

FORM: Half yearly/preliminary final report

Name of *issuer*

Hamilton Securities Limited

ACN or ARBN

138 270 201

Half yearly
(tick)

√

Preliminary
final (tick)

Half year/financial year ended
(‘Current period’)

31st December 2009

For announcement to the market

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

		\$A
Operating Revenue (item 1.1)		2,088
Operating Profit (loss) before abnormal items and tax		(4,901)
Profit (loss) for the period attributable to security holders (item 1.11)		(4,901)
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:

HAMILTON SECURITIES LIMITED

ABN 59 138 270 201

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2009**

Hamilton Securities Limited

ABN 59 138 270 201

Interim Financial Report

DIRECTORS' REPORT

Your directors submit the financial report of the Company for the half-year ended 31 December 2009.

Directors

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

Steven Shane Pritchard
Giles Cameron Craig
Frederick Raymond Woollard
Gordon Bradley Elkington

Review of Operations

The Company's investment objectives are:

- Preservation of the capital of the Company; and
- Achievement of a high real rate of return, comprising both income and capital growth

The Company aims to achieve these objectives by seeking to invest for the medium to long-term in companies, trusts and interest bearing securities which may be distressed or illiquid and construct an investment portfolio which will:

- Focus on the investment merits of individual stocks rather than market and economic trends
- Be an active investor, seeking to invest in securities which the company believes are undervalued relative to their intrinsic value.

The company intends to invest predominately in the Australian debt and equities markets. It may however diversify its risks by investing in other financial products such as warrants and interests in registered and unregistered managed investment schemes. It may also invest in overseas securities.

The period saw the Hamilton Securities Limited Initial Public Offer close fully subscribed and the Company list on the National Stock Exchange of Australia.

Having conducted a detailed review of potential investment targets, the directors concluded that the Timbercorp Orchard Trust debentures represented an attractive opportunity and launched an off-market take over offer. The offer was announced on 18 December 2009 and the original Bidder's Statement was lodged on 23 December 2009.

The Trust owns the Costa Crest and Bella Vista table grape vineyards in New South Wales and Kangara Estate, citrus orchards and wine grape vineyards in South Australia. The trust is currently in receivership and its ASX listing is suspended.

The Offer opened on 13 January 2010 and, following an extension of the offer period is scheduled to close on 25 March 2010. The Company is offering 30 A Class shares in Hamilton Securities Limited for each Timbercorp Orchard Trust debenture.

As at 11 March 2010 we have received acceptances in respect of 9.17% of the debentures. The directors are disappointed with this result because unless we obtain a much larger proportion of the debentures, we will not be in a position to effectively fight for the best interests of debenture holders.

Nevertheless, we remain hopeful of achieving a much better result from our Offer. This is because, for the reasons described in our bidder's statement, Hamilton's Offer is in the best interests of debenture holders.

The net loss after tax for the half year ended 31 December 2009 was \$4,901.

As at 31 December 2009 the company had \$573,058 in cash.

Hamilton Securities Limited

ABN 59 138 270 201

Interim Financial Report

DIRECTORS' REPORT

REMUNERATION REPORT

This report details the nature and amount of remuneration for each director of Hamilton Securities Limited and for the executives receiving the highest remuneration.

Remuneration policy

All issues in relation to remuneration of both Executive Directors and Non-Executive Directors are dealt with by the board of the Company.

The constitution of Hamilton Securities Limited requires approval by the shareholders in general meetings of a maximum amount of remuneration per year to be allocated between Non-Executive Directors as they determine. In proposing the maximum amount for consideration in general meeting, and in determining the allocation, the Board takes account of the time demands made on Directors, together with such factors as the general level of fees paid to Directors. The amount of remuneration currently approved by shareholders for Non-Executive Directors is a maximum of \$200,000 per annum, to be divided among them in such proportions as they agree.

Non-Executive Directors hold office until such time as they retire, resign or are removed from office under the terms set out in the constitution of the Company.

Non-Executive Directors do not receive any performance based remuneration.

Details of remuneration for the half year ended 31 December 2009

The Company has four executives, all of whom are Directors of the Company. Details of the remuneration for each Director of the Company are as follows:

31.12.2009	Salary & Fees	Superannuation Contributions	Other	Total
	\$	\$	\$	\$
Steven Shane Pritchard	-	-	-	-
Giles Cameron Craig	-	-	-	-
Gordon Bradley Elkington	-	-	-	-
Frederick Raymond Woollard	-	-	-	-
	-	-	-	-

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 4 for the half-year ended 31 December 2009.

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

Director

Steven Pritchard

Dated 12 March 2010

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF HAMILTON SECURITIES 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 Hamilton Securities Limited.

As lead audit partner for the review of the financial statements of Hamilton Securities Limited for the period ended 31 December 2009, 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, 12 March 2010

Hamilton Securities Limited

ABN 59 138 270 201

Interim Financial Report

CONDENSED INCOME STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Note	31.12.2009
		\$
Income from deposits		2,088
Total income from ordinary activities	2	2,088
Administration expenses		6,989
Operating (loss)/profit before income tax		(4,901)
Income tax (expense)/credit relating to ordinary activities		-
(Loss)/profit attributable to members of the company		(4,901)
Overall Operations		
Basic earnings per share (cents per share)		(1.52)
Diluted earnings per share (cents per share)		(1.52)

The accompanying notes form part of these condensed financial statements.

