

**WINPAR HOLDINGS LIMITED****ANNUAL REPORT 2009****CONTENTS**

Directors report	2
Auditors independence declaration	7
Income statement	8
Balance sheet	9
Statement of changes in equity	10
Cash flow statement	11
Notes to the financial statements	12
Directors declaration	22
Independent auditors report	23
Trading portfolio	24
Investment portfolio	28
Shareholder information	31
Five year summary	33
Corporate directory	34

## DIRECTORS REPORT

The Directors present their report together with the accounts of Winpar Holdings Limited for the financial year ended 30 June 2009.

### DIRECTORS

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

John Weston Seaforth Mackenzie  
Gordon Bradley Elkington  
John David Honan  
Steven Shane Pritchard  
Alfred Edward Fulton Rofe

### 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

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

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

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

Dr. Elkington is a Barrister of the Supreme Court of New South Wales. He is a director of Stokes (Australasia) Limited, Pritchard Equity Limited and Hamilton Securities Limited. He has been a director of the Company since 1994. He is the principal executive officer and the principal financial officer.

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

Mr. Honan is an associate director and the Chief Economist of Ausbil Dexia Limited, a wholesale funds manager associated with Bank Internationale a Luxembourg and with Dexia. He has also lectured and examined for the Securities Institute of Australia. He has been a director of the Company since 2001. He is a member of the Audit Committee.

Steven Shane Pritchard, B.Com., C.P.A., F. Fin.

Mr. Pritchard is a Certified Practising Accountant, and an affiliate member of the National Stock Exchange Limited. He is the principal of the Newcastle based accounting firm Rees Pritchard Pty. Limited. He is a director of Illuminator Investment Company Limited, Florin Mining Investment Company Limited and Hamilton Securities Limited, the Chairman of NSX Limited and the Chairman of Pritchard Equity Limited. He has been a director of the Company since 2003.

Alfred Edward Fulton Rofe, A.M., B.A., LL.M., Grad. Dip. Corp. Sec. Law (Sydney), B. Com. (U.N.S.W.), F.C.P.A., F. Fin., A.C.I.S.

Mr. Rofe practised as a Solicitor of the Supreme Court of New South Wales from 1964 to 1997, and lectured in Financial Accounting at The University of New South Wales from 1974 to 1998. He has served on a number of government committees, and is presently a member of the Financial Reporting Panel. He was Chairman of the Australian Shareholders Association for many years, and in 2002 was appointed as a Member of the Order of Australia for services to the finance industry and the protection of the rights and interests of investors. He was appointed as a director of the Company on 19 September 2007. He is a member of the Audit Committee.

#### **DIRECTORS INTERESTS IN THE COMPANY**

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

	<b>Shares held directly</b>	<b>Shares held indirectly</b>
Mr. John Mackenzie	0	12,527
Dr. Gordon Elkington	457,387	0
Mr. John Honan	0	13,550
Mr. Steven Pritchard	0	206,512
Mr. Alfred Rofe	9,302	0

Mrs. Milly Elkington, the wife of Dr. Gordon Elkington, holds 96,969 shares in the Company.

#### **DIRECTORS MEETINGS ATTENDED**

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

Mr. John Mackenzie	4
Dr. Gordon Elkington	4
Mr. John Honan	3
Mr. Steven Pritchard	4
Mr. Alfred Rofe	4

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

Mr. John Mackenzie	2
Mr. John Honan	2
Mr. Alfred Rofe	2

## PRINCIPAL ACTIVITIES

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

The trading portfolio as at 30 June 2009 is set out on pages 24-27.

The investment portfolio as at 30 June 2009 is set out on pages 28-30. 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 \$627,797 (2008: profit of \$73,241).

The steady sharemarket decline that commenced in October 2007 continued throughout 2008. From an ASX index peak of 6760 in October 2007, the market had fallen by a quarter by the June 2008 balance date. In September 2008 the large U.S. merchant bank Lehman Brothers collapsed, causing severe dislocation in the world's banking system. The Australian sharemarket plunged to a low of 3117 in early March 2009, a level last seen in 2003.

Severe stress was experienced by many of the world's financial institutions, including Australian investment funds. A number of well known financial groups with large borrowings collapsed completely, and others contracted sharply. The asset backing of many funds was severely affected and investment activity declined.

Although Winpar has recorded a substantial operating loss for the year, this has been primarily due to the reduction in value of listed shares in the Company's investment portfolio.

It is pleasing to report that since the June 2009 balance date, the market has continued to recover, and the Company's financial position has improved considerably.

During this difficult period the Board has thought it prudent to restrict the Company's market activity, but a number of investments have been possible at attractive prices, and the Board expects to make good profits on recent purchases.

The Board is also pleased to note that Winpar's net assets of \$1.04 per share at balance date continue to exceed the par value of \$1.00. The Company has also been able to maintain substantial cash reserves, and a high level of accumulated franking credits.

## DIVIDENDS

On 30 October 2008 the Company paid a fully franked dividend of 2 cents per share to members registered as at 16 October 2008. The total amount of the dividend was \$67,097.

The Company intends to pay a fully franked dividend of 2 cents per share on 30 October 2009 to members registered as at 16 October 2009. The dividend will be paid in cash. The total amount of the dividend will be \$68,210.

## EVENTS SUBSEQUENT TO BALANCE DATE

Other than the matters referred to in the Review of Operations, no matters of significance have arisen since balance date.

## 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 accrued as follows.

Director	Fee	Superannuation	Total
John Mackenzie	\$ 4,999		\$ 4,999
Steven Pritchard		\$ 4,999	\$ 4,999
Alfred Rofe		\$ 4,999	\$ 4,999
Gordon Elkington		\$ 4,999	\$ 4,999
John Honan		\$ 4,999	\$ 4,999
Total	\$ 4,999	\$19,996	\$24,995

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 performance and financial position.

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

## **AUDITORS INDEPENDENCE DECLARATION**

The auditor's independence declaration for the year ended 30 June 2009 is set out on page 7.

