

# **Winpar Holdings Limited**

**ABN 81 003 035 523**

## **Annual Report**

**For the Financial Year Ended 30 June 2020**

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

# Contents

	Page
Chairman's report	2
Chief Executive Officers Report	3
Directors' report	4
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	27
Independent auditor's report	28
Investment portfolio	33
Shareholder information	37
Five year summary	38
Corporate directory	39

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

## Chairman's Report

30 June 2020

*Dear Fellow Shareholders,*

What a year FY2020 has been.

The ASX All Ordinaries index fell 37% from its record 7237 high in February to 4564 on March 23, then recovered to 6001 on June 30 and is still climbing. However, with Australia's Gross Domestic Product (GDP) down 3% in the March quarter and 7% in June, we are officially in a recession – the worst since records have been kept.

I sincerely hope that you have been able to survive these economic effects, social restriction effects and potential health issues.

What has CoViD-19 meant for Winpar? Fortunately, we have not fared too badly. We have been more cautious in selecting new investments and increasing existing holdings, and our strong cash position has provided some protection from falling share prices.

Consequently, we have finished the year with a profit. You will see on page 9 that Total Comprehensive Income for the year is \$61,477.

The Board will shortly consider the payment of an interim dividend, but has not yet determined any amount or whether it will be franked.

We are fortunate indeed to have shareholders who have assisted Winpar now and in past years with their knowledge, their ideas, their contacts and in other ways. I would like to thank Dr. Peter Donovan, Messrs Peter Cameron, Nick Lucas, Peter Martin, Ian Meggitt, Peter Norman, Tony O'Brien, Gerry Pauley, Anton Rosenberg, Bruce Wareham and Don Willing. Mr. Peter Allen is very helpful when we are considering investments in UK companies.

Winpar's Annual General Meeting will be held in late October or early November and I am looking forward to meeting as many of you as possible, if not in person (CoViD-19 restricts us to a very small number of physical attendees) then via Zoom.

My thanks to shareholders for your ongoing support.



Frank Malcolm  
Chairman

11 September 2020

Winpar Holdings Limited  
ABN 81 003 035 523

## Chief Executive Officer's Report

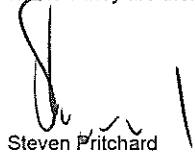
30 June 2020

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 manage its portfolio of listed and unlisted securities, and remains debt-free. As at 30 June 2020 the company had cash in hand of \$351,055.

The company made a loss of \$11,483 during the year compared to a profit of \$133,408 last year. The total comprehensive income was \$61,447 compared with \$83,814 last year. The net asset backing of the shares as at 30 June 2020 was 95 cents compared to 98 cents last year.

As everyone knows, these are unprecedented times. There is a great deal of uncertainty in world markets at present, and the company is taking very special care in making investments, particularly in listed Australian companies which have been well researched by the market. The company is also continuing to look for other sensible investments which are not generally available to ordinary retail investors, and these may include further investments in unlisted public and possibly private companies.

I add my own thanks to shareholders to those of the Chairman. Many of them have helped the company in so many ways, and it is nice to know they are there.



Steven Pritchard  
Chief Executive Officer

11 September 2020

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

# Directors' Report

30 June 2020

The directors present their report together with the accounts of Winpar Holdings Limited for the financial year ended 30 June 2020.

## DIRECTORS

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

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

Gordon Bradley Elkington, BSc (Hons), MSc, Ph D, LLM

Dr Elkington is a barrister of the Supreme Court of New South Wales. He is also a director of Pritchard Equity 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 also a director of Illuminator Investment Company Limited, Florin Mining Investment Company Limited, Pritchard Equity Limited and South Pacific Stock Exchange Limited. He has been a director of the company since 2003.

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.

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

# Directors' Report

30 June 2020

## DIRECTORS INTERESTS IN THE COMPANY

As at 30 June 2020 the directors who held office held the following relevant interests in shares in the company.

	<b>Shares held directly</b>	<b>Shares held indirectly</b>
Gordon Elkington	570,716	-
John Honan	-	37,838
Steven Pritchard	-	481,042
David Welsh	1,183,632	-
Francis Ian Malcolm	-	53,829

## 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	10
Steven Pritchard	6
David Welsh	10
Francis Ian Malcolm	10

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

David Welsh	4
John Honan	4

## 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 2020 is set out on pages 33-36. 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 loss for the year after provision for income tax was \$11,483 (2019: profit \$133,408).

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

The net asset backing of the shares at balance date was \$0.95.

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

# Directors' Report

30 June 2020

## DIVIDENDS

On 24 December 2019 the company paid an unfranked dividend of 2 cents per share to members registered as at 13 December 2019. The total amount of the dividend was \$94,616 of which \$31,987 was paid in cash and \$62,659 was reinvested in new shares under the company's dividend reinvestment plan.

On 29 June 2020 the company paid a fully franked dividend of 1 cent per share to members registered as at 10 June 2020. The total amount of the dividend was \$47,945 of which \$17,362 was paid in cash and \$30,583 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.

