

388 1/2 18 March 2002

ASIC registered agent number _____

lodging party or agent name _____

office, level, building name or PO Box no. _____

street number & name _____

suburb/city _____ state/territory _____ postcode _____

telephone () _____

facsimile () _____

DX number _____ suburb/city _____

ASS
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RE/A
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Australian Securities & Investments Commission

copy of financial statements and reports

form 388
 Corporations Act 2001
 284, 295, 298-300, 307, 308, 318, 321, 322
 Corporations Regulations
 1.0.08

Name WINPAR HOLDINGS LIMITED

ACN / ARBN / ARSN/PIN 003 035 523

Reason for lodgement of statements and reports

- tick the appropriate box
- A public company or a disclosing entity which is not a registered scheme or prescribed interest undertaking (A)
 - A registered scheme* (B)
 - Amendment of financial statements or directors' report (company) (C)
 - Amendment of financial statements or directors' report (registered scheme)* (D)
 - A large proprietary company that is not a disclosing entity (E)
 - A small proprietary company that is controlled by a foreign company for all or part of the period and where the company's profit or loss for the period is not covered by the statements lodged with ASIC by a registered foreign company, company, registered scheme, or disclosing entity (I)
 - A small proprietary company that is requested by ASIC to prepare and lodge statements and reports (J)
 - A prescribed interest undertaking that is a disclosing entity (K)

Dates on which financial year begins / / and ends / / (d/m/y)

Date of Annual General Meeting (if applicable) / /

Details of large proprietary company

If the company is a large proprietary company that is not a disclosing entity, please complete the following information as at the end of the financial year for which the financial statements relate:

- A What is the consolidated gross operating revenue of the large proprietary company and the entities that it controls?

- B What is the value of the consolidated gross assets of the large proprietary company and the entities that it controls?

- C How many employees are employed by the large proprietary company and the entities that it controls?

- D How many members does the large proprietary company have?.....

Auditor report

Were the financial statements audited? Yes No

If yes: Does the auditor's report (section 308) for the financial year contain a statement of:

- * reasons for the auditor not being satisfied as to the matters referred to in section 307? Yes No
- * details of the deficiency, failure or shortcoming concerning any matter referred to in section 307? Yes No

If no: Is there a class order exemption current for audit relief? Yes No

* NOTE: Where a new auditor has been appointed to a Registered Scheme, Form 6137 - Appointment of Scheme Auditor must be lodged

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Details of current auditor*

The auditor can be a person or a firm.

If a person

name (family & given names)

GEOFFREY ALLAN WHITE

Auditor Registration no:

3864

office

level

building name

street number & name

10 GEORGE STREET

suburb / city

LEICHHARDT

state / territory

NSW

postcode

2040

date of appointment (d/m/y)

30/01/96

or

If a firm

name of firm

office

level

building name

street number & name

suburb / city

state / territory

postcode

Business Registration number

(if applicable)

State / Territory registered in

date of appointment (d/m/y)

/ /

Statements and reports to be attached to this form

Financial statements for the year (as per ss295(2))

statement of financial performance for the year (profit and loss statement)

statement of financial position as at the end of the year (balance sheet)

statement of cash flows for the year

if required by accounting standards - consolidated profit & loss statement, balance sheet and statement of cash flows

Notes to financial statements (as per ss295(3))

disclosures required by the regulations

notes required by the accounting standards

any other information necessary to give a true and fair view (see s297)

The directors' declaration about the statements and notes (as per ss 295(4))

The directors' report for the year (as per s 298 to 300)

Auditor's report required under sections 308 and 314

Certification

I certify that the attached documents marked () are a true copy of the annual reports required under Section 319.

print name

GORDON ELKINGTON

capacity

SECRETARY

sign here

Gordon Elkington

date

30 September

2004

* NOTE: Where a new auditor has been appointed to a Registered Scheme, **Form 6137 - Appointment of Scheme Auditor** must be lodged

Small Business (less than 20 employees), please provide an estimate of the time taken to complete this form

include

The time actually spent reading the instructions, working on the question and obtaining the information
The time spent by all employees in collecting and providing this information

hrs

mins

WINPAR HOLDINGS LIMITED**ANNUAL REPORT 2004****CONTENTS**

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CHAIRMAN'S REPORT

Winpar made an after tax profit of \$278,903 for the year ended 30 June 2004.

The year's results have been affected by two matters of which shareholders will already be aware.

Towards the end of 2003 a takeover offer was made for shares in Winpar by Trent Capital Limited. The Board took the view that the consideration offered by Trent was inadequate, and recommended against acceptance. The offer subsequently lapsed, with very few shareholders having accepted it. Costs of approximately \$30,000 were incurred by Winpar in preparing the target's response to the offer.

On 23 June 2004 the High Court dismissed Winpar's special leave application against a decision of the Queensland Court of Appeal relating to the compulsory acquisition by Energex Limited of Winpar's holding of 76,199 preference shares in Allgas Energy Limited. The result of the High Court's decision was that Energex Limited has been permitted to acquire the shares at \$2.05. Shareholders will know that these shares traded in the market at approximately \$12.00 before they were delisted about two years ago. The market had recognized that the benefit which would flow to Energex Limited from acquiring the shares was substantial, and the evidence in the case established that this was indeed the case. One of the judges in the Queensland Court of Appeal had acknowledged that the shares were likely to have a value of around \$12.00.

