan	207,701	130,166
Total current borrowings	207,701	130,166

### Secured liabilities

The company has a margin loan which is secured against certain specified securities.

## 13. Issued Capital

### Ordinary shares

At the beginning of reporting period	4,160,650	4,090,593
Shares issued during the year		
35,556 at \$1.00 on 7 November 2016 (2016: 35,614 at \$1.00 on 30 December 2015)	35,556	35,614
55,224 at \$1.00 on 31 May 2017 (2016: 34,443 at \$1.00 on 17 June 2016)	55,224	34,443
At the end of the reporting period	4,251,430	4,160,650

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled on a poll to one vote per share at shareholders meetings. On a show of hands each member present at a meeting in person or by proxy or representative has one vote. In the event of the winding up of the company ordinary shareholders rank after creditors and share in the proceeds on winding up in proportion to the number of shares held.

## 14. Dividends

The following dividends were declared and paid:

Fully franked ordinary dividend of 2 (2016: 2) cents per share paid on 31 May 2017	83,922	82,524
Fully franked ordinary dividend of 2 (2016: 2) cents per share paid on 7 November 2016	83,218	81,810
At the end of the reporting period	167,140	164,334

Franked dividends declared or paid during the year were franked at the tax rate of 30%.

### Franking account

Franking credits accumulated at beginning of the year	95,761	134,393
Imputation credits from franked dividends	40,057	32,614
Tax paid / (refunded)	-	(817)
PAYG instalment	-	-
Dividends paid	(71,631)	(70,429)
TFN withholding tax	-	-
	64,187	95,761

Winpar Holdings Limited  
ABN 81 003 035 523

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2017

## 15. Reserves

### Revaluation reserve

The revaluation reserve records unrealised revaluations of financial assets available for sale to fair value after allowing for income tax.

### General reserve

The general reserve records any current or prior period accumulated profits transferred from retained earnings. The transfer of current or prior period accumulated profits to the general reserve may facilitate the payment of future dividends, rather than maintaining these profits within retained earnings.

## 16. Cash flow information

	Note	2017 \$	2016 \$
<b>(a) Reconciliation of cash</b>			
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position			
Cash and cash equivalents	6	135,674	121,627
Bank overdrafts		-	-
Balance as per statement of cash flows		<u>135,674</u>	<u>121,627</u>
<b>(b) Reconciliation of cash flow from operations with profit after income tax</b>			
Profit for the year		157,903	124,642
Cash flows excluded from profit attributable to operating activities			
Non-cash flows in profit:			
- depreciation		153	266
- dividend income reinvested		(2,444)	(6,341)
- net gain on disposal of available for sale financial assets		(82,369)	(220,547)
- share of profit of associate		(7,797)	(107,214)
Changes in assets and liabilities:			
- (increase) / decrease in trade and other receivables		(118,826)	11,370
- (decrease) / increase in deferred tax asset		(8,186)	21,615
- increase/ (decrease) in trade and other payables		56,154	(255,816)
Cash flow from operations		<u>(5,412)</u>	<u>(432,025)</u>

### (c) Significant non-cash investing and financing activities

The Company issued 35,556 and 55,224 shares at \$1 each in November 2016 and May 2017 respectively, in accordance with its dividend reinvestment plan.

## 17. Auditors' remuneration

Remuneration of the auditor of the company, PKF, for auditing or reviewing the financial report:

- PKF	18,662	19,922
Total auditors' remuneration for auditing or reviewing the financial report	<u>18,662</u>	<u>19,922</u>

## 18. Segment reporting

The company operates solely in Australia as an investment company.



Winpar Holdings Limited  
ABN 81 003 035 523

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2017

## 19. Financial risk management

### Financial instrument composition and maturity analysis

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-interest Bearing		Total	
	2017 %	2016 %	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
<b>Financial assets</b>								
Cash and cash equivalents	1.40	1.86	135,674	121,627	-	-	135,674	121,627
Receivables	-	-	-	-	171,049	53,348	171,049	53,348
Financial assets designated at fair value through other comprehensive income	-	-	-	-	2,974,545	2,945,580	2,974,545	2,945,580
Investments in associates	-	-	-	-	1,003,697	807,708	1,003,697	807,708
Total financial assets			135,674	121,627	4,149,291	3,806,636	4,284,965	3,928,263
<b>Financial liabilities</b>								
Borrowings	7.12	7.37	207,701	130,166	-	-	207,701	130,166
Payables	-	-	-	-	89,371	33,217	89,371	33,217
Total financial liabilities			207,701	130,166	89,371	33,217	297,072	163,383

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

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2017

## 19. Financial risk management continued

### (a) Interest rate risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rate for classes of financial assets and financial liabilities, are set out above.

