

FORM: Half yearly/preliminary final report

Name of *issuer*

Winpar Holdings Limited

ACN or ARBN

003 035 523

Half yearly
(tick)

☐

Preliminary
final (tick)

☐

Half year/financial year ended
('Current period')

30 June 2018

For announcement to the market

Extracts from this statement for announcement to the market (*see note 1*).

				\$A
Operating Revenue (item 1.1)	Down	35%	To	141,372
Operating Profit (loss) before abnormal items and tax	Down	145%	To	(29,360)
Profit (loss) for the period attributable to security holders (<i>item 1.11</i>)	Down	93%	To	6,829
Dividends: Franking Rate Applicable			30%	
Current Period				
Previous Corresponding Period				
Record date for determining entitlements to the dividend (in the case of a trust distribution) (see item 15.2)				
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

Dividends

15.1 Date the dividend is payable

--

15.2 Record Date to determine entitlements to the dividend (i.e. on the basis of registrable transfers received up to 5.00pm)

--

18.3 Amount per security

--

			Franking rate applicable	39%	30%	33%
			(Preliminary final statement only)			
15.4	Final Dividend:	Current year				
15.5		Previous year				
			(Preliminary final statement only)			
15.6	Final Dividend:	Current year				
15.7		Previous year				

Total Annual Dividend (distribution) per security

(Preliminary final statement only)

15.8 Ordinary Securities

Current Year	Previous Year
	2.00 cents per share fully franked dividend paid on 22 November 2017

The dividend or distribution plans shown below are in operation

Dividend Reinvestment Plan

--

Any other disclosures in relation to dividends (distribution)

Annual meeting*(Preliminary final statement only)*

The annual meeting will be held as follows:

Place

TBA

Date

Time

Approximate date the annual report will be available

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.

3. This statement does/does not* (*delete one*) give a true and fair view of the matters disclosed (see note 2).

4. This statement is based on financial statements to which one of the following applies:

- ☒ The financial statements have been audited. ☐ The financial statements have been subject to review by a registered auditor (or overseas equivalent).
- ☐ The financial statements are in the process of being audited or subject to review. ☐ The financial statements have *not* yet been audited or reviewed.

5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/will follow immediately they are available* (*delete one*). (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.*)

6. The issuer has/does not have* (*delete one*) a formally constituted audit committee.

Sign here: Date: 13 September 2018
.....
(Director)

Print name:

Winpar Holdings Limited

ABN 81 003 035 523

Annual Report

For the Financial Year Ended 30 June 2018

Winpar Holdings Limited
ABN 81 003 035 523

Contents

	Page
Chief Executive Officers Report	2
Directors' report	3
Auditor's independence declaration	8
Statement of profit or loss and other comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13
Directors' declaration	29
Independent auditor's report	30
Investment portfolio	35
Shareholder information	39
Five year summary	40
Corporate directory	41

Winpar Holdings Limited
ABN 81 003 035 523

Chief Executive Officer's Report

30 June 2018

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 \$6,829 during the year compared to \$98,533 last year. The total comprehensive income was \$269,424 compared with \$263,342 last year. The net asset backing of the shares as at 30 June 2018 was 100 cents compared to 98 cents last year.

During the year the company made an offer of cash and scrip to acquire shares of non-associated shares of Penrose Club Holdings Limited, a company in which Winpar held a 40 percent interest. A number of shareholders of Penrose accepted the offer, and these shareholders were issued with 237,940 new shares in Winpar at a notional price of \$1.00 each. Control of Penrose passed to Winpar and on 16 April 2018 it was resolved to wind up the company. The only asset of Penrose is cash on disposal.

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, Anton Rosenberg and Dr Peter Donovan. Mr Peter Allen has continued to assist the company with its English investments.



Steven Pritchard
Chief Executive Officer

Winpar Holdings Limited
ABN 81 003 035 523

Directors' Report

30 June 2018

The directors present their report together with the accounts of Winpar Holdings Limited for the financial year ended 30 June 2018.

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.

Winpar Holdings Limited
ABN 81 003 035 523

Directors' Report

30 June 2018

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. He was appointed as a director of the company on 19 November 2015.

DIRECTORS INTERESTS IN THE COMPANY

As at 30 June 2018 the directors who hold office held the following relevant interests in shares in the company.

	Shares held directly	Shares held indirectly
Gordon Elkington	532,473	-
John Honan	-	37,838
Steven Pritchard	-	438,716
Alfred Rofe	18,031	-
David Welsh	1,086,989	-
Francis Ian Malcolm	-	50,222

Mrs Milly Elkington, the wife of Dr Gordon Elkington, holds 280,022 shares in the company.

DIRECTORS MEETINGS ATTENDED

There were 10 directors meetings held during the financial year. Attendances at these meetings were as follows:

Gordon Elkington	10
John Honan	9
Steven Pritchard	9
Alfred Rofe	10
David Welsh	8
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

Winpar Holdings Limited
ABN 81 003 035 523

Directors' Report

30 June 2018

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 2018 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 \$6,829 (2017: \$98,533).