Details of the auditor's remuneration for auditing the Company's accounts are set out in note 5 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 a State or Territory.

Signed on 30 September 2009 in accordance with a resolution of the Board of Directors.

Steven Shane Pritchard  
Director

Gordon Bradley Elkington  
Director

**WINPAR HOLDINGS LIMITED**

**A.C.N. 003 035 523**

**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS  
UNDER SECTION 307C OF THE CORPORATIONS ACT**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009 there have been:

- (a) no contraventions of the auditor independence requirements set out in the *Corporations Act* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

Signed on 30 September 2009.

Graham Baker  
Graham Baker and Associates  
2 Kennedy Place  
St. Ives  
New South Wales 2075

WINPAR HOLDINGS LIMITED  
ABN 81 003 035 523

INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
Sale of financial assets	2	249,561	1,371,354
Cost of sales	3	<u>(196,380)</u>	<u>(1,194,577)</u>
		53,181	176,777
Financial assets - movements in fair value	2	<u>(941,660)</u>	<u>(758,525)</u>
Gross profit / (loss)		(888,479)	(581,748)
Other revenue from ordinary activities	2	337,396	755,566
Finance costs	3	(19,351)	(15,985)
Other expenses from ordinary activities	3	<u>(356,954)</u>	<u>(84,328)</u>
<b>Profit / (loss) before income tax</b>		(927,388)	73,505
Tax income / (expense)	4	<u>299,591</u>	<u>(264)</u>
<b>Profit / (loss) for the year</b>		<u>(627,797)</u>	<u>73,241</u>
<b>Basic earnings per share</b>	7	<u>\$ (0.185)</u>	<u>\$ 0.023</u>



WINPAR HOLDINGS LIMITED  
ABN 81 003 035 523

BALANCE SHEET  
AS AT 30 JUNE 2009

	Note	2009 \$	2008 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	39,953	15,762
Trade and other receivables	9	14,833	635,740
Inventories	10	2,187,221	2,282,510
<b>TOTAL CURRENT ASSETS</b>		<u>2,242,007</u>	<u>2,934,012</u>
<b>NON-CURRENT ASSETS</b>			
Financial Assets	11	1,448,439	1,702,244
Property plant & equipment	12	-	452
Deferred tax assets	15	179,690	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,628,129</u>	<u>1,702,696</u>
<b>TOTAL ASSETS</b>		<u>3,870,136</u>	<u>4,636,708</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	122,785	133,368
Short term borrowings	14	231,748	196,372
Current tax liabilities	15	(17,729)	29,937
<b>TOTAL CURRENT LIABILITIES</b>		<u>336,804</u>	<u>359,677</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	15	-	115,711
<b>TOTAL LIABILITIES</b>		<u>336,804</u>	<u>475,388</u>
<b>NET ASSETS</b>		<u>\$ 3,533,332</u>	<u>\$ 4,161,320</u>
<b>EQUITY</b>			
Issued capital	16	3,410,496	3,354,854
Revaluation reserve	19	(138,841)	(150,105)
Retained earnings		261,677	956,571
<b>TOTAL EQUITY</b>		<u>\$ 3,533,332</u>	<u>\$ 4,161,320</u>

**WINPAR HOLDINGS LIMITED**  
**ABN 81 003 035 523**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2009**

Note	Share Capital Ordinary	Financial Asset Revaluation Reserve	Retained Earnings	Total
	\$		\$	\$
<b>Balance at 1 July 2007</b>	3,096,732	124,587	1,199,672	4,420,991
Shares issued during the year	258,122	-	-	258,122
Profit attributable to members	-	-	73,241	73,241
Revaluation increment/(decrement)	-	(274,692)	-	(274,692)
<b>Sub-total</b>	<b>3,354,854</b>	<b>(150,105)</b>	<b>1,272,913</b>	<b>4,477,662</b>
Dividends paid or provided for	-	-	(316,342)	(316,342)
<b>Balance at 30 June 2008</b>	<b>\$ 3,354,854</b>	<b>\$ (150,105)</b>	<b>\$ 956,571</b>	<b>\$ 4,161,320</b>
<b>Balance at 1 July 2008</b>	3,354,854	(150,105)	956,571	4,161,320
Shares issued during the year	55,642	-	-	55,642
Profit attributable to members	-	-	(627,797)	(627,797)
Revaluation increment/(decrement)	-	11,264	-	11,264
<b>Sub-total</b>	<b>3,410,496</b>	<b>(138,841)</b>	<b>328,774</b>	<b>3,600,429</b>
Dividends paid or provided for	-	-	(67,097)	(67,097)
<b>Balance at 30 June 2009</b>	<b>\$ 3,410,496</b>	<b>\$ (138,841)</b>	<b>\$ 261,677</b>	<b>\$ 3,533,332</b>

WINPAR HOLDINGS LIMITED  
ABN 81 003 035 523

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of held for trading investments		854,428	798,022
Other investment income		147,587	118,207
Payments for investments held for trading and to suppliers		(1,146,368)	(1,558,792)
Income tax paid		(48,305)	(304,815)
<b>Net cash provided by (used in) operating activities</b>	20(b)	<u>(192,658)</u>	<u>(947,378)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of available for sale investments		259,807	1,127,868
Payments for purchase of available for sale investments		(66,879)	(363,438)
<b>Net cash provided by (used in) operating activities</b>		<u>192,928</u>	<u>764,430</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(11,455)	(58,220)
Proceeds from borrowing		35,376	196,372
<b>Net cash provided by (used in) financing activities</b>		<u>23,921</u>	<u>138,152</u>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		24,191	(44,796)
<b>CASH AT BEGINNING OF FINANCIAL YEAR</b>		<u>15,762</u>	<u>60,558</u>
<b>CASH AT END OF FINANCIAL YEAR</b>	20(a)	<u>\$ 39,953</u>	<u>\$ 15,762</u>

WINPAR HOLDINGS LIMITED  
ABN 81 003 035 523

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of preparation**

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.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**(a) Income tax**

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax 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.

