

FORM: Half yearly/preliminary final report

Name of *issuer*

Pritchard Equity Limited

ACN or ARBN	Half yearly (tick)	Preliminary final (tick)	Half year/financial year ended (‘Current period’)
100 517 404	✓		31 st December 2007

For announcement to the market

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

				\$A
Operating Revenue (item 1.1)	DOWN	27%	To	138,224
Operating Profit (loss) before abnormal items and tax	DOWN	34%	To	100,658
Operating Profit (loss) for the period after tax but before minority equity interests (item 1.9)	DOWN	26%	To	116,457
Profit (loss) for the period attributable to security holders (item 1.11)	DOWN	28%	To	110,803
Income Distributions		Current period		Previous corresponding period
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

Annual meeting*(Preliminary final statement only)*

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the annual report will be available

Compliance statement

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

Identify other standards used

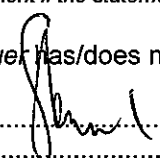
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2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does/does not* (*delete one*) give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:

- | | |
|---|---|
| <input checked="" type="checkbox"/> The financial statements have been audited. | <input type="checkbox"/> The financial statements have been subject to review by a registered auditor (or overseas equivalent). |
| <input type="checkbox"/> The financial statements are in the process of being audited or subject to review. | <input type="checkbox"/> The financial statements have <i>not</i> yet been audited or reviewed. |

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

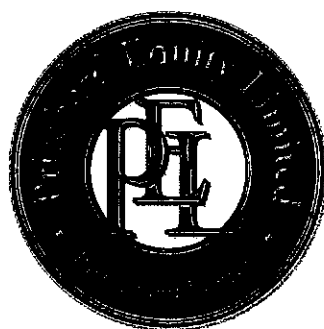
6. The issuer *has*/does not have* (*delete one*) a formally constituted audit committee.

Sign here: 

Date:

(Director/Company secretary)

Print name: STEVEN RICHARDS



PRITCHARD EQUITY LIMITED

ACN 100 517 404

**HALF YEAR FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31ST DECEMBER, 2007**

PRITCHARD EQUITY LIMITED

DIRECTORS' REPORT

Your directors present the financial report of the consolidated entity consisting of Pritchard Equity Limited and entities it controlled for the half-year ended 31 December 2007.

Directors

The names of directors who held office during or since the end of the half-year:

- Steven Shane Pritchard
- Enzo Pirillo
- Gordon Bradley Elkington

Review of Operations

The consolidated entity's principal activity was the making of medium and long term investments in both listed and unlisted investments. There have been no significant changes in the nature of these activities since the date of the Company's last annual report.

The net operating profit after tax was \$110,803 compared to \$154,439 last year. As a result of this and the increase in value of the Company's investment portfolio the net assets per share are now \$1.53 compared to \$1.40 as at 30 June 2007.

Auditor's Declaration

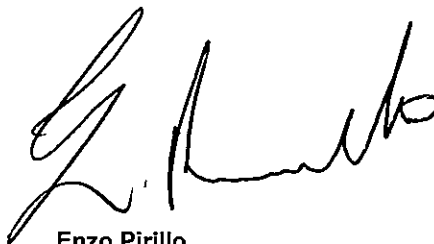
The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 2 for the half-year ended 31 December 2007.

This report is signed in accordance with a resolution of the Board of Directors.



Steven Shane Pritchard

Director



Enzo Pirillo

Director

Dated this day 13th March 2008

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF PRITCHARD EQUITY LIMITED


In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Pritchard Equity Limited.

As lead audit partner for the review of the financial statements of Pritchard Equity Limited for the half-year ended 31 December 2007, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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



FORSYTHES



Martin Matthews
Partner
Chartered Accountants
Newcastle, 3 March 2008

PRITCHARD EQUITY LIMITED

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

	Note	31.12.2007	31.12.2006
		\$	\$
Income from investment portfolio	2a	26,835	27,019
Income from trading portfolio	2b	(8,054)	37,049
Income from deposits	2c	1,934	7,253
Share of net profit of associated company		117,410	112,021
Other income	2d	99	5,622
Total income from ordinary activities		138,224	188,964
Administration expenses		27,955	29,409
Finance Costs		6,722	4,030
Foreign exchange loss		-	269
Listing fees		2,889	2,914
Operating profit before income tax		100,658	152,342
Income tax expense/(credit)		(15,799)	(5,880)
Operating profit after income tax		116,457	158,222
(Profit)/Loss attributable to minority equity interest		(5,654)	(3,783)
Profit attributable to members of the company		110,803	154,439
Overall Operations			
Basic earnings per share (cents per share)		8.09	11.28
Diluted earnings per share (cents per share)		8.09	11.28

The accompanying notes form part of these financial statements.

