

FORM: Half yearly/preliminary final report

Name of *issuer*

Pritchard Equity Limited

ACN or ARBN

100 517 404

Half yearly
(tick)

☐

Preliminary
final (tick)

☒

Half year/financial year ended
('Current period')

30th June 2009

For announcement to the market

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

Extracts from this statement for announcement to the market (see note 1).				\$A
Operating Revenue (item 1.1)	down	101%	To	(5,479)
Operating Profit (loss) before abnormal items and tax	down	137%	To	(121,648)
Operating Profit (loss) for the period after tax but before minority equity interests (item 1.9)	down	131%	To	(108,162)
Profit (loss) for the period attributable to security holders (item 1.11)	down	159%	To	(189,872)
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:

☐ The financial statements have been audited.☐ The financial statements have been subject to review by a registered auditor (or overseas equivalent).☒ The financial statements are in the process of being audited or subject to review.☐ The financial statements have *not* yet been audited or reviewed.

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

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

Sign here: Steven P. Tchul

Date:

*(Director/Company secretary)*Print name: Steven P. Tchul

PRITCHARD EQUITY LIMITED

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	Note	Consolidated		Parent	
		2009	2008	2009	2008
		\$	\$	\$	\$
Income from investment portfolio	3a	82,603	198,939	35,847	(20,384)
Income from trading portfolio	3b	(30,222)	(2,860)	-	-
Income from deposits	3c	20,176	11,951	5,595	3,389
Share of net loss of associated company		(79,087)	218,723	-	-
Other income	3d	1,051	156	2,294	217,881
Total income from ordinary activities		(5,479)	426,909	43,736	200,886
Administration expenses		75,859	52,244	46,414	31,570
Auditors remuneration		27,750	32,450	31,750	32,450
Bank charges		1,555	533	826	333
Finance costs		4,122	7,601	61	-
Listing fees		6,883	6,810	6,883	6,810
Operating profit before income tax and net gains on investments		(121,648)	327,271	(42,198)	129,723
Income tax (expense)/benefit	4	13,486	22,286	13,644	22,286
Operating profit before net gains on investments		(108,162)	349,557	(28,554)	152,009
Gains/(losses) on investments					
AASB 139 'impairment' revaluation charge on investment portfolio		(80,181)	-	-	-
Operating profit after net gains on investments		(188,343)	347,557	(28,554)	152,009
Profit/(loss) attributable to minority equity interest		(1,529)	28,182	-	-
Profit attributable to members of the company		(189,872)	321,375	(28,554)	152,009
Overall Operations					
Basic earnings per share (cents per share)	7	(11.8)	22.8		
Diluted earnings per share (cents per share)	7	(11.8)	22.8		

The accompanying notes form part of these financial statements.

PRITCHARD EQUITY LIMITED

BALANCE SHEET AS AT 30 JUNE 2009

	Note	Consolidated		Parent	
		2009	2008	2009	2008
		\$	\$	\$	\$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	8	445,565	411,643	243,473	105,035
Receivables	9	136,301	15,522	264,303	240,174
Trading portfolio	10	43,154	62,726	-	-
Investment portfolio	12	50,000	-	50,000	-
TOTAL CURRENT ASSETS		675,020	489,891	557,776	345,209
NON-CURRENT ASSETS					
Investment portfolio	12	792,328	656,356	152,620	120,695
Investments in associates accounted for using the equity method	13	1,067,445	1,146,532	168,814	168,814
Investments in controlled entities		-	-	526,873	476,873
Deferred tax assets	11	59,350	47,802	59,350	47,802
Other assets	14	-	30,955	-	30,955
TOTAL NON-CURRENT ASSETS		1,919,123	1,881,645	907,657	845,139
TOTAL ASSETS		2,594,143	2,371,536	1,465,433	1,190,348
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	15	82,683	84,599	42,439	59,955
Short-term borrowings	16	102,647	37,673	365	789
TOTAL CURRENT LIABILITIES		185,330	122,272	42,804	60,744
NON-CURRENT LIABILITIES					
Borrowings	16	265,737	142,237	265,737	142,237
Deferred tax liabilities	11	771	-	771	-
TOTAL NON-CURRENT LIABILITIES		266,508	142,237	266,508	142,237
TOTAL LIABILITIES		451,996	264,509	309,312	202,981
NET ASSETS		2,142,147	2,107,027	1,156,121	987,367
EQUITY					
Contributed equity	17	932,960	728,260	932,960	728,260
Reserves	18	26,751	(35,217)	43,774	3,046
Retained earnings		1,014,651	1,287,730	179,387	256,061
Parent interest		1,974,362	1,980,773	1,156,121	987,367
Minority equity interest		167,785	126,256	-	-
TOTAL EQUITY		2,142,147	2,107,027	1,156,121	987,367

The accompanying notes form part of these financial statements.