**(b) Inventories**

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

**(c) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment loss.

**WINPAR HOLDINGS LIMITED**  
**ABN 81 003 035 523**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued**

**Plant and equipment**

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

**Depreciation**

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the company from the time each asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation rate
Computer equipment	37.50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**(d) Financial Instruments**

**Recognition**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

**Financial assets at fair value through profit or loss**

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

**Available-for-sale financial assets**

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity. Other unlisted investments have been stated at cost or directors' valuation.

**Fair Value**

Fair Value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, and reference to similar instruments.

WINPAR HOLDINGS LIMITED  
ABN 81 003 035 523

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

**Impairment**

At each reporting date the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

**(e) Impairment of Assets**

At each reporting date the carrying values of tangible and intangible assets are reviewed to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, then recoverable amount of the cash-generating unit to which the asset belongs is estimated.

**(f) Transactions and Balances**

The financial statements are presented in Australian dollars which is the company's functional and presentation currency.

**Foreign Currency Transactions and Balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Exchange differences arising on the translation of monetary items are recognised in the income statement.

**(g) Provisions**

Provisions are recognised when the entity has a 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.

**(h) 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 three months or less, and bank overdrafts.

**(i) Revenue and Other Income**

Dividends and interest have been brought into account in the profit and loss when received or receivable.

**(j) Borrowing Costs**

Borrowing costs are recognised in the income statement in the period in which they are incurred.

**(k) 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 balance sheets are shown inclusive of GST.

**(l) Comparative Figures**

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

**WINPAR HOLDINGS LIMITED**  
**ABN 81 003 035 523**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
<b>2 REVENUE</b>			
Sale of financial assets		<u>249,561</u>	<u>1,371,354</u>
Other Revenue :			
Financial assets - movements in fair value		<u>(941,660)</u>	<u>(758,525)</u>
Dividends received		73,944	61,758
Interest received		17,085	6,854
Trust income		25,327	31,351
Foreign source income		50,673	34,529
Profit on sale of investment stock		<u>170,367</u>	<u>621,074</u>
		<u>337,396</u>	<u>755,566</u>
Total Revenue		<u>\$ (354,703)</u>	<u>\$ 1,368,395</u>
<b>3 PROFIT FOR THE YEAR</b>			
Cost of sales		<u>196,380</u>	<u>1,194,577</u>
Finance costs:			
- external		<u>19,351</u>	<u>15,985</u>
Expenses			
Depreciation		170	271
Auditor's remuneration	5	15,945	9,099
Impairment of available for sale financial assets		247,428	-
Other expenses		<u>93,411</u>	<u>74,958</u>
		<u>356,954</u>	<u>84,328</u>
Total expenses		<u>\$ 572,685</u>	<u>\$ 1,294,890</u>
<b>4 INCOME TAX EXPENSE</b>			
The components of tax (benefit)/expense comprise:			
Current tax		-	80,405
Deferred tax		(300,229)	(78,311)
Under /(over) provision in respect of prior years		<u>638</u>	<u>(1,830)</u>
		<u>(299,591)</u>	<u>264</u>
The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:			
Prima facie tax payable on profit/(loss) from ordinary activities before income tax at 30%		(278,216)	22,052
Less tax effect of:			
-rebateable fully franked dividends		7,689	(15,008)
-excess franking credits converted to tax losses		(25,629)	-
-tax effect of WHT		-	(463)
-tax effective trust distributions received		(4,883)	(4,559)
-non deductible expense		810	72
-under/(over) provision for income tax prior years		<u>638</u>	<u>(1,830)</u>
		<u>\$ (299,591)</u>	<u>\$ 264</u>

**WINPAR HOLDINGS LIMITED**  
**ABN 81 003 035 523**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2008
	\$	\$
<b>5 AUDITOR'S REMUNERATION</b>		
Remuneration of the auditor of the Company for: Auditing or reviewing the financial report	15,945 <u>\$ 15,945</u>	9,099 <u>\$ 9,099</u>
<b>6 DIVIDENDS</b>		
Distributions paid:		
2009: 30/10/08 (2008: 21/12/2007) Fully franked ordinary dividend of 2 cents per share (2008: 5 cents per share) franked at the rate of 30% (2008:30%)	67,097	154,909
2009: nil (2008: 30/04/2008) (2008: 5 cents per share franked at the rate of 30%)	-	161,433
	<u>67,097</u>	<u>316,342</u>
Balance of franking account at year end adjusted for franking credits which will arise from payment of income tax provided for in the financial statements and on dividends recognised as receivable and after deducting franking credits to be used in payment of dividends and franking credits that may be prevented from distribution in subsequent financial years. Franking credits accumulated at beginning of year	287,457	98,714
Imputation credits from franked dividends	26,629	21,440
Tax paid / (refunded)	(128,223)	254,828
PAYG instalment	15,347	47,562
TFN WHT	2,357	488
Dividends paid	<u>(28,756)</u>	<u>(135,575)</u>
	174,811	287,457
Franking credits expected to arise from payment of 2009 income tax.	-	32,771
	<u>\$ 174,811</u>	<u>\$ 320,228</u>
<b>7 EARNINGS PER SHARE</b>	<b>Cents</b>	<b>Cents</b>
(a) Basic earnings per share		
Profit from continuing operations attributable to the ordinary equity holders of the company	<u>(18.5)</u>	<u>2.3</u>
(b) Reconciliation of earnings used in calculating earnings per share		
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share	<u>\$ (627,797)</u>	<u>\$ 73,241</u>
(c) Weighted average number of shares used as the denominator	<b>2009</b> <b>Number</b>	<b>2008</b> <b>Number</b>
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<u>3,391,949</u>	<u>3,162,583</u>