## 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	4,980	-	4,980
Gordon Elkington	-	4,980	4,980
John Honan	4,980	-	4,980
David Welsh	-	4,980	4,980
Francis Malcolm	4,980	-	4,980
Total	14,940	9,960	24,900

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 2020

### AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2020 is set out on page 8.

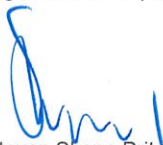
### NON AUDIT SERVICES

Details of the auditor's remuneration for auditing the company's accounts are set out in note 16 to the accounts. No amounts have been paid or are payable to the auditor for non-audit services.

### ENVIRONMENTAL REGULATION

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

Signed on 11 September 2020 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 auditor for the audit of Winpar Holdings Limited for the year ended 30 June 2020, 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**

PKF



MARTIN MATTHEWS  
PARTNER

11 SEPTEMBER 2020  
NEWCASTLE, 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 2020

	Note	30 June 2020			30 June 2019		
		Revenue \$	Capital \$	Total \$	Revenue \$	Capital \$	Total \$
Revenue from ordinary activities	2	131,245	-	131,245	272,572	-	272,572
Finance costs	3	(33)	-	(33)	(5,007)	-	(5,007)
Administration expenses		(71,450)	-	(71,450)	(64,834)	-	(64,834)
Legal expenses		(8,979)	-	(8,979)	-	-	-
Occupancy expenses		(26,455)	-	(26,455)	(22,605)	-	(22,605)
Other ordinary expenses	3	(70,656)	-	(70,656)	(65,820)	-	(65,820)
<b>(Loss)/profit before income tax</b>		<b>(46,328)</b>	<b>-</b>	<b>(46,328)</b>	<b>114,306</b>	<b>-</b>	<b>114,306</b>
Income tax benefit / (expense)	4	34,845	-	34,845	19,102	-	19,102
<b>(Loss)/ profit from continuing operations</b>		<b>(11,483)</b>	<b>-</b>	<b>(11,483)</b>	<b>133,408</b>	<b>-</b>	<b>133,408</b>
<b>(Loss)/ profit for the period</b>		<b>(11,483)</b>	<b>-</b>	<b>(11,483)</b>	<b>133,408</b>	<b>-</b>	<b>133,408</b>
<b>Other comprehensive income</b>							
Net gains for the period on securities realised in the investment portfolio		-	123,757	123,757	-	79,597	79,597
Tax expense on the above		-	(37,127)	(37,127)	-	(56,421)	(56,421)
Net gain on revaluation of financial assets		-	(19,571)	(19,571)	-	(103,957)	(103,957)
Tax expense on the above		-	5,871	5,871	-	31,187	31,187
<b>Other comprehensive income for the period net of tax</b>		<b>-</b>	<b>72,930</b>	<b>72,930</b>	<b>-</b>	<b>(49,594)</b>	<b>(49,594)</b>
<b>Total comprehensive income</b>		<b>(11,483)</b>	<b>72,930</b>	<b>61,447</b>	<b>133,408</b>	<b>(49,594)</b>	<b>83,814</b>
<b>Earnings per share</b>							
Basic earnings per share	5			\$ -			\$0.03

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 2020

	Note	30 June 2020 \$	30 June 2019 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	351,055	1,022,808
Trade and other receivables	7	209,411	169,589
Current tax receivable	8(a)	1,776	1,776
Other assets		2,255	1,925
<b>Total current assets</b>		<b>564,497</b>	<b>1,196,098</b>
<b>Non-current assets</b>			
Financial assets	9	4,063,941	3,402,681
Plant and equipment		68	109
Deferred tax assets	8(b)	110,577	106,988
<b>Total non-current assets</b>		<b>4,174,586</b>	<b>3,509,778</b>
<b>Total assets</b>		<b>4,739,083</b>	<b>4,705,876</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	75,761	53,722
Borrowings	11	-	930
<b>Total current liabilities</b>		<b>75,761</b>	<b>54,652</b>
<b>Non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>75,761</b>	<b>54,652</b>
<b>Net assets</b>		<b>4,663,322</b>	<b>4,651,224</b>
<b>EQUITY</b>			
Issued capital	12	4,825,262	4,732,020
Reserves	14	(148,031)	(80,796)
Accumulated losses		(13,909)	-
<b>Total equity</b>		<b>4,663,322</b>	<b>4,651,224</b>

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 2020

	Note	Ordinary Shares \$	Accumulated Losses \$	General Reserve \$	Financial Assets Reserve \$	Total \$
<b>Balance at 1 July 2019</b>		4,732,020	-	78,660	(159,456)	4,651,224
Loss for the period		-	(11,483)	-	-	(11,483)
Net capital profits/ (losses) for the year		-	86,630	-	-	86,630
Transfer to general reserve		-	(89,056)	89,056	-	-
Dividends provided for or paid	13	-	-	(142,591)	-	(142,591)
Shares issued during the period	12	93,242	-	-	-	93,242
Revaluation of available-for-sale financial assets (net of tax)	14	-	-	-	(13,700)	(13,700)
<b>Sub-total</b>		93,242	(13,909)	(53,535)	(13,700)	12,098
<b>Balance at 30 June 2020</b>		4,825,262	(13,909)	25,125	(173,156)	4,663,322

