

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)

31st December 2018

For announcement to the market

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

Extracts from this statement for announcement to the market (see Note 17).

				\$A
Operating Revenue (item 1.1)	Down	1%	To	94,839
Operating Profit (loss) before abnormal items and tax	UP	17%	To	7,293
Profit (loss) for the period attributable to members (item 1.11)	Down	68%	To	7,298
Income Distributions		Current period	Previous corresponding period	
Dividend		2¢	2¢	
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

Annual meeting

(Preliminary final statement only)

The annual meeting will be held as follows:

Place

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

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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: Gordon Elkington Date: 15 March 2019
(Director/Company secretary)

Print name: Gordon Elkington

Winpar Holdings Limited

ABN 81 003 035 523

Interim Report

Half year ended 31 December 2018

Winpar Holdings Limited

ABN 81 003 035 523

DIRECTORS' REPORT

31 December 2018

The directors present their report together with the accounts of Winpar Holdings Limited for the half year ended 31 December 2018.

DIRECTORS

The following persons have held office as directors during and since the end of the half year ended 31 December 2018:

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

REVIEW OF OPERATIONS

The net profit for the period after provision for income tax was \$7,298 (2017: \$22,817). Comprehensive loss for the period was \$61,739 compared with comprehensive profit of \$239,253 for the half year ended 31 December 2017.

Winpar is a long term value investor and does not engage in share trading. The company has continued to maintain a margin account for special purposes, but the company remains largely debt free.

During the half year the liquidation of Penrose Club Holdings Limited, a company in which Winpar held a 56 percent interest, was completed and on 8 November 2018 the liquidator distributed to Winpar an amount of \$1,411,323.30 being Winpar's share of the proceeds of the liquidation.

The net asset backing of Winpar's shares at balance date was \$0.97 (30 June 2018: \$1.02).

DIVIDENDS

On 30 November 2018 the company paid a fully franked dividend of 2 cents per share to members registered as at 15 November 2018. The total amount of the dividend was \$92,113 of which \$29,605 was paid in cash and \$62,508 was reinvested in new shares under Winpar's dividend reinvestment plan.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the half year ended 31 December 2018 is set out on page 2.

Signed on 13 March 2019 in accordance with a resolution of the Board of Directors.



Steven Shane Pritchard
Director



Gordon Bradley Elkington
Director

WINPAR HOLDINGS LIMITED

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

I am pleased to provide the following declaration of independence to the directors of Winpar Holdings Limited.

As lead audit partner for the review of the financial statements of Winpar Holdings Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



PKF



MARTIN MATTHEWS
PARTNER

13 MARCH 2019
NEWCASTLE, NSW

Winpar Holdings Limited

ABN 81 003 035 523

Statement Of Profit Or Loss And Other Comprehensive Income

For the half year ended 31 December 2018

	Note	Period to 31 December 2018			Period to 31 December 2017		
		Revenue	Capital	Total	Revenue	Capital	Total
		\$	\$	\$	\$	\$	\$
Other revenue from ordinary activities	2	94,839	-	94,839	95,551	-	95,551
Share of profit/ (loss) of associate		-	-	-	7,333	-	7,333
Finance costs		(4,932)	-	(4,932)	(6,619)	-	(6,619)
Administration expenses		(39,499)	-	(39,499)	(45,032)	-	(45,032)
Legal expenses		-	-	-	(3,000)	-	(3,000)
Occupancy expenses		(11,385)	-	(11,385)	(9,429)	-	(9,429)
Other expenses from ordinary activities		(31,730)	-	(31,730)	(32,615)	-	(32,615)
Profit/ (loss) before income tax		7,293	-	7,293	6,189	-	6,189
Income tax (expense)/ benefit	5	-	-	5	16,628	-	16,628
Profit/ (loss) from continuing operations		7,298	-	7,298	22,817	-	22,817
Profit/ (loss) for the period		7,298	-	7,298	22,817	-	22,817
Other Comprehensive income							
Net (loss)/ gain on revaluation of financial assets		-	(129,259)	(129,259)	-	296,053	296,053
Income tax relating to components of other comprehensive income		-	38,778	38,778	-	(88,816)	(88,816)
Net gains for the period on securities realised in the investment portfolio		-	53,239	53,239	-	9,656	9,656
Income tax relating to components of other comprehensive income		-	(31,795)	(31,795)	-	(456)	(456)
Other comprehensive income for the period net of tax		-	(69,037)	(69,037)	-	216,437	216,437
Total comprehensive income		7,298	(69,037)	(61,739)	22,817	216,437	239,253
Earnings per share							
Basic earnings per share (cents per share)				0.16			0.54

The accompanying notes form part of these condensed financial statements.