PRITCHARD EQUITY LIMITED

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

	Issued Capital	Asset Revaluation Reserve	Capital Profits Reserve	Retained Earning	Total
Consolidated					
Balance at 1 July 2007	787,997	128,188	34,602	968,216	1,919,003
Shares issued during the year	82,500	-	-	-	82,500
Profit for the year	-	-	-	321,375	321,375
Revaluation of non current assets (net of tax)	-	(173,480)	-	-	(173,480)
Transfer from retained profits to reserves	-	-	130,530	(131,089)	(559)
Transfer to retained profits from reserves	-	-	(155,057)	155,057	-
Dividend paid	-	-	-	(25,829)	(25,829)
Redemption of issued capital for preferred income equity securities	(142,237)	-	-	-	(142,237)
Balance at 30 June 2008	728,260	(45,292)	10,075	1,287,730	1,980,773
Balance at 1 July 2008	728,260	(45,292)	10,075	1,287,730	1,980,773
Shares issued during the year	328,200	-	-	-	328,200
Profit for the year	-	-	-	(109,691)	(109,691)
Revaluation of non current assets (net of tax)	-	(83,650)	-	-	(83,650)
Transfer from retained profits to reserves	-	80,181	65,437	(145,618)	-
Dividend paid	-	-	-	(17,770)	(17,770)
Preferred Income equity securities redemption	(123,500)	-	-	-	(123,500)
Balance at 30 June 2009	932,960	(48,761)	75,512	1,014,651	1,974,362
Parent					
Balance at 1 July 2007	787,997	26,080	6,895	105,656	926,628
Shares issued during the year	82,500	-	-	-	82,500
Profit for the year	-	-	-	152,009	152,009
Revaluation of non current assets (net of tax)	-	(30,974)	-	-	(30,974)
Transfer from retained profits to reserves	-	-	1,045	(1,604)	(559)
Redemption of issued capital for preferred income equity securities	(142,237)	-	-	-	(142,237)
Balance at 30 June 2008	728,260	(4,894)	7,940	256,062	987,368
Balance at 1 July 2008	728,260	(4,894)	7,940	256,062	987,368
Shares issued during the year	328,200	-	-	-	328,200
Profit for the year	-	-	-	(28,554)	(28,554)
Revaluation of non current assets (net of tax)	-	6,691	-	-	6,691
Transfer from retained profits to reserves	-	-	34,037	(34,037)	-
Dividend paid	-	-	-	(14,084)	(14,084)
Preferred Income equity securities redemption	(123,500)	-	-	-	(123,500)
Balance at 30 June 2009	932,960	1,797	41,977	179,387	1,156,121

The accompanying notes form part of these financial statements.

PRITCHARD EQUITY LIMITED

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	Note	Consolidated		Parent	
		2009	2008	2009	2008
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Sales from trading portfolio		5,541	217,497	-	-
Purchases for trading portfolio		(6,206)	(63,637)	-	-
Interest received		19,832	11,913	5,595	3,335
Dividends received		10,829	25,613	38	175,686
Distributions received		7,889	5,772	3,236	42,273
Commissions received		1,156	172	-	-
Other receipts		20,608	-	20,008	-
		59,649	197,330	28,877	221,294
Administration expenses		(96,851)	(95,845)	(80,618)	(78,263)
Bank charges		(1,520)	(531)	(826)	(333)
Borrowing costs		(4,121)	(7,547)	(61)	-
Other payments		-	11,091	-	8,557
Income tax paid		-	153	-	37
Net cash provided by (used in) operating activities	20	(42,843)	104,651	(52,629)	151,292
CASH FLOWS FROM INVESTING ACTIVITIES					
Sales from investment portfolio		516,790	741,697	341,401	105,127
Purchases for investment portfolio		(688,540)	(345,069)	(249,233)	(66,893)
Application monies		(127,500)	-	(15,000)	-
Net cash provided by (used in) investing activities		(299,250)	396,628	77,168	38,234
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		329,200	82,500	184,200	82,500
Proceeds from issue of equity in associate		-	120,551	-	-
Payments from redemption of equity in associate		-	(129,000)	-	-
Dividends/distributions paid		(16,241)	-	(14,084)	-
Proceeds from borrowings		63,054	-	68,000	-
Repayment of borrowings		-	(214,352)	(124,218)	(176,664)
Net cash provided by (used in) financing activities		376,013	(140,301)	113,898	(94,164)
Net increase (decrease) in cash held		33,920	360,977	138,437	95,361
Cash at beginning of financial year		411,643	50,666	105,036	9,675
Cash at end of financial year	8	445,563	411,643	243,473	105,036