**WINPAR HOLDINGS LIMITED**  
**ABN 81 003 035 523**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	2009 \$	2008 \$
<b>8 CASH AND CASH EQUIVALENTS</b>		
Cash at financial institutions	<u>\$ 39,953</u>	<u>\$ 15,762</u>
<b>9 TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	-	604,867
Other receivables	14,833	30,873
	<u>\$ 14,833</u>	<u>\$ 635,740</u>
<b>10 INVENTORIES</b>		
Listed equities portfolio held for resale		
Financial assets held for sale - fair value	<u>\$ 2,187,221</u>	<u>\$ 2,282,510</u>
<b>11 FINANCIAL ASSETS</b>		
Equities portfolio held as investments		
Available-for-sale financial assets	<u>\$ 1,448,439</u>	<u>\$ 1,702,244</u>
Available for sale financial assets comprise		
Listed investments, at fair value		
- shares in listed corporations	1,053,383	1,168,402
Unlisted investments, at cost		
Shares in other corporations at cost	395,056	533,842
Total available for sale financial assets	<u>\$ 1,448,439</u>	<u>\$ 1,702,244</u>
<b>12 PROPERTY PLANT &amp; EQUIPMENT</b>		
Computer equipment - at cost	5,376	5,376
Less accumulated depreciation	<u>(5,376)</u>	<u>(4,924)</u>
	<u>\$ -</u>	<u>\$ 452</u>
	<b>Computer</b>	<b>Computer</b>
	<b>equipment</b>	<b>equipment</b>
<b>Movements in carrying amount</b>		
Balance at the beginning of the year	452	723
Disposals	(282)	-
Depreciation expense	(170)	(271)
Carrying amount at the end of year	<u>\$ -</u>	<u>\$ 452</u>
<b>13 TRADE AND OTHER PAYABLES</b>		
Sundry payables and accrued expenses	<u>\$ 122,785</u>	<u>\$ 133,368</u>
<b>14 SHORT TERM BORROWINGS</b>		
Secured liabilities		
BT Margin Lending	<u>\$ 231,748</u>	<u>\$ 196,372</u>

WINPAR HOLDINGS LIMITED  
ABN 81 003 035 523

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009

	2009		2008		
	\$		\$		
<b>15 TAX</b>					
<b>CURRENT</b>					
Income tax		\$ (17,729)		\$ 29,937	
<b>Deferred Tax Assets/Liabilities</b>	<b>Financial Assets Held for Sale</b>		<b>Tax</b>	<b>Revaluation</b>	<b>Total</b>
	<b>Accounting</b>	<b>Tax</b>	<b>Accruals</b>	<b>Reserve</b>	
Balance at 1 July 2007	(812,829)	539,067	15,409	(53,394)	(311,747)
Charged to Income	128,076	(50,892)	1,126	-	78,310
Charged Directly to Equity	-	-	-	117,725	117,725
Balance at 30 June 2008	<u>(684,753)</u>	<u>488,175</u>	<u>16,535</u>	<u>64,331</u>	<u>(115,712)</u>
Balance at 1 July 2008	(684,753)	488,175	16,535	64,331	(115,712)
Charged to Income	28,586	67,280	(10,661)	-	300,229
Charged Directly to Equity	-	-	-	(4,827)	(4,827)
Balance at 30 June 2009	<u>(656,167)</u>	<u>555,455</u>	<u>5,874</u>	<u>59,504</u>	<u>179,690</u>

	2009	2008
<b>16 ISSUED CAPITAL</b>		
<b>Ordinary Shares</b>		
At the beginning of the reporting period	3,354,854	3,096,732
<b>Shares issued during the year</b>		
55,642 at \$1.00 on 30 October 2008 (DRP)	55,642	-
1,443 at \$1.00 on 10 October 2007 (DRP)	-	1,443
130,492 at \$1.00 on 21 December 2007 (DRP)	-	130,492
126,187 at \$1.00 on 30 April 2008 (DRP)	-	126,187
	<u>3,410,496</u>	<u>3,354,854</u>

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 any proceeds on winding up in proportion to the number of shares held.

**17 CONTINGENT LIABILITIES**

Some costs orders have been made against the company in connection with proceedings to which it has been a party. No action has been taken against the company to quantify or recover these costs.

The company has given a guarantee in relation to the sale of its holding of shares in Rutherland Pty Ltd. The guarantee relates to any future claims against Rutherland in respect of unpaid tax and is capped at \$52,073.

**18 SEGMENT REPORTING**

The company operates in Australia as an investment company.

**19 REVALUATION RESERVE**

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

**WINPAR HOLDINGS LIMITED**  
**ABN 81 003 035 523**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2008
	\$	\$
<b>20 CASH FLOW INFORMATION</b>		
<b>(a) Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related item in the Statement of Financial Position as follows:		
Cash at financial institutions	<u>\$ 39,953</u>	<u>\$ 15,762</u>
<b>(b) Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
Profit/(loss) from ordinary activities after income tax	(627,797)	73,241
Non-cash flows in profit from ordinary activities		
Dividends reinvested	(92)	(153)
Depreciation	170	270
Loss on scrapping plant and equipment	282	-
Net loss/(gain) on disposal of investments	(170,367)	(621,223)
Net loss/(gain) on disposal of trading stock	(53,181)	(176,779)
Impairment of financial assets available for sale	247,428	-
Changes in assets and liabilities		
(Increase)/decrease in deferred tax assets/liabilities	(300,229)	(78,311)
(Increase)/decrease in trade & other debtors	621,627	(574,274)
(Increase)/decrease in prepayments	(720)	662
(Increase)/decrease in shares held for resale	148,470	614,630
Increase/(decrease) in trade & other creditors	(10,583)	40,800
Increase/(decrease) in income taxes payable	(47,666)	(226,241)
	<u>\$ (192,658)</u>	<u>\$ (947,378)</u>

**21 DIRECTORS' COMPENSATION**

**(a) Directors**

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

John Weston Seaforth Mackenzie (Chairman)  
 Gordon Bradley Elkington  
 John David Honan  
 Steven Shane Pritchard  
 Alfred Edward Fulton Rofe

**(b) Share transactions of directors**

Directors and director related entities held in aggregate directly, indirectly or beneficially, 699,278 shares in the company. Details of specific holdings set out detailed in the Directors Report.

