

WIN SECURITIES LIMITED
ABN 47 007 346 223

FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2018

WIN SECURITIES LIMITED

ABN 47 007 346 223

DIRECTORS' REPORT

The directors present their report together with the financial statements of the Company, being Win Securities Limited ("the Company") for the six months ended 31 December 2018 and the auditor's report thereon.

Directors

The names of the directors in office at any time during or since the end of the period are;

Mr N Alisdair Stewart
Mr Antonino G Ruvolo
Mr Kenneth J Butterworth
Mr Jeffery W Herdegen
Mr Jonathan D Duffy

All directors have been in office since the start of the year to the date of this report.

Secretary

Mr Kenneth J Butterworth acted as company secretary during the period.

Operating results

The profit of the company for the period after providing for income tax amounted to \$560,242

Significant changes in state of affairs

No significant changes in the company's state of affairs occurred during the period.

Principal activities

The principal activities of the company during the period were mortgage lending, property and general investment.

No significant change in the nature of this activity occurred during the period.

Matters or circumstances arising after the end of the period

No matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future periods.

Future developments and results

Likely developments in the operations of the company and the expected results of those operations in future periods have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Dividends paid or declared

Dividends paid or declared since the start of the period are as follows;

- (a) Dividends paid on Redeemable Preference Shares totalled \$22,811 during the period.
- (b) Dividends paid on Ordinary Shares totalled \$120,000 during the period.
- (c) There were no dividends declared on 31 December 2018 for payment for the period then ended.

Share options

No options over issued shares or interests in the company were granted during or since the end of the period and there were no options outstanding at the date of this report.

Directors and officers insurance

During the period, the company paid a premium in respect of a contract insuring the directors of the company, the company secretary, and all executive officers of the company against a liability incurred as a director, secretary or executive officer to the extent deemed appropriate by the directors.

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DIRECTORS' REPORT

The company has not otherwise, during or since the end of the period, indemnified or agreed to indemnify an officer or auditor of the company against a liability incurred as such as officer or auditor.

Proceedings in behalf of company

No person has applied for leave of Court to bring proceedings on behalf of the company or 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.

The company was not a party to any such proceedings during the period.

Information on directors

N Alisdair Stewart LLB was appointed a Director in 1989. Alisdair is a retired solicitor and previous employee of the Wangaratta legal firm of Slater & Gordon. Alisdair has over 43 years experience in legal, mortgage and property issues and is closely involved in the loan approval process and management of the company.

Antonino Giovanni Ruvolo was appointed the General Manager of the company on 18 June 1990 and appointed a director of the company in June 2003. Antonino was previously employed by the National Australia Bank for ten years between 1980 - 1990. Antonino has over 37 years experience in the finance industry and is responsible for making significant day to day management decisions with respect to the company and is closely involved in the loan application assessment and approval process.

Antonino was appointed the Responsible and Compliance Officer for the Company in 2004.

Kenneth J Butterworth was appointed as a director on 1 June 2016. Kenneth has extensive experience in the hospitality industry and in commercial and residential property investment. Since his appointment on 1 June 2016 he is closely involved in the loan application assessment and approval process.

Jeffory W Herdegen was appointed as a director on 3 November 2016. Jeffory has a Master Rural Science Degree, Bachelor of Arts Degree, Hawkesbury Diploma of Agriculture, Diploma of Financial Services, PS 145 accredited. Jeffory comes with 8 years experience as Managing/Director and Responsible Officer of a similar secured investment company and also has 19 years experience in mortgage lending. He comes with vast knowledge and experience in agriculture and finance. Jeffory supports the Managing Director as required.

Jonathan D Duffy was appointed as a director on 20 December 2016. Jonathan has extensive experience in commercial and residential property development and investment. Since his appointment he has been closely involved in the loan application assessment and approval process.

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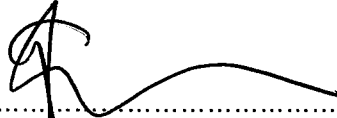
DIRECTOR'S REPORT

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at the end of this financial report.

Signed in accordance with a resolution of the Board of Directors.

Director



Antonino Giovanni Ruvolo

Director



Kenneth J Butterworth

Dated this 26th day of February 2019



John L

Experts by your side.

Bush & Campbell Accountants

■ PARTNERS:

P.J. King	CA
A.P. Powell	CA
D.R. Uden	CA
R.K. Nicoll	CA
M.A. Smith	CA

AUDITORS INDEPENDENCE DECLARATION

As lead auditor for the review of Win Securities Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (b) No contraventions of any applicable code of professional conduct in relation to the review.

John L Bush & Campbell
JOHN L BUSH & CAMPBELL
Chartered Accountants

Peter King
Peter King
Partner

26 February 2019
Wagga Wagga



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

WIN SECURITIES LIMITED

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**INCOME STATEMENT
FOR THE PERIOD ENDED
31 DECEMBER 2018**

	Dec 2018	Dec 2017
	\$	\$
Interest revenue	1,770,316	1,603,889
Interest expense	<u>(833,873)</u>	<u>(742,230)</u>
Net interest revenue	936,443	861,659
Non interest revenues	216,179	223,356
Other expenses	<u>(379,874)</u>	<u>(424,232)</u>
Profit from ordinary activities	772,748	660,783
Income tax relating to ordinary activities	<u>(212,506)</u>	<u>(181,715)</u>
Net profit from ordinary activities after income tax attributable to members of the Company	<u><u>560,242</u></u>	<u><u>479,068</u></u>
Earnings Per Share (Cents per Share)	119.08 cents	101.83 cents