### (b) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The credit risk on financial assets, excluding investments, of the company which have been recognised on the Statement of Financial Position, is the carrying amount of trade and other receivables. The company is not materially exposed to any individual credit risk.

### (c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company monitors its cash flow requirements and ensures that it has either cash or access to short term borrowing facilities to meet any payments. The assets of the company are largely in the form of readily tradeable securities which can be sold on the market if necessary.

### (d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market conditions. Because the company invests a substantial part of its assets in tradeable securities which are not risk free, it is always subject to market risk. The investments are however widely spread so that the risk is minimised.

### (e) Fair value measurement

The company measures and recognises the following assets and liabilities on a recurring basis after initial recognition:

- Investment portfolio

The Company does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non recurring basis.

### Fair Value Hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Measurements based on unobservable inputs for the asset or liability.

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

# Notes to the Financial Statements

**For the Financial Year Ended 30 June 2017**

## **19. Financial risk management continued**

### **(e) Fair value measurement continued**

The following tables provide the fair values of the Company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>30 June 2017</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Recurring fair value measurements</b>				
Investment portfolio	<b>2,308,535</b>	<b>666,010</b>	<b>-</b>	<b>2,974,545</b>

### **30 June 2016**

#### **Recurring fair value measurements**

Investment portfolio	2,279,570	666,010	-	2,945,580
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Further information on the determination of the fair value is set out below

#### **(i) Investment portfolio - Level 1**

The company's Level 1 investments consist of shares that are listed on the Australian Stock Exchange, National Stock Exchange and other public stock exchanges. The valuation of listed investments has been obtained on the basis of quoted prices (unadjusted) in an active market for an identical security at 30 June 2017 and 30 June 2016.

#### **(ii) Investment portfolio - Level 2**

The company's Level 2 investments consist of unlisted shares and trusts. The valuation of these investments have been determined on the basis of the investment's net asset value as at 30 June 2017 and 30 June 2016.

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

# Notes to the Financial Statements

**For the Financial Year Ended 30 June 2017**

## 20. Lease Commitments

The initial period of the operating lease for the company's premises has expired and, the company is subject to a 60 day notice period under the lease . The current commitment relating to leases at balance date, for the current lease (incl GST), is:

	2017	2016
	\$	\$
Due within one year	3,333	3,333
Later than one year but less than five years	-	-
Greater than five years	-	-
	<u>3,333</u>	<u>3,333</u>

## 21. Related party transactions

### (a) Transactions with directors & associates

Since the end of the previous financial year no director of the company has received or become entitled to receive a benefit arising out of any contract that the director, a firm of which the director is a member or an entity in which the director has a substantial financial interest except as follows:

Fees were paid to Newcastle Capital Markets Registries Pty Ltd, a company in which Mr Steven Pritchard has an indirect interest, for providing share registry services to the company. The total amount paid/ payable was \$11,146 (2016: \$13,254) (inclusive of GST).

Fees were paid to Rees Pritchard Pty Ltd, a company in which Mr Steven Pritchard has an indirect interest, for providing accounting services to the company. The total amount paid/ payable was \$20,000 (2016: nil) (inclusive of GST).

### Loans from related parties

	2017	2016
	\$	\$
Mr Gordon Elkington	13,257	5,000

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

# **Notes to the Financial Statements**

**For the Financial Year Ended 30 June 2017**

## **22. Events subsequent to reporting date**

No event subsequent to year end has occurred requiring disclosure.

## **23. Contingent assets and liabilities**

There were no known contingent liabilities as at 30 June 2017.