		Ordinary Shares \$	Retained Earnings \$	General Reserve \$	Financial Assets Reserve \$	Total \$
<b>Balance at 1 July 2018</b>		4,605,656	(2,484)	110,036	(86,686)	4,626,522
Profit for the period		-	133,408	-	-	133,408
Net capital profits/ (losses) for the year		-	23,176	-	-	23,176
Transfer to general reserve		-	(60,738)	60,738	-	-
Dividends provided for or paid	13	-	(93,362)	(92,114)	-	(185,476)
Shares issued during the period	12	126,364	-	-	-	126,364
Revaluation of available-for-sale financial assets (net of tax)	14	-	-	-	(72,770)	(72,770)
<b>Sub-total</b>		126,364	2,484	(31,376)	(72,770)	24,702
<b>Balance at 30 June 2019</b>		4,732,020	-	78,660	(159,456)	4,651,224

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 2020**

	<b>Note</b>	<b>30 June 2020 \$</b>	<b>30 June 2019 \$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(176,298)	(184,421)
Other investment income		126,867	244,985
Finance costs		(33)	(5,007)
Income tax refund		3,015	1,120
Net cash (used in)/ provided by operating activities	<b>15(b)</b>	<b>(46,449)</b>	56,677
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of available-for-sale financial assets		593,528	1,434,045
Purchase of available-for-sale financial assets		(1,176,959)	(208,258)
Net cash (used in)/ provided by investing activities		<b>(583,431)</b>	1,225,787
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(49,349)	(59,109)
Proceeds from borrowings		8,406	-
Repayment of borrowings		(930)	(220,436)
Net cash used in financing activities		<b>(41,873)</b>	(279,545)
Net (decrease)/ increase in cash and cash equivalents held		<b>(671,753)</b>	1,002,919
Cash and cash equivalents at beginning of period		<b>1,022,808</b>	19,889
Cash and cash equivalents at end of period	<b>15(a)</b>	<b>351,055</b>	1,022,808

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 2020

## 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 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.

### Accounting Policies

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

#### (a) Investment Portfolio

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

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

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

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

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

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

Increments and decrements on ordinary securities are recognised as comprehensive income and are taken to the Financial Assets Reserve.

Where disposal of an investment occurs, any revaluation increment or decrement relating to the investment is transferred from the Financial Assets 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 a distribution is a capital return on ordinary securities the amount of the distribution is treated as an adjustment to the carrying value of the securities.

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

# Notes to the Financial Statements

For the financial year ended 30 June 2020

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### (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. The 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

Deferred tax assets and liabilities are ascertained on the basis of 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 a 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.

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

# Notes to the Financial Statements

For the financial year ended 30 June 2020

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### (g) Revenue and Other Income

Dividends, distributions 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) Goods and Services Tax (GST)

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

### (j) Receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment if any is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associate allowance.

### (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 the performance of the operating segments.

### (m) Earnings per share

#### Basic earnings per share

Basic earnings per share are calculated by dividing the profit of the company by the weighted average number of ordinary shares on issue during the year.

#### Diluted earnings per share

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



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

# Notes to the Financial Statements

For the financial year ended 30 June 2020

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### (n) Plant and equipment

Plant and equipment are 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.

### (o) Leases

The Directors have considered the requirement of the new Accounting Standard, AASB 16 Leases, which requires the capitalisation of operating leases. In conformance with the Standard, the Directors have taken advantage of the expensiveness regarding short term leases and have recognised a right of use asset or lease liability in respect of Winpar's existing commercial occupancy.

### (p) 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 on the basis of 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 does not intend to dispose of portfolio assets until there are gains on the investments which the directors believe will be sufficient to recoup the deferred tax assets.

#### **Receivables**

The value of the provision for impairment of receivables is estimated by using the ECL mode, by considering the ageing of receivables, communication with debtors and prior history.

Winpar Holdings Limited  
ABN 81 003 035 523

## Notes to the Financial Statements

For the financial year ended 30 June 2020

	2020 \$	2019 \$
<b>2. Revenue</b>		
Other revenue		
- Interest income	5,705	10,547
- Dividends received	83,422	200,623
- Trust distributions received	26,095	19,377
- Foreign income received	16,023	41,517
- Gain on exchange differences	-	508
	<u>131,245</u>	<u>272,572</u>
<b>Total revenue</b>	<u>131,245</u>	<u>272,572</u>
<b>3. Results for the year</b>		
Finance costs:		
- external	<u>33</u>	<u>5,007</u>
Other expenses from ordinary activities	<u>70,656</u>	<u>65,820</u>
<b>4. Income tax expense</b>		
(a) The components of tax expense comprise:		
<b>Current tax expense</b>		
Current tax	-	-
<b>Deferred tax expense</b>		
Deferred tax	(34,845)	(18,591)
(Over)/ under provision for income tax in prior years	-	(511)
<b>Total income tax benefit</b>	<u>(34,845)</u>	<u>(19,102)</u>