Before the High Court dismissed the special leave application, the Victorian Court of Appeal had heard Winpar's appeal against the compulsory acquisition of its preference shares in National Consolidated Limited by Nylax Limited. Many months have passed, but Court has still not handed down its decision. Having regard however to the history of the Courts' interpretation of the compulsory acquisition provisions, the likelihood is that the decision will not be favourable, and all costs incurred in connexion with National Consolidated Limited have therefore been written off. An accrual has also been made in relation to estimated outstanding costs orders.

The proceedings in which the Company has been involved over the last two or three years in defending its holdings of preference shares against unfair compulsory acquisition have taken up a great deal of time and financial resources. Unfortunately the result of the various Court decisions has been to diminish the potential longer term value of shares of this type, at least so far as compulsory acquisition is concerned. However everything possible has now been done, and the ultimate solution to this problem can only be found at a political level.

Meantime the Company has continued to trade successfully. Its gearing is now very low, and it is continuing to develop a small portfolio of high yielding securities underpinned by strong assets, which is self supporting by way of a margin loan.

John Mackenzie
Chairman

DIRECTORS' REPORT

The Directors present their report together with the accounts of Winpar Holdings Limited for the financial year ended 30 June 2004.

DIRECTORS

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

John Weston Seaforth Mackenzie
Robert Franklin Cameron
Gordon Bradley Elkington
John David Honan
Steven Pritchard

INFORMATION ABOUT DIRECTORS

John Weston Seaforth Mackenzie, A.M., B.Sc. Agr. (Hons.), F.A.I.A.S.T., M.A.A.A.C., C.P.Ag.

Mr. Mackenzie is an agricultural scientist with more than 40 years' experience in business and representative organizations. He is a former Treasurer of the National Farmers' Federation and a former Chairman of the Australian Shareholders' Association. He has been a director since 1996 and is the Company's Chairman.

Robert Franklin Cameron

Mr. Cameron is an affiliate member of both the Australian Stock Exchange Limited and the Stock Exchange of Newcastle Limited. He has worked in the securities industry since 1979. He has been a director since 1988 and is the Company's Managing Director.

Gordon Bradley Elkington, B.Sc. (Hons.), M.Sc., Ph.D., LL.M.

Dr. Elkington is a Barrister of the Supreme Court of New South Wales and a director of Stokes (Australia) Limited. He has been a director since 1994 and is the Company Secretary.

John David Honan, B.A., M.A.

Mr. Honan is an associate director and the Chief Economist of Ausbil Dexia Limited, a wholesale funds manager associated with Bank Internationale a Luxembourg. He is also a Lecturer and Examiner at the Securities Institute of Australia. He has been a director since 2001.

Steven Pritchard, B.Com., C.P.A., A.S.I.A.

Mr. Pritchard is a Certified Practising Accountant, an affiliate member and past director and chairman of The Stock Exchange of Newcastle Limited. He is the principal of the Newcastle based accounting firm Rees Pritchard Pty. Limited, and a director of Illuminator Investment Company Limited. He was appointed as a director on 4 July 2003.

DIRECTORS' INTERESTS IN THE COMPANY

At the date of this report the directors who hold office hold the following relevant interests in shares in the Company.

	Shares held directly	Shares held indirectly
Mr. John Mackenzie	0	236,900
Mr. Robert Cameron	13,293	241,431
Dr. Gordon Elkington	218,665	100,263
Mr. John Honan	0	10,263
Mr. Steven Pritchard	0	161,076

DIRECTORS' MEETINGS ATTENDED

There were 12 meetings held during the financial year. Attendance at these meetings were as follows:

Mr. John Mackenzie	12
Mr. Robert Cameron	10
Dr. Gordon Elkington	12
Mr. John Honan	11
Mr. Steven Pritchard	10

PRINCIPAL ACTIVITIES

The principal activities in which the Company was engaged during the financial year were share trading and investment. No significant change in the nature of these activities occurred during the year.

The trading portfolio as at 30 June 2004 is set out on pages 21-23.

The investment portfolio as at 30 June 2004 is set out on pages 24-25. The investments making up this portfolio are considered to be long term investments, and are not intended to be traded.

RESULT OF OPERATIONS

The net profit for the year after provision for income tax was \$276,903 (2003: loss of \$138,967).

REVIEW OF OPERATIONS

A review of the principal matters affecting the Company's performance in the year ended 30 June 2004 is set out in the Chairman's report on page 2.

Apart from costs associated with defending the takeover offer by Trent Capital Limited and costs associated with court proceedings, no significant abnormal items have affected the Company's financial performance during the year.

DIVIDENDS

On 30 May 2004 the Company paid a fully franked dividend of 3 cents per share to members registered as at 30 April 2004. The total amount of the dividend paid was \$77,439.

The Company proposes to pay a fully franked dividend of 3 cents per share on 31 October 2004 to members registered as at 30 September 2004. The total amount of the dividend will be \$79,782.

LIKELY DEVELOPMENTS

The company intends to continue with its activities of share trading, investment and underwriting.

EVENTS SUBSEQUENT TO BALANCE DATE

No matters of significance have arisen since balance date.

DIRECTORS' BENEFITS

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.

Commissions were paid on ordinary commercial terms to Cameron Stockbrokers Limited, a company in which each of Mr. Robert Cameron and Mr. Steven Pritchard has a substantial financial interest, for buying and selling shares for the Company. Commissions of \$15,891 in total were paid.