## **24. Company details**

The registered office of the company is:  
Suite 11.10  
66 Clarence Street  
Sydney NSW 2000

The principal place of business is:  
Suite 11.10  
66 Clarence Street  
Sydney NSW 2000

Winpar Holdings Limited  
ABN 81 003 035 523

## Directors' Declaration

1. In the opinion of the Directors of Winpar Holdings Limited:

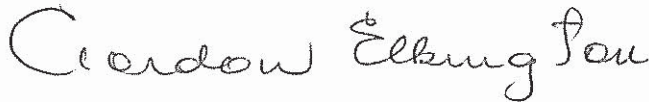
- (a) The financial statements and notes as set out on pages 9 to 28 are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of its financial position as at 30 June 2017 and its performance for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

2. The financial statements comply with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors.



Steven Shane Pritchard  
Director



Gordon Bradley Elkington  
Director

11 September 2017

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF WINPAR HOLDINGS LIMITED

#### Report on the Financial Report

##### Opinion

We have audited the accompanying financial report of Winpar Holdings Limited (the company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion:

- a) The financial report of Winpar Holdings Limited is in accordance with the Corporations Act 2001, including:
  - i) Giving a true and fair view of the Company's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
  - ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

##### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Independence

We are independent of the Company in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period.

These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matters below, our description of how our audit addressed each matter is provided in that context.

PKF(NS) Audit & Assurance Limited  
Partnership

ABN 91 850 861 839

Liability limited by a scheme  
approved under Professional  
Standards Legislation

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Newcastle West NSW 2302 Australia  
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## Key Audit Matters (cont'd)

### 1. Valuation & Existence of Investment Portfolio

#### Why significant

As at 30 June 2017, a significant proportion of the Company's assets (89%) comprised of investment securities. The fair value of financial assets is \$3,978,242 (2016: \$3,753,273) as disclosed in Notes 9 and 10 of the financial report.

Of these assets, \$2,974,546 were listed securities classified as 'level 1' financial instruments in accordance with the classification under Australian Accounting Standards where quoted prices in active markets are available for identical assets.

Refer to page 13 Note 1 (a) for details of these assets and page 26 Note 19 (e) for the level 1 classification.

The remaining \$1,003,697 relates to an unlisted investment in Penrose Club Holdings Limited ("Penrose"). This investment in associate has been discussed in detail below.

Based on the above, we have considered the valuation and existence of financial assets to be a Key Audit Matter.

#### How our audit addressed the key audit matter

We performed substantive testing on a sample of financial assets. This included:

- agreeing the quantity of securities held and recognised in the financial report to external independent trading registers;
- confirming the market value as at 30 June 2017 using reputable and active trading websites; and
- reviewing reconciliations prepared by management and supporting documentation to confirm market movements. This included agreeing the gain/loss incurred throughout the period to transaction reports.
- reviewing the financial statements of associate company, Penrose as at 30 June 2017 to ensure the investment by the Company is not impaired at balance date.

We also assessed the appropriateness of the related disclosures in Notes 1 (a), 9, 10 and 19.

### 2. Recognition and Valuation of Deferred Tax Assets

#### Why significant

As disclosed in Note 10 of the financial report, at 30 June 2017 the Company has recorded a deferred tax asset of \$189,469 relating to deductible temporary differences and tax losses incurred.

As noted in Note 1(c) of the financial report, deferred tax assets are only recognised if the Company considers it probable that future taxable income will be generated to utilise these temporary differences and losses.

Significant judgement is required in forecasting future taxable income.

Based on the above, we have considered the recognition and valuation of deferred tax assets to be a Key Audit Matter.

#### How our audit addressed the key audit matter

We have assessed and challenged management's judgements relating to the Company's ability to generate future taxable income, and also the recognition criteria under AASB 112.

Our procedures included but were not limited to:

- the reasonableness of key assumptions with respect to future income and expenditure;
- reviewing the nature of the deferred tax asset (i.e. temporary differences or revenue / capital losses) and its probability of being realised.

We have also assessed the appropriateness of the disclosures included in Note 10 in respect of the deferred tax balances.



## Key Audit Matters (cont'd)

### 3. Accounting for an Investment in an Associate

#### Why significant

As disclosed in Note 10 of the financial report, at 30 June 2017 the Company has recorded an investment in Penrose for \$1,003,697 using the equity method of accounting.