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 \$1.00. The company retains a high level of franking credits.

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 the company's dividend reinvestment plan.

On 18 May 2018 the company paid a fully franked dividend of 2 cents per share to members registered as at 2 May 2018. The total amount of the dividend was \$90,918 of which \$30,953 was paid in cash and \$59,965 was reinvested in new shares under the company's dividend reinvestment plan.

EVENTS SUBSEQUENT TO BALANCE DATE

There have been no events subsequent to year end which require disclosure.

Winpar Holdings Limited
ABN 81 003 035 523

Directors' Report

30 June 2018

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
ABN 81 003 035 523

Directors' Report

30 June 2018

AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2018 is set out on page 8.

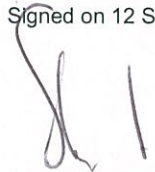
NON AUDIT SERVICES

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.

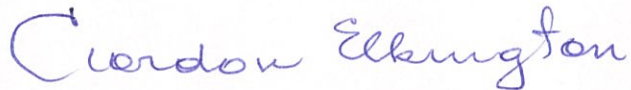
ENVIRONMENTAL REGULATION

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 12 September 2018 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 2018, 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

12 SEPTEMBER 2018
SYDNEY, NSW

PKF(NS) Audit & Assurance Limited Partnership Sydney

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

Level 8, 1 O'Connell Street
Sydney NSW 2000 Australia
GPO Box 5446 Sydney NSW 2001
p +61 2 8346 6000
f +61 2 8346 6099

Newcastle

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

Winpar Holdings Limited
ABN 81 003 035 523

Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 30 June 2018

	Note	30 June 2018			30 June 2017		
		Revenue \$	Capital \$	Total \$	Revenue \$	Capital \$	Total \$
Other revenue from ordinary activities	2	141,372	-	141,372	216,154	-	216,154
Finance costs	3	(12,941)	-	(12,941)	(11,830)	-	(11,830)
Administration expenses		(71,854)	-	(71,854)	(65,638)	-	(65,638)
Legal expenses		(8,750)	-	(8,750)	-	-	-
Occupancy expenses		(20,593)	-	(20,593)	(19,613)	-	(19,613)
Other expenses from ordinary activities	3	(65,553)	-	(65,553)	(61,967)	-	(61,967)
Share of profit of associate	10	8,959	-	8,959	7,797	-	7,797
(Loss)/profit before income tax		(29,360)	-	(29,360)	64,903	-	64,903
Income tax benefit / (expense)	4	36,189	-	36,189	33,630	-	33,630
Profit from continuing operations		6,829	-	6,829	98,533	-	98,533
Profit for the period		6,829	-	6,829	98,533	-	98,533
Other comprehensive income							
Net gains for the period on securities realised in the investment portfolio		-	63,088	63,088	-	84,815	84,815
Tax expense on the above		-	(18,926)	(18,926)	-	(25,445)	(25,445)
Net gain on revaluation of financial assets		-	312,047	312,047	-	150,627	150,627
Tax expense on the above		-	(93,614)	(93,614)	-	(45,188)	(45,188)
Other comprehensive income for the period net of tax		-	262,595	262,595	-	164,809	164,809
Total comprehensive income		6,829	262,595	269,424	98,533	164,809	263,342
Earnings per share							
Basic earnings per share	5			\$0.00			\$0.02

The accompanying notes form part of these financial statements.

Winpar Holdings Limited
ABN 81 003 035 523

Statement of Financial Position

As at 30 June 2018

	Note	30 June 2018 \$	30 June 2017 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	19,889	135,674
Trade and other receivables	7	83,226	171,049
Current tax receivable	8(a)	164	30
Financial assets		1,404,012	-
Other assets		1,870	1,125
Total current assets		1,509,161	307,878
Non-current assets			
Financial assets	9	3,309,555	2,974,545
Investment in associate	10	-	1,003,697
Plant and equipment		174	291
Deferred tax assets	8(b)	113,120	189,469
Total non-current assets		3,422,849	4,168,002
Total assets		4,932,010	4,475,880
LIABILITIES			
Current liabilities			
Trade and other payables	11	115,189	89,371
Borrowings	12	190,299	207,701
Total current liabilities		305,488	297,072
Non-current liabilities			
		-	-
Total liabilities		305,488	297,072
Net assets		4,626,522	4,178,808
EQUITY			
Issued capital	13	4,605,656	4,251,430
Reserves	15	23,350	(195,083)
Accumulated losses		(2,484)	122,461
Total equity		4,626,522	4,178,808

The accompanying notes form part of these financial statements.