Winpar Holdings Limited

ABN 81 003 035 523

Statement Of Financial Position

As at 31 December 2018

	31.12.2018	30.06.2018
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	1,102,286	19,889
Trade and other receivables	81,445	83,226
Current tax receivable	1,776	164
Financial assets	-	1,404,012
Other assets	8,983	1,870
Total current assets	1,194,490	1,509,161
Non-current assets		
Financial assets	3,286,314	3,309,555
Plant and equipment	141	174
Deferred tax assets	121,016	113,120
Total non-current assets	3,407,471	3,422,849
Total assets	4,601,961	4,932,010
LIABILITIES		
Current liabilities		
Trade and other payables	60,846	115,189
Borrowings	5,031	190,299
Total current liabilities	65,877	305,488
Non-current liabilities		
Deferred tax liability	909	-
Total non-current liabilities	909	-
Total liabilities	66,786	305,488
Net assets	4,535,175	4,626,522
EQUITY		
Issued capital	4	4,668,161
Reserves		4,605,656
Retained earnings		(159,244)
Total equity		23,350
		(2,484)
	4,535,175	4,626,522

The accompanying notes form part of these condensed financial statements.

Winpar Holdings Limited

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Statement of Changes in Equity

For the half year ended 31 December 2018

	Ordinary Shares	Retained Earnings	General Reserve	Financial Assets Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2017	4,251,430	122,462	110,036	(305,120)	4,178,808
Transactions with owners in their capacity as owners					
Dividends provided for or paid	-	(85,019)	-	-	(85,019)
Shares issued during the period	56,321	-	-	-	56,321
Total transactions with owners	56,321	(85,019)	-	-	(28,698)
Loss for the half year	-	22,817	-	-	22,817
<i>Other comprehensive income for the half year (net of tax)</i>					
Net capital gain for the half year (net of tax)	-	9,200	-	-	9,200
Revaluation of available-for-sale financial assets (net of tax)	-	-	-	207,237	207,237
Other comprehensive income for the half year	-	9,200	-	207,237	216,437
Total comprehensive income	-	32,017	-	207,237	239,254
Balance at 31 December 2017	4,307,751	69,460	110,036	(97,883)	4,389,364
Balance at 1 July 2018	4,605,656	(2,484)	110,036	(86,686)	4,626,522
Transactions with owners in their capacity as owners					
Dividends provided for or paid	-	-	(92,113)	-	(92,113)
Shares issued during the period	62,505	-	-	-	62,505
Total transactions with owners	62,505	-	(92,113)	-	(29,608)
Profit for the half year	-	7,298	-	-	7,298
<i>Other comprehensive income for the half year (net of tax)</i>					
Net capital gain for the half year (net of tax)	-	21,444	-	-	21,444
Revaluation of available-for-sale financial assets (net of tax)	-	-	-	(90,481)	(90,481)
Other comprehensive income for the half year	-	21,444	-	(90,481)	(69,037)
Total comprehensive income	-	28,742	-	(90,481)	(61,739)
Balance at 31 December 2018	4,668,161	26,258	17,923	(177,167)	4,535,175

The accompanying notes form part of these condensed financial statements.

Winpar Holdings Limited

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Statement of Cash Flows

For the half year ended 31 December 2018

	31 December 2018	31 December 2017
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(119,321)	(93,876)
Other investment income	95,455	144,308
Income tax refund	1,332	952
Net cash (used in)/ provided by operating activities	(22,534)	51,384
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of available-for-sale financial assets	1,453,254	109,236
Purchase of available-for-sale financial assets	(102,111)	(193,056)
Net cash provided by/ (used in) investing activities	1,351,143	(83,820)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(29,604)	(28,698)
Proceeds from borrowings	-	11,644
Repayment of borrowings	(216,608)	(50,421)
Net cash used in financing activities	(246,212)	(67,475)
 Net increase/ (decrease) in cash and cash equivalents held	 1,082,397	 (99,911)
Cash and cash equivalents at beginning of period	19,889	135,674
Cash and cash equivalents at end of period	1,102,286	35,763

The accompanying notes form part of these condensed financial statements.

Winpar Holdings Limited

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Notes To The Financial Statements

For the half year ended 31 December 2018

NOTE 1: Significant Accounting Policies

Statement of Compliance

The condensed interim report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34: *Interim Financial Reporting*. The half year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of Preparation

The condensed interim report has been prepared on an accruals basis and is based on historical costs, modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. All amounts are presented in Australian dollars, unless otherwise stated.

The condensed interim report is intended to provide users with an update on the latest annual financial statements of Winpar Holdings Limited. As such, it does not contain information that represents relatively insignificant changes occurring during the half year. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the company for the year ended 30 June 2018, together with any public announcements made during the half year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies and methods of computation adopted in the preparation of the condensed interim financial report are consistent with those adopted and disclosed in the company's 2018 annual financial report for the year ended 30 June 2018. To enhance and provide greater clarity to users on the company's results the Statement of Profit or Loss and Other Comprehensive Income has been presented with separate revenue and capital columns.

New, revised or amending Accounting Standards and Interpretations adopted

The company has not applied any Australian Accounting Standards or AASB interpretations that have been issued at balance date but are not yet operative for the half year ended 31 December 2018 ("the inoperative standards"). The impact of the inoperative standards has been assessed and the impact has been identified as not being material. The company only intends to adopt inoperative standards at the date at which their adoption becomes mandatory.