The company holds 40.06% ownership in Penrose and shares two out of four common directors.

Significant judgement is required in assessing whether the company has control under AASB 10 Consolidated Financial Statements or significant influence under AASB 128 Investments in Associates and Joint Ventures.

Based on the above, we have considered the valuation and existence of financial assets to be a Key Audit Matter.

#### How our audit addressed the key audit matter

We have assessed and challenged management's judgements relating to whether the Company control over Penrose under AASB 10.

Our procedures included but were not limited to:

- assessing whether the company has power over the investee by considering:
  - the percentage owned by the company;
  - breakup of residual shareholders to ensure the company do not hold a majority stake in Penrose; and
  - review of board composition and common directors on Penrose board and whether there is control.
- assessing the company's rights to variable returns from the investee; and
- the company's ability to use its power over the investee to affect the amount of such returns.

We concur with management and agree that the Company does not have control over Penrose as per AASB 10. Accordingly, the investment should be equity accounted in accordance with AASB 128.

We also assessed the appropriateness of disclosures included in Note 10 with respect to the investment in associate as at 30 June 2017.

## Other Information

The Directors are responsible for the other information. The other information comprises the information included in the company's Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## Directors' Responsibilities for the Financial Report

The Directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 1, the Directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the Directors are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a going concern basis of accounting unless the Directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.



## Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the Remuneration Report

### Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2017.

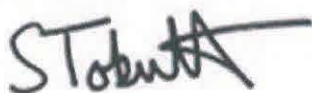
In our opinion, the Remuneration Report of Winpar Holdings Limited for the year ended 30 June 2017, complies with section 300A of the Corporations Act 2001.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



PKF  
CHARTERED ACCOUNTANTS



SCOTT TOBUTT  
PARTNER

11 SEPTEMBER 2017  
SYDNEY, NSW

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

## Investment Portfolio

<b>Company</b>	<b>Number of shares/units</b>	<b>Market \$</b>
A and J Mucklow plc	5,000	<b>42,683</b>
Acacia Ridge Financial Services Limited	10,000	<b>8,500</b>
Albany WA Community Financial Services Limited	2,500	<b>2,000</b>
Alumina Limited	15,000	<b>28,800</b>
Angostura Holdings Limited	12,000	<b>34,680</b>
Atlantic and Pacific Packaging Co Limited	2,800	<b>1,848</b>
Aspermont Limited	1,000,000	<b>10,000</b>
Augusta and Districts Community Financial Services Limited	7,000	<b>4,900</b>
Australian Bauxite Limited	200,000	<b>33,000</b>
Auswide Bank Limited	696	<b>3,578</b>
Balmain / Rozelle Financial Services Limited	39,000	<b>7,800</b>
BAO Trust	160,984	<b>1,610</b>
Bayswater Community Financial Services Limited	5,022	<b>5,022</b>
Beach Energy Limited	10,000	<b>5,750</b>
Bellarine Peninsular Community Branch Limited	5,000	<b>3,000</b>
Bendigo and Adelaide Bank Limited	1,500	<b>16,620</b>
Bendigo Community Telco Limited	16,400	<b>34,440</b>
Berkshire Hathaway Limited	50	<b>11,018</b>
Berowra and District Financial Services Limited	35,000	<b>17,500</b>
BHP Billiton Limited	1,000	<b>23,280</b>
Bisalloy Steel Group Limited	50,000	<b>20,500</b>
Brisbane Markets Limited	14,350	<b>50,942</b>
British Empire Securities and General Trust plc	2,500	<b>28,948</b>
Broadwater Financial Services Limited	11,667	<b>9,334</b>
Buderim Ginger Limited	300,000	<b>93,000</b>
Byford and District Community Development Services Limited	5,000	<b>5,000</b>
Caffyns plc [preference]	5,852	<b>14,482</b>
Caledonia Investments plc	1,000	<b>49,952</b>
Canterbury Surrey Hills Community Finance Limited	15,400	<b>8,624</b>
Capitol Health Limited	142,857	<b>37,143</b>
Capral Limited	176,724	<b>22,974</b>
Carlton Investments Limited [preference]	5,746	<b>11,779</b>
Central Petroleum Limited	200,000	<b>27,000</b>
City West Community Financial Services Limited	5,000	<b>2,500</b>
Clifroy Limited	14,000	<b>9,800</b>
Conygar Investment Company plc	10,000	<b>30,174</b>
Coolalinga and Districts Community Enterprises Limited	6,000	<b>6,000</b>
Daniel Thwaites and Co plc	14,500	<b>32,967</b>