Winpar Holdings Limited  
ABN 81 003 035 523

## Notes to the Financial Statements

For the financial year ended 30 June 2020

	2020 \$	2019 \$
<b>4. Income tax expense continued</b>		
(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% (2019: 30%)	<b>(13,899)</b>	34,292
Less:		
Tax effect of:		
- rebateable fully franked dividends	<b>(20,946)</b>	(52,883)
- difference in capital gains	-	-
- tax effective trust distributions received	-	-
- share of profit of associate	-	-
- under provision for income tax in prior year	-	(511)
Income tax benefit	<b>(34,845)</b>	(19,102)
<b>5. Earnings per share</b>		
(a) Reconciliation of earnings to profit or loss from continuing operations		
Profit from continuing operations	<b>(11,483)</b>	133,408
(b) Earnings used to calculate overall earnings per share	<b>(11,483)</b>	133,408
(c) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	<b>4,764,461</b>	4,643,534
	<b>2020 cents</b>	<b>2019 cents</b>
(d) Basic earnings per share		
Basic earnings per share	<b>(0.24)</b>	2.87
<b>6. Cash and cash equivalents</b>	<b>2020 \$</b>	<b>2019 \$</b>
Cash and cash equivalents	<b>351,055</b>	1,022,808
<b>7. Trade and other receivables</b>		
Trade and other receivables	<b>209,411</b>	169,589

Winpar Holdings Limited  
ABN 81 003 035 523

## Notes to the Financial Statements

For the financial year ended 30 June 2020

	2020	2019
	\$	\$

### 8. Tax

#### (a) Current Tax Asset

Current tax	1,776	1,776
-------------	-------	-------

#### (b) Deferred tax assets

	Opening Balance \$	Charged to Income \$	Charged directly to Equity \$	Closing Balance \$
<b>Deferred tax assets</b>				
Financial assets held for trading				
- Accounting	-	-	-	-
- Tax	-	-	-	-
Accruals	3,668	(1,565)	-	2,103
Deferred tax assets attributable to tax losses	72,300	(35,754)	-	36,546
Capital losses	-	-	-	-
Revaluation reserve	37,152	-	31,187	68,339
<b>Balance at 30 June 2019</b>	<b>113,120</b>	<b>(37,319)</b>	<b>31,187</b>	<b>106,988</b>
Financial assets held for trading				
- Accounting	-	-	-	-
- Tax	-	-	-	-
Accruals	2,103	(526)	-	1,577
Deferred tax assets attributable to tax losses	36,546	(1,756)	-	34,790
Capital losses	-	-	-	-
Revaluation reserve	68,339	-	5,871	74,210
<b>Balance at 30 June 2020</b>	<b>106,988</b>	<b>(2,282)</b>	<b>5,871</b>	<b>110,577</b>

### 9. Financial assets

	2020	2019
	\$	\$

Available-for-sale financial assets comprise:

#### CURRENT

Unlisted investments, at fair value	-	-
-------------------------------------	---	---

#### NON-CURRENT

Listed investments, at fair value		
- shares in listed corporations	3,516,205	2,861,196
Unlisted investments, at fair value		
- shares in other corporations	547,736	541,485
Total available-for-sale financial assets	4,063,941	3,402,681

### 10. Trade and other payables

Trade and other payables	75,761	53,722
--------------------------	--------	--------

Winpar Holdings Limited  
ABN 81 003 035 523

## Notes to the Financial Statements

For the financial year ended 30 June 2020

	2020 \$	2019 \$
<b>11. Borrowings</b>		
<b>CURRENT</b>		
Secured liabilities:		
BT Margin Loan	-	930
Total current borrowings	-	930

### Secured liabilities

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

## 12. Issued Capital

### Ordinary shares

At the beginning of reporting period	4,732,020	4,605,656
Shares issued during the year		
62,659 at \$1.00 on 24 December 2019 (2019: 62,505 at \$1.00 on 30 November 2018)	62,659	62,505
30,583 at \$1.00 on 29 June 2020 (2019: 63,859 at \$1.00 on 21 June 2019)	30,583	63,859
At the end of the reporting period	4,825,262	4,732,020

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.

## 13. Dividends

The following dividends were declared and paid:

Unfranked ordinary dividend of 2 cents per share paid 24 December 2019 (2019: franked 2 cents)	94,646	93,362
Fully franked ordinary dividend of 1 cent per share paid 29 June 2020 (2019: 2 cents)	47,945	92,114
At the end of the reporting period	142,591	185,476

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	13,694	17,404
Imputation credits from franked dividends	29,923	75,780
Tax paid / (refunded)	-	-
PAYG instalment	-	-
Dividends paid	(20,548)	(79,490)
TFN withholding tax	-	-
	23,069	13,694

Winpar Holdings Limited  
ABN 81 003 035 523

## Notes to the Financial Statements

For the financial year ended 30 June 2020

	Note	2020 \$	2019 \$
<b>14. Reserves</b>			
<b>Financial assets reserve</b>			
Opening balance		(159,456)	(86,686)
Revaluation of investment portfolio		(13,700)	(72,770)
Closing balance		<u>(173,156)</u>	<u>(159,456)</u>

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

### General reserve

Opening balance	78,660	110,036
Transfer from/to retained earnings	89,056	60,738
Dividend paid	(142,591)	(92,114)
Closing balance	<u>25,125</u>	<u>78,660</u>

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.