The Company occupies a room adjoining the offices of Cameron Stockbrokers Limited, and uses Cameron Stockbrokers Limited's office facilities. No charge is made for the accommodation or services.

Mr. Pritchard is a director of and holds an indirect beneficial interest in Newcastle Capital Markets Registries Pty. Limited, which has provided share registry services to the Company on ordinary commercial terms. The total amount paid in respect of these services was \$6600.

Funds were lent to the Company by Dr. Gordon Elkington. The balance of the loan was repaid during the year. No interest was payable in relation to the funds lent.

No options have been granted to directors and no shares have been issued to directors as a result of the exercise of options or otherwise during or after the end of the financial year.

EXECUTIVE OFFICER'S BENEFITS

During the financial year the Company's General Manager, Dr. Vincent Chin, was paid a salary of \$30,000. Superannuation payments of \$2,700 were made on his behalf.

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 has the responsibility 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 has instituted regularly monthly meetings at which the Company's financial position and other matters are reviewed on an ongoing basis.

The Board has established an Audit Committee consisting of non-executive directors, whose function it is to review the Company's accounts independently of management.

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Signed at 10 Spring Street, Sydney on 30 September 2004 in accordance with a resolution of the Board of Directors.

Robert Franklin Cameron
Director

Gordon Bradley Elkington
Director

WINPAR HOLDINGS LIMITED
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
Sales of shares (trading)		1,043,297	426,489
Cost of sales		<u>(879,435)</u>	<u>(517,561)</u>
		163,862	(91,072)
Revaluation of trading stock to market values		<u>365,302</u>	<u>141,848</u>
Gross profit		519,164	50,584
Revaluation of investment stock	1	(88,757)	43,980
Other revenue from ordinary activities	4	171,959	100,470
Other expenses from ordinary activities	5	<u>(320,975)</u>	<u>(391,827)</u>
Profit/(loss) from ordinary activities before related income tax expense		301,391	(196,593)
Income tax expense relating to ordinary activities	2	<u>(24,488)</u>	<u>59,626</u>
Profit/(loss) from ordinary activities after related income tax expense		<u>276,903</u>	<u>(136,967)</u>
Total changes in equity other than those resulting from transactions with owners as owners		<u>\$ 276,903</u>	<u>\$ (136,967)</u>
Basic earnings per share		<u>\$ 0.104</u>	<u>\$ (0.053)</u>

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WINPAR HOLDINGS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2004

	Note	2004 \$	2003 \$
CURRENT ASSETS			
Cash assets	7	128,775	162,876
Receivables	8	149,057	380,565
Inventories	9	<u>1,506,265</u>	<u>1,311,231</u>
TOTAL CURRENT ASSETS		<u>1,784,097</u>	<u>1,854,672</u>
NON-CURRENT ASSETS			
Property plant & equipment	10	2,980	4,315
Investments	11	1,237,532	1,183,584
Tax assets	12	<u>20,079</u>	<u>41,616</u>
TOTAL NON-CURRENT ASSETS		<u>1,260,591</u>	<u>1,229,515</u>
TOTAL ASSETS		<u>3,044,688</u>	<u>3,084,208</u>
CURRENT LIABILITIES			
Payables	13	115,184	205,109
Borrowings	14	89,461	225,144
Current tax liabilities	15	(60,095)	-
Provisions	16	<u>-</u>	<u>-</u>
TOTAL CURRENT LIABILITIES		<u>144,550</u>	<u>430,253</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities	16	<u>24,201</u>	<u>34,968</u>
TOTAL LIABILITIES		<u>168,751</u>	<u>465,221</u>
NET ASSETS		<u>\$ 2,875,887</u>	<u>\$ 2,598,985</u>
EQUITY			
Contributed equity	17	2,658,725	2,581,287
Reserves	18	-	119,828
Retained earnings	19	<u>217,162</u>	<u>(101,930)</u>
		<u>\$ 2,875,887</u>	<u>\$ 2,598,985</u>

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WINPAR HOLDINGS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of trading securities		1,019,553	429,401
Other investment income		82,367	102,602
Payments for trading securities & and to suppliers		(692,969)	(335,712)
Income tax paid		(72,112)	(11,319)
Net cash used in operating activities		<u>136,839</u>	<u>184,972</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		213,553	10,498
Payments for purchase of investments		(249,161)	(82,992)
Purchases of plant & equipment		(79)	(5,297)
Net cash used in operating activities		<u>(36,687)</u>	<u>(67,791)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(50,968)	(51,626)
Proceeds from share issue		51,013	
Repayment of borrowings		(135,297)	
Proceeds from borrowing		0	17,055
Net cash used in financing activities		<u>(135,252)</u>	<u>(34,571)</u>
NET INCREASE/(DECREASE) IN CASH HELD		(34,100)	92,610
CASH HELD AT THE BEGINNING OF THE FINANCIAL YEAR		<u>162,875</u>	<u>70,265</u>
CASH HELD AT THE END OF THE FINANCIAL YEAR		<u>\$ 128,775</u>	<u>\$ 162,875</u>

WINPAR HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004****1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of preparation**

The general purpose financial statements have been prepared in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001.

The financial statements have been prepared on the basis of historical costs except where otherwise and do not take into account changing money values. The accounting standards have been consistently applied.

(b) Investments

Listed investments have been stated at market value. Unlisted investments whose value has been determined by a court have been stated at that value. Other unlisted investments have been stated at cost or directors' valuation.

(c) Inventories

The portfolio of shares held as current assets has been stated at its market value.