Winpar Holdings Limited
ABN 81 003 035 523

Statement of Changes in Equity

For the Financial Year Ended 30 June 2018

	Note	Ordinary Shares \$	Retained Earnings \$	General Reserve \$	Financial Assets Reserve \$	Total \$
Balance at 1 July 2017		4,251,430	122,461	110,036	(305,119)	4,178,808
Profit for the period		-	6,829	-	-	6,829
Net capital profits/ (losses) for the year		-	44,162	-	-	44,162
Transfer to general reserve		-	-	-	-	-
Dividends provided for or paid	14	-	(175,936)	-	-	(175,936)
Shares issued during the period	13	354,226	-	-	-	354,226
Revaluation of available-for-sale financial assets (net of tax)		-	-	-	218,433	218,433
Sub-total		354,226	(124,945)	-	218,433	447,714
Balance at 30 June 2018		4,605,656	(2,484)	110,036	(86,686)	4,626,522

		Ordinary Shares \$	Retained Earnings \$	General Reserve \$	Financial Assets Reserve \$	Total \$
Balance at 1 July 2016		4,160,650	131,697	110,036	(410,558)	3,991,825
Profit for the period		-	98,533	-	-	98,533
Net capital profits/ (losses) for the year		-	59,370	-	-	59,370
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
Sub-total		90,780	(9,236)	-	105,439	186,983
Balance at 30 June 2017		4,251,430	122,461	110,036	(305,119)	4,178,808

The accompanying notes form part of these financial statements.

Winpar Holdings Limited
ABN 81 003 035 523

Statement of Cash Flows

For the Financial Year Ended 30 June 2018

	Note	30 June 2018 \$	30 June 2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(147,825)	(92,036)
Other investment income		150,613	39,084
Finance costs		(12,941)	(11,830)
Income tax refund		1,984	-
Net cash used in operating activities	16(b)	(8,169)	(64,782)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of available-for-sale financial assets		282,886	440,647
Purchase of available-for-sale financial assets		(313,448)	(362,994)
Net cash (used in)/ provided by investing activities		(30,562)	77,653
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(59,651)	(76,359)
Proceeds from borrowings		-	77,535
Repayment of borrowings		(17,403)	-
Net cash (used in)/ provided by financing activities		(77,054)	1,176
Net (decrease)/ increase in cash and cash equivalents held		(115,785)	14,047
Cash and cash equivalents at beginning of period		135,674	121,627
Cash and cash equivalents at end of period	16(a)	19,889	135,674

The accompanying notes form part of these financial statements.

Winpar Holdings Limited
ABN 81 003 035 523

Notes to the Financial Statements

For the Financial Year Ended 30 June 2018

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 139.

(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.

Winpar Holdings Limited
ABN 81 003 035 523

Notes to the Financial Statements

For the Financial Year Ended 30 June 2018

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.

Winpar Holdings Limited
ABN 81 003 035 523

Notes to the Financial Statements

For the Financial Year Ended 30 June 2018

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
ABN 81 003 035 523

Notes to the Financial Statements

For the Financial Year Ended 30 June 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(j) 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.

(k) Comparative Figures

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

(l) 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.

(m) 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.

(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
---------------------	---------

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

Winpar Holdings Limited
ABN 81 003 035 523

Notes to the Financial Statements

For the Financial Year Ended 30 June 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(o) 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.

Tax

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.

Investment in Associate

During the year the company held an investment in Penrose Club Holdings Limited and recognised this as an investment in associate as per note 1(i). On 16 April 2018, Penrose was placed into liquidation and the directors of Winpar have determined that the company no longer has significant influence of Penrose. Accordingly, this investment has been classified as a current financial asset at 30 June 2018. This asset has been recorded at fair value.

(p) 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 2018

2. Revenue

	2018 \$	2017 \$
Other revenue		
- Interest income	814	6,441
- Dividends received	84,783	125,328
- Trust distributions received	26,231	9,182
- Foreign income received	26,198	20,323
- Other income	900	58,215
- Gain/ (loss) on exchange differences	2,446	(3,335)
	<hr/> 141,372	<hr/> 216,154
Total revenue	<hr/> 141,372	<hr/> 216,154

3. Results for the year

Finance costs:		
- external	12,941	11,830
	<hr/> 12,941	<hr/> 11,830
Other expenses from ordinary activities	65,553	61,967
	<hr/> 65,553	<hr/> 61,967

4. Income tax expense

(a) The components of tax expense comprise:

Current tax expense		
Current tax	-	-
Deferred tax expense		
Deferred tax	(18,247)	19,072
(Over)/ under provision for income tax in prior years	984	(27,257)
	<hr/> (17,263)	<hr/> (8,185)
Total income tax benefit	<hr/> (17,263)	<hr/> (8,185)

