

# **Winpar Holdings Limited**

**ABN 81 003 035 523**

## **Interim Report**

**Half year ended 31 December 2017**

# Winpar Holdings Limited

ABN 81 003 035 523

## DIRECTORS' REPORT

31 December 2017

The directors present their report together with the accounts of Winpar Holdings Limited for the half year ended 31 December 2017.

## DIRECTORS

The following persons have held office as directors during and since the end of the half year ended 31 December 2017:

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

## REVIEW OF OPERATIONS

The net profit for the period after provision for income tax was \$22,817 (2016: loss \$5,917). Comprehensive profit for the period was \$239,253 compared with comprehensive profit of \$106,963 for the half year ended 31 December 2016.

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 company remains largely debt free.

On 30 November 2017 Winpar made an offer to eligible shareholders in Penrose Club Holdings Limited to acquire all of their shares in Penrose in consideration for \$13.00 cash and 20 shares in Winpar for each share in Penrose. Acceptances were received for 11,897 shares in Penrose, and on 13 February 2018 Winpar issued 237,940 new shares at equivalent price of \$1.00 each.

The net asset backing of the shares at balance date was \$1.02 (30 June 2017: \$0.97).

## DIVIDENDS

On 22 November 2017 the company paid a fully franked dividend of 2 cents per share to members registered as at 31 October 2017. The total amount of the dividend was \$85,019 of which \$28,698 was paid in cash and \$56,321 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 2017 is set out on page 2.

Signed on 12 March 2018 in accordance with a resolution of the Board of Directors.



Steven Shane Pritchard  
Director



Gordon Bradley Elkington  
Director

## WINPAR HOLDINGS LIMITED

### Auditors Independence Declaration under 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 2017, 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



SCOTT TOBUTT  
PARTNER  
12 MARCH 2018  
SYDNEY, NSW

#### 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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# Winpar Holdings Limited

ABN 81 003 035 523

## Statement Of Profit Or Loss And Other Comprehensive Income

For the half year ended 31 December 2017

		Period to 31 December 2017			Period to 31 December 2016		
	Note	Revenue	Capital	Total	Revenue	Capital	Total
		\$	\$	\$	\$	\$	\$
Other revenue from ordinary activities	2	95,551	-	95,551	63,510	-	63,510
Share of profit/ (loss) of associate		7,333	-	7,333	(5,666)	-	(5,666)
Finance costs		(6,619)	-	(6,619)	(5,384)	-	(5,384)
Administration expenses		(45,032)	-	(45,032)	(36,328)	-	(36,328)
Legal expenses		(3,000)	-	(3,000)	-	-	-
Occupancy expenses		(9,429)	-	(9,429)	(8,908)	-	(8,908)
Other expenses from ordinary activities		(32,615)	-	(32,615)	(28,813)	-	(28,813)
<b>Profit/ (loss) before income tax</b>		<b>6,189</b>	<b>-</b>	<b>6,189</b>	<b>(21,589)</b>	<b>-</b>	<b>(21,589)</b>
Income tax benefit		<b>16,628</b>	<b>-</b>	<b>16,628</b>	<b>15,672</b>	<b>-</b>	<b>15,672</b>
<b>Profit/ (loss) from continuing operations</b>		<b>22,817</b>	<b>-</b>	<b>22,817</b>	<b>(5,917)</b>	<b>-</b>	<b>(5,917)</b>
<b>Profit/ (loss) for the period</b>		<b>22,817</b>	<b>-</b>	<b>22,817</b>	<b>(5,917)</b>	<b>-</b>	<b>(5,917)</b>
<b>Other Comprehensive income</b>							
Net gain on revaluation of financial assets		-	296,053	296,053	-	145,308	145,308
Income tax relating to components of other comprehensive income		-	(88,816)	(88,816)	-	(43,592)	(43,592)
Net gains for the period on securities realised in the investment portfolio		-	9,656	9,656	-	15,948	15,948
Income tax relating to components of other comprehensive income		-	(456)	(456)	-	(4,784)	(4,784)
<b>Other comprehensive income for the period net of tax</b>		<b>-</b>	<b>216,437</b>	<b>216,437</b>	<b>-</b>	<b>112,880</b>	<b>112,880</b>
<b>Total comprehensive income</b>		<b>22,817</b>	<b>216,437</b>	<b>239,253</b>	<b>(5,917)</b>	<b>112,880</b>	<b>106,963</b>
<b>Earnings per share</b>							
Basic earnings per share (cents per share)				<b>0.54</b>			<b>(0.13)</b>