(d) Dividends and interest

Dividends and interest have been brought into account in the statement of financial performance when received or receivable.

(e) Income tax

The company has adopted the liability method of tax effect accounting.

Income tax has been calculated on operating profit adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences which arise from items being brought into account at different periods for income tax and accounting purposes has been carried forward to the statement of financial position as a deferred tax asset or provision for deferred tax liability.

Future income tax benefits have not been brought into account unless realisation of the benefits is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses have not been brought into account unless there is virtual certainty of realisation of the benefits.

The benefits which have been brought into account or which may be realised in the future have been determined on the assumption that no adverse change will occur in income tax legislation, and in the anticipation that the Company will derive sufficient future assessable income to enable it to realize the benefits and to comply with the conditions of deductibility imposed by law.

WINPAR HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in deposits at call with financial institutions which are readily convertible into cash on hand.

(g) Change in accounting policy

During the year previous the Company changed its accounting policy in relation to the recognition of changes in the value of its investment portfolio. The financial effect of the change was been to recognise an amount of \$170,897 as revenue. A corresponding amount of \$119,628, net of tax, was been transferred to unrealised profits reserve.

	2004 \$	2003 \$
2 TAXATION		
The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit/(loss) from ordinary activities before income tax at 30%	90,417	(58,978)
Tax effect of franked dividends received	(13,666)	
Revaluation of trading stock for tax purposes		
Adjustment to tax effect accounting of temporary differences	(64,590)	490
Under/(over) provision prior years	2,227	(1,138)
	<u>\$ 24,488</u>	<u>\$ (59,626)</u>
3 DIVIDENDS		
Proposed final fully franked ordinary dividend of cents per share	<u>\$ -</u>	<u>\$ -</u>
Balance of franking account at year end adjusted for franking credits which will arise from payment of income tax provided for in the financial statements and on dividends recognised as receivable, and after deducting franking credits to be used in payment of dividends and franking credits that may be prevented from distribution in subsequent financial years.	<u>\$ 185,810</u>	<u>\$ 114,435</u>

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WINPAR HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	2004	2003
	\$	\$
4 OTHER REVENUE FROM ORDINARY ACTIVITIES		
Dividends received	51,607	58,040
Interest received	7,047	16,113
Trust income	1,917	872
Foreign source income	21,399	14,228
Sundry income	-	3,349
Foreign currency exchanges	3,071	-
Profit/(loss) on sale of investment stock	86,918	(2,132)
	<u>\$ 171,959</u>	<u>\$ 100,470</u>
5 OPERATING PROFIT		
The operating profit is arrived at after charging		
Interest paid or payable - other corporations	2,495	4,714
Legal expenses	206,824	328,557
Auditor's remuneration	7,000	7,820
Share registry fee	6,000	-
Other expenses	98,858	50,536
	<u>\$ 320,975</u>	<u>\$ 391,627</u>
6 AUDITOR'S REMUNERATION		
Remuneration of the auditor of the Company for:		
Auditing of the financial report	7,000	7,000
Other services	-	820
	<u>\$ 7,000</u>	<u>\$ 7,820</u>
7 CASH ASSETS		
Cash at financial institutions	<u>\$ 128,775</u>	<u>\$ 182,875</u>
8 RECEIVABLES		
Trade debtors	24,056	312
Other debtors including estimated legal costs recoverable	125,001	360,273
	<u>\$ 149,057</u>	<u>\$ 360,585</u>
9 INVENTORIES		
Listed equities portfolio held for resale		
Market value	\$ 1,506,265	\$ 1,311,231
Cost	<u>\$ 1,957,278</u>	<u>\$ 2,116,475</u>

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WINPAR HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	2004	2003
	\$	\$
10 PROPERTY PLANT & EQUIPMENT		
Office furniture & equipment - at cost	5,376	5,297
Accumulated depreciation	<u>(2,416)</u>	<u>(982)</u>
	<u>\$ 2,960</u>	<u>\$ 4,315</u>
Movements in carrying amount		
Office furniture & equipment		
Balance at the beginning of the year	4,315	-
Additions	79	5,297
Depreciation expense	<u>(1,434)</u>	<u>(982)</u>
	<u>\$ 2,960</u>	<u>\$ 4,315</u>
11 INVESTMENTS		
Equities portfolio held as investments		
Market value	<u>\$ 1,237,532</u>	<u>\$ 1,183,584</u>
Cost	<u>\$ 1,262,309</u>	<u>\$ 1,139,904</u>
12 TAX ASSETS		
Future income tax benefit	<u>\$ 20,079</u>	<u>\$ 41,916</u>
13 PAYABLES		
Creditors including amounts payable for legal costs	<u>\$ 116,194</u>	<u>\$ 205,109</u>
14 BORROWINGS		
Secured		
BT Margin Lending	89,481	29,357
Unsecured		
Loans	<u>-</u>	<u>196,787</u>
	<u>\$ 89,481</u>	<u>\$ 226,144</u>
15 TAX LIABILITIES		
Current		
Income tax	<u>\$ (80,095)</u>	<u>\$ -</u>
Non-current		
Income tax	24,201	34,968
Provision for deferred income tax	<u>-</u>	<u>-</u>
	<u>\$ 24,201</u>	<u>\$ 34,968</u>