**(c) Directors remuneration**

Directors' remuneration has been included in the Remuneration Report section of the Directors Report.

**(d) Transactions with directors**

Since the end of the previous financial year no director of the company has received or become entitled to receive a benefit arising out of any contract that the director, a firm of which the director is a member or an entity in which the director has a substantial financial interest except as follows:-

Commissions were paid on ordinary commercial terms to Cameron Stockbrokers Limited, a company in which Mr Steven Pritchard has a substantial financial interest, for buying and selling shares for the company. Commissions of \$107,976 (2008:\$128,083) in total were paid.

Fees were paid to Newcastle Capital Markets Registries Pty Ltd, a company in which Mr Steven Pritchard has an indirect interest, for providing share registry services to the company. The total amount paid was \$11,030 (2008: \$11,763) (inclusive of GST).

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

**WINPAR HOLDINGS LIMITED**  
**ABN 81 003 035 523**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**22 FINANCIAL RISK MANAGEMENT**

**(a) Interest rate risk**

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rate for classes of financial assets and financial liabilities are set out below.

	Weighted average interest rate	Floating interest rate \$	Non-interest bearing \$	Total \$
<b>2009</b>				
<b>Financial assets</b>				
Cash and cash equivalents	4.0%	39,953		39,953
Receivables			14,833	14,833
Financial assets at fair value through profit or loss - held for trading			2,187,221	2,187,221
Available for sale financial assets			<u>1,448,439</u>	<u>1,448,439</u>
		<u>39,953</u>	<u>3,650,493</u>	<u>3,690,446</u>
<b>Financial liabilities</b>				
Payables		-	122,785	122,785
Borrowings	10.0%	<u>231,748</u>	<u>122,785</u>	<u>231,748</u>
		<u>231,748</u>	<u>122,785</u>	<u>354,533</u>
<b>2008</b>				
<b>Financial assets</b>				
Cash and cash equivalents	4.0%	15,762	-	15,762
Receivables		-	635,740	635,740
Financial assets at fair value through profit or loss - held for trading			2,282,510	2,282,510
Available for sale financial assets		<u>-</u>	<u>1,702,244</u>	<u>1,702,244</u>
		<u>15,762</u>	<u>4,620,494</u>	<u>4,636,256</u>
<b>Financial liabilities</b>				
Payables		-	133,368	133,368
Borrowings	10.0%	<u>196,372</u>	<u>-</u>	<u>196,372</u>
		<u>196,372</u>	<u>133,368</u>	<u>329,740</u>

**(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 Balance Sheet, is the carrying amount. 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 tradable securities which can be sold on the market if necessary.

**(d) Market risk**

Market risk is the risk that 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 tradable securities which are not risk free, it is always subject to market risk. The investments are however widely spread so that the risk is minimised.

**(e) Net fair values**

The carrying amounts of financial instruments on the Balance Sheet approximate their net fair values.

**WINPAR HOLDINGS LIMITED**  
**ABN 81 003 035 523**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**22 FINANCIAL RISK MANAGEMENT continued**

**(f) Capital Management**

It is the Board's policy to maintain a strong capital base so as to maintain investors and market confidence. To achieve this the Board monitors the company's net tangible assets, its levels of borrowings and its investment performance.

The company may raise additional capital by way of a dividend reinvestment plan.

The company is not subject to any externally imposed capital requirements.

**23 COMPANY DETAILS**

The registered office of the company is:  
Level 5  
10 Spring Street  
Sydney NSW 2000

The principal place of business is:  
Level 5  
10 Spring Street  
Sydney NSW 2000

WINPAR HOLDINGS LIMITED

DIRECTORS DECLARATION

The Directors of the Company declare:

- (a) that 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;
- (b) that in the Directors opinion, the financial statements and notes set out on pages 8-21 are in accordance with the *Corporations Act*, including:
  - (ba) section 296 (compliance with accounting standards); and
  - (bb) section 297 (true and fair view); and
- (c) that the Directors have been given the declarations required by section 295A of the *Corporations Act*.

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

30 September 2009

**WINPAR HOLDINGS LIMITED  
ABN 81 003 035 523**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF WINPAR HOLDINGS LIMITED**

**Report on the Financial Report**

I have audited the accompanying financial report of Winpar Holdings Limited (the company), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the director's declaration.

**Directors' Responsibility for the Financial Report**

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1 the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

**Auditors Responsibility**

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Independence**

In conducting my audit, I have complied with the independence requirements of the Corporations Act 2001.

**Auditor's Opinion:**

- (a) the financial report of Winpar Holdings Limited is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporation Regulations 2001;
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

**Report on the Remuneration Report**

I have audited the Remuneration report included on page 5 of the report of the directors for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with s 300A of the Corporations Act 2001. My responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**Auditor's Opinion:**

In my opinion the Remuneration Report of Winpar Holdings Limited for the year ended 30 June 2009, complies with s 300A of the Corporations Act 2001.