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 2017

	31.12.2017	30.06.2017
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	35,763	135,674
Trade and other receivables	94,423	171,049
Current tax receivable	113	30
Other assets	-	1,125
<b>Total current assets</b>	<b>130,299</b>	<b>307,878</b>
<b>Non-current assets</b>		
Financial assets	3,348,284	2,974,545
Investment in associate	1,149,185	1,003,697
Plant and equipment	225	291
Deferred tax assets	116,825	189,469
<b>Total non-current assets</b>	<b>4,614,519</b>	<b>4,168,002</b>
<b>Total assets</b>	<b>4,744,818</b>	<b>4,475,880</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	176,246	89,371
Borrowings	179,208	207,701
<b>Total current liabilities</b>	<b>355,454</b>	<b>297,072</b>
<b>Non-current liabilities</b>	-	-
<b>Total liabilities</b>	<b>355,454</b>	<b>297,072</b>
<b>Net assets</b>	<b>4,389,364</b>	<b>4,178,808</b>
<b>EQUITY</b>		
Issued capital	4	4,307,751
Reserves		4,251,430
Retained earnings		12,153
<b>Total equity</b>	<b>4,389,364</b>	<b>4,178,808</b>

The accompanying notes form part of these condensed financial statements.

# Winpar Holdings Limited

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## Statement of Changes in Equity

For the half year ended 31 December 2017

	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>
<b>Transactions with owners in their capacity as owners</b>					
Dividends provided for or paid	-	(83,218)	-	-	(83,218)
Shares issued during the period	35,556	-	-	-	35,556
<b>Total transactions with owners</b>	<b>35,556</b>	<b>(83,218)</b>	<b>-</b>	<b>-</b>	<b>(47,662)</b>
Loss for the half year	-	(5,917)	-	-	(5,917)
<i>Other comprehensive income for the half year (net of tax)</i>					
Net capital gain for the half year (net of tax)	-	11,164	-	-	11,164
Revaluation of available-for-sale financial assets (net of tax)	-	-	-	101,716	101,716
Other comprehensive income for the half year	-	11,164	-	101,716	112,880
<b>Total comprehensive income</b>	<b>-</b>	<b>5,247</b>	<b>-</b>	<b>101,716</b>	<b>106,963</b>
<b>Balance at 31 December 2016</b>	<b>4,196,206</b>	<b>53,726</b>	<b>110,036</b>	<b>(308,842)</b>	<b>4,051,126</b>
<b>Balance at 1 July 2017</b>	<b>4,251,430</b>	<b>122,462</b>	<b>110,036</b>	<b>(305,120)</b>	<b>4,178,808</b>
<b>Transactions with owners in their capacity as owners</b>					
Dividends provided for or paid	-	(85,019)	-	-	(85,019)
Shares issued during the period	56,321	-	-	-	56,321
<b>Total transactions with owners</b>	<b>56,321</b>	<b>(85,019)</b>	<b>-</b>	<b>-</b>	<b>(28,698)</b>
Profit for the half year	-	22,817	-	-	22,817
<i>Other comprehensive income for the half year (net of tax)</i>					
Net capital gain for the half year (net of tax)	-	9,200	-	-	9,200
Revaluation of available-for-sale financial assets (net of tax)	-	-	-	207,237	207,237
Other comprehensive income for the half year	-	9,200	-	207,237	216,437
<b>Total comprehensive income</b>	<b>-</b>	<b>32,017</b>	<b>-</b>	<b>207,237</b>	<b>239,254</b>
<b>Balance at 31 December 2017</b>	<b>4,307,751</b>	<b>69,460</b>	<b>110,036</b>	<b>(97,883)</b>	<b>4,389,364</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 2017

	31 December 2017	31 December 2016
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(93,876)	(58,223)
Other investment income	144,308	64,499
Income tax refund	952	1,725
Net cash provided by/ (used in) operating activities	<b>51,384</b>	<b>8,001</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of available-for-sale financial assets	109,236	128,493
Purchase of available-for-sale financial assets	(193,056)	(257,003)
Net cash (used in)/ provided by investing activities	<b>(83,820)</b>	<b>(128,510)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(28,698)	(47,662)
Proceeds from borrowings	11,644	78,986
Repayment of borrowings	(50,421)	-
Net cash (used in)/ provided by financing activities	<b>(67,475)</b>	<b>32,324</b>
Net decrease in cash and cash equivalents held	(99,911)	(88,185)
Cash and cash equivalents at beginning of period	135,674	121,627
Cash and cash equivalents at end of period	35,763	33,442

The accompanying notes form part of these condensed financial statements.