WINPAR HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	2004 \$	2003 \$
16 PROVISIONS		
Dividend	<u>\$ -</u>	<u>\$ -</u>
17 CONTRIBUTED EQUITY		
Issued & paid-up capital		
2,658,725 (2003: 2,581,287) ordinary shares fully paid	<u>\$ 2,658,725</u>	<u>\$ 2,581,287</u>
<p>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 or by proxy has one vote. In the event of the winding up of the Company ordinary shareholders rank after creditors and share in any proceeds on winding up in proportion to the number of shares held.</p> <p>Issued capital increased by \$77,436 due to the issue of 77,436 shares at \$1.00 each as the result of an underwritten dividend reinvestment plan.</p>		
18 RESERVES		
Unrealised profits	<u>\$ -</u>	<u>\$ 119,628</u>
Movements during the year		
Opening balance	119,628	-
Unrealised profits on investment stock transferred from retained earnings	(119,628)	119,628
Closing balance	<u>\$ -</u>	<u>\$ 119,628</u>
19 RETAINED PROFITS		
Retained profits at the beginning of the year	(101,930)	154,865
Profit/(loss) after income tax	276,903	(136,967)
Transfer to unrealised profits reserve	119,628	(119,628)
Dividends paid or proposed	(77,439)	-
	<u>\$ 217,162</u>	<u>\$ (101,930)</u>

WINPAR HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	2004	2003
	\$	\$
20 CASH FLOW INFORMATION		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related item in the Statement of Financial Position as follows:		
Cash at financial institutions	<u>\$ 128,775</u>	<u>\$ 162,875</u>
(b) Reconciliation of operating profit after tax to cash flow from operating activities		
Profit/(loss) from ordinary activities after income tax	278,903	(139,967)
Non-cash flows in profit from ordinary activities		
Dividends reinvested	(224)	(4,551)
Depreciation	1,434	982
Net loss/(gain) on disposal of investments	(89,916)	2,132
Net loss/(gain) on disposal of trading stock	183,882	
Unrealised gains on trading stock		(141,646)
Unrealised gains on investments	68,756	(43,980)
Changes in assets and liabilities		
Increase/decrease in deferred tax assets/liabilities	10,771	(58,488)
Increase/decrease in trade & other debtors	209,827	70,531
Increase/decrease in shares held for resale	(358,899)	355,251
Increase/decrease in trade & other creditors	(90,281)	154,185
Increase/decrease in income taxes payable	(58,395)	(12,457)
	<u>\$ 139,839</u>	<u>\$ 184,972</u>

21 FINANCIAL INSTRUMENTS DISCLOSURE**(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 is set out below.

	Weighted average interest rate	Floating interest rate	Non-interest bearing	Total
		\$	\$	\$
2004				
Financial assets				
Cash assets	3.0%	128,775	-	128,775
Receivables		-	149,057	149,057
Investments		-	2,743,797	2,743,797
		<u>128,775</u>	<u>2,992,854</u>	<u>3,021,629</u>
Financial liabilities				
Payables		-	115,194	115,194
Borrowings	7.8%	89,481	-	89,481
		<u>89,481</u>	<u>115,194</u>	<u>204,675</u>

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WINPAR HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

			2004 \$	2003 \$
	Weighted average interest rate	Floating interest rate \$	Non-interest bearing \$	Total \$
2003				
Financial assets				
Cash assets	1.5%	162,875	-	162,875
Receivables			380,585	380,585
Investments		-	2,494,815	2,494,815
		<u>162,875</u>	<u>2,855,400</u>	<u>3,018,275</u>
Financial liabilities				
Payables			205,109	205,109
Borrowings	0.5%	225,144	-	225,144
		<u>225,144</u>	<u>205,109</u>	<u>430,253</u>

21 FINANCIAL INSTRUMENTS DISCLOSURE (Continued)**(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. The Company is not materially exposed to any individual credit risk.

(c) Net fair values

The carrying amounts of financial instruments on the Statement of Financial Position approximate their net fair values

22 SEGMENT REPORTING

The Company is engaged in investment activities conducted in Australia and the United Kingdom and derives revenue and investment income from listed and unlisted securities and fixed interest.

23 RELATED PARTY DISCLOSURE**(a) Directors**

The names of directors who have held office during the financial year are:

John Weston Seaforth Mackenzie

Robert Franklin Cameron

Gordon Bradley Elkington

Corey Hendrik Vincent

John David Honan

Steven Pritchard

WINPAR HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004****23 RELATED PARTY DISCLOSURE (Continued)****(b) Share transactions of directors**

Directors and director related entities held in aggregate directly, indirectly or beneficially shares in the company totaling 704,819 shares. Details of specific holdings are detailed in the Directors Report.

(c) Directors remuneration

No director received remuneration from the company in respect of their services as directors.

(d) Transactions with directors

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.

Commissions were paid on ordinary commercial terms to Cameron Stockbrokers Limited, a company in which each of Mr Robert Cameron and Mr Steven Pritchard has a substantial financial interest, for buying and selling shares for the Company. Commissions of \$15,681 in total were paid

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 was \$6600 (inclusive of GST).

Funds were lent to the Company from time to time by Dr Gordon Elkington. No interest was paid or is payable in relation to the funds lent.

The Company occupies a room adjoining the offices of Cameron Stockbrokers Limited, and uses Cameron Stockbrokers Limited's office facilities. No charge is made for the accommodation or services.

24 CONTINGENT LIABILITIES

A costs order was made against the Company in connection with proceedings to which it was a party. No action has been taken against the company to quantify or recover the costs.