Hamilton Securities Limited

ABN 59 138 270 201

Interim Financial Report

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	31.12.2009
	\$
(Loss)/Profit for the half-year	<u>(4,901)</u>
Other comprehensive income for the half-year	<u>-</u>
Total comprehensive income for the half-year	<u>(4,901)</u>

The accompanying notes form part of these condensed financial statements.

Hamilton Securities Limited

ABN 59 138 270 201

Interim Financial Report

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2009

	Note	31.12.2009
		\$
ASSETS		
Cash and cash equivalents		573,058
Trade and other receivables		4,392
Other		59,309
TOTAL ASSETS		636,759
Accrued charges		67,910
TOTAL LIABILITIES		67,910
NET ASSETS		568,849
EQUITY		
Issued capital	3	573,750
Accumulated losses		(4,901)
TOTAL EQUITY		568,849

The accompanying notes form part of these condensed financial statements.

Hamilton Securities Limited

ABN 59 138 270 201

Interim Financial Report

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Issued Capital	(Accumulated Losses)	Total
	\$	\$	\$
Balance at 1.7.2009	-	-	-
Loss for the period	-	(4,901)	(4,901)
Total comprehensive income for the period	-	(4,901)	(4,901)
Shares issued as per prospectus	640,000	-	640,000
Capital raising costs	(66,250)	-	(66,250)
Balance at 31.12.2009	573,750	(4,901)	568,849

The accompanying notes form part of these condensed financial statements.

Hamilton Securities Limited

ABN 59 138 270 201

Interim Financial Report

CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	31.12.2009
	\$
CASH FLOWS FROM OPERATING ACTIVITIES	
Interest received	1,955
Other receipts	1,852
	<hr/> 3,807
Administration expenses	(11,276)
Bank charges	(59)
Net cash (used in) operating activities	<hr/> (7,528) <hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Deferred expenditure	(765)
Net cash (used in) investing activities	<hr/> (765) <hr/>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of shares	640,000
Capital raising costs	(58,649)
Net cash provided by financing activities	<hr/> 581,351 <hr/>
Net increase / (decrease) in cash held	573,058
Cash at beginning of period	-
Cash at end of period	<hr/> 573,058 <hr/>

The accompanying notes form part of these condensed financial statements.

Hamilton Securities Limited

ABN 59 138 270 201

Interim Financial Report

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of the Condensed Financial Statements

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standard AASB 134: Interim Financial Reporting, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *Interim Financial Reporting*. The half year report does not include notes of the type normally included in an annual financial report. The company was incorporated on 14 July 2009 and accordingly there is no comparative annual financial report.

The following significant accounting policies have been adopted in the preparation and presentation of the half year financial report from 14 July 2009 to 31 December 2009.

(a) 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, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

(b) Income Tax

The Company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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 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, in which case 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.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic 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.

(c) 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 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.

(d) Financial instruments issued by the company

Debt and equity instruments are classified as either liabilities or as equity in accordance with substance of the contractual agreement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recorded as the proceeds received, net of direct issue costs.

(e) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Hamilton Securities Limited

ABN 59 138 270 201

Interim Financial Report

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) New and revised standards

AASB 101 (revised): Presentation of Financial Statements

With effect from 1 July 2009, the Company has adopted the revised AASB101 – Presentation of Financial Statements. This standard requires the presentation of a new Statement of Comprehensive Income separate from changes in equity arising from transactions with shareholders.

The adoption of this new standard has no impact on the Company's net assets, net profit or total recognized gains and losses, but changes the statement where certain gains and losses are presented.

(g) Initial public offer costs

The costs incurred in the establishment of the Company and its subsequent public offerings have been charged directly against issued capital.

Hamilton Securities Limited

ABN 59 138 270 201

Interim Financial Report

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

	31.12.2009
NOTE 2: REVENUE	\$
Income from deposits	
Deposit income	2,088
Total income from deposits	2,088
Total Revenue	2,088

NOTE 3: ISSUED CAPITAL

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

Date	Details	A Class Shares	B Class Shares	Issue Price \$	Issued Capital \$
01/07/2009	Opening balance	-	-	-	-
30/09/2009	Allotment of shares	120,000	520,000	1.00	640,000
Various	Capital raising costs				(66,250)
31/12/2009	Balance	<u>120,000</u>	<u>520,000</u>		<u>573,750</u>

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

A Class 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 Class 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.

a. Options

On 30 September 2009 the Company granted 800,000 B Class Options. A B Class option entitles the optionholder to the issue of one B class share upon payment to the company of \$1.00 at any time up to 30 November 2019. As at the reporting date none of the options had been exercised.