The accompanying notes form part of these financial statements.

PRITCHARD EQUITY LIMITED

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the consolidated entity of Pritchard Equity Limited. Pritchard Equity Limited is a listed public company, incorporated and domiciled in Australia.

The financial report of Pritchard Equity Limited as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety. Pritchard Equity Limited has not applied any Australian Accounting Standards or AASB interpretations that have been issued at balance date but are not yet operative for the year ended 30 June 2009 ("inoperative standards"). The impact of inoperative standards has been assessed and has been identified as not being material. The Company only intends to adopt any inoperative standards at the date at which their adoption becomes mandatory.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial report. The accounting policies have been consistently applied.

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Adoption of new and revised Accounting Standards

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policy notes set out below. The Company has also adopted the following Standards as listed below which only impacted on the Company's financial statements with respect to disclosure.

- AASB 101 'Presentation of financial Statements (revised October 2006)'
- AASB 7 'Financial Instruments: Disclosures'

Accounting Policies

a. Principles of Consolidation

A controlled entity is any entity of which Pritchard Equity Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 14 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the application of those policies by the parent entity.

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

b. Fair Value of Financial Assets and Liabilities

The fair value of cash and cash equivalents, and non-interest bearing monetary financial assets and liabilities of the consolidated entity, approximates their carrying value.

PRITCHARD EQUITY LIMITED

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Holdings of Securities

(i) Balance Sheet classification

The consolidated entity has two portfolios of securities, an investment portfolio and a trading portfolio.

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

The trading portfolio comprises securities held for short term trading purposes.

The investment portfolio is classified as a 'non-current asset', whereas the trading portfolio is classified as a 'current asset'.

Ordinary securities within the investment portfolio are classified as 'assets available for sale', whilst securities within the trading portfolio are classified as 'assets measured at fair value through the Income Statement'.

(ii) Valuation of investment portfolio

Securities, including listed and unlisted shares and notes and options, are initially brought to account at cost, which is the cost of acquisition including transaction costs, and are revalued to market values continuously. Increments and decrements on ordinary securities are taken to the Asset Revaluation Reserve while it has a credit balance in total, otherwise they are included in Profit from Ordinary Activities before Income Tax Expense.

Where disposal of an investment occurs any revaluation increment or decrement relating to it, is transferred from the Asset Revaluation Reserve to the Income Statement.

(iii) Valuation of trading portfolio

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

Increments and decrements on the value of securities in the trading portfolio are taken directly through the Income Statement.

(iv) Determination of market value

Market value for the purposes of valuing holdings of securities is determined by reference to market prices prevailing at balance date, where the securities are traded on an organised market. Where a security is not so traded, its fair value is determined by the Directors.

(v) Income from holdings of securities

Distributions relating to listed securities are recognised as income when those securities are quoted ex-distribution, and distributions relating to unlisted securities are recognised as income when received. If the distributions are capital returns on ordinary securities the amount of the distribution is treated as an adjustment to the carrying value of the securities.

d. Investments in Associates

Investments in associated companies are recognised in the consolidated financial statements by applying the equity method of accounting.

e. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments.

f. Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that are in place or are substantially in place at the balance sheet date.

PRITCHARD EQUITY LIMITED

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled.

Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, where the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised and on the basis that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

g. Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets 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 fair value of the asset less costs to sell and value in use, is compared to the asset's carrying value.