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

<b>Company</b>	<b>Number of shares/units</b>	<b>Market \$</b>
Dr Pepper Snapple Group Inc	140	<b>16,596</b>
East Gosford and Districts Community Financial Services Limited	30,000	<b>7,500</b>
Embelton Holdings Limited	8,000	<b>96,000</b>
Emeco Holdings Limited	100,000	<b>10,500</b>
Ettalong Beach Financial Services Limited	11,500	<b>9,200</b>
Fenwick plc [preference]	3,000	<b>7,860</b>
Fiji Industries Limited	4,555	<b>25,866</b>
Fiji Television Limited	7,384	<b>8,639</b>
Fijicare Insurance Limited	6,393	<b>3,452</b>
Fleurieu Community Enterprises Limited	19,500	<b>19,500</b>
Florin Mining Investment Company Limited	800,605	<b>48,036</b>
FMF Foods Limited	25,000	<b>13,500</b>
Fraser Coast Community Enterprises Limited	24,500	<b>19,600</b>
Fremantle Community Financial Services Limited	21,000	<b>9,450</b>
Fuller Smith and Turner plc [A ordinary]	1,250	<b>22,567</b>
Goodwood / Highgate Community Financial Services Limited	18,000	<b>9,000</b>
Graincorp Limited	5,000	<b>47,350</b>
Gympie and District Financial Services Limited	18,300	<b>18,300</b>
Hamilton Securities Limited	10,000	<b>9,000</b>
Hampton Hill Mining No Liability	500,000	<b>7,000</b>
Harbord Financial Services Limited	7,500	<b>7,500</b>
Healthscope Limited	10,000	<b>22,100</b>
Heathcote and District Financial Services Limited	5,000	<b>5,200</b>
Heritage Brands Limited	259,762	<b>7,793</b>
Herald Investment Trust plc	2,000	<b>33,673</b>
Heyfield and District Community Financial Services Limited	9,500	<b>9,500</b>
Hobsons Bay Community Financial Services Limited	5,000	<b>5,000</b>
Hornby plc	10,000	<b>5,599</b>
Hydes Anvil Brewery Limited [B ordinary]	100	<b>10,157</b>
Hydro Hotel Eastbourne plc	100	<b>1,462</b>
Iluka Resources Limited	2,000	<b>17,360</b>
IOOF Holdings Limited	5,000	<b>49,000</b>
IMB Limited	5,010	<b>24,349</b>
Intercontinental Exchange Group	85	<b>7,290</b>
James Latham plc [preference]	2,000	<b>4,142</b>
Johnston Press plc [preference]	4,000	<b>6,760</b>
Kemp and Denning Limited	13,472	<b>40,416</b>
Kingsgate Consolidated Limited	36,000	<b>7,200</b>
Kontiki Growth Fund Limited	21,547	<b>6,033</b>
Logan Community Financial Services Limited	54,900	<b>27,450</b>