### 15. 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 follows:

Cash and cash equivalents	6	351,055	1,022,808
Balance as per statement of cash flows		<u>351,055</u>	<u>1,022,808</u>

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

(Loss)/ profit for the year	(11,483)	133,408
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	41	65
- dividend income reinvested	-	-
- net gain on disposal of available for sale financial assets	-	-
- share of profit of associate	-	-
Changes in assets and liabilities:		
- (increase) / decrease in trade and other receivables	(4,544)	(26,014)
- (increase) / decrease in deferred tax asset	(34,845)	(19,102)
- (decrease) / increase in trade and other payables	4,382	(31,680)
Cash flow from operations	<u>(46,449)</u>	<u>56,677</u>

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

The company issued 62,659 and 30,583 shares at \$1 each in December 2019 and June 2020 respectively, in accordance with its dividend reinvestment plan.

### 16. Auditors' remuneration

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

- PKF	21,152	18,329
Total auditors' remuneration for auditing or reviewing the financial report	<u>21,152</u>	<u>18,329</u>

### 17. 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 2020

### 18. 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	
	2020 %	2019 %	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
<b>Financial assets</b>								
Cash and cash equivalents	0.50	1.50	351,055	1,022,808	-	-	351,055	1,022,808
Receivables	-	-	-	-	209,411	169,589	209,411	169,589
Financial assets designated at fair value through other comprehensive income	-	-	-	-	4,063,941	3,402,681	4,063,941	3,402,681
Total financial assets			351,055	1,022,808	4,273,352	3,572,270	4,624,407	4,595,078
<b>Financial liabilities</b>								
Borrowings	6.17	7.29	-	930	-	-	-	930
Payables	-	-	-	-	75,761	53,722	75,761	53,722
Total financial liabilities			-	930	75,761	53,722	75,761	54,652

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

# Notes to the Financial Statements

For the financial year ended 30 June 2020

## 19. Financial risk management continued

### (a) Interest rate risk

The company's exposure to interest rate risk, which is the risk that the value of a financial instrument 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.

From a sensitivity perspective if the prices of the company's available for sale financial assets were to increase/ (decrease) by 10% the company's comprehensive income and net assets would increase/ (decrease) by \$406,394 (2019: \$340,268).

### (e) Fair value measurement

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 2020

## 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 2020	\$	\$	\$	\$
<b>Recurring fair value measurements</b>				
Investment portfolio	3,516,205	547,736	-	4,063,941

### 30 June 2019

#### Recurring fair value measurements

Investment portfolio	2,861,196	541,485	-	3,402,681
----------------------	-----------	---------	---	-----------

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 identical securities at 30 June 2020 and 30 June 2019.

#### (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 net asset value of the investments as at 30 June 2020 and 30 June 2019.

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

# Notes to the Financial Statements

For the financial year ended 30 June 2020

## 20. Lease Commitments

The initial period of the operating licence 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 licence at balance date, for the current lease (including GST), is:

	2020	2019
	\$	\$
Due within one year	2,255	3,333
Later than one year but less than five years	-	-
Greater than five years	-	-
	<u>2,255</u>	<u>3,333</u>

## 21. Related party transactions

### (a) Transactions with directors and 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 Limited, 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 \$13,078 (2019: \$11,604) (exclusive of GST).

Fees were paid to Rees Pritchard Pty Limited, a company in which Mr Steven Pritchard has an indirect interest, for providing accounting services to the company. The total amount paid/ payable was \$50,298 (2019: \$46,505) (inclusive of GST).

### Loans from related parties

	2020	2019
	\$	\$
Mr Gordon Elkington	11,627	897

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

# **Notes to the Financial Statements**

**For the financial year ended 30 June 2020**

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

No event subsequent to year end has occurred which requires disclosure.

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

There were no known contingent assets or liabilities as at 30 June 2020.

## **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 set out on pages 8 to 26 are in accordance with the Corporations Act 2001, and in particular:
  - (i) give a true and fair view of its financial position as at 30 June 2020 and its performance for the financial year ended on that date; and
  - (ii) comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

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



Steven Shane Pritchard  
Director



Gordon Bradley Elkington  
Director

11 September 2020

## 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 2020, 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.

- a) In our opinion the accompanying 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 2020 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report 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 auditor independence requirements of 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 (including Independent Standards) (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

## Key Audit Matters (cont'd)

### 1. Valuation & Existence of Investment Portfolio

#### Why significant

As at 30 June 2020, a significant proportion of the Company's assets (87%) comprised of investment securities. The fair value of financial assets is \$4,063,941 (2019: \$3,402,681) as disclosed in Note 9 of the financial report. Many of these assets are denominated in foreign currencies.

Of these assets, \$3,516,205 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 \$547,736 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 2020.