Any excess of the carrying value of the asset over its recoverable amount is expensed to the income statement.

h. Provisions

Provisions are recognised when the group 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 when that outflow can be reliably measured.

i. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax 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 sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

PRITCHARD EQUITY LIMITED

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

NOTE 2: CONTROLLED ENTITIES

a. Composition of Consolidated Group

The consolidated financial statements include the following controlled entities. The financial years of all controlled entities are the same as that of the parent entity

	Country of incorporation	Percentage owned (%)*	
Parent		2009	2008
Pritchard Equity Limited	Australia	100	100
Henley Underwriting & Investment Company Pty. Limited	Australia	100	100
PEQ Opportunities Fund	Australia	100	100
The NSX Investment Trust	Australia	100	100
J. H. Clack & Co. Pty Limited	Australia	100	100
PEQ Estates Pty Limited	Australia	100	100
PEQ Hamilton Fund	Australia	100	100
PEQ Investment Holdings Pty Limited	Australia	100	100
First Newcastle Pty Limited	Australia	100	100
PEQ Nominees Pty Limited	Australia	100	100
PEQ Investment Nominees Pty Limited	Australia	100	100
The Newcastle Exchange Pty Limited	Australia	100	100
Pritchard Equity Holdings Pty Limited	Australia	100	100
The South Pacific Investment Company Limited	Australia	100	-

* Percentage of voting power is in proportion to ownership

b. Acquisition of Controlled Entities

On 14 November 2008 Pritchard Equity Limited incorporated 100% owned subsidiary The South Pacific Investment Company Limited. At the date of incorporation The South Pacific Investment Company Limited had no assets.

PRITCHARD EQUITY LIMITED

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

NOTE 3: REVENUE

	Note	Consolidated		Parent	
		2009	2008	2009	2008
		\$	\$	\$	\$
a.					
— Income from investment portfolio		13,808	29,231	1,810	3,662
— dividends received		5,540	8,324	-	-
— trust distributions received		63,255	187,034	34,037	1,604
— net realised gains/(losses)		-	(25,650)	-	(25,650)
— net unrealised fair value gains/(losses)		13,808	29,231	1,810	3,662
Total Income from investment portfolio		82,603	198,939	35,847	(20,384)
b.					
Income from trading portfolio					
— sales revenue		5,549	137,303	-	-
— cost of sales		(35,771)	(140,163)	-	-
— net gains/(losses) from trading portfolio sales		(30,222)	(2,860)	-	-
Total Income from trading portfolio		(30,222)	(2,860)	-	-
c.					
Income from deposits					
— interest received		20,176	11,951	5,595	3,389
Total income from deposits		20,176	11,951	5,595	3,389
d.					
Other Income					
— commissions received		1,051	156	-	-
— dividends from associated companies		-	-	-	20,551
— dividends from subsidiaries		-	-	-	155,057
— trust distributions from controlled entities		-	-	2,294	42,273
Total other income		1,051	156	2,294	217,881

PRITCHARD EQUITY LIMITED

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

NOTE 4: INCOME TAX EXPENSE

	Note	Consolidated		Parent	
		2009	2008	2009	2008
		\$	\$	\$	\$
a.	The components of tax expense comprise:				
		(17,570)	(18,797)	(17,728)	(18,797)
		Current tax			
	11	771	(7,695)	771	(7,695)
		Deferred tax liability			
	11	3,313	4,206	3,313	4,206
		Deferred tax asset			
		(13,486)	(22,286)	(13,644)	(22,286)
b.	The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:				
	Prima facie tax payable on profit from ordinary activities before income tax at 30% (2008: 30%)				
		(36,494)	98,182	-	-
		Consolidated			
		-	-	(12,659)	38,917
		Parent			
	Less:				
	Tax effect of:				
		2,416	6,766	985	56,447
		tax offset for franked dividends			
		(23,726)	74,072	-	-
		share of net profits of associated company netted directly			
		77	36,021	-	-
		recoupment of unused prior year tax losses now recognised			
		7,414	-	-	-
		effect of revaluation of investments for tax purposes			
		-	4,757	-	4,757
		over/(under) provision for income tax in prior years			
		(9,189)	(1,148)	-	-
		tax losses not brought to account			
		(13,486)	(22,286)	(13,644)	(22,286)
		Income tax benefit attributable to entity			
		%	%	%	%
	The applicable weighted average effective tax rates are as follows:				
		0.0	0.0	0.0	0.0

NOTE 5: AUDITORS' REMUNERATION

Remuneration of the auditor of the company for:

— auditing or reviewing the financial report	27,750	32,450	31,750	32,450
	<u>27,750</u>	<u>32,450</u>	<u>31,750</u>	<u>32,450</u>