Winpar Holdings Limited
ABN 81 003 035 523

Notes to the Financial Statements

For the Financial Year Ended 30 June 2018

4. Income tax expense continued

2018	2017
\$	\$

(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% (2017: 30%)	10,118	44,915
Less:		
Tax effect of:		
- rebateable fully franked dividends	(19,914)	(28,040)
- difference in capital gains	(2,441)	4,250
- tax effective trust distributions received	(3,325)	286
- share of profit of associate	(2,688)	(2,339)
- under provision for income tax in prior year	984	(27,257)
Income tax benefit	(17,266)	(8,185)

5. Earnings per share

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

Profit from continuing operations	6,829	98,533
-----------------------------------	--------------	--------

(b) Earnings used to calculate overall earnings per share

6,829	98,533
--------------	--------

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

4,381,747	4,188,078
------------------	-----------

(d) Basic earnings per share

Basic earnings per share - cents	-	2
----------------------------------	---	---

6. Cash and cash equivalents

Cash and cash equivalents	19,889	135,674
---------------------------	---------------	---------

7. Trade and other receivables

Trade and other receivables	83,226	171,049
-----------------------------	---------------	---------

Winpar Holdings Limited
ABN 81 003 035 523

Notes to the Financial Statements

For the Financial Year Ended 30 June 2018

8. Tax

	2018 \$	2017 \$
(a) Current Tax Asset		
Current tax	164	30

(b) Deferred tax assets

	Opening Balance \$	Charged to Income \$	Charged directly to Equity \$	Closing Balance \$
Deferred tax assets				
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
Balance at 30 June 2017	226,473	8,184	(45,188)	189,469
Financial assets held for trading				
- Accounting	-	-	-	-
- Tax	-	-	-	-
Accruals	11,686	(8,018)	-	3,668
Deferred tax assets attributable to tax losses	47,017	25,283	-	72,300
Capital losses	-	-	-	-
Revaluation reserve	130,766	-	(93,614)	37,152
Balance at 30 June 2018	189,469	17,265	(93,614)	113,120

9. Financial assets

	2018 \$	2017 \$
Available-for-sale financial assets comprise:		
CURRENT		
Unlisted investments, at fair value	1,404,012	-
NON-CURRENT		
Listed investments, at fair value		
- shares in listed corporations	2,643,545	2,308,535
Unlisted investments, at fair value		
- shares in other corporations	666,010	666,010
Total available-for-sale financial assets	3,309,555	2,974,545

Winpar Holdings Limited
ABN 81 003 035 523

Notes to the Financial Statements

For the Financial Year Ended 30 June 2018

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. The following is the revenue and expenditure on the investment up until the date of liquidation.

Associate	Principal Activities	Percentage interest	
		2018 %	2017 %
Penrose Club Holdings Limited	Property Ownership	-	40.06

Information in relation to the associate is set out below.

	2018 \$	2017 \$
<i>Share of assets and liabilities</i>		
Current assets	-	1,105,696
Non current assets	-	9,214
Total assets	-	1,114,910
Current liabilities	-	111,213
Non current liabilities	-	-
Total liabilities	-	111,213
Net assets	-	1,003,697
<i>Share of revenue, expenses and results</i>		
Revenue	16,853	19,966
Expenses	(4,054)	(12,308)
Profit/ (loss) before income tax	12,799	7,658
Income tax benefit	(3,840)	139
Revaluation of non-current assets (net of tax)	-	-
Profit after income tax	8,959	7,797

11. Trade and other payables

Trade and other payables	115,189	89,371
--------------------------	---------	--------

Winpar Holdings Limited
ABN 81 003 035 523

Notes to the Financial Statements

For the Financial Year Ended 30 June 2018

12. Borrowings

	2018 \$	2017 \$
CURRENT		
Secured liabilities:		
BT Margin Loan	190,299	207,701
Total current borrowings	190,299	207,701

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	4,251,430	4,160,650
Shares issued during the year		
56,321 at \$1.00 on 22 November 2017 (2017: 35,556 at \$1.00 on 7 November 2016)	56,321	35,556
59,965 at \$1.00 on 18 May 2018 (2017: 55,224 at \$1.00 on 31 May 2017)	59,965	55,224
237,940 at \$1.00 on 13 February 2018	237,940	-
At the end of the reporting period	4,605,656	4,251,430

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 (2017: 2) cents per share paid on 18 May 2018	90,918	83,922
Fully franked ordinary dividend of 2 (2017: 2) cents per share paid on 22 November 2017	85,019	83,218
At the end of the reporting period	175,937	167,140

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	64,187	95,761
Imputation credits from franked dividends	28,619	40,057
Tax paid / (refunded)	-	-
PAYG instalment	-	-
Dividends paid	(75,402)	(71,631)
TFN withholding tax	-	-
	17,404	64,187

Winpar Holdings Limited
ABN 81 003 035 523

Notes to the Financial Statements

For the Financial Year Ended 30 June 2018

	Note	2018 \$	2017 \$
15. Reserves			
Financial assets reserve			
Opening balance		(305,119)	(410,558)
Revaluation of investment portfolio		218,433	105,439
Closing balance		(86,686)	(305,119)