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 fair values as at 30 June 2020 are reasonable. For level 1 financial assets, the values were agreed to Australian Stock Exchange and the London Stock Exchange. For level 2 financial assets, the values were agreed to net asset values;
- ensure those investments denominated in foreign currencies have been accurately translated to Australian dollars;
- 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.

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



## Key Audit Matters (cont'd)

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

#### Why significant

As disclosed in Note 8 of the financial report, at 30 June 2020 the Company has recorded a deferred tax asset of \$110,577 (2019: \$106,988) 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 their 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 for the year ended 30 June 2020 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 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 the 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 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. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- 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.
- 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 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.

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 the 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 2020.

In our opinion, the Remuneration Report of Winpar Holdings Limited for the year ended 30 June 2020, 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



MARTIN MATTHEWS  
PARTNER

11 SEPTEMBER 2020  
NEWCASTLE, NSW

Winpar Holdings Limited  
ABN 81 003 035 523

## Investment Portfolio

Company	Number of shares/units	Market \$
Acacia Ridge Financial Services Limited	10,000	6,800
Adbri Limited	2,500	7,950
Albany WA Community Financial Services Limited	2,500	2,000
Alexium International Group Limited	52,112	3,127
Alumina Limited	15,000	8,125
Amalgamated Telecom Holdings Limited	6,000	8,056
AMP Limited	34,000	63,070
Angostura Holdings Limited	12,000	38,222
Atlantic and Pacific Packaging Co Limited	2,800	3,273
Aspermont Limited	1,000,000	9,000
Augusta and Districts Community Financial Services Limited	7,000	4,900
Australian and New Zealand Banking Group Limited	500	9,320
Australian Agricultural Projects Limited	3,000,000	30,000
Australian Bauxite Limited	200,000	24,000
Auswide Bank Limited	8,000	38,720
AVI Global Trust	2,500	30,666
Balmain / Rozelle Financial Services Limited	39,000	7,800
BAO Trust	160,984	161
Bayswater Community Financial Services Limited	5,022	5,022
Beacon Lighting Group Limited	15,000	15,825
Bellarine Peninsular Community Branch Limited	5,000	3,750
Bendigo and Adelaide Bank Limited	1,500	10,515
Bendigo Community Telco Limited	16,400	18,860
Berkshire Hathaway Limited	50	12,989
Berowra and District Financial Services Limited	35,000	7,000
BGP Holdings plc	150,750	0
BHP Billiton Limited	491	17,588
Bisalloy Steel Group Limited	50,000	46,500
Boral Limited	2,500	9,475
Brisbane Markets Limited	20,000	73,000
Broadwater Financial Services Limited	11,667	11,667
Buderim Ginger Limited	350,000	77,000
Byford and District Community Development Services Limited	5,000	5,000
Caffyns plc [preference]	5,852	13,623
Caledonia Investments plc	1,000	46,917
Canterbury Surrey Hills Community Finance Limited	15,400	13,244
Caplay plc (in liquidation)	1	0
Capitol Health Limited	202,093	49,513
Capral Limited	249,970	29,996
Carlton Investments Limited [preference]	5,746	11,837
Central Petroleum Limited	200,000	16,200
Challenger Limited	500	2,205
Chase Mining Corporation Limited	28,334	788

Winpar Holdings Limited  
ABN 81 003 035 523

Company	Number of shares/units	Market \$
City West Community Financial Services Limited	5,000	3,750
Clifroy Limited	14,000	9,520
The Conygar Investment Company Limited	10,000	20,952
Coolalinga and Districts Community Enterprises Limited	6,000	7,200
Countplus Limited	50,000	44,750
Daniel Thwaites and Co plc	14,500	23,629
Dawney and Co Limited	10,000	1,000
Domain Holdings Australia Limited	14,000	46,900
East Gosford and Districts Community Financial Services Limited	30,000	7,500
Embelton Limited	8,000	80,000
Ettalong Beach Financial Services Limited	11,500	6,900
Event Hospitality and Entertainment Limited	1,500	12,615
Fenwick plc [preference]	3,000	6,914
Fiji Sugar Corporation Limited	5,000	0
Fiji Television Limited	7,384	17,263
Fijicare Insurance Limited	6,393	19,217
Firstcheck Limited	26,666	20,000
Fleurieu Community Enterprises Limited	19,500	12,675
Florin Mining Investment Company Limited	800,605	72,855
FMF Foods Limited	25,000	35,236
Fraser Coast Community Enterprises Limited	24,500	19,600
Fremantle Community Financial Services Limited	21,000	12,285
Fuller Smith and Turner plc [A ordinary]	1,250	17,236
Goodwood / Highgate Community Financial Services Limited	18,000	9,000
Gowing Bros Limited	32,500	47,125
GPT Group	250	1,043
Graincorp Limited	5,000	20,600
Gympie and District Financial Services Limited	18,300	18,300
Hampton Hill Mining No Liability	660,000	16,500
Harbord Financial Services Limited	7,500	7,500
Heathcote and District Financial Services Limited	5,000	5,000
Heritage Brands Limited	259,762	8,053
Herald Investment Trust plc	2,000	55,011
Heyfield and District Community Financial Services Limited	9,500	9,975
Hire Intelligence International Limited	37,621	0
Hobsons Bay Community Financial Services Limited	5,000	5,500
Hornby plc	10,000	5,999
Hydes Anvil Brewery Limited [B ordinary]	100	13,610
Hydro Hotel Eastbourne plc	100	1,164
Iluka Resources Limited	2,000	17,080
IOOF Holdings Limited	5,000	24,600
IMB Limited	5,010	20,190
Intercontinental Exchange Group	85	11,331
James Latham plc [preference]	2,000	4,387
Johnston Press plc [preference]	4,000	0
Kemp and Denning Limited	13,472	101,040
Keurig Dr Pepper Snapple Group Inc	144	5,952