PRITCHARD EQUITY LIMITED

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

NOTE 6: DIVIDENDS

	Note	Consolidated		Parent	
		2009	2008	2009	2008
		\$	\$	\$	\$
a. Dividends paid					
Half yearly fully franked preferred income equity securities dividend of \$3.50 per share paid on 30 September 2008.		5,114	5,114	5,114	5,114
Half yearly fully franked preferred income equity securities dividend of \$3.50 per share paid on 30 March 2009.		8,971	-	8,971	-
		14,085	5,114	14,085	5,114
b. Dividends declared					
Half yearly fully franked preferred income equity securities dividend of \$3.50 per share payable on 30 September 2009. This dividend has not been brought to account in the financial statements for the year ended 30 June 2009, but will be recognised in subsequent financial reports		9,748	5,114	9,748	5,114
c. Franking account		570,588	556,331	132,213	131,437

NOTE 7: EARNINGS PER SHARE

	Consolidated	
	2009	2008
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	1,613,346	1,408,363
Weighted average number of options outstanding	679,358	1,358,716
Weighted average number of ordinary shares outstanding during the year used in the calculation of dilutive earnings per share	1,613,346	1,408,363
a. Basic and diluted earnings per share	\$	\$
Profit attributable to members of the consolidated entity	(189,872)	321,375
	Cents	Cents
Basic earnings per share	(11.77)	22.82
Diluted earnings per share	(11.77)	22.82
c. Classification of securities	Number	Number
The following potential ordinary shares are not dilutive and excluded from the weighted average number of ordinary shares for the purposes of dilutive earnings per share:		
- Options outstanding	679,358	1,358,716

PRITCHARD EQUITY LIMITED

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

NOTE 8: CASH AND CASH EQUIVALENTS

	Note	Consolidated		Parent	
		2009	2008	2009	2008
		\$	\$	\$	\$
Cash at bank		279,597	332,539	77,505	25,931
Deposits at call		165,968	79,104	165,968	79,104
		445,565	411,643	243,473	105,035

The effective interest rate on deposits at call was 1.90% (2008: 6.73%).

The credit risk exposure of the consolidated entity in relation to cash and deposits is the carrying amount and any accrued unpaid interest.

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	445,565	411,643	243,473	105,035
	445,565	411,643	243,473	105,035

NOTE 9: TRADE AND OTHER RECEIVABLES

CURRENT

Dividends and trust distributions receivable	-	-	2,293	3,236
Goods and services tax refund	6,337	821	5,028	750
Withholding tax	-	514	-	-
Other debtors	2,121	14,187	404	-
Application monies	127,501	-	15,000	-
Accrued income	342	-	-	-
Amounts receivable from				
— Wholly-owned subsidiaries	-	-	241,578	103,096
	136,301	15,522	264,303	240,174

Receivables are non-interest bearing and unsecured.

The credit risk exposure of the Company in relation to receivables is the carrying amount.

NOTE 10: TRADING PORTFOLIO

CURRENT

Listed investments, at market value

- Shares	43,154	62,726	-	-
	43,154	62,726	-	-

PRITCHARD EQUITY LIMITED

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

NOTE 11: TAX

	Note	Consolidated		Parent	
		2009	2008	2009	2008
		\$	\$	\$	\$
a. Liabilities					
NON-CURRENT					
Deferred tax liability comprises:					
Revaluation adjustments taken directly to equity		771	-	771	-
Fair value gain adjustments		-	-	-	-
Total		771	-	771	-
b. Assets					
Deferred tax assets comprise:					
Transaction costs on equity issue		3,313	6,626	3,313	6,626
Deferred tax assets attributable to tax losses		47,341	30,383	47,341	30,383
Revaluation adjustments taken directly to equity		-	2,097	-	2,097
Impairment of non current assets		296	296	296	296
Other temporary differences		8,400	8,400	8,400	8,400
		59,350	47,802	59,350	47,802
c. Reconciliations					
i. Deferred Tax Liability					
The movement in deferred tax liability for each temporary difference during the year is as follows:					
Deferred capital gains tax					
Opening balance		-	(6,824)	-	(6,824)
Revaluation adjustments taken directly to equity		771	6,824	771	6,824
Closing balance		771	-	771	-
Fair value gain adjustments					
Opening balance		-	26,747	-	26,747
Charged to the income statement		-	7,695	-	7,695
Other		-	(34,442)	-	(34,442)
Closing balance		-	-	-	-
		771	-	771	-