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

<b>Company</b>	<b>Number of shares/units</b>	<b>Market \$</b>
Mandurah Community Financial Services Limited	14,900	<b>14,900</b>
Manningham Community Enterprises Limited	35,750	<b>25,740</b>
Marwyn Value Investors Limited	8,374	<b>23,250</b>
McKay Securities plc	10,000	<b>38,626</b>
McMullen and Sons Limited [preferred]	8,000	<b>50,720</b>
Meander Valley Financial Services Limited	16,000	<b>14,400</b>
Merchant House International Limited	60,000	<b>11,100</b>
Molonglo Financial Services Limited	5,500	<b>1,650</b>
Mooroolbark and District Finance Services Limited	27,900	<b>20,925</b>
Mt Evelyn and District Financial Services Limited	21,000	<b>6,300</b>
Mystate Limited	5,000	<b>24,250</b>
Navigator Resources Limited	6,601	<b>528</b>
Newcrest Mining Limited	2,000	<b>40,320</b>
North Ryde Community Financial Services Limited	7,000	<b>7,000</b>
Oldfields Holdings Limited	142,698	<b>7,135</b>
Onterran Limited	31,250	<b>9,844</b>
ORH Limited	1,375	<b>1</b>
Our Community Company Limited	4,000	<b>8,200</b>
Ozforex Group Limited	15,000	<b>24,150</b>
Paradise Beverages Fiji Limited	1,475	<b>11,741</b>
Paynesville and District Financial Services Limited	14,500	<b>8,700</b>
Pengana Capital Group Limited	5,000	<b>14,500</b>
Perpetual Resources Limited	1	<b>0</b>
Pine Rivers Community Finance Limited	6,000	<b>3,900</b>
Platinum Asset Management Limited	7,500	<b>34,725</b>
Pritchard Equity Limited [A ordinary]	5,950	<b>1,785</b>
Pritchard Equity Limited [B ordinary]	5,000	<b>1,500</b>
Public Holdings Australia Limited	614,880	<b>36,893</b>
PZ Cussons plc [A ordinary]	5,000	<b>28,923</b>
RB Patel Group Limited	1,000	<b>2,090</b>
Redcliffe Peninsular Financial Services Limited	20,500	<b>20,500</b>
Redflex Holdings Limited	30,000	<b>12,300</b>
Redlands Community Financial Services Limited	11,500	<b>10,350</b>
Rights and Issues Investment Trust plc	400	<b>38,000</b>
Rightmove plc	600	<b>43,105</b>
Rockingham Community Financial Services Limited	18,500	<b>12,950</b>
Rosewood and District Financial Services Limited	6,000	<b>6,000</b>
Rye and District Community Financial Services Limited	9,000	<b>10,620</b>
Sandringham Community Financial Services Limited	26,000	<b>18,200</b>
San Remo District Financial Services Limited	20,000	<b>11,000</b>
Santos Limited	3,589	<b>10,875</b>
Sarina and District Financial Services Limited	12,900	<b>12,255</b>
Scottish Mortgage Investment Trust plc	500	<b>3,379</b>

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

<b>Company</b>	<b>Number of shares/units</b>	<b>Market \$</b>
SDI Limited	48,025	<b>27,855</b>
Shepherd Neame Limited	4,212	<b>93,628</b>
Shriro Limited	10,000	<b>10,950</b>
Sietel Limited	11,250	<b>59,062</b>
Sietel Limited [preference]	26,800	<b>27,202</b>
Smartpay Holdings Limited	160,609	<b>26,500</b>
South32 Limited	10,000	<b>26,800</b>
South Burdekin Community Financial Services Limited	9,790	<b>9,790</b>
South Burnett Community Enterprises Limited	5,000	<b>3,500</b>
Spicers Limited	817,500	<b>22,890</b>
Sunshine Coast Community Financial Services Limited	33,725	<b>30,353</b>
Telstra Corporation Limited	10,000	<b>43,000</b>
Teriga Limited	10,000	<b>1,200</b>
Textron Incorporated	62	<b>3,799</b>
The Romney Hythe and Dymchurch Railway plc	200	<b>300</b>
Thorney Opportunities Limited	50,000	<b>34,750</b>
Tongala and District Financial Services Limited	44,100	<b>30,870</b>
TopTung Limited	28,334	<b>992</b>
Trinity Accommodation Regional Hospitality Fund	100,000	<b>100,000</b>
Troy Resources Limited	40,000	<b>3,120</b>
Tyrex Solutions Group	25,000	<b>25,000</b>
Upper Yarra Community Enterprises Limited	11,500	<b>8,050</b>
VB Holdings Limited	4,052	<b>10,454</b>
Village National Holdings Limited	200,000	<b>24,000</b>
Wadworth and Company Limited [A ordinary]	4,800	<b>40,608</b>
Wantirna Community Financial Services Limited	8,000	<b>800</b>
Webster Limited [preference]	55,278	<b>88,445</b>
Whitefield Limited [preference]	6,248	<b>6,248</b>
William Jackson and Son Limited [preference]	2,000	<b>5,200</b>
Witan Investment Trust plc [preference]	20,000	<b>17,749</b>
Young and Companys Brewery plc	2,000	<b>44,052</b>
		<hr/> <b>2,974,545</b> <hr/>

