

# 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’)

31<sup>st</sup> December 2018

## For announcement to the market

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

Extracts from the statement for announcement to the market (see Note 17).

				\$A
Operating Revenue (item 1.1)	UP	19%	To	334,062
Operating Profit (loss) before abnormal items and tax	UP	17%	To	217,713
Operating Profit (loss) for the period after tax but before non-controlling interest (item 1.9)	UP	16%	To	158,529
Profit (loss) for the period attributable to members (item 1.11)	UP	15%	To	157,219

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

--

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: *Steve 2.1.1* Date: *15/3/2019*  
(Director/Company secretary)

Print name: *Steve 2.1.1*



# **PRITCHARD EQUITY LIMITED**

ACN 100 517 404

## **HALF YEAR FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

**Pritchard Equity Limited** ABN 80 100 517 404

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# PRITCHARD EQUITY LIMITED

## DIRECTORS' REPORT

Your directors present the financial report of the consolidated entity consisting of Pritchard Equity Limited and the entities it controlled for the half year ended 31 December 2018.

### 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 securities.

The group offered a number of structured finance products that it has made available to qualifying investors.

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 attributable to members of the company was \$157,219 compared to \$135,697 in the previous corresponding period.

As at 31 December 2018, the consolidated entity had total assets of \$287,504,756, total liabilities of \$285,077,740 resulting in total equity of \$2,427,016.

### 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 2018.

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

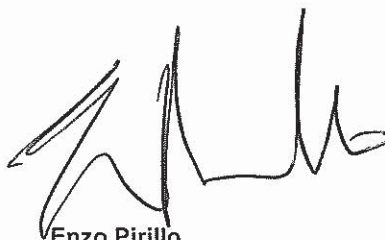


**Steven Shane Pritchard**

Director

13 March 2019

Hamilton, NSW



**Enzo Pirillo**

Director

PRITCHARD EQUITY LIMITED

Auditors Independence Declaration under 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 2018, 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.



PKF



PAUL PEARMAN  
PARTNER

13 MARCH 2019  
NEWCASTLE, NSW

PKF(NS) Audit & Assurance Limited Partnership Sydney

ABN 91 850 861 839  
Liability limited by a scheme  
approved under Professional  
Standards Legislation

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Newcastle

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# PRITCHARD EQUITY LIMITED

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Note	31.12.2018 \$	31.12.2017 \$
Income from investment portfolio	2a	12,668	30,966
Income from trading portfolio	2b	(3,929)	4,658
Income from deposits	2c	10,665	12,378
Income from the provision of services	2d	80,109	65,666
Income from structured finance products	2e	234,549	166,647
<b>Total income from ordinary activities</b>		<b>334,062</b>	<b>280,315</b>
Share of net (profit)/ loss of equity – accounted investment		(31,008)	(32,719)
Administration expenses		61,255	65,467
Auditor's remuneration		24,505	22,338
Bank charges		930	955
Depreciation expense		669	682
Employee expenses		32,881	28,916
Finance costs		662	339
Listing fees		5,735	5,128
Net realised foreign exchange loss/ (gain)		16,503	(57)
Share registry fees		4,217	4,313
<b>Operating profit before income tax</b>		<b>217,713</b>	<b>184,953</b>
Income tax expense		(59,184)	(48,826)
<b>Operating profit after income tax</b>		<b>158,529</b>	<b>136,127</b>
(Profit) / loss attributable to non-controlling interest		(1,310)	(430)
<b>Operating profit attributable to members of the company</b>		<b>157,219</b>	<b>135,697</b>
<b>Other comprehensive income</b>			
<i>Other items that will not be subsequently reclassified to profit or loss</i>			
Net revaluation of non-current assets		23,434	(4,462)
Net realised gains on sale of long-term investments		8,794	11,401
Foreign currency (loss)/ gain on translation		23,346	(1,286)
Total other comprehensive income for the half-year		55,574	5,653
<b>Total comprehensive income for the half-year</b>		<b>212,793</b>	<b>141,350</b>
<b>Overall Operations</b>			
Basic earnings per share (cents per share)		8.07	7.07
Diluted earnings per share (cents per share)		8.07	7.07

The accompanying notes form part of these condensed financial statements.