PRITCHARD EQUITY LIMITED

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

NOTE 11: TAX (continued)

	Note	Consolidated		Parent	
		2009	2008	2009	2008
		\$	\$	\$	\$
ii. Deferred Tax Assets					
The movement in deferred tax assets for each temporary difference during the year is as follows:					
Transaction costs on equity issue					
Opening balance		6,626	9,939	6,626	9,939
Debited directly to equity		(3,313)	(3,313)	(3,313)	(3,313)
Closing balance		3,313	6,626	3,313	6,626
Deferred tax assets attributable to tax losses					
Opening balance		30,383	2,102	30,383	2,102
Credited to the income statement		16,958	28,281	16,958	28,281
Closing balance		47,341	30,383	47,341	30,383
Impairment of non current assets					
Opening balance		296	5,345	296	5,345
Credited to the income statement		-	(5,049)	-	(5,049)
Closing balance		296	296	296	296
Unrealised loss on investments					
Opening balance		2,097	-	2,097	-
Credited to the reserve		(2,097)	2,097	(2,097)	2,097
Closing balance		-	2,097	-	2,097
Other temporary differences					
Opening balance		8,400	7,529	8,400	7,529
Credited to the income statement		-	871	-	871
Closing balance		8,400	8,400	8,400	8,400
		59,350	47,802	59,350	47,802
d. Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(f) occur					
- operating losses		151,668	128,618		
- capital losses		614,346	645,738		
		766,014	774,356		

PRITCHARD EQUITY LIMITED

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

NOTE 12: INVESTMENT PORTFOLIO

	Note	Consolidated		Parent	
		2009	2008	2009	2008
		\$	\$	\$	\$
CURRENT					
Unlisted Investments, at fair value					
-	Shares and trust units	50,000	-	50,000	-
		50,000	-	50,000	-
NON-CURRENT					
Listed Investments, at fair value					
-	Options	1,750	2,750	-	-
-	Shares and trust units	655,442	539,160	152,620	120,695
		657,192	541,910	152,620	120,695
Unlisted Investments, at fair value					
-	Shares and trust units	135,136	114,446	-	-
		135,136	114,446	-	-
		792,328	656,356	152,620	120,695

PRITCHARD EQUITY LIMITED

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

NOTE 13: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Interests are held in the following associated company

Name	Principal activities	Country of incorporation	Class of shares	Ownership interest		Carrying amount of interest	
				2009 %	2008 %	2009 \$	2008 \$
Unlisted:							
Cameron Capital Limited	Stockbroking	Australia	Ordinary	33.06	33.06	1,067,445	1,146,532
						1,067,445	1,146,532

	Note	Consolidated		Parent	
		2009 \$	2008 \$	2009 \$	2008 \$
a. Movements during the year in equity accounted investment in associated companies					
Balance at beginning of the financial year		1,146,532	942,611	168,814	163,065
Add: New investments during the year		-	5,749	-	5,749
Share of associated company's profit after income tax	13b		218,723	-	-
Dividend revenue from associated company		-	(20,551)	-	-
Less Share of associated company's loss after income tax	13b	(79,087)	-	-	-
Balance at end of the financial year		<u>1,067,445</u>	<u>1,146,532</u>	<u>168,814</u>	<u>168,814</u>
b. Equity accounted profits of associates are broken down as follows:					
Share of associate's profit/(loss) before income tax expense		(101,030)	309,638		
Share of associate's income tax expense		21,943	(90,915)		
Share of associate's profit after income tax		<u>(79,087)</u>	<u>218,723</u>		
c. Summarised presentation of aggregate assets, liabilities and performance of associates					
Current assets		5,754,936	8,334,715		
Non-current assets		1,398,364	1,197,008		
Total assets		<u>7,153,300</u>	<u>9,531,723</u>		
Current liabilities		3,917,230	5,700,589		
Non-current liabilities		43,100	334,536		
Total liabilities		<u>3,960,330</u>	<u>6,035,125</u>		
Net assets		<u>3,192,970</u>	<u>3,496,598</u>		
Revenues		2,648,862	4,787,889		
Profit/(loss) after income tax of associates		<u>(239,224)</u>	<u>661,595</u>		

PRITCHARD EQUITY LIMITED

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

NOTE 14: OTHER

	Note	Consolidated		Parent	
		2009	2008	2009	2008
		\$	\$	\$	\$
Deferred expenditure		-	30,955	-	30,955
		-	30,955	-	30,955

Deferred expenditure represents legal costs incurred by the company up until 30 June 2008 in respect of the takeover offer for Property Fox No. 1 Limited.