WIN SECURITIES LIMITED

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**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Dec 2018	Jun 2018
	\$	\$
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ASSETS		
Cash and cash equivalents	17,444,639	11,386,685
Trade and other receivables	74,087	55,416
Loans and advances	34,490,248	38,283,135
Tax assets	20,327	21,289
Other assets	14,744	32,041
Property, plant and equipment	752,925	759,483
Investment properties	1,740,000	1,740,000
TOTAL ASSETS	<u><u>54,536,971</u></u>	<u><u>52,278,049</u></u>
LIABILITIES		
Trade and other payables	427,674	294,595
Current tax liabilities	159,079	139,250
Debentures	49,044,157	47,313,118
Provisions	91,506	99,235
TOTAL LIABILITIES	<u><u>49,722,416</u></u>	<u><u>47,846,198</u></u>
NET ASSETS	<u><u>4,814,555</u></u>	<u><u>4,431,851</u></u>
EQUITY		
Issued capital	1,368,712	1,368,712
Reserves	8,795	8,795
Retained earnings	3,437,048	3,054,344
TOTAL EQUITY	<u><u>4,814,555</u></u>	<u><u>4,431,851</u></u>

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**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED
31 DECEMBER 2018**

	Reserves	Issued Capital	Retained Earnings	Total
Balance at 30 June 2017	8,795	1,368,712	2,527,651	3,905,158
Profit attributable to members of the company			871,747	871,747
Dividends paid			(345,054)	(345,054)
Share capital increase				-
Balance at 30 June 2018	8,795	1,368,712	3,054,344	4,431,851
Profit attributable to members of the company			560,242	560,242
Dividends paid			(142,811)	(142,811)
AASB 9 - Financial Instrument adjustment			(34,727)	(34,727)
Share capital increase				-
Balance at 31 December 2018	8,795	1,368,712	3,437,048	4,814,555

WIN SECURITIES LIMITED

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**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	Dec 2018 \$	Dec 2017 \$
CASH FLOW FROM OPERATING ACTIVITIES		
Interest received	1,750,474	1,587,372
Commission and management fees	39,913	41,191
Interest paid	(795,437)	(686,118)
Receipts from customers	171,533	182,165
Payments to suppliers and employees	(413,578)	(399,537)
Income tax paid	(72,899)	(92,832)
	<u>680,006</u>	<u>632,241</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	-	(779)
Net (increase)/decrease in loans and advances	3,789,721	(1,161,685)
Net increase/(decrease) in debentures	1,731,039	1,858,075
	<u>5,520,759</u>	<u>695,611</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of shares	-	-
Dividends paid	(142,811)	(171,866)
	<u>(142,811)</u>	<u>(171,866)</u>
Net increase/(decrease) in cash held	6,057,954	1,155,986
Cash at beginning of the period	11,386,685	9,649,875
Cash at end of the period	<u>17,444,639</u>	<u>10,805,861</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2018**

NOTE 1: BASIS OF PREPARATION

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by Win Securities Limited during the half year in accordance with the continuous disclosure requirements arising under the Corporations Act 2001.

With the exception of AASB9: - Financial Instruments and AASB15: - Revenue, which have been applied for the first time in this reporting period (the later having no impact on the financial statements), the accounting policies have been consistently applied and are consistent with those in the 2018 annual reports.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Reporting Basis and Conventions

The half-year 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.

The critical estimates and judgements are consistent with those applied and disclosed in the June 2018 annual report.

WIN SECURITIES LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2018****Dec 2018**
\$**Dec 2017**
\$**NOTE 2: PROFIT FROM ORDINARY ACTIVITIES**

Profit from ordinary activities before income tax expense has been determined after:

a. Expenses*Depreciation*

- Buildings	5,472	5,472
- Building Improvements	48	48
- Plant and equipment	1,038	2,752

Auditors Remuneration	18,150	17,050
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The following revenue and expense items are relevant in explaining the financial performance

- Writeback of provisions	4,733	-
- Increase in the market value of investment property	-	-

NOTE 3: DIVIDENDS

Dividends paid or declared since the start of the period are as follows;

(a) Redeemable Preference Shares	22,811	21,865
(b) Ordinary Shares	120,000	150,000

NOTE 4: SEGMENT REPORTING

The company operates predominantly in the debenture issuing (unlisted unrated mortgage financing) finance industry within Australia. Customers and clients are predominantly based in regional areas of New South Wales and Victoria.

NOTE 5: CONTINGENT LIABILITIES

There has been no change to contingent liabilities since the last annual report period.

NOTE 6: EVENTS AFTER THE END OF THE INTERIM PERIOD

The directors are not aware of any significant events since the end of the interim period.

WIN SECURITIES LIMITED

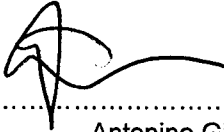
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DIRECTORS' DECLARATION

The directors of the company declare that:

- 1 The financial statements and notes are in accordance with the Corporations Act 2001; and
 - (a) comply with the Accounting Standards which as stated in accounting policy note 1 to the financial statements constitutes compliance with International Financial Reporting Standards; and
 - (b) give a true and fair view of the financial position as at 31 December 2018 of the company and of its performance for the period ended on that date
- 2 In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director.....
Antonino Giovanni Ruvolo

Director.....
Kenneth James Butterworth

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF:**

WIN SECURITIES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Win Securities Limited which comprises the Statement of Financial Position as at 31 December 2018, and the Statement of Comprehensive Income, condensed statement of changes in equity and Statement of cash flows for the half-year ended on that date, a statement of accounting policies and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error

Auditor's Responsibility

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

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

Independence

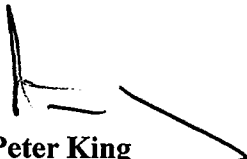
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

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

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

John L Bush & Campbell
JOHN L BUSH & CAMPBELL
Chartered Accountant


Peter King
Partner
Wagga Wagga

26 February 2019