



PRITCHARD EQUITY LIMITED

NINTH ANNUAL REPORT

2010

Pritchard Equity Limited ABN 80 100 517 404

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PRITCHARD EQUITY LIMITED

OUR VALUES AND OBJECTIVES

- While our Company is a corporation, our philosophy is that of a partnership. We do not view the Company itself as the ultimate owner of assets, but instead as a conduit through which shareholders own the assets.
- We do not measure the Company's performance by its revenue or its size, but by the growth of the intrinsic value of its shares. Our long-term financial goal is to maximise this growth by investing in businesses that generate cash and earn above average returns on the capital invested in them.
- We maintain a conservative approach to borrowing, and will reject investment opportunities that present themselves, rather than over extend our statement of financial position.
- We are sensitive to our fiduciary obligations to our suppliers and creditors, and to our many long term shareholders, some of whom have committed significant portions of their investment funds to our care.
- We will be candid in reporting to shareholders, and will tell them everything about the business that we believe they would like to know.

PRITCHARD EQUITY LIMITED

FINANCIAL HIGHLIGHTS

Year ended 30 June	2010	2009	2008	2007	2006
	\$	\$	\$	\$	\$
Income Statement					
Total income	106,947	10,353	239,875	530,671	251,974
Total expenses	(191,947)	(200,399)	(99,638)	(89,678)	(14,448)
Operating (loss)/profit before income tax	(85,000)	(190,046)	140,237	440,993	237,526
Income tax (expense)/benefit	15,152	13,486	22,286	20,799	(1,547)
Operating profit after income tax	(69,848)	(176,560)	162,523	461,792	235,979
Minority interests	(19,516)	(1,321)	(28,182)	(10,183)	(2,344)
Realised gains on sale of investments	29,821	63,255	187,034	5,893	17,615
Impairment revaluation charge	-	(18,470)	-	-	-
Profit attributable to shareholders of Pritchard Equity Limited	(59,543)	(133,096)	321,375	457,502	251,250
Statement of Financial Position					
Total assets	2,525,262	2,600,474	2,371,536	2,367,549	1,675,939
Total liabilities	495,834	453,470	264,509	297,730	204,104
Total shareholders' equity	2,029,428	2,147,004	2,107,027	2,069,819	1,471,835
Pritchard Equity Limited shareholders' equity	1,875,983	2,003,334	1,980,771	1,919,002	1,343,012
Share Information					
Basic earnings per ordinary share (cents per share)	(3.65)	(8.64)	22.82	33.41	18.35
Growth in earnings per ordinary share (%)	71	(155)	(32)	82	47
Net assets per ordinary share (cents per share)	124	132	140	130	88
Share price at end of period					
— A Ordinary shares	1.125	1.10	1.10	1.10	0.85
— B Ordinary shares	1.10	1.10	1.10	1.10	0.95
— Preferred income equity securities	100.00	100.00	100.00	N/A	N/A
Issued capital (number of shares)					
— A Ordinary shares	791,968	791,968	620,608	578,358	578,358
— B Ordinary shares	839,378	839,378	831,378	540,128	540,128
— C Ordinary shares	N/A	N/A	N/A	250,000	250,000
— Preferred income equity securities	2,699	2,699	1,461	N/A	N/A
Key Measures					
Return on average ordinary shareholders' equity (%)	(3.6)	(9.8)	19.3	28.0	25.2
Return on average assets (%)	(2.3)	(7.9)	13.6	22.6	21.2
Gearing ratio (%)	5.6	4.6	1.8	9.8	8.5

PRITCHARD EQUITY LIMITED

EXECUTIVE CHAIRMAN'S LETTER

Dear Fellow Shareholders

I am happy to be able to write to you and report that whilst our company has again incurred a loss the result was a considerable improvement on last year's result.

Your board of directors are cautiously optimistic that market conditions will continue to improve.

Results

The group recorded a consolidated net operating loss after tax for the year of \$59,543 down from \$133,096.

The consolidated net operating loss was after charging as an expense