# PRITCHARD EQUITY LIMITED

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	31.12.2018 \$	30.06.2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,698,086	1,228,296
Trade and other receivables		3,472,379	5,038,120
Trading portfolio		46,733	41,451
Financial assets		212,613,181	195,435,939
Provision for tax		1,045	-
<b>TOTAL CURRENT ASSETS</b>		<b>217,831,424</b>	<b>201,743,806</b>
<b>NON-CURRENT ASSETS</b>			
Investment portfolio		976,873	1,061,990
Investments in associates accounted for using the equity method		504,900	473,892
Trade and other receivables		965,324	1,892,220
Financial assets		66,942,899	98,942,898
Plant and equipment		1,771	2,440
Deferred tax assets		281,565	281,663
<b>TOTAL NON-CURRENT ASSETS</b>		<b>69,673,332</b>	<b>102,655,103</b>
<b>TOTAL ASSETS</b>		<b>287,504,756</b>	<b>304,398,909</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		4,291,468	5,592,664
Borrowings		212,727,915	195,548,848
<b>TOTAL CURRENT LIABILITIES</b>		<b>217,019,383</b>	<b>201,141,512</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables		1,115,429	2,101,750
Borrowings		66,942,899	98,942,898
Deferred tax liabilities		29	36
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>68,058,357</b>	<b>101,044,684</b>
<b>TOTAL LIABILITIES</b>		<b>285,077,740</b>	<b>302,186,196</b>
<b>NET ASSETS</b>		<b>2,427,016</b>	<b>2,212,713</b>
<b>EQUITY</b>			
Issued capital	4	1,227,197	1,227,197
Reserves		172,243	111,851
Retained earnings		1,019,855	867,454
Equity attributable to equity holders of the parent		2,419,295	2,206,502
Minority equity interest		7,721	6,211
<b>TOTAL EQUITY</b>		<b>2,427,016</b>	<b>2,212,713</b>

The accompanying notes form part of these condensed financial statements.

# PRITCHARD EQUITY LIMITED

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Issued capital	Asset revaluation reserve	Capital profits reserve	Foreign currency translation reserve	Retained earnings	Minority equity interest	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	1,218,197	(67,790)	55,473	41,448	618,675	1,715	1,866,003
Shares issued during the period	9,000	-	-	-	-	-	9,000
Profit for the half year	-	-	-	-	135,697	430	136,127
Other comprehensive income							
Net revaluation of non-current assets	-	(4,462)	-	-	-	-	(4,462)
Net capital profit for the half year	-	-	-	-	11,401	-	11,401
Foreign currency exchange reserve	-	-	-	(2,638)	1,352	(13)	(1,299)
Total other comprehensive income	-	(4,462)	-	(2,638)	12,753	(13)	5,640
Total comprehensive income for the period	-	(4,462)	-	(2,638)	148,450	417	141,767
<b>Balance at 31 December 2017</b>	<b>1,227,197</b>	<b>(72,252)</b>	<b>55,473</b>	<b>38,810</b>	<b>767,125</b>	<b>2,132</b>	<b>2,018,485</b>
<b>Balance at 1 July 2018</b>	1,227,197	11,982	55,473	44,396	867,454	6,211	2,206,502
Profit for the half year	-	-	-	-	157,219	1,310	158,219
Other comprehensive income							
Net revaluation of non-current assets	-	23,434	-	-	-	-	23,434
Net capital profit for the half year	-	-	-	-	8,794	-	8,794
Foreign currency exchange reserve	-	-	-	28,978	(5,632)	200	23,546
Total other comprehensive income	-	23,434	-	28,978	3,162	200	55,774
Total comprehensive income for the period	-	23,434	-	28,978	160,381	1,510	214,303
Transfers between reserves	-	-	7,980	-	(7,980)	-	-
<b>Balance at 31 December 2018</b>	<b>1,227,197</b>	<b>35,416</b>	<b>63,453</b>	<b>73,374</b>	<b>1,019,855</b>	<b>7,721</b>	<b>2,427,016</b>

The accompanying notes form part of these condensed financial statements.