WINPAR HOLDINGS LIMITED

DIRECTORS' DECLARATION

In the opinion of the directors:

- (a) the financial statements and notes set out on pages 8-18 are in accordance with the *Corporations Act 2001* including:
 - (aa) giving a true and fair view of the Company's financial position as at 30 June 2004, its financial performance as represented by the results of its operations, and its cash flows for the year ended 30 June 2004; and
 - (ab) complying with Accounting Standards and the *Corporations Regulations 2001*; and
- (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.

Signed at Sydney on 30 September 2004 in accordance with a resolution of the Board of Directors.

Robert Franklin Cameron
Director

Gordon Bradley Elkington
Director

WINPAR HOLDINGS LIMITED
INDEPENDENT AUDIT REPORT

SCOPE

I have audited the financial statements of Winpar Holdings Limited for the financial year ended 30 June 2004 as set out on pages 8-18 of this report. The Company's directors are responsible for the preparation and presentation of the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company.

My audit has been conducted in accordance with Australian Accounting standards to provide a reasonable assurance to whether the financial statements are free of material misstatements. My procedures have included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is represented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements, so as to present a view which is consistent with my understanding of the Company's financial position and its performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In my opinion, the financial report of Winpar Holdings Limited is in accordance with:

- (a) the *Corporations Act* 2001 including:
- (ab) giving a true and fair view of the Company, its financial position as at 30 June 2004 and of its performance for the year ended 30 June 2004; and
- (ab) complying with Accounting Standards and *Corporations Regulations* 2001; and
- (b) other mandatory professional reporting requirements.

Signed at 10 George Street, Leichhardt on 30 September 2004.

Geoffrey Allan White
Chartered Accountant

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**TRADING PORTFOLIO
AS AT 30 JUNE 2004**

Company	Number	Cost \$	Market \$
A. L. E. Property Group [stapled security]	20,000	22,040	26,200
Allstate Explorations No Liability	202,246	152,846	0
Allstate Explorations No Liability [contributing]	35,747	15,104	0
Australian Magnesium Corporation Limited	21,000	9,872	399
Australian Pure Fruits Limited	1,400	1,868	1,890
Australian Pure Fruits Limited [option]	5,000	4,802	4,750
Australian Resources Limited	67,500	21,720	0
Auto Enterprises Limited	105,845	17,161	16,935
Beaconsfield Gold No Liability	10,227	8,843	5,113
Beyond International Limited	30,000	8,189	8,550
BioMD Limited-	7,188	155	1,222
Blue Ribbon Holdings Limited	20,000	3,845	0
Bonlac Limited [note]	110	9,898	9,306
Bougainville Copper Limited	1,052	166	210
Brandrill Limited [option]	200,000	0	0
Brandrill Limited [convertible note]	260,000	13,640	0
Canada Land Limited	91,000	8,634	3,640
Carrington Cotton Corporation Limited	100	426	426
Chongherr Investment Limited	92,000	5,563	3,588
Collins and Leahy Holdings Limited	11,460	19,839	17,190
Commonwealth Office Property Trust	9,000	10,282	10,350
Country Road Limited	1,000	2,033	1,900
Cullen Resources No Liability	30,000	18,395	8,700
Cumnock Coal Limited	33,500	7,214	13,400
Diamond Ventures No Liability	180,000	18,236	14,580
Diamond Ventures No Liability [contributing]	105,000	2,780	2,100
Diatreme Resources Limited	7,291	0	365
Dream Haven Bedding and Furniture Limited	97,500	16,420	0
Elkedra Diamonds No Liability	20,000	24,000	24,000
Elix Medical Laser Limited	30,000	11,525	8,700
Equatorial Mining Limited	2,000	1,030	8,200
Farm Pride Limited	5,000	1,516	1,550
Farnell and Thomas Limited	8,250	11,341	0
Gallery Global Limited	600,000	115,165	40,800
General Publishers Limited	279,500	8,230	27,950

Girilla Resources No Liability	16,573	2,486	2,237
Golden Cross Resources No Liability	188,218	16,948	9,899
Goldfields Kalgoorlie Limited	12,373	7,264	7,300
Gowings Retail Limited	23,469	14,149	5,867
Grand Hotel Group [stapled security]	43,000	26,301	29,670
Gregory Industries Limited	20,000	6,517	5,200
Gryphon Minerals Limited	90,000	18,000	18,000
Halcyon Group Limited	1,060,000	31,528	18,900
Hampton Hill Mining No Liability	500,000	43,924	115,000
Hawker Richardson Limited	10,500	19,861	5,250
Heat Exchangers International Limited	94,000	30,254	0
Henry Walker Elton Limited	34,952	25,890	30,089
Henry Walker Group Limited	20,000	14,356	12,800
H. I. H. Insurance Limited	37,500	13,804	0
H. I. H. Insurance Limited [convertible note]	5,000	9,605	250
Illawarra Mutual Building Society Limited	5,708	13,897	18,286
Internova M. C. I. Limited	2,500	1,517	0
Investment Austasia Limited	23,325	8,088	0
Ion Limited	15,000	29,016	26,100
Kaefer Technologies Limited	371,815	25,222	0
Klondike Source Limited	50,000	5,000	5,000
Korvest Limited	7,500	11,897	27,750
Lend Lease Corporation Limited	1,200	15,969	12,336
Linden and Conway Limited	600	11,582	17,406
MacarthurCook Limited	713	0	0
Macquarie Airports Trust	10,000	9,604	20,200
Macquarie Office Trust	9,000	10,373	10,530
Magellan Petroleum Australia Limited	4,250	4,726	5,610
Medec Limited	50,000	8,594	8,250
Media Corporation Australia Limited	75,400	19,741	15,080
Media World Communications Limited	20,000	4,193	4,192
Mermald Marine Limited	70,000	20,935	22,750
Mithril Resources Limited	30,250	10,532	12,100
Morning Star Holdings Australia Limited	24,000	2,300	624
National Can Industries Limited	17,825	24,331	26,559
New Bounty Limited	1,481,526	84,608	43,846
New Cap Reinsurance Corporation Holdings	8,400	3,767	0
Nonferral Recyclers Limited	63,750	20,096	0
Nylax New Zealand [note]	1,000	24,542	44,900
O. F. T. Limited	5,500	1,952	0
Oldfields Holdings Limited	50,268	53,849	50,268
Paradigm Gold Limited	10,000	2,000	770