NOTE 4: EARNINGS PER SHARE

Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	321,749
Weighted average number of options outstanding	321,749
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive earnings per share	321,749
a. Basic and diluted earnings per share	\$
Loss attributable to members of the company	(4,901)
	Cents
Basic earnings per share	(1.52)
Diluted earnings per share	(1.52)

Hamilton Securities Limited

ABN 59 138 270 201

Interim Financial Report

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

NOTE 5: AUDITORS' REMUNERATION

	31.12.2009
Remuneration of the auditor of the company for:	\$
— auditing or reviewing the financial report	<u><u>2,750</u></u>

NOTE 6: CASH FLOW INFORMATION

a. Reconciliation of Cash Flow from Operations with (Loss)Profit after Income Tax	
Profit / (loss) after income tax	(4,901)
Cash flows excluded from (loss)/profit attributable to operating activities	
(Increase)/decrease in trade and other receivables	694
(Increase)/decrease in the other assets	<u>(3,321)</u>
Cash flow from operations	<u><u>(7,528)</u></u>

NOTE 7: SEGMENT REPORTING

The Company operates in one business segment, being that of a listed investment company. The Company operates from Australia only and therefore has only one geographical segment.

NOTE 8: RELATED PARTY TRANSACTIONS

Transactions with related parties:

— Rees Pritchard Pty. Limited for accounting fees.	11,000
Steven Pritchard is interested in the above transactions as a director and a beneficial shareholder of Rees Pritchard Pty. Limited.	
— Cameron Stockbrokers Limited for sponsoring broker fees.	22,000

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

NOTE 9: DIRECTORS AND EXECUTIVES DISCLOSURE

In accordance with the Corporations Amendments Regulation 2005 (No.4) the Company has transferred the disclosure required by AASB 1046 from the notes to the Financial Statements to the Directors' Report under the heading of Remuneration Report.

Hamilton Securities Limited

ABN 59 138 270 201

Interim Financial Report

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

NOTE 10: FINANCIAL RISK MANAGEMENT

Accounting Standards identify three types of risk associated with financial instruments (i.e. the Company's investments, receivables, payables and borrowings):

a. Credit Risk

The standard defines this as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk is managed as noted in the Notes to the financial statements with respect to cash and trade and other receivables. None of these assets are over-due or considered to be impaired.

b. Liquidity Risk

The standard defines this as 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 sufficient to meet any payments.

c. Market Risk

The standard defines this as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price.

The Company seeks to minimise market risk by ensuring that it is not in the opinion of the Board, overly exposed to one company or one particular sector of the market. The relative weightings of the individual securities and relevant market sectors are reviewed regularly and risk can be managed by reducing exposure where appropriate. The Company does not have set parameters as to a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

d. Interest Rate Risk

The standard defines this as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company monitors its interest rate exposure and the interest bearing liabilities are kept to a minimum.

e. Capital Management

It is the Board's policy to maintain a strong capital base 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 is not subject to any externally imposed capital requirements.

Hamilton Securities Limited

ABN 59 138 270 201

Interim Financial Report

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE

Since 31 December 2009 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, other than the directors having conducted a detailed review of potential investment targets, they have concluded that the Timbercorp Orchard Trust debentures represented an attractive opportunity and launched an off-market take over offer. The offer was announced on 18 December 2009 and the original Bidder's Statement was lodged on 23 December 2009.

The Trust owns the Costa Crest and Bella Vista table grape vineyards in New South Wales and Kangara Estate, citrus orchards and wine grape vineyards in South Australia. The trust is currently in receivership and its ASX listing is suspended.

The Offer opened on 13 January 2010 and, following an extension of the offer period is scheduled to close on 25 March 2010. The Company is offering 30 A Class shares in Hamilton Securities for each Timbercorp Orchard Trust debenture.

As at 8 March 2010 we have received acceptances in respect of 8.88% of the debentures. The directors are disappointed with this result because unless we obtain a much larger proportion of the debentures, we will not be in a position to effectively fight for the best interests of debenture holders.

Nevertheless, we remain hopeful of achieving a much better result from our Offer. This is because, for the reasons described in our bidder's statement, Hamilton's Offer is in the best interests of debenture holders.

NOTE 12: COMPANY DETAILS

The registered office of the Company is:

10 Murray Street

HAMILTON NEW SOUTH WALES 2303

Hamilton Securities Limited

ABN 59 138 270 201

Interim Financial Report

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 15:
 - a. comply with Accounting Standards and the Corporations Regulations; and
 - b. give a true and fair view of the entity's financial position as at 31 December 2009 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

Dated 12 March 2010

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF HAMILTON SECURITIES LIMITED

Report on the half year financial report

We have reviewed the accompanying half-year financial report of Hamilton Securities Limited, which comprises the condensed statement of financial position as at 31 December 2009, and the condensed income statement, condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the period ended on that date, a statement of accounting policies, other explanatory notes and the directors' declaration of the company.

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 Hamilton Securities Limited's financial position at 31 December 2009 and its performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. As the auditor of Hamilton Securities 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 Hamilton Securities Limited is not in accordance with the *Corporations Act 2001* including:

(i) giving a true and fair view of the Hamilton Securities Limited's financial position as at 31 December 2009 and of its performance for the period 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, 12 March 2010