# PRITCHARD EQUITY LIMITED

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	31.12.2018	31.12.2017
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Sales from trading portfolio	-	-
Purchases for trading portfolio	(9,246)	(5,000)
Receipts from customers	396,522	-
Brokerage received	46,036	46,821
Dividends received	5,100	5,667
Interest received	2,626,969	2,334,135
Distributions received	1,655	4,253
Withholding tax received	2,625	29,400
Other receipts	42,369	138,166
	<hr/>	<hr/>
	3,112,030	2,553,442
Administration expenses	(160,205)	(118,153)
Payments to customers	-	(82,973)
Bank charges	(930)	(954)
Finance costs	(2,465,808)	(2,211,650)
Withholding tax paid	(142,821)	(172,597)
Income tax paid	(7,812)	-
Net cash provided by/ (used in) operating activities	<hr/>	<hr/>
	334,454	(32,885)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sales from investment portfolio	212,233	77,733
Purchases for investment portfolio	(83,126)	(86,252)
Purchase of other assets	-	(1,681)
Loans and advances	34,179,139	-
Loans and advances	(17,378,381)	(6,499,144)
Net cash provided by/ (used in) investing activities	<hr/>	<hr/>
	16,929,865	(6,509,344)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	17,404,194	6,499,144
Repayment of borrowings	(34,203,128)	-
Net cash (used in)/ provided by financing activities	<hr/>	<hr/>
	(16,798,934)	6,499,144
Net increase/ (decrease) in cash held	465,385	(43,085)
Cash at beginning of period	1,228,299	1,200,050
Foreign currency exchange difference	4,402	(1,254)
Cash at end of period	<hr/>	<hr/>
	1,698,086	1,155,711

The accompanying notes form part of these condensed financial statements.

# PRITCHARD EQUITY LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE HALF YEAR ENDED 31 DECEMBER 2018

#### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

##### Basis of preparation of the Condensed Consolidated Financial Statements

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*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *Interim Financial Reporting*.

It is recommended that this financial report be read in conjunction with the 2018 Annual Report and any public announcements made by the Company during the half year, in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the company's 2018 annual financial report for the financial year ended 30 June 2018, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has not applied any Australian Accounting Standards or AASB interpretations that have been issued at balance date but are not yet operative for the half year ended 31 December 2018 ("the inoperative standards"). The impact of the inoperative standards has been assessed and the impact has been identified as not being material. The Group only intends to adopt inoperative standards at the date at which their adoption becomes mandatory.

The adoption of the various Australian Accounting Standards and Interpretations in issue but not yet effective will not impact the Group's accounting policies. However, the pronouncements will result in changes to information currently disclosed in the financial statements. The Group does not intend to adopt any of these pronouncements before their effective dates.

##### New and amended standards adopted by the company

Certain new accounting standards and interpretations have been published for the 31 December 2018 reporting period by the Company. The director's assessment of the impact of these new standards (to the extent relevant to the company) and interpretations is set out below:

##### (i) AASB 9: *Financial Instruments* (AASB 9) (effective 1 July 2018)

AASB 9 contains new requirements of the classification, measurement and de-recognition of financial assets and liabilities, replacing the recognition and measurement requirements in AASB 139 *Financial instruments: Recognition and Measurement*. Under the new requirements the four current categories of financial assets will be replaced with two measurement categories: fair value and amortised cost, and financial assets will only be measured at amortised cost where very specific conditions are met. AASB 9 introduces new hedge accounting requirements including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged disclosures.