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

## Shareholder Information

As at 17 August 2017 the Company had 174 shareholders. The 20 largest shareholders and their shareholdings were as follows:

Shareholder	Holding	Percentage
David George Maxwell Welsh	977,268	22.99
William Lewis Timms and Carolyn Jane Timms	557,650	13.12
Gordon Bradley Elkington	511,534	12.03
Illuminator Investment Company Limited	421,680	9.92
Spinite 1 Pty Limited	325,000	7.64
Frederick Bruce Wareham	276,449	6.50
Milly Elkington	269,148	6.33
Peter Windeyer Donovan	77,285	1.82
Peter Andrew Martin	72,968	1.72
Alaria Pty Limited	50,222	1.18
Honan Business Services Pty Limited	37,838	0.89
Seven Bob Investments Pty Limited	34,576	0.81
Lynette Gay McLennan	30,716	0.72
L M Lucas Pty Limited	30,105	0.71
Peter Anthony Cameron	25,982	0.61
Mulla Nominees Pty. Limited	25,000	0.59
Meggsies Pty Limited	24,594	0.58
Midnight Seas Pty Limited	23,263	0.55
Mary Graham Neild	23,244	0.55
Gerald Francis Pauley	23,192	0.55
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	3,817,714	89.81

The distribution of shareholdings was as follows:

Range	Number of holders	Percentage of holders	Number of shares	Percentage of shares
1-1,000	92	53	30,877	1
1,001-5,000	35	20	99,723	2
5,001-10,000	16	9	122,480	3
10,001-50,000	21	12	459,143	11
50,001-100,000	3	2	200,475	5
100,001-500,000	4	2	1,292,277	30
500,001-1,000,000	3	1	2,046,452	48
1,000,001-2,000,000	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	174	99	4,251,427	100

The substantial shareholders and their shareholdings were as follows:

Shareholder	Holding
David George Welsh	977,268
William Lewis Timms and Carolyn Jane Timms	557,650
Gordon Bradley Elkington	511,534
Illuminator Investment Company Limited	421,680
Spinite 1 Pty Limited	325,000
Frederick Bruce Wareham	276,449
Milly Elkington	269,148



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

## Five Year Summary

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Earnings before tax	48,629	159,132	(90,904)	145,435	149,718
Tax	(5,740)	25,893	(54,111)	20,793	(8,185)
Earnings after tax	54,369	133,239	(36,793)	124,642	157,903
Dividends paid	151,171	161,480	161,480	164,334	167,139
Current assets	476,811	146,063	150,612	175,006	307,878
Current liabilities	156,925	182,193	289,192	163,383	297,072
Non-current assets	3,926,718	4,385,614	4,448,928	3,980,202	4,168,002
Non-current liabilities	-	-	-	-	-
Shareholders equity	4,246,604	4,349,484	4,310,348	3,991,825	4,178,808
Subscribed capital	4,037,011	4,037,011	4,090,593	4,160,650	4,251,430

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

# Corporate Directory

<b>Directors</b>	Gordon Bradley Elkington John David Honan Steven Pritchard Alfred Edward Fulton Rofe David George Maxwell Welsh Francis Ian Malcolm
<b>Secretary</b>	Gordon Bradley Elkington
<b>Registered office</b>	Suite 11.10 66 Clarence Street Sydney New South Wales 2000
<b>Auditor</b>	PKF Newcastle 755 Hunter Street Newcastle West New South Wales 2302
<b>Solicitor</b>	Stephen Blanks and Associates 119 Evans Street Rozelle New South Wales 2039
<b>Share Registrar</b>	Newcastle Capital Markets Registries Pty Limited 10 Murray Street Hamilton New South Wales 2303
<b>Bankers</b>	Macquarie Bank Limited 1 Shelley Street Sydney New South Wales 2000  Bendigo Bank Limited Fountain Court Bendigo Victoria 3552  Manchester Building Society 125 Portland Street Manchester M1 4QD United Kingdom