**Graham Baker**  
Graham Baker & Associates  
Dated 30 September 2009

2 Kennedy Place  
St Ives NSW

**TRADING PORTFOLIO  
AS AT 30 JUNE 2009**

Company	Number	Market \$
Acuvax Limited	150,000	4,350
Advanced Braking Technology Limited	1,250,000	17,500
Agricultural Land Trust	4,531	680
Allstate Explorations No Liability	202,246	25,281
Allstate Explorations No Liability [contributing]	35,747	465
Atlantic Gold No Liability [contributing]	275,000	3,025
Australia and New Zealand Banking Group Limited	600	9,984
Australian Education Trust	18,000	4,590
Australian Vintage Limited	5,000	725
Babcock and Brown Infrastructure Group	100,000	6,900
Balmain / Rozelle Financial Services Limited	8,000	5,200
Beaconsfield Gold No Liability	110,227	15,432
Bendigo and Adelaide Bank Limited	1,900	13,205
Berklee Limited	15,000	4,500
Bougainville Copper Limited	1,052	689
Bounty Oil and Gas No Liability	833,334	21,667
Brisbane Markets Limited	3,500	14,000
Canada Land Limited	91,000	5,460
Capilano Honey Limited	2,878	3,454
Capral Aluminium Limited	394,780	35,530
Carrington Cotton Corporation Limited	100	450
Centro Properties Group	54,000	5,022
Centro Retail Group	50,000	4,950
Clough Limited	24,000	17,040
C. M. I. Limited [preference]	40,000	12,800
Coal and Allied Industries Limited	100	8,400
Coal and Allied Industries Limited [preference]	124	115
Collins and Leahy Holdings Limited	11,460	17,190
Commonwealth Bank of Australia	300	11,700
Commonwealth Property Office Fund	10,000	8,300
Commstrat	1,012,083	4,048
Compass Resources Limited	20,000	3,000
Coolalinga and Districts Community Financial Services Limited	6,000	4,800
Coonawarra Australia Property Trust	10,000	5,550
Cockatoo Ridge Wines Limited	3,750,807	15,003
Costaexchange Limited	100,000	53,000
Dexion Limited	20,000	5,900



Doncaster East Community Financial Services Limited	2,300	1,840
Dromana Estate Limited	62,839	1,005
East Gosford and Districts Financial Services Limited	4,750	3,563
Eden Energy Limited	50,000	3,000
Embelton Limited	8,000	27,200
Emeco Limited	20,000	8,100
Emu Nickel Limited	40,000	3,400
Fairfax Media Limited	4,000	4,880
Fermiscan Holdings Limited	7,000	686
Fleurieu Community Enterprises Limited	19,500	12,728
Flinders Mines Limited	350,000	19,250
Florin Mining Investment Company Limited	415,567	49,868
Frigrite Limited	170,000	15,130
Geodynamics Limited	10,000	6,900
Geodynamics Limited [option: 08.12.09]	2,500	150
Golden Cross Resources Limited	300,000	7,200
G. P. T. Group	83,750	41,038
Graincorp Limited	4,400	31,812
Hamilton James and Bruce Limited	90,000	3,600
Hampton Hill Mining No Liability	500,000	90,000
Hazelwood Resources Limited	100,000	10,000
Hedley Leisure and Gaming Property Fund	101,000	25,250
Hervey Bay and District Financial Services Limited	1,500	1,335
Highlands Pacific Limited	150,000	17,250
Hornby p.l.c.	5,000	10,243
I. C. S. Global Limited	100,000	15,500
I. M. B. Limited	5,010	15,531
Incitec Pivot Limited	8,000	19,040
Inverloch and District Financial Services Limited	1,000	900
Ipernica Limited	100,000	6,700
Kemp and Denning Limited	3,415	44,260
Kentor Gold Limited	102,667	6,107
King Solomon Mines Limited	200,000	10,000
Korvest Limited	10,000	37,000
Krucible Metals Limited	50,000	17,000
Lend Lease Corporation Limited	1,200	8,412
Ludowici Limited	1,718	2,663
Macarthur Coal Limited	1,008	660
Macquarie Leisure Trust Group	350	495
Macquarie Office Trust	174,000	36,540
Macquarie Radio Network Limited	10,000	3,000
Magellan Flagship Fund	10,000	5,100
Magellan Petroleum Corporation	5,779	6,935
Malachite Resources Limited	150,000	8,400

Mandurah Community Financial Services Limited	500	400
Marmota Energy Limited	70,000	3,990
Max Trust	200,000	5,600
McKay Securities p.l.c.	10,000	23,097
McMullen and Sons Limited [non-voting]	3,000	21,563
McPhersons Limited	20,000	34,600
Merchant House International Limited	260,000	32,500
Mermaid Marine Australia Limited	50,000	91,500
Metabolic Pharmaceuticals Limited	50,000	6,500
Mirvac Group	6,000	6,480
Mobileactive Limited	405,000	8,910
Monax Mining Limited	50,000	2,600
Mooroolbark and District Financial Services Limited	5,000	3,866
Multiplex Acumen Property Fund	40,246	2,415
National Australia Bank Limited	900	20,196
National Leisure and Gaming Limited	1,040,000	7,280
New Bounty Limited	1,825,916	54,777
N. S. X. Limited	31,574	2,021
Nylex Limited	31,574	14,236
Oldfields Holdings Limited	35,629	17,473
Pacific Mining Limited	147,500	32,450
Pearl Health Care Limited	19,765	1,957
Perpetual Limited	400	11,420
Platinum Asset Management Limited	4,500	18,540
Prime Financial Group Limited	15,000	1,800
Prince Hill Wines Limited	1,050,000	8,400
Pritchard Equity Limited [A ordinary]	5,000	5500
Pritchard Equity Limited [B ordinary]	5,000	5000
Public Holdings Limited	3,120	187
Q. Limited	2,500	275
Qmastor Limited	50,000	16,750
Quoin International Limited	10,000	1,000
Real Estate Capital Partners U. S. A. Property Trust	100,000	15,500
Redcliffe Peninsular Financial Services Limited	1,000	750
Resource Star Limited	2,035	450
R. H. G. Limited	195,000	100,425
Rio Tinto Limited	18	940
Rivercity Motorway Group	50,000	8,500
Rosewood and District Financial Services Limited	1,000	800
Ruralaus Investments Limited	190,000	26,600
Rye and District Community Financial Services Limited	5,000	5,000
San Remo and District Financial Services Limited	2,200	1,760
Seven Network Limited [preference]	200	17,640
Sigma Pharmaceuticals Limited	4,391	9,309