The new expected-loss impairment model requires credit losses to be recognised when financial instruments are first recognised, and results in full lifetime expected credit losses recognised when there is a significant increase in credit risk. The balances of financial assets scoped into AASB 9 impairment requirements are not material.

There was no impact on the Company upon adoption of AASB 9 on 1 July 2018 as the Company currently classifies financial assets and financial liabilities at fair value through profit or loss or amortised cost, and the Company does not apply hedge accounting.

##### (ii) AASB 15 *Revenue from Contracts with Customers*, (applicable from 1 July 2018)

AASB 15 supersedes AASB 18 *Revenue* and AASB 111 *Construction Contracts*. Although AASB 15 is principles-based, it is a significant change from the current revenue requirements and will involve more judgements and estimates as revenue is recognised when control of a good or service transfers to a customer, or on satisfaction of performance obligations under contracts, which replaces the existing notion of risk and rewards.

# PRITCHARD EQUITY LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE HALF YEAR ENDED 31 DECEMBER 2018

#### **Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

There was no impact on the Company upon the adoption of AASB 15 on 1 July 2018 as the Company's revenue recognition of interest, dividend, investment gains/(losses) and foreign exchange gains/(losses) were unaffected as these items are excluded from the scope of AASB 15.

The following significant accounting policies have been adopted in the preparation and presentation of the half year financial report from 1 July 2018 to 31 December 2018.

#### **(a) Holdings of Securities**

##### **(i) Statement of Financial Position classification**

The Consolidated entity has two portfolios of securities, the investment portfolio and the trading portfolio.

The investment portfolio comprises holdings of securities which the directors intend to retain on a long-term basis, and has been classified as a non-current asset.

The trading portfolio comprises holdings of securities held for short term trading purposes and is classified as a current asset.

##### **(ii) Valuation of investments**

Securities, including listed and unlisted shares, notes and options, are initially brought to account at cost (including any associated transaction costs) and are continuously carried at fair value.

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

##### **(iii) Income from holdings of securities**

Distributions relating to listed securities are recognised as income when those securities are quoted ex-distribution basis. Distributions relating to unlisted securities are recognised as income when received unless the distributions are capital returns in which case the amount of the distribution is treated as an adjustment to the cost base of the securities.

# PRITCHARD EQUITY LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

### NOTE 2: REVENUE

	31.12.2018	31.12.2017
	\$	\$
<b>a. Income from Investment Portfolio</b>		
— dividends received	11,503	11,811
— trust distributions received	1,165	19,155
<b>Total income from investment portfolio</b>	<b>12,668</b>	<b>30,966</b>
<b>b. Income from Trading Portfolio</b>		
— sales revenue	-	-
— cost of sales	(3,929)	4,658
<b>Total income from trading portfolio</b>	<b>(3,929)</b>	<b>4,658</b>
<b>c. Income from Deposits</b>		
— interest received	10,665	8,924
<b>Total income from deposits</b>	<b>10,665</b>	<b>8,924</b>
<b>d. Income from the provision of services</b>		
— brokerage received	46,453	46,821
— other income received	33,656	18,147
— rent received	-	698
— authorised representative fees received	-	-
<b>Total other income</b>	<b>80,109</b>	<b>65,666</b>
<b>e. Income from structured finance products</b>		
— interest received	6,727,736	6,920,131
— other income received	40,329	-
— interest paid	(4,378,109)	(4,382,681)
— acquisition fees	(2,155,407)	(2,370,803)
<b>Total income from structured finance products</b>	<b>234,549</b>	<b>166,647</b>

### NOTE 3: DIVIDENDS

<b>Dividends Paid or Declared</b>	-	-
	-	-

# PRITCHARD EQUITY LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE HALF YEAR ENDED 31 DECEMBER 2018

#### 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	Issued Capital \$
01/07/2018	Opening balance	1,048,373	899,378	1,227,197
31/12/2018	Closing balance	1,048,373	899,378	1,227,197

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.