Winpar Holdings Limited  
ABN 81 003 035 523

Company	Number of shares/units	Market \$
Kingsgate Consolidated Limited	50,000	20,000
Kontiki Growth Fund Limited	21,547	6,445
L1 Capital Residential UK Property Fund III	50,000	50,000
Lendlease Group	6,785	83,930
Link Administration Holdings Limited	15,000	61,500
Logan Community Financial Services Limited	54,900	27,450
Macquarie Group Limited	150	17,790
Magellan Financial Group Limited	200	11,602
Mandurah Community Financial Services Limited	14,900	11,920
Manningham Community Enterprises Limited	35,750	31,950
Marwyn Value Investors Limited	8,374	15,295
McKay Securities plc	10,000	32,233
McMullen and Sons Limited [preferred]	8,000	73,455
MCS Services Limited	500,000	13,000
Meander Valley Financial Services Limited	16,000	15,200
Merchant House International Limited	60,000	2,760
Molecular Discovery Systems Limited (Price as at 31/12/2017)	85,034	170
Molonglo Financial Services Limited	5,500	1,375
Mooroolbark and District Finance Services Limited	43,600	32,700
Mt Evelyn and District Financial Services Limited	21,000	10,500
Mystate Limited	5,000	19,650
Newcrest Mining Limited	1,000	31,530
NGE Capital Limited	20,000	9,200
North Ryde Community Financial Services Limited	7,000	8,400
OFX Group Limited	15,000	21,075
Oldfields Holdings Limited	142,698	9,987
Onemarket Limited	30,000	30
Onterran Limited	31,250	9,844
ORH Limited	1,375	1
Our Community Company Limited	4,000	10,000
Pacific Cement Limited	4,555	25,866
Paradise Beverages Fiji Limited	1,475	27,587
Paynesville and District Financial Services Limited	14,500	7,250
Perpetual Resources Limited	1	0
Pine Rivers Community Finance Limited	6,000	1,200
Platinum Asset Management Limited	10,000	37,300
Pritchard Equity Limited [A ordinary]	5,950	2,083
Pritchard Equity Limited [B ordinary]	5,000	1,800
PZ Cussons plc [A ordinary]	5,000	16,546
RB Patel Group Limited	5,000	11,623
Redcliffe Peninsular Financial Services Limited	20,500	15,375
Redflex Holdings Limited	100,000	40,000
Reece Limited	6,948	63,852
Ricegrowers Limited [Class B]	16,000	89,600
Rights and Issues Investment Trust plc	1,600	49,926
Rightmove plc	6,000	58,664
Rockingham Community Financial Services Limited	18,500	925

Winpar Holdings Limited  
ABN 81 003 035 523

Company	Number of shares/units	Market \$
Rosewood and District Financial Services Limited	6,000	6,000
RVM Community Financial Services Limited	11,500	11,500
Rye and District Community Financial Services Limited	13,000	12,350
Sandringham Community Financial Services Limited	26,000	13,000
San Remo District Financial Services Limited	20,000	16,000
Sarina and District Financial Services Limited	12,900	12,900
Scentre Group	500	1,085
Scottish Mortgage Investment Trust plc	500	7,342
Seven West Media Limited	5,000	455
Shepherd Neame Limited	4,212	59,209
Shriro Holdings Limited	15,000	7,350
Sietel Limited	11,250	77,625
Sietel Limited [preference]	26,800	26,800
Sigma Healthcare Limited	1,000	625
Site Group International Limited	500,000	17,500
South Burdekin Community Financial Services Limited	9,790	9,790
South Burnett Community Enterprises Limited	5,000	3,500
Stockland Group	500	1,655
Sunshine Coast Community Financial Services Limited	33,725	32,713
Super Retail Group Limited	1,000	8,050
Sydney Airport Limited	2,000	11,340
Telstra Corporation Limited	10,000	31,300
Textron Incorporated	62	2,969
The Currie Street Trust	50,000	50,000
The Reject Shop Limited	1,000	7,040
The Romney Hythe and Dymchurch Railway plc	200	200
Tongala and District Financial Services Limited	44,100	44,100
Transurban Group	1,000	14,130
Trinity Accommodation Regional Hospitality Fund	100,000	113,000
Troy Resources Limited	242,858	20,157
Tyrex Solutions Pty Limited	25,000	0
Tyrex Solutions Unit Trust	25,000	25,000
United Malt Group Limited	9,586	39,398
Upper Yarra Community Enterprises Limited	11,500	5,750
US Masters Residential Property Fund	100,000	32,500
VB Holdings Limited	4,052	18,270
Village National Holdings Limited	1,433,334	120,066
Vital Harvest Freehold Trust	60,000	46,800
Wadworth and Company Limited [A ordinary]	4,800	47,905
Wagners Holding Company Limited	10,000	11,100
Wantirna Community Financial Services Limited	8,000	4,000
Webster Limited [preference]	55,278	118,295
Westpac Banking Corporation Limited	500	8,975
Whitefield Limited [preference]	6,248	6,248
William Jackson Food Group Limited [preference]	2,000	3,883
Witan Investment Trust plc [preference]	20,000	18,803
Woolworths Limited	3,000	111,840
Young and Companys Brewery plc	2,000	36,173
		<b>4,063,941</b>