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Paradigm Gold Limited [option]	5,000	0	130
P. Cleland Enterprises Limited	7,100	14,729	3,976
Pearl Healthcare Limited	400,000	39,126	26,800
P. M. P. Limited	10,000	8,121	16,400
Pasminco Limited	247,000	60,641	0
Penfold Buscombe Limited	30,000	23,587	33,600
Penfold Buscombe Limited [option]	107	0	17
Power Pacific Limited	14,542	957	0
Queensland Gas Company Limited	50,000	10,110	9,000
Quoin International Limited	100,000	18,719	0
Quoin International Limited [option]	185,688	12,438	0
R. C. R. Tomlinson Limited	430,000	100,088	154,800
Red Metal Limited	30,000	8,947	5,700
Residual Asco Limited	20,000	253	0
Sigma Company Limited	990	2,091	8,108
Simon Gilbert Wines Limited [option]	11,981	0	0
Sipa Resources International No Liability	50,000	7,330	4,750
Smorgon Steel Group Limited	14,000	15,008	15,260
Spectrum Resources Limited	25	8	7
Steamships Trading Company Limited	72,674	147,873	207,121
Stokes Australasia Limited	93,270	35,538	19,120
Tasmania Mines Limited	250,000	32,945	30,000
Terra Gold Mining Limited	100,000	10,110	7,800
The Maryborough Sugar Factory Limited	2,876	17,547	14,409
Tooth and Company Limited	79,558	17,368	10,740
Total Sport and Entertainment Group Limited	5,000	1,709	0
Transmetro Corporation Limited	35,200	8,506	17,800
Trust Company of Australia Limited	2,940	8,053	23,549
U. D. U Resources Limited	1,548	0	0
Villa World Limited	8,000	10,211	10,400
Vision Systems Limited	500	526	445
W. C. Penfold Limited	14,291	13,611	0
Water Wheel Holdings Limited	34,735	27,313	0
Western Metals Limited	90,000	35,772	0
Westfield America Trust	5,000	9,706	11,950
Woolstock Australia Limited [stapled security]	2,000	0	0
		<u>1,957,278</u>	<u>1,506,285</u>

INVESTMENT PORTFOLIO
AS AT 30 JUNE 2004

Company	Number	Cost \$	Book \$
A. Cohen p.l.c	1,183	2,903	177
A. Cohen p.l.c [voting]	6,100	6,278	759
Allgas Energy Limited [preference]	76,199	128,663	156,208
Allied Irish Banks p.l.c.	543	11,328	12,081
Alvis p.l.c.	1,200	3,743	9,996
Angostura Holdings Limited	10,000	11,716	15,374
Blooms of Bressingham Holdings p.l.c.	15,000	16,271	16,122
Blue Planet Investment Management Limited	200	5,167	4,981
Broadetoner Holdings Limited [preference]	5,000	10,354	10,364
Carlton Investments Limited [preference]	5,496	10,825	10,717
C. I. Traders Limited	500	955	904
Coal and Allied Industries Limited [preference]	37,232	34,099	37,977
D.J.L. Limited [1st preference]	652	54	0
D.J.L. Limited [2nd preference]	639	36	0
Earth Sanctuaries Limited [option]	500	0	0
Email Limited [preference]	100	860	860
Fiji Industries Limited	4,555	25,665	25,865
Glenmorangle p.l.c. [A ordinary]	600	9,077	16,311
Glenmorangle p.l.c. [B ordinary]	850	18,253	37,035
Hardye and Hanson p.l.c. [preference]	500	1,027	1,027
Harris and Company Limited [preference]	5,500	11,956	11,000
Investment Company p.l.c.	5,100	23,982	13,437
James Latham p.l.c. [preference]	2,000	5,186	5,186
Keith Harris and Company Limited [preference]	3,475	7,042	9,070
Linden and Conway Limited [preference]	200	910	204
London Stock Exchange p.l.c.	2,000	13,447	14,280
Ludowici Limited [1st preference]	1,400	1,455	1,386
Ludowici Limited [2nd preference]	2,857	2,953	2,571
Mackay Building Society Limited	7,000	14,503	27,650
M. C. I. Incorporated	1,000	33,843	20,940
Murray Financial Corporation p.l.c.	1,000	2,209	7,140
National Consolidated Limited [preference]	9,926	38,765	19,852
Orica Limited [preference]	65,777	66,321	73,670
P. Z. Cussons p.l.c. [A ordinary]	500	4,090	14,537
P. Z. Cussons p.l.c.	5,000	18,918	19,104