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

General reserve

Opening balance	110,036	110,036
Transfer from retained earnings	-	-
Closing balance	110,036	110,036

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

(a) Reconciliation of cash

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 as

Cash and cash equivalents	6	19,889	135,674
Bank overdrafts		-	-
Balance as per statement of cash flows		19,889	135,674

(b) Reconciliation of cash flow from operations with profit after income tax

Profit for the year	6,829	98,533
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	118	153
- dividend income reinvested	(292)	(2,444)
- net gain on disposal of available for sale financial assets	(63,088)	(82,369)
- share of profit of associate	(8,959)	(7,797)
Changes in assets and liabilities:		
- decrease / (increase) in trade and other receivables	48,804	(118,826)
- decrease in deferred tax asset	(17,399)	(8,186)
- increase in trade and other payables	25,818	56,154
Cash flow from operations	(8,169)	(64,782)

(c) Significant non-cash investing and financing activities

The Company issued 56,321 and 59,965 shares at \$1 each in November 2017 and May 2018 respectively, in accordance with its dividend reinvestment plan. Additionally, the Company issued 237,940 shares at \$1 each in February 2018 as part of the consideration for the acquisition of 11,897 shares in Penrose Club Holdings Limited.

17. Auditors' remuneration

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

- PKF	19,069	18,662
Total auditors' remuneration for auditing or reviewing the financial report	19,069	18,662

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 2018

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	
	2018 %	2017 %	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Financial assets								
Cash and cash equivalents	1.40	1.40	19,889	135,674	-	-	19,889	135,674
Receivables	-	-	-	-	83,226	171,049	83,226	171,049
Financial assets designated at fair value through other comprehensive income	-	-	-	-	4,713,567	2,974,545	4,713,567	2,974,545
Investments in associates	-	-	-	-	-	1,003,697	-	1,003,697
Total financial assets			19,889	135,674	4,796,793	4,149,291	4,816,682	4,284,965
Financial liabilities								
Borrowings	7.12	7.12	190,299	207,701	-	-	190,299	207,701
Payables	-	-	-	-	115,189	89,371	115,189	89,371
Total financial liabilities			190,299	207,701	115,189	89,371	305,488	297,072

Winpar Holdings Limited
ABN 81 003 035 523

Notes to the Financial Statements

For the Financial Year Ended 30 June 2018

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 2018

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:

	Level 1	Level 2	Level 3	Total
30 June 2018	\$	\$	\$	\$
Recurring fair value measurements				
Investment portfolio	2,643,545	2,070,022	-	4,713,567

30 June 2017

Recurring fair value measurements

Investment portfolio	2,308,535	666,010	-	2,974,545
----------------------	-----------	---------	---	-----------

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 2018 and 30 June 2017.

(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 2018 and 30 June 2017.

Winpar Holdings Limited
ABN 81 003 035 523

Notes to the Financial Statements

For the Financial Year Ended 30 June 2018

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:

	2018 \$	2017 \$
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 \$13,804 (2017: \$11,146) (exclusive 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 \$52,785 (2017: \$33,523) (inclusive of GST).

Loans from related parties

	2018 \$	2017 \$
Mr Gordon Elkington	30,688	11,724

Winpar Holdings Limited
ABN 81 003 035 523

Notes to the Financial Statements

For the Financial Year Ended 30 June 2018

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 2018.

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 2018 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

12 September 2018

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 2018, 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 2018 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 Sydney

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

Level 8, 1 O'Connell Street
Sydney NSW 2000 Australia
GPO Box 5446 Sydney NSW 2001
p +61 2 8346 6000
f +61 2 8346 6099

Newcastle

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

1. Valuation & Existence of Investment Portfolio

Why significant

As at 30 June 2018, a significant proportion of the Company's assets (96%) comprised of investment securities. The fair value of financial assets is \$4,713,567 (2017: \$3,978,242) as disclosed in Note 9 of the financial report.

Of these assets, \$2,643,545 are 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.

The remaining assets of \$2,070,022 are unlisted securities classified as 'level 2' financial instruments whereby the valuation has been determined on the basis of the investment's net asset value as at 30 June 2018.

Refer to Note 1 (a) for details of these assets and Note 19 (e) for the level 1 and 2 classification.

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 2018 using reputable and active trading websites such as the ASX and the LSE; 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 draft financial statements of associate company, Penrose Club Holdings Ltd as at 31 December 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 and 19.

2. Accounting for an Investment in an Associate

Why significant

As at 30 June 2017, the Company recorded an investment in Penrose Club Holdings Ltd ("Penrose") using the equity method of accounting (refer Note 10). Penrose was placed into voluntary administration on 16 April 2018 and liquidators have been appointed.