Skydome Holdings Limited	25,000	4,625
Souls Private Equity Limited	100,100	21,003
S. P. Ausnet	6,500	5,005
S. P. Telemedia Limited	5,000	1,800
Stem Cell Sciences Limited	20,000	3,000
Stokes Australasia Limited	93,270	13,991
Tabcorp Holdings Limited	1,000	7,160
Tandou Limited	61,000	18,300
Tasmania Mines Limited	114,776	115,924
Tatts Group Limited	2,500	6,375
Telstra Corporation Limited	20,384	69,102
Ten Network Holdings Limited	8,000	9,360
Thakral Holdings Group	10,000	2,500
The Investment Company p.l.c.	2,000	6,220
The Rock Building Society Limited	2,000	4,720
Tooth and Company Limited	585,101	6,436
Trafford Resources Limited	200,000	49,000
Transfield Services Infrastructure Fund	30,000	29,100
Upper Yarra Community Enterprises Limited	2,500	1,366
Vaaldiam Resources Limited	16,473	781
View Resources Limited	25,000	3,250
Vortex Pipes Limited	110,000	4,950
Wantirna Community Financial Services Limited	5,500	4,125
Waterco Limited	27,000	17,550
Webster Limited [preference]	10,122	13,715
Westfield Group	700	7,966
Westpac Banking Corporation	500	19,125
Westpac Office Trust	61,958	17,348
White Energy Company Limited	3,449	5,967

---

\$2,187,221

**INVESTMENT PORTFOLIO  
AS AT 30 JUNE 2009**

Company	Number	Market \$
A. and J. Mucklow p.l.c.	5,000	25,105
Aga Foodservice Group p.l.c.	1,244	2,386
Albany (W.A.) Community Financial Services Limited	2,500	2,000
Allied Irish Banks p.l.c.	550	1,619
Angostura Holdings p.l.c.	10,000	15,100
A. P. I. Group p.l.c.	3,000	489
Augusta and Districts Community Financial Services Limited	7,000	6,447
Balmain / Rozelle Financial Services Limited	21,000	13,650
Bayswater Community Financial Services Limited	5,022	5,022
Beaconsfield Gold No Liability	100,000	14,000
Beate Uhse A.G.	3,000	3,183
Bendigo Community Telco Limited	11,400	18,240
Berkshire Hathaway Limited	1	3,556
Berowra and District Financial Services Limited	1,000	900
Blue Planet Financials Growth and Income Investment Trusts p.l.c.	40,000	50,280
Broadstoner Holdings p.l.c. [preference]	5,000	9,190
Broadwater Financial Services Limited	5,000	5,000
Byford and District Community Development Services Limited	5,000	5,000
Cadbury p.l.c.	360	3,799
Caffyns p.l.c. [preference]	5,852	22,618
Capilano Honey Limited	12,197	14,636
Caplay p.l.c.	10,000	150
Carlton Investments Limited [preference]	5,746	12,124
Clifroy Limited	5,000	4,500
Coal and Allied Industries Limited [preference]	46,445	42,961
Community Financial Services Victoria Limited	4,000	4,840
Conygar Investment Company p.l.c.	10,000	42,961
Crimson Tide p.l.c.	6,100	183
Crimson Tide p.l.c. [non-voting]	1,183	34
Daniel Thwaites and Co. p.l.c.	3,000	13,830
Dee Valley Group p.l.c.	500	9,088
Delta p.l.c.	5,000	11,960
Doncaster East Community Financial Services Limited	5,000	4,000
Driver Group p.l.c.	5,000	5,475
Dr. Pepper Snapple Group Inc.	120	3,093
East Gosford and Districts Community Financial Services Limited	13,250	9,938
Ettalong Beach Financial Services Limited	6,500	5,200

Fenwick p.l.c. [preference]	3,000	11,055
Fiji Industries Limited	4,555	25,868
Fiji Television Limited	5,404	12,321
Fosters Group Pacific Limited	950	23,052
Fremantle Community Financial Services Limited	16,000	11,200
Fuller Smith and Turner p.l.c. [A ordinary]	300	2,083
Goodwin p.l.c.	1,000	21,490
Goodwood / Highgate Community Financial Services Limited	15,000	12,000
Gympie and District Financial Services Limited	18,300	14,640
Harris and Company Limited [preference]	5,500	11,957
Heyfield and District Community Financial Services Limited	9,500	8,550
Hobsons Bay Community Financial Services Limited	5,000	5,150
Hydro Hotel Eastbourne p.l.c.	100	3,024
I. G. C. Resources Incorporated	35,000	2,427
Isle of Wight Private Hospital p.l.c.	25,000	475
James Latham p.l.c. [preference]	2,000	5,824
John Lewis Partnership p.l.c. [preference]	5,000	11,835
Johnston Press p.l.c. [preference]	4,000	18,616
Kemp and Denning Limited	5,065	65,644
Laxey Investment Trusts p.l.c.	10,000	480
Linden and Conway Limited [5 percent preference]	200	900
Logan Community Financial Services Limited	45,900	29,835
London Stock Exchange p.l.c.	1,400	19,753
Ludowici Limited [first preference]	2,825	2,542
Ludowici Limited [second preference]	3,207	3,047
Mallett p.l.c.	2,000	2,424
Mandurah Community Financial Services Limited	14,400	11,520
Mariana Resources Limited	30,000	2,750
Marwyn Value Investors Limited	9,785	9,824
McMullen and Sons Limited [non-voting]	5,000	35,839
Meander Valley Financial Services Limited	6,000	5,400
Mooroolbark and District Finance Services Limited	14,100	10,575
North Ryde Community Financial Services Limited	2,000	1,780
N. Y. S. E. Group Incorporated	100	3,347
Pauls Victoria Limited	325	650
Paynesville and District Financial Services Limited	7,500	6,000
Penrose Club Holdings Limited	1,600	99,468
Pine Rivers Community Finance Limited	6,000	5,033
P. Z. Cussons p.l.c. [A ordinary]	500	1,987
Public Holdings Australia Limited	299,576	17,975
Queensland Professional Credit Union Limited	1	10
Redcliffe Peninsular Financial Services Limited	6,500	4,875
Redlands Community Financial Services Limited	3,000	2,700
Rights and Issues Investment Trust p.l.c.	5,000	11,080