#### NOTE 5: SEGMENT REPORTING

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The following is an analysis of the Group's revenue and results by reportable operating segment for the periods under review:

Half year ended 31.12.2018	Investments	Financial Services	Structured Finance Products	Total
Revenue	19,404	80,109	234,549	334,062
Results	(82,628)	5,298	234,549	157,219

Half year ended 31.12.2017	Investments	Financial Services	Structured Finance Products	Total
Revenue	48,002	65,666	166,647	280,315
Results	(32,689)	1,739	166,647	135,697

The revenue reported above represents revenue generated from external customers. There were no intersegment sales during the period.

The following is an analysis of the Group's assets by reportable operating segment:

31.12.2018	Investments	Financial Services	Structured Finance Products	Total
Assets	3,573,465	-	283,931,291	287,504,756

30.06.2018	Investments	Financial Services	Structured Finance Products	Total
Assets	3,190,227	-	301,208,682	304,398,909

# PRITCHARD EQUITY LIMITED

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE HALF YEAR ENDED 31 DECEMBER 2018

#### NOTE 6: RELATED PARTY TRANSACTIONS

31.12.2018

31.12.2017

\$

\$

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

Transactions with related parties:

Accounting fees paid/ payable to Rees Pritchard Pty Limited-	23,566	24,872
Newcastle Capital Markets Registries Pty. Limited for share registry costs.	4,217	4,313
Interest receivable from RAM Investment Partners No.1 Pty Limited	257,425	343,000
Unsecured notes from RAM Investment Partners No.1 Pty Limited	7,000,000	18,769,849
Interest receivable from RAM Investment Partners No.2 Pty Limited	589,310	399,594
Unsecured notes from RAM Investment Partners No.2 Pty Limited	53,415,181	39,196,090
Loan payable to Gordon Bradley Elkington	-	19,878
Loan payable to Steven Shane Pritchard	13,218	12,545
Loan payable to Hamilton Capital Proprietary Limited	74,774	89,283
Units held in Tyrex Solutions Unit Trust	50,000	50,000
Distribution accrued/ receivable from Tyrex Solutions Unit Trust	16,182	17,028

#### NOTE 7: KEY MANAGEMENT PERSONNEL

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

#### NOTE 8: CONTINGENT LIABILITIES

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

#### NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

Since 31 December 2018 to the date of this report Pritchard Equity has issued \$10,406,421.91 loans to borrowers and incurred \$10,406,421.91 in notes. \$10,500,000 in notes were reinvested. There have been no other events specific to the consolidated entity of which the Directors are aware which has had a material effect on the consolidated entity or its financial position.

# 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 11:
  - a. comply with Accounting Standards and the Corporations Regulations; and
  - b. give a true and fair view of the consolidated entity's financial position as at 31 December 2018 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*.

On behalf of the directors



Steven Shane Pritchard  
Director



Enzo Pirillo  
Director

13 March 2019  
Hamilton, NSW



# INDEPENDENT AUDITOR'S REVIEW REPORT

## TO THE MEMBERS OF PRITCHARD EQUITY LIMITED

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of Pritchard Equity Limited (the Company) and its controlled entities (collectively the "consolidated entity"), which comprises the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

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:-

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

#### Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the company a written Auditor's Independence 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 the Australian Accounting Standards and the Corporations Regulations 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that 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 Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 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.

#### PKF(NS) Audit & Assurance Limited Partnership

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### Auditor's Responsibility (cont'd)

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.



PKF



PAUL PEARMAN  
PARTNER

13 MARCH 2019  
NEWCASTLE, NSW

# PRITCHARD EQUITY LIMITED

## CORPORATE DIRECTORY

### Directors

Steven Shane Pritchard – Executive Chairman  
Enzo Pirillo  
Gordon Bradley Elkington

### Secretary

Enzo Pirillo

### Principal Place of Business and Registered Office

10 Murray Street  
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Telephone (02) 4920 2877  
Facsimile (02) 4920 2878

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