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Pauls Victoria Limited [preference]	900	2,582	2,313
Phosphate Resources Limited	8,300	37,157	37,157
Pioneer Permanent Building Society Limited	36,438	77,882	108,314
Public Holdings Australia Limited	299,280	70,846	59,856
Ransomes p.l.c. [preference]	76,729	275,083	146,087
Rights and Issues Investment Trust p.l.c.	5,000	11,082	11,082
Rutherland Pty. Limited	75,538	76,198	76,198
Shepherd Neame Limited	2,212	40,840	40,882
Sletal Limited [preference]	16,300	20,082	48,900
Southern Mining Corporation limited	100	0	0
Starlight Holdings Limited	500	100	100
Textron Incorporated	28	3,114	2,408
The Peninsular and Oriental Steam Navigation Co.	3,500	8,246	8,246
The Romney Hythe and Dymchurch Railway p.l.c.	200	1,537	1,537
The Van Diemen Land Company	30	40	40
Vaalls Limited [preference]	2,150	2,186	4,257
Webster Limited [preference]	20,756	27,928	29,474
Witan Investment Trust p.l.c.	20,000	27,517	27,516
W.G. Goetz and Sons Limited [preference]	2,000	0	0
Whitefield Limited [preference]	6,248	8,822	8,436
Wintrust p.l.c.	1,000	3,988	3,988
Yule Catto and Co. p.l.c.	247	2,085	1,789
		<u>1,262,309</u>	<u>1,237,632</u>

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**SHAREHOLDER INFORMATION
AS AT 30 SEPTEMBER 2004**

As at 30 September 2004 the Company had 300 shareholders. The 20 largest shareholders and their shareholdings were as follows:

National Exchange Pty. Limited	275,075
Darin Investments Pty. Limited	221,000
Bell IXL Nominees Pty. Limited	219,783
Gordon Bradley Elkington	218,665
Abella Grove Pty. Limited	123,600
Henley Underwriting and Investment Company Pty. Limited	113,300
National Exchange Pty. Limited	103,200
Peters Trading Company Australia Pty. Limited	81,000
Milly Elkington	62,995
Cameron Stockbrokers Limited	37,013
A. K. W. Investments Pty. Limited	32,854
R. F. C. Investment Holdings Pty. Limited	31,843
Wilcorp No. 41 Pty. Limited	31,463
Peter Windeyer Donovan	28,840
Boulevard Nominees Pty. Limited	28,000
Peter Andrew Martin	27,055
A. K. W. Investments Pty. Limited	26,421
Batoka Pty. Limited	25,465
Douglas Robert Graham Nield	25,215
Kyleast Pty. Limited	25,000

The distribution of shareholdings was as follows:

Range of holdings	Number of shareholders	Percentage of holders	Number of shares	Percentage of shares
1-1,000	129	43.0	44,471	1.7
1,001-10,000	125	41.7	453,325	17.1
10,001-100,000	39	13.0	886,308	33.3
100,001 - over	7	2.3	1,274,823	47.9
	300	100.0	2,858,725	100.0

There were 83 shareholders holding less than a marketable parcel of shares.

The substantial shareholders were as follows:

National Exchange Pty. Limited	378,275
Gordon Bradley Elkington	318,928
Robert Franklin Cameron	254,724
John Weston Seaforth Mackenzie	236,900
Darin Investments Pty. Limited	221,000
Bell IXL Nominees Pty. Limited	219,783
Steven Pritchard	181,078

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FIVE YEAR SUMMARY

	2000	2001	2002	2003	2004
	\$	\$	\$	\$	\$
Financial performance					
Earnings before tax	310,669	(167,431)	118,963	(196,593)	301,391
Tax	91,207	(54,564)	35,686	59,626	(24,448)
Earnings after tax	219,363	(112,867)	83,267	(136,967)	276,903
Dividend provided	210,916	51,626	51,626	0	0
Financial position					
Current assets	2,211,920	1,847,921	1,971,515	1,834,691	1,784,097
Current liabilities	706,224	378,613	310,659	430,253	144,580
Non-current assets	927,545	1,291,482	1,173,388	1,229,515	1,260,571
Non-current liabilities	36,562	56,480	98,292	34,968	24,201
Shareholders' equity	2,396,679	2,704,310	2,735,952	2,596,965	2,875,887
Subscribed capital	2,109,163	2,581,287	2,581,287	2,581,287	2,658,726

CORPORATE DIRECTORY

Directors	John Weston Seaforth Mackenzie Robert Franklin Cameron Gordon Bradley Elkington John David Monan Steven Pritchard
Company Secretary	Gordon Bradley Elkington
General Manager	Vincent Chin
Registered office	Level 5 10 Spring Street Sydney New South Wales 2000
Auditor	Geoffrey Allan White Chartered Accountant 10 George Street Leichhardt New South Wales 2040
Solicitor	Stephen Blanks and Associates 118 Evans Street Rozelle New South Wales 2039
Share Registrar	Newcastle Capital Markets Registries Pty. Limited 10 Murray Street Hamilton New South Wales 2303
Bankers	Macquarie Cash Management Trust 20 Bond Street Sydney New South Wales 2000 The Rock Building Society Limited Cnr. Archer and Bolsover Streets Rockhampton Queensland 4500

Wide Bay Capricorn Building Society Limited
16-20 Barolin Street
Bundaberg
Queensland 4670

Manchester Building Society
24 Queen Street
Manchester
United Kingdom