NOTE 15: TRADE AND OTHER PAYABLES

CURRENT

Unsecured liabilities

Trade payables	54,683	11,814	14,439	1,000
Accrued charges	28,000	72,785	28,000	58,955
	82,683	84,599	42,439	59,955

NOTE 16: BORROWINGS

CURRENT

Unsecured

- Amounts loans payable to:

- other corporations	28,866	27,338	-	-
- wholly-owned subsidiaries	-	-	365	789
	28,866	27,338	365	789

Secured

- Short-term borrowings

16a	73,781	10,335	-	-
	102,647	37,673	365	789

NON CURRENT

Unsecured

- Compound financial instruments	265,737	142,237	265,737	142,237
	265,737	142,237	265,737	142,237

- a. Short-term borrowings are secured by listed securities held in the company's investment and trading portfolios and are repayable on demand. The carrying amounts of assets pledged as security is:

245,892	172,263	-	-
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PRITCHARD EQUITY LIMITED

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

NOTE 17: CONTRIBUTED EQUITY

	Note	Consolidated		Parent	
		2009 \$	2008 \$	2009 \$	2008 \$
791,968 (2008: 620,608) A ordinary shares fully paid		527,885	331,985	527,885	331,985
839,378 (2008: 831,378) B ordinary shares fully paid		401,212	392,412	401,212	392,412
2,699 (2008 1,461) Preferred income equity securities		3,863	3,863	3,863	3,863
		932,960	728,260	932,960	728,260
a. A ordinary shares					
At the beginning of reporting period		331,985	354,235	331,985	354,235
Shares issued during the year					
— 41,250 shares issued on 09 January 2008 at \$ 1.00		-	41,250	-	41,250
— 147,360 Series 1 options exercised on 31 December 2008 at \$1.25		184,200	-	184,200	-
— Bonus issue of Preferred income equity securities upon exercise of options		(14,700)	-	(14,700)	-
— 24,000 shares issued in relation to the Property Fox takeover offer at \$1.10		26,400	-	26,400	-
Redemption of issued capital for preferred income equity securities on 27 May 2008		-	(63,500)	-	(63,500)
At reporting date		527,885	331,985	527,885	331,985
b. B ordinary shares					
At the beginning of reporting period		392,412	351,262	392,412	351,262
Shares issued during the year					
— Conversion of 82,500 ordinary C shares to B shares		-	82,500	-	82,500
— 41,250 shares issued on 09 January 2008 at \$1.00		-	41,250	-	41,250
— 8,000 shares issues in relation to the Property Fox takeover offer at \$1.10		8,800	-	8,800	-
Redemption of issued capital for preferred income equity securities on 27 May 2008		-	(82,600)	-	(82,600)
At reporting date		401,212	392,412	401,212	392,412

PRITCHARD EQUITY LIMITED

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

NOTE 17: CONTRIBUTED EQUITY (CONTINUED)

c. C ordinary shares

At the beginning of reporting period	-	82,500	-	82,500
Conversion of C ordinary shares to B ordinary shares	-	(82,500)	-	(82,500)
At reporting date	401,212	392,412	401,212	392,412

All ordinary shares rank equally inter se for the 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.

	Note	Consolidated		Parent	
		2009	2008	2009	2008
		\$	\$	\$	\$
d. Preferred Income Equity Securities					
At the beginning of reporting period		3,863	-	3,863	-
Shares issued during the year					
— Bonus issue of 1,461 preferred income equity securities on 27 May 2008		-	3,863	-	3,863
— Issue of 147 Preferred income equity securities upon exercise of Series 1 Options		-	-	-	-
— Issue of 1,088 Preferred income equity securities in relation to the to the Property Fox No. 1 Limited takeover offer		-	-	-	-
At reporting date		3,863	3,863	3,863	3,863

PRITCHARD EQUITY LIMITED

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

The holders of preferred income equity securities are entitled to a cumulative preferential dividend of \$10 per annum (inclusive of any franking credits that would accrue to an Australian resident shareholder in respect of that dividend) accruing at the rate of \$5 for each 6 month period (or part of such period) ending on 30 June and 31 December each year during which the securities are on issue.