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

## Shareholder Information

As at 6 September 2020 the Company had 178 shareholders. The 20 largest shareholders and their shareholdings were as follows:

Shareholder	Holding	Percentage
David George Maxwell Welsh	1,183,632	24.53
Gordon Bradley Elkington	570,716	11.83
William Lewis Timms and Carolyn Jane Timms	557,656	11.56
Illuminator Investment Company Limited	481,042	9.97
Level 1 Pty Ltd	325,000	6.74
Frederick Bruce Wareham	302,410	6.27
Milly Elkington	300,133	6.22
Peter Windeyer Donovan	86,183	1.79
Peter Andrew Martin	76,000	1.58
Trimay Pty Limited	75,377	1.56
Alaria Pty Limited	53,829	1.12
Seven Bob Investments Pty Limited	38,556	0.80
Honan Business Services Pty Limited	37,838	0.78
Mulla Nominees Pty. Limited	35,000	0.73
L M Lucas Pty Limited	33,570	0.70
Lynette Gay McLennan	30,716	0.64
Rosemary Isabel Elkington	30,648	0.64
Peter Anthony Cameron	28,973	0.60
Mary Graham Neild	25,681	0.53
Warwick Wilson Stewart	25,533	0.53
	<hr/> 4,298,493	<hr/> 89.08

The distribution of shareholdings was as follows:

Range	Number of holders	Percentage of holders	Number of shares	Percentage of shares
1-1,000	92	52	32,429	1
1,001-5,000	37	21	115,860	2
5,001-10,000	13	7	102,942	2
10,001-50,000	25	14	562,053	12
50,001-100,000	4	2	291,389	6
100,001-500,000	4	2	1,408,585	29
500,001-1,000,000	2	1	1,128,372	23
1,000,001-2,000,000	1	1	1,183,632	25
	<hr/> 178	<hr/> 100	<hr/> 4,825,262	<hr/> 100

The substantial shareholders and their shareholdings were as follows:

Shareholder	Holding
David George Welsh	1,183,632
Gordon Bradley Elkington	570,716
William Lewis Timms and Carolyn Jane Timms	557,656
Illuminator Investment Company Limited	481,042
Level 1 Pty Limited	325,000
Frederick Bruce Wareham	302,410
Milly Elkington	300,133

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

## Five Year Summary

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Earnings before tax	145,435	64,903	(29,360)	114,306	(46,328)
Tax expense / (benefit)	20,793	(33,630)	(36,189)	(19,102)	(34,845)
Earnings after tax	124,642	98,533	6,829	133,408	(11,483)
Dividends paid	164,334	167,139	175,936	185,476	142,591
Current assets	175,006	307,878	1,509,161	1,196,098	564,497
Current liabilities	163,383	297,072	305,488	54,652	75,761
Non-current assets	3,980,202	4,168,002	3,422,849	3,503,646	4,174,586
Non-current liabilities	-	-	-	-	-
Shareholders equity	3,991,825	4,178,808	4,626,522	4,651,224	4,663,322
Subscribed capital	4,160,650	4,251,430	4,605,656	4,732,020	4,825,262

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

# Corporate Directory

<b>Directors</b>	Gordon Bradley Elkington John David Honan Steven Pritchard David George Maxwell Welsh Francis Ian Malcolm
<b>Secretary</b>	Gordon Bradley Elkington
<b>Registered office</b>	Suite 11.10 66 Clarence Street Sydney New South Wales 2000
<b>Auditor</b>	PKF Newcastle 755 Hunter Street Newcastle West New South Wales 2302
<b>Solicitor</b>	Stephen Blanks and Associates 119 Evans Street Rozelle New South Wales 2039
<b>Share Registrar</b>	Newcastle Capital Markets Registries Pty Limited 10 Murray Street Hamilton New South Wales 2303
<b>Bankers</b>	Macquarie Bank Limited 1 Shelley Street Sydney New South Wales 2000  Bendigo Bank Limited Fountain Court Bendigo Victoria 3552  DDH Graham Limited Level 9 324 Queen Street Brisbane Queensland 4000