PRITCHARD EQUITY LIMITED

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2007

	Note	31.12.2007	30.06.2007
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		119,284	50,666
Trade and other receivables		64,996	94,766
Trading portfolio		27,830	139,977
Other current assets		2,875	-
TOTAL CURRENT ASSETS		214,985	285,409
NON-CURRENT ASSETS			
Investment portfolio		1,304,509	1,114,614
Investments in associates accounted for using the equity method		1,060,021	942,611
Deferred tax assets		44,844	24,915
TOTAL NON-CURRENT ASSETS		2,409,374	2,082,140
TOTAL ASSETS		2,624,359	2,367,549
CURRENT LIABILITIES			
Trade and other payables		205,396	51,965
Short-term borrowings		138,849	225,842
Current tax liabilities		22	-
TOTAL CURRENT LIABILITIES		344,267	277,807
NON-CURRENT LIABILITIES			
Deferred tax liabilities		20,462	19,923
TOTAL NON-CURRENT LIABILITIES		20,462	19,923
TOTAL LIABILITIES		364,729	297,730
NET ASSETS		2,259,630	2,069,819
EQUITY			
Issued capital		787,997	787,997
Reserves		245,076	162,789
Retained earnings		1,067,799	968,216
Parent interest		2,100,872	1,919,002
Minority equity interest		158,758	150,817
TOTAL EQUITY		2,259,630	2,069,819

The accompanying notes form part of these financial statements.

PRITCHARD EQUITY LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

Note	\$	\$	\$	\$	\$
	Issued Capital	Asset Revaluation Reserve	Capital Profits Reserve	Retained Profits	Total
Balance at 1 July 2006	794,576	3,353	28,527	516,557	1,343,013
Shares issued during the year	-	-	-	-	-
Transaction costs	(6,579)	-	-	-	(6,579)
Profit for the year	-	-	-	154,439	154,439
Revaluation of non current assets (net of tax)	-	22,382	-	-	22,382
Transfer from retained profits to reserves	-	-	14,486	(14,486)	-
Transfer to retained profits from reserves	-	-	(28)	28	-
Balance at 31 December 2006	<u>787,997</u>	<u>25,735</u>	<u>42,985</u>	<u>656,538</u>	<u>1,513,255</u>
Balance at 1 July 2007	787,997	128,188	34,601	968,216	1,919,002
Shares issued during the year	-	-	-	-	-
Transaction costs	-	-	-	-	-
Profit for the year	-	-	-	110,803	110,803
Revaluation of non current assets (net of tax)	-	71,625	-	-	71,625
Transfer from retained profits to reserves	-	-	10,662	-	10,662
Transfer to retained profits from reserves	-	-	-	(11,220)	(11,220)
Balance at 31 December 2007	<u>787,997</u>	<u>199,813</u>	<u>45,263</u>	<u>1,067,799</u>	<u>2,100,872</u>

The accompanying notes form part of these financial statements.

PRITCHARD EQUITY LIMITED

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

	31.12.2007	31.12.2006
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Sales from trading portfolio	211,741	99,303
Purchases for trading portfolio	(27,990)	(72,670)
Dividends received	23,566	1,266
Interest received	1,949	5,136
Commissions received	109	2,591
Other receipts	5,161	1,693
	<u>214,536</u>	<u>37,319</u>
Administration expenses	(36,450)	(23,861)
Bank charges	(228)	(273)
Finance Costs	(6,722)	(3,745)
Other payments	-	(604)
Net cash provided by (used in) operating activities	<u>171,136</u>	<u>8,836</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales from investment portfolio	132,292	160,449
Purchases for investment portfolio	(236,920)	(364,733)
Net cash provided by (used in) investing activities	<u>(104,628)</u>	<u>(204,284)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Initial public offer costs	-	(6,579)
Proceeds from borrowings	161,285	194,608
Repayment of borrowings	(159,175)	(192,425)
Net cash provided by (used in) financing activities	<u>2,110</u>	<u>(4,396)</u>
Net increase in cash held	68,618	(199,844)
Cash at beginning of period	50,666	282,642
Cash at end of period	<u>119,284</u>	<u>82,798</u>

PRITCHARD EQUITY LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose half-year financial report has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim financial report does not include all the notes of the type normally included in an annual financial report. This report should be read in conjunction with the 2007 Annual Report and public announcements made by the Company during the half-year, in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Basis of Preparation

The accounting policies and methods for compilation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2007 Annual Financial Report for the year ended 30 June 2007.

NOTE 2: REVENUE

	31.12.07 \$	31.12.06 \$
a. Income from Investment Portfolio		
— dividends received	24,931	15,720
— trust distributions received	3,039	1,053
— net realised gains/(losses)	12,215	14,446
— net unrealised fair value gain/(loss)	(13,350)	(4,200)
Total Income from investment portfolio	26,835	27,019
b. Income from Trading Portfolio		
— sales revenue	131,428	94,303
— cost of sales	(139,482)	(57,254)
Total Income from trading portfolio	(8,054)	37,049
c. Income from Deposits		
— interest received	1,934	7,253
Total income from deposits	1,934	7,253
d. Other Income		
— commissions received	99	5,389
— gain on acquisition	-	233
Total other income	99	5,622

PRITCHARD EQUITY LIMITED

NOTE 3: DIVIDENDS

31.12.07

31.12.06

\$

\$

Dividends Paid or Declared

There were no dividends paid or declared in the period.