Holders of preferred income equity securities may request their conversion into A ordinary shares on 30 November 2013 or on 30 November of any subsequent year by giving written notice to the Company on or before 15 November of the year in which the conversion is to take place and the Company may convert preferred income equity securities into A ordinary shares at any time by giving 60 days written notice to security holders of the date on which the conversion is to take place.

On conversion, a holding of m preferred income equity securities will be converted into a corresponding holding of $n = m \times 100 \times e / (a - i)$ A ordinary shares, where e is the total number of issued ordinary shares shown in the last audited accounts, a is the consolidated net assets of the group shown in the last audited accounts, expressed in dollars, and i is any minority equity interest shown in the last audited accounts, also expressed in dollars.

Subject to the *Corporations Act* and the NSX Listing Rules, the Company may redeem preferred income equity securities at \$100 per security on 31 December 2013 or on 31 December of any subsequent year by giving three months written notice to security holders of its intention to redeem the securities.

On a winding up of the Company or on a reduction of capital a holder of preferred income equity securities will be entitled to receive \$100 for each security ahead of any payment to the holders of ordinary shares, but no other right to participate in surplus assets

e. Series 2 Options

As at 30 June 2009, the Company has on issue 339,679 (2008 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.

f. Series 3 Options

As at 30 June 2009, the Company has on issue 339,679 (2008 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.

PRITCHARD EQUITY LIMITED

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

NOTE 18: RESERVES

	Note	Consolidated		Parent	
		2009	2008	2009	2008
		\$	\$	\$	\$
Asset revaluation reserve	18a	(48,761)	(45,292)	1,797	(4,894)
Capital profits	18b	75,512	10,075	41,977	7,940
		26,751	(35,217)	43,774	3,046

a. Asset revaluation reserve

Movements during the year

Opening balance	(45,292)	128,188	(4,894)	26,080
Revaluation of non current assets	(80,782)	(186,754)	9,559	(44,248)
Provision for tax on unrealised losses	(2,868)	13,274	(2,868)	13,274
AASB 139 'impairment' transfer to retained profits	80,181	-	-	-
Closing balance	(48,761)	(45,292)	1,797	(4,894)

The asset revaluation reserve records revaluations of non-current assets. Under certain circumstances dividends can be declared from this reserve.

b. Capital profits reserve

Movements during the year

Opening balance	10,075	34,602	7,940	6,895
Transfer from retained profits	65,437	130,530	34,037	1,045
Transfer to retained profits	-	(155,057)	-	-
Closing balance	75,512	10,075	41,977	7,940

The capital profits reserve records realised capital gains upon sale of non-current assets. As the balance of this reserve relates to net realised gains it may be distributed as cash dividends at the discretion of the Directors.

PRITCHARD EQUITY LIMITED

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

NOTE 19: SEGMENT REPORTING

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

2009	Investments \$	Stockbroking \$	Total \$
Revenue	73,608	(79,087)	(5,479)
Results	(110,785)	(79,087)	(189,872)
Assets	1,526,698	1,067,445	2,594,143

2009	Investments \$	Stockbroking \$	Total \$
Revenue	208,186	218,723	426,909
Results	102,652	218,723	321,375
Assets	1,225,004	1,146,532	2,371,536

NOTE 20: CASH FLOW INFORMATION

	Note	Consolidated		Parent	
		2009 \$	2008 \$	2009 \$	2008 \$
a. Reconciliation of cash flow from operations with profit after income tax					
Profit after income tax		(189,872)	349,557	(28,554)	152,009
Non-cash flows in profit					
Dividends re-invested		(2,980)	(3,584)	(1,773)	(3,584)
Loss/(gain) on acquisition of controlled entity		-	-	-	-
Net gain on disposal of investments		(63,255)	(187,033)	(34,037)	(1,604)
Unrealised fair value (gain)/loss		(261)	25,650	-	25,650
Impairment revaluation		80,181	-	-	-
Share of associated companies net profit after income tax and dividends		79,087	(378,588)	-	-
(Increase)/decrease in trade and term receivables		13,572	77,899	943	-
(Increase)/decrease in the trading portfolio		19,572	77,251	-	-
Increase/(decrease) in trade payables and accruals		21,969	2,925	11,617	(469)
Increase/(decrease) in income taxes payable		(856)	(19,291)	(825)	(20,710)
Cash flow from operations		(42,843)	104,651	(52,629)	151,292