Accordingly, the directors of Winpar have determined that the Company no longer holds significant influence and the asset has been reclassified to a current financial asset as per Note 1(o) critical accounting estimates and judgements.

The fair value of the investment as at 30 June 2018 is \$1,404,012 as per Note 9. Based on an assessment of the net asset position of Penrose as at the date of liquidation, the Directors do not consider this asset to be impaired. It is expected that the liquidation will be finalised within the 2019 financial year and that Winpar will receive a return on investment.

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

Given that Penrose has been placed into voluntary administration and the liquidators are now overseeing operations, we concur with management and agree that the Company does not have significant influence over Penrose as AASB 128.

We assessed the assets and liabilities of Penrose based on the draft accounts as at 31 December 2017 (the last available accounts) and note that 99.9% of net assets relate to cash with the remaining balances considered immaterial. On this basis we agree that the fair value of the investment is materially correct and that there are no indicators of impairment.

We also assessed the appropriateness of disclosures included in Notes 1(o), 9 and 10 with respect to the investment in Penrose as at 30 June 2018.

3. Recognition and Valuation of Deferred Tax Assets

Why significant

As disclosed in Note 8 of the financial report, at 30 June 2018 the Company has recorded a deferred tax asset of \$113,120 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:

- assessing 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 8 in respect of the deferred tax balances.

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.

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 2018.

In our opinion, the Remuneration Report of Winpar Holdings Limited for the year ended 30 June 2018, 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



SCOTT TOBUTT
PARTNER

12 SEPTEMBER 2018
SYDNEY, NSW

Winpar Holdings Limited
ABN 81 003 035 523

Investment Portfolio

Company	Number of shares/units	Market \$
Acacia Ridge Financial Services Limited	10,000	10,000
Albany WA Community Financial Services Limited	2,500	2,500
Alumina Limited	15,000	42,000
Amalgamated Telecom Holdings Ltd	6,000	11,024
Angostura Holdings Limited	12,000	37,525
Arrium Limited - voluntary administration (7/4/16)	200,000	0
Atlantic and Pacific Packaging Co Limited	2,800	2,202
Aspermont Limited	1,000,000	9,000
Augusta and Districts Community Financial Services Limited	7,000	3,500
Australian Bauxite Limited	200,000	21,000
Auswide Bank Limited	696	3,919
Balmain / Rozelle Financial Services Limited	39,000	7,800
BAO Trust	160,984	1,610
Bayswater Community Financial Services Limited	5,022	5,022
Beacon Lighting Group Limited	15,000	22,800
Bellarine Peninsular Community Branch Limited	5,000	3,000
Bendigo and Adelaide Bank Limited	1,500	16,260
Bendigo Community Telco Limited	16,400	31,980
Berkshire Hathaway Limited	50	12,604
Berowra and District Financial Services Limited	35,000	17,500
BGP Holdings plc	150,750	0
BHP Billiton Limited	1,000	33,910
Bisalloy Steel Group Limited	50,000	43,500
Brisbane Markets Limited	14,350	52,378
British Empire Securities and General Trust plc	2,500	33,589
Broadwater Financial Services Limited	11,667	9,334
Buderim Ginger Limited	300,000	91,500
Byford and District Community Development Services Limited	5,000	5,000
Caffyns plc [preference]	5,852	15,662
Caledonia Investments plc	1,000	50,138
Canterbury Surrey Hills Community Finance Limited	15,400	12,320
Caplay plc (in liquidation)	1	0
Capitol Health Limited	100,000	32,500
Capral Limited	176,724	26,509
Carlton Investments Limited [preference]	5,746	11,550
Central Petroleum Limited	200,000	29,000
City West Community Financial Services Limited	5,000	2,500
Clifroy Limited	14,000	8,400
Conygar Investment Company plc	10,000	30,868
Coolalinga and Districts Community Enterprises Limited	6,000	6,000