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

New and amended standards adopted by the company

Certain new accounting standards and interpretations have been published for the 31 December 2018 reporting period of the Company. The director's assessment of the impact of these new standards (to the extent relevant to the company) and interpretations is set out below:

(i) AASB 9: *Financial Instruments* (AASB 9) (effective 1 July 2018)

AASB 9 contains new requirements of the classification, measurement and de-recognition of financial assets and liabilities, replacing the recognition and measurement requirements in AASB 139 *Financial Instruments*:

Notes To The Financial Statements

For the half year ended 31 December 2018

Recognition and Measurement. Under the new requirements the four current categories of financial assets will be replaced with two measurement categories: fair value and amortised cost, and financial assets will only be measured at amortised cost where very specific conditions are met. AASB 9 introduces new hedge accounting requirements including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged disclosures.

The new expected-loss impairment model requires credit losses to be recognised when financial instruments are first recognised, and results in full lifetime expected credit losses being recognised when there is a significant increase in credit risk. The balances of financial assets scoped into AASB 9 impairment requirements are not material.

There was no impact on the Company upon adoption of AASB 9 on 1 July 2018 as the Company currently classifies financial assets and financial liabilities at fair value through profit or loss or amortised cost, and the Company does not apply hedge accounting.

(ii) AASB 15 Revenue from Contracts with Customers, (applicable from 1 July 2018)

AASB 15 supersedes AASB 18 Revenue and AASB 111 Construction Contracts. Although AASB 15 is principles-based, it is a significant change from the current revenue requirements and will involve more judgements and estimates as revenue is recognised when control of a good or service transfers to a customer, or on satisfaction of performance obligations under contracts, which replaces the existing notion of risk and rewards.

There was no impact on the Company upon the adoption of AASB 15 on 1 July 2018 as the Company's revenue recognition of interest, dividend, investment gains/(losses) and foreign exchange gains/(losses) were unaffected as these items are excluded from the scope of AASB 15.

Winpar Holdings Limited

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Notes to the Financial Statements

For the half year ended 31 December 2018

	31.12.2018	31.12.2017
NOTE 2: Revenue	\$	\$
Other revenue		
- Interest income	2,990	1,998
- Dividends received	72,637	52,589
- Trust distributions received	3,141	24,994
- Foreign income received	15,505	13,743
- Other income	-	900
- Gain/ (loss) on exchange differences	566	1,327
Total revenue	94,839	95,551

NOTE 3: Dividends

The following dividends were declared and paid:

Fully franked ordinary dividend of 2 cents (2017: 2 cents) per share paid on 30 November 2018.

92,113	85,019

NOTE 4: Issued Capital

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

Date	Details	Number of Shares	Issue Price \$	Issued Capital \$
01/07/2018	Opening balance	4,605,656		4,605,656
30/11/2018	Dividend reinvestment plan	62,505		62,505
31/12/2018	Balance	4,668,161		4,668,161

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

NOTE 5: Contingent liabilities

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

NOTE 6: Segment Reporting

The company operates in Australia as an investment company.

NOTE 7: Subsequent Events

Since 31 December 2018 to the date of this report there has been no event specific to the company of which the Directors are aware which has had a material effect on the company or its financial position.

Winpar Holdings Limited

ABN 81 003 035 523

Notes to the Financial Statements

For the half year ended 31 December 2018

	31.12.2018 \$	31.12.2017 \$
NOTE 8: Related party transactions		
Transactions with related parties:		
-Accounting fees payable to Rees Pritchard Pty Limited	26,128	32,435
Steven Pritchard is interested in the above transactions as a director and a beneficial shareholder of Rees Pritchard Pty Limited.		
- Newcastle Capital Markets Registries Pty. Limited for share registry costs.	5,500	5,532
Steven Pritchard is interested in the above transaction as a director and beneficial shareholder of Newcastle Capital Markets Registries Pty. Limited		
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		

NOTE 9: Key Management Personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

NOTE 10: 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

The directors of the company declare that:

- (a) In the Directors' opinion the financial statements and notes, as set out on pages 3 to 10, are in accordance with the *Corporations Act 2001* and:
 - (i) Comply with Accounting Standards, the Corporations Regulations and other mandatory professional reporting requirements; and
 - (ii) Give a true and fair view of the Company's financial position as at 31 December 2018 and of its performance for the half year ended on that date;
- (b) In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to s.303(5) of the *Corporations Act 2001* and is signed on behalf of the Directors.



Steven Shane Pritchard
Director



Gordon Bradley Elkington
Director

Dated this 13th day of March 2019

INDEPENDENT AUDITOR'S REVIEW REPORT

To THE MEMBERS OF WINPAR HOLDINGS LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Winpar Holdings Limited (the company), which comprises the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

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

- (a) giving a true and fair view of the company's the financial position as at 31 December 2018, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Independence

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

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2018 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Winpar Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

Auditor's Responsibility (cont'd)

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



PKF



MARTIN MATTHEWS
PARTNER

13 MARCH 2019
NEWCASTLE, NSW