# Winpar Holdings Limited

ABN 81 003 035 523

## Notes To The Financial Statements

For the half year ended 31 December 2017

### NOTE 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 2017, together with any public announcements made during the half year in accordance with the continuous disclosure requirements of the Corporation 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 2017 annual financial report for the year ended 30 June 2017. 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 2017, the company had current assets of \$130,299 and current liabilities of \$355,454, a deficiency of \$225,155. 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 not applied any Australian Accounting Standards or AASB interpretations that have been issued at balance date but are not yet operative for the half year ended 31 December 2017 ("the inoperative standards"). The impact of the inoperative standards has been assessed and the impact has been identified as not being material. The company only intends to adopt inoperative standards at the date at which their adoption becomes mandatory.

The adoption of the various Australian Accounting Standards and Interpretations in issue but not yet effective will not impact the company's accounting policies. However, the pronouncements will result in changes to information currently disclosed in the financial statements. The company does not intend to adopt any of these pronouncements before their effective dates.



# Winpar Holdings Limited

ABN 81 003 035 523

## Notes to the Financial Statements

For the half year ended 31 December 2017

	31.12.2017	31.12.2016
NOTE 2: Revenue	\$	\$
Other revenue		
- Interest income	1,998	4,043
- Dividends received	52,589	49,713
- Trust distributions received	24,994	1,916
- Foreign income received	13,743	10,567
- Other income	900	-
- Gain/ (loss) on exchange differences	1,327	(2,729)
<b>Total revenue</b>	<b>95,551</b>	<b>63,510</b>

### NOTE 3: Dividends

The following dividends were declared and paid:

Fully franked ordinary dividend of 2 cents (2016: 2 cents) per share paid on 22 November 2017.

<b>85,019</b>	<b>83,218</b>

### NOTE 4: Issued Capital

Movements in Issued Capital of the Company during the half-year were as follows:

Date	Details	Number of Shares	Issue Price \$	Issued Capital \$
01/07/2017	Opening balance	4,251,427		4,251,430
22/11/2017	Dividend reinvestment plan	56,321		56,321
31/12/2017	Balance	4,307,748		4,307,751

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

### NOTE 5: Contingent liabilities

At balance date the Directors are not aware of any material contingent liabilities other than those already disclosed elsewhere in the financial report.

### NOTE 6: Segment Reporting

The company operates in Australia as an investment company.

### NOTE 7: Subsequent Events

On 30 November 2017 Winpar made an offer to eligible shareholders of Penrose Club Holdings Limited (Penrose) to acquire all of their shares in Penrose in consideration for \$13.00 cash and 20 shares in Winpar for each share in Penrose. The offer closed on 31 January 2018. The company received acceptances from holders of 11,897 shares in Penrose. The consideration for these shares is \$154,661.00 cash and 237,940 fully paid ordinary shares in Winpar Holdings Limited.

# Winpar Holdings Limited

ABN 81 003 035 523

## Notes to the Financial Statements

For the half year ended 31 December 2017

	31.12.2017 \$	31.12.2016 \$
<b>NOTE 8: Related party transactions</b>		
Transactions with related parties:		
-Accounting fees payable to Rees Pritchard Pty Limited	32,435	10,000
Steven Pritchard is interested in the above transactions as a director and a beneficial shareholder Rees Pritchard Pty Limited.		
- Newcastle Capital Markets Registries Pty. Limited for share registry costs.	5,532	4,083
Steven Pritchard is interested in the above transaction as a director and beneficial shareholder of Newcastle Capital Markets Registries Pty. Limited		
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		

## NOTE 9: 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 3 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 2017 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

Dated this 12<sup>th</sup> day of March 2018

## INDEPENDENT AUDITOR'S REVIEW REPORT

### To THE MEMBERS OF WINPAR HOLDINGS LIMITED

#### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of Winpar Holdings Limited (the company), which comprises the statement of financial position as at 31 December 2017, 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 statement of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Winpar Holdings Limited is not in accordance with the Corporations Act 2001 including:-

- (a) giving a true and fair view of the company's the financial position as at 31 December 2017, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

#### Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the company a written Auditor's Independence Declaration.

#### Directors' Responsibility for the Half-Year 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 the Australian Accounting Standards and the Corporations Regulations 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 Auditing Standard on Review Engagements ASRE 2410 *Review of a 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 half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2017 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 Regulations 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.

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

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#### Auditor's Responsibility (cont'd)

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



PKF



SCOTT TOBUTT  
PARTNER

12 MARCH 2018  
SYDNEY, NSW