Winpar Holdings Limited
ABN 81 003 035 523

Company	Number of shares/units	Market \$
Dr Pepper Snapple Group Inc	141	23,232
East Gosford and Districts Community Financial Services Limited	30,000	7,500
Embelton Holdings Limited	8,000	111,840
Ettalong Beach Financial Services Limited	11,500	9,200
Fenwick plc [preference]	3,000	7,436
Fiji Sugar Corporation Limited	5,000	0
Fiji Television Limited	7,384	11,330
Fijicare Insurance Limited	6,393	4,946
First AU Limited	614,880	22,136
First AU Limited Option Expiring 1-Dec-2020	614,880	4,304
Fleurieu Community Enterprises Limited	19,500	13,650
Florin Mining Investment Company Limited	800,605	64,048
FMF Foods Limited	25,000	21,919
Fraser Coast Community Enterprises Limited	24,500	24,500
Fremantle Community Financial Services Limited	21,000	9,450
Fuller Smith and Turner plc [A ordinary]	1,250	21,188
Goodwood / Highgate Community Financial Services Limited	18,000	9,000
Graincorp Limited	5,000	38,400
Gympie and District Financial Services Limited	18,300	20,130
Hamilton Securities Limited	10,000	300
Hampton Hill Mining No Liability	660,000	20,460
Harbord Financial Services Limited	7,500	9,375
Healthscope Limited	10,000	22,100
Heathcote and District Financial Services Limited	5,000	5,200
Heritage Brands Limited	259,762	9,092
Herald Investment Trust plc	2,000	47,996
Heyfield and District Community Financial Services Limited	9,500	10,450
Hire Intelligence International Limited (Delisted 26/2/2013)	37,621	0
Hobsons Bay Community Financial Services Limited	5,000	6,000
Hornby plc	10,000	6,423
Hydes Anvil Brewery Limited [B ordinary]	100	13,508
Hydro Hotel Eastbourne plc	100	1,383
Iluka Resources Limited	2,000	22,360
IOOF Holdings Limited	5,000	44,950
IMB Limited	5,010	25,852
Intercontinental Exchange Group	85	8,443
James Latham plc [preference]	2,000	4,371
Johnston Press plc [preference]	4,000	243
Kemp and Denning Limited	13,472	57,930
Kingsgate Consolidated Limited	36,000	10,080
Kontiki Growth Fund Limited	21,547	7,800
Logan Community Financial Services Limited	54,900	21,960

Winpar Holdings Limited
ABN 81 003 035 523

Company	Number of shares/units	Market \$
Mandurah Community Financial Services Limited	14,900	14,900
Manningham Community Enterprises Limited	35,750	21,450
Marwyn Value Investors Limited	8,374	21,740
McKay Securities plc	10,000	46,747
McMullen and Sons Limited [preferred]	8,000	55,329
Meander Valley Financial Services Limited	16,000	16,000
Merchant House International Limited	60,000	9,900
Molecular Discovery Systems Limited (Price as at 31/12/2017)	85,034	170
Molonglo Financial Services Limited	5,500	1,925
Mooroolbark and District Finance Services Limited	27,900	20,925
Mornington Winery Group	42,839	0
Mt Evelyn and District Financial Services Limited	21,000	7,665
A & J Mucklow Group plc	5,000	49,870
Mystate Limited	5,000	25,050
Navigator Resources Limited	6,601	53
Newcrest Mining Limited	2,000	43,600
NGE Capital Limited	20,000	13,400
North Ryde Community Financial Services Limited	7,000	7,000
Oldfields Holdings Limited	142,698	9,275
Onterran Limited	31,250	9,844
ORH Limited	1,375	1
Our Community Company Limited	4,000	8,800
OFX Group Limited	15,000	26,175
Pacific Cement Limited	4,555	25,866
Paradise Beverages Fiji Limited	1,475	12,267
Paynesville and District Financial Services Limited	14,500	7,975
Penrice Soda Holdings Limited - in liquidation	600,000	0
Penrose Club Holdings Limited - in liquidation	42,420	1,404,012
Perpetual Resources Limited	1	0
Pine Rivers Community Finance Limited	6,000	6,000
Platinum Asset Management Limited	7,500	43,200
Pritchard Equity Limited [A ordinary]	5,950	1,785
Pritchard Equity Limited [B ordinary]	5,000	1,500
PZ Cussons plc [A ordinary]	5,000	20,108
Quoin (INT) Limited	10,000	0
RB Patel Group Limited	1,000	3,127
Redcliffe Peninsular Financial Services Limited	20,500	30,750
Redflex Holdings Limited	75,000	33,750
Redlands Community Financial Services Limited	11,500	10,350
Rights and Issues Investment Trust plc	1,600	64,804
Rightmove plc	600	56,846
Rockingham Community Financial Services Limited	18,500	14,800
Rosewood and District Financial Services Limited	6,000	12,000
Rye and District Community Financial Services Limited	9,000	9,000
Sandringham Community Financial Services Limited	26,000	15,600
San Remo District Financial Services Limited	20,000	20,000
Santos Limited	589	3,693
Sarina and District Financial Services Limited	12,900	12,255
Scottish Mortgage Investment Trust plc	500	4,728

Winpar Holdings Limited
ABN 81 003 035 523

Company	Number of shares/units	Market \$
SDI Limited	48,025	24,013
Shepherd Neame Limited	4,212	80,413
Shriro Limited	15,000	17,250
Sietel Limited	11,250	76,500
Sietel Limited [preference]	26,800	26,800
Site Group International Limited	500,000	12,500
Smartpay Holdings Limited	160,609	27,304
South Burdekin Community Financial Services Limited	9,790	9,790
South Burnett Community Enterprises Limited	5,000	3,500
Spicers Limited	1,504,000	55,648
Sunshine Coast Community Financial Services Limited	33,725	32,713
Telstra Corporation Limited	10,000	26,200
Textron Incorporated	62	5,519
The Romney Hythe and Dymchurch Railway plc	200	200
Thorney Opportunities Limited	50,000	34,500
Thwaites ORD	14,500	37,255
Tongala and District Financial Services Limited	44,100	30,870
TopTung Limited	28,334	1,020
Trinity Accommodation Regional Hospitality Fund	100,000	100,000
Troy Resources Limited	100,000	14,500
Tyrex Solutions Pty Ltd	25,000	0
Tyrex Solutions Unit Trust	25,000	25,000
Upper Yarra Community Enterprises Limited	11,500	23,000
VB Holdings Limited	4,052	17,894
Village National Holdings Limited	933,334	45,360
Wadworth and Company Limited [A ordinary]	4,800	53,491
Wantirna Community Financial Services Limited	8,000	8,000
Webster Limited [preference]	55,278	75,178
Whitefield Limited [preference]	6,248	6,248
William Jackson and Son Limited [preference]	2,000	2,972
Witan Investment Trust plc [preference]	20,000	18,735
Young and Companys Brewery plc	2,000	60,574
		<hr/>
		4,713,567
		<hr/>

Winpar Holdings Limited
ABN 81 003 035 523

Shareholder Information

As at 29 August 2018 the Company had 184 shareholders. The 20 largest shareholders and their shareholdings were as follows:

Shareholder	Holding	Percentage
David George Maxwell Welsh	1,086,959	23.60
William Lewis Timms and Carolyn Jane Timms	557,650	12.11
Gordon Bradley Elkington	532,473	11.56
Illuminator Investment Company Limited	438,716	9.53
Level 1 Pty Ltd	325,000	7.06
Frederick Bruce Wareham	287,618	6.24
Milly Elkington	280,022	6.08
Peter Windeyer Donovan	80,408	1.75
Peter Andrew Martin	76,000	1.65
Trimay Pty Limited	70,326	1.53
Alaria Pty Limited	50,222	1.09
Honan Business Services Pty Limited	37,838	0.82
Seven Bob Investments Pty Limited	35,973	0.78
L M Lucas Pty Limited	31,321	0.68
Lynette Gay McLennan	30,716	0.67
Peter Anthony Cameron	27,032	0.59
Mulla Nominees Pty. Limited	25,000	0.54
Meggsies Pty Limited	24,594	0.53
Mary Graham Neild	24,183	0.53
Warwick Wilson Stewart	23,822	0.52
	<hr/> 4,045,873	<hr/> 87.86

The distribution of shareholdings was as follows:

Range	Number of holders	Percentage of holders	Number of shares	Percentage of shares
1-1,000	92	50	31,183	1
1,001-5,000	37	20	109,707	2
5,001-10,000	16	9	122,827	3
10,001-50,000	28	15	556,512	12
50,001-100,000	4	2	276,956	6
100,001-500,000	4	2	1,331,356	29
500,001-1,000,000	2	1	1,090,123	24
1,000,001-2,000,000	1	1	1,086,989	23
	<hr/> 184	<hr/> 100	<hr/> 4,605,653	<hr/> 100

The substantial shareholders and their shareholdings were as follows:

Shareholder	Holding
David George Welsh	1,086,989
William Lewis Timms and Carolyn Jane Timms	557,650
Gordon Bradley Elkington	532,473
Illuminator Investment Company Limited	438,716
Level 1 Pty Limited	325,000
Frederick Bruce Wareham	287,618
Milly Elkington	280,022

Winpar Holdings Limited
ABN 81 003 035 523

Five Year Summary

	2014	2015	2016	2017	2018
	\$	\$	\$	\$	\$
Earnings before tax	159,132	(90,904)	145,435	64,903	(29,360)
Tax	25,893	(54,111)	20,793	(33,630)	(36,189)
Earnings after tax	133,239	(36,793)	124,642	98,533	6,829
Dividends paid	161,480	161,480	164,334	167,139	175,936
Current assets	146,063	150,612	175,006	307,878	1,509,161
Current liabilities	182,193	289,192	163,383	297,072	305,488
Non-current assets	4,385,614	4,448,928	3,980,202	4,168,002	3,422,849
Non-current liabilities	-	-	-	-	-
Shareholders equity	4,349,484	4,310,348	3,991,825	4,178,808	4,626,522
Subscribed capital	4,037,011	4,090,593	4,160,650	4,251,430	4,605,656

Winpar Holdings Limited
ABN 81 003 035 523

Corporate Directory

Directors	Gordon Bradley Elkington John David Honan Steven Pritchard Alfred Edward Fulton Rofe David George Maxwell Welsh Francis Ian Malcolm
Secretary	Gordon Bradley Elkington
Registered office	Suite 11.10 66 Clarence Street Sydney New South Wales 2000
Auditor	PKF Newcastle 755 Hunter Street Newcastle West New South Wales 2302
Solicitor	Stephen Blanks and Associates 119 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 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