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NOTE 4: ISSUED CAPITAL

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

Date	Details	A Ordinary Shares	B Ordinary Shares	C Ordinary Shares	Issued Capital \$
01/07/2007	Opening balance	579,358	540,128	250,000	787,997
31/12/2007	Balance	579,358	540,128	250,000	787,997

All ordinary shares rank equally inter se for all purposes of participation in profits or capital of the Company.

A Ordinary shares confer on their holder the right to receive notices, reports and accounts and to attend and speak, but not to vote at general meetings of the Company.

B Ordinary shares confer on their holder the right to receive notices, reports and accounts and to attend and speak and vote at general meetings of the Company.

C Ordinary shares confer on their holder the right to receive notices, reports and accounts and to attend and speak and vote at general meetings of the Company and the right to convert one C Ordinary share into one B Ordinary share by notice in writing to the Company.

a. Options

On 27 April 2006 the Company granted 679,358 Series 1 Options. A Series 1 Option entitles the holder upon payment of the exercise price of \$1.25 to 1 A Ordinary share. Series 1 Options may be exercised at any time up to 10 December 2008 (inclusive) but not thereafter. As at the reporting date none of the options had been exercised.

On 27 April 2006 the Company granted 339,679 Series 2 Options. A Series 2 Option entitles the holder upon the payment of the exercise price of \$2.50 to 1 A Ordinary share. Series 2 Options may be exercised at any time up to 10 December 2010 (inclusive) but not thereafter. As at the reporting date none of the options had been exercised.

On 27 April 2006 the Company granted 339,679 Series 3 Options. A Series 3 Option entitles the holder upon the payment of the exercise price of \$5.00 to 1 A Ordinary share. Series 3 Options may be exercised at any time up to 10 December 2015 (inclusive) but not thereafter. As at the reporting date none of the options had been exercised.

At 31 December 2007 there were 1,358,716 (2006: 1,358,716) unissued A Ordinary shares for which options were outstanding. The options carry no rights to dividends and no voting rights.

PRITCHARD EQUITY LIMITED

NOTE 5: SEGMENT REPORTING

Pritchard Equity Limited and its controlled entities carry on business of a strategic investment company and stockbroking solely within Australia.

31.12.2007	Investments	Stockbroking	Total
Revenue	20,814	117,410	138,224
Results	(6,607)	117,410	110,803
Assets	1,564,338	1,060,021	2,624,359

30.06.2007	Investments	Stockbroking	Total
Revenue	157,976	378,588	536,564
Results	78,914	378,588	457,502
Assets	1,424,938	942,611	2,367,549

NOTE 6: CONTINGENT LIABILITIES

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

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

Since 31 December 2007 to the date of this report there has been no event specific to the Company of which the Directors are aware which has had a material effect on the Company or its financial position. However, Directors note that there has been a substantial correction in the markets in which the Company invests between the Balance Sheet date and the date of this report.

PRITCHARD EQUITY LIMITED

DIRECTORS' DECLARATION

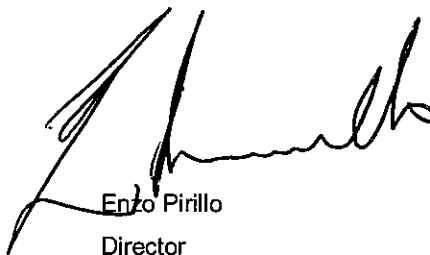
The directors of the company declare that:

1. The financial statements and notes, as set out on pages 3 to 9:
 - a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
 - b. give a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year 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 pursuant to s 303(5) of the Corporations Act 2001.



Steven Shane Pritchard
Director



Enzo Pirillo
Director

Dated this 13th day of March 2008

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PRITCHARD EQUITY LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Pritchard Equity Limited, which comprises the condensed balance sheet as at 31 December 2007, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement of accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year period.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year 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.

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 Australian Auditing Standard on Review Engagements ASRE 2410 *Review of Interim 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 financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Pritchard Equity Limited's financial position at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. As the auditor of Pritchard Equity Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of 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 Pritchard Equity Limited is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the of the company and consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



FORSYTHES



MJ Matthews

Partner

Chartered Accountants

Newcastle, 13 March 2008

PRITCHARD EQUITY LIMITED

CORPORATE DIRECTORY

Directors

Steven Shane Pritchard – Executive Chairman
Enzo Pirillo
Gordon Bradley Elkington

Secretary

Enzo Pirillo

Solicitors

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Telephone (02) 9225 0200
Facsimile (02) 9225 1595

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Hamilton NSW 2303
Telephone (02) 4920 2877
Facsimile (02) 4920 2878

Accountants

Rees Pritchard Pty. Limited
10 Murray Street
Hamilton NSW 2303
Telephone (02) 4920 2877
Facsimile (02) 4920 2878

Auditors

Forsythes
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Telephone (02) 4926 2699
Facsimile (02) 4929 1435

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Newcastle Capital Markets Registries Pty.
Limited
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Facsimile (02) 4920 2878

Stockbroker & Nominated Advisers

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Facsimile (02) 4920 2878

Stockbroker

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