Rockingham Community Financial Services Limited	15,000	12,000
Sandringham Community Financial Services Limited	26,000	26,260
San Remo District Financial Services Limited	7,700	6,160
Sarina and District Financial Services Limited	7,500	6,000
Sealink Travel Group Limited	20,000	14,000
Shepherd Neame Limited	2,212	33,180
Sietel Limited [preference]	26,800	28,140
Soda Brands Limited	66,000	6,600
South Burdekin Community Financial Services Limited	8,900	7,120
Sovereign Reversions p.l.c.	2,000	5,194
Sunshine Coast Community Financial Services Limited	27,725	26,339
S. X. R. Uranium One Incorporated	6,000	17,096
Tate and Lyle p.l.c. [preference]	3,000	1,926
Textron Incorporated	29	352
The Investment Company p.l.c.	7,600	23,636
The Investment Company p.l.c. [preference]	10,000	31,100
The Peninsular and Oriental Steam Navigation Company [preference]	3,500	8,246
The Romney Hythe and Dymchurch Railway p.l.c.	200	1,536
The Van Diemens Land Company	30	40
Tongala and District Financial Services Limited	6,500	5,200
Tuggeranong Valley Financial Services Limited	2,000	1,400
Upper Yarra Community Enterprises Limited	3,000	1,800
Vealls Limited [preference]	2,150	6,450
Verizon Communications Limited	574	21,456
Wadworth and Company Limited [A ordinary]	3,400	105,468
Webster Limited [preference]	34,270	49,863
Westco Financial Corporation	5	1,970
Whitefield Limited [preference]	6,248	8,404
Witan Investment Trust p.l.c. [preference]	20,000	14,420
Young and Company's Brewery p.l.c.	500	4,839
Yule Catto and Company p.l.c.	321	6,901
		<u>\$1,448,439</u>

**SHAREHOLDER INFORMATION  
AS AT 30 JUNE 2009**

As at 30 June 2009 the Company had 254 shareholders. The 20 largest shareholders and their shareholdings were as follows:

Shareholder	Holding	Percentage
National Exchange Pty. Limited	1,025,946	30
Gordon Bradley Elkington	457,387	13
Darin Investments Pty. Limited	254,745	7
Cameron Investments Holdings Limited	239,419	7
Equity Trustees Limited	105,694	3
Peters Trading Company Australia Pty. Limited	101,736	3
Milly Elkington	96,969	3
Peter Windeyer Donovan	44,982	1
Peter Andrew Martin	31,945	1
Wilcorp No. 41 Pty. Limited	31,463	1
M. H. C. L. Nominees Pty. Limited	31,317	1
Douglas Robert Graham Neild	33,030	1
Lynette Gay McLennan	30,114	1
Kyleast Pty. Limited	28,113	1
Boulevard Nominees Pty. Limited	28,000	1
Corey Hendrick Vincent	26,455	1
Mulla Nominees Pty. Limited	25,000	1
Allistair Hazard	24,200	1
Eily Dawn Campbell	22,968	1
Peter Anthony Cameron	22,619	1
	2,662,102	78

The distribution of shareholdings was as follows:

Range	Number of holders	Percentage of holders	Number of shares	Percentage of shares
1-1,000	115	45	43,197	1
1,001-5,000	70	27	185,749	5
5,001-10,000	27	11	205,099	6
10,001-50,000	35	13	694,555	20
50,001-100,000	1	0	96,969	3
100,001-500,000	5	2	1,158,981	34
500,001-1,000,000	0	0	0	0
1,000,001-2,000,000	1	0	1,025,946	30
	276	100	3,410,496	100

The number of shareholders holding less than a marketable parcel was 71.

The substantial shareholders and their shareholdings were as follows:

Shareholder	Holding
National Exchange Pty. Limited	1,025,946
Gordon Bradley Elkington	457,387
Darin Investments Pty. Limited	254,745
Cameron Investment Holdings Limited	239,419



## FIVE YEAR SUMMARY

	2005	2006	2007	2008	2009
	\$	\$	\$	\$	\$
Earnings before tax	159,102	563,904	1,395,582	73,505	(927,388)
Tax	35,941	158,318	392,031	264	(299,591)
Earnings after tax	123,161	405,586	1,003,551	73,241	(627,797)
Dividends paid	161,917	169,048	236,167	316,342	67,097
Current assets	1,896,952	2,253,745	2,832,114	2,934,012	2,242,007
Current liabilities	170,808	377,690	348,776	359,677	336,804
Non-current assets	1,229,936	1,744,702	2,249,371	1,702,696	1,628,129
Non-current liabilities	16,918	169,933	311,748	115,711	0
Shareholders equity	2,939,162	3,450,824	4,420,991	4,161,320	3,533,332
Subscribed capital	2,789,377	2,909,345	3,096,732	3,354,854	3,410,496

**CORPORATE DIRECTORY**

<b>Directors</b>	John Weston Seaforth Mackenzie Gordon Bradley Elkington John David Honan Steven Pritchard Alfred Edward Fulton Rofe
<b>Secretary</b>	Gordon Bradley Elkington
<b>Registered office</b>	Level 5 10 Spring Street Sydney New South Wales 2000
<b>Auditor</b>	Graham Baker Chartered Accountant 2 Kennedy Place St. Ives New South Wales 2075
<b>Accountant</b>	Storey Blackwood Services Pty. Limited Level 4 222 Clarence Street Sydney New South Wales 2000
<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 Cash Management Trust 20 Bond Street Sydney New South Wales 2000

Bendigo Bank Limited  
Fountain Court  
Bendigo  
Victoria 3552

Manchester Building Society  
24 Queen Street  
Manchester M2 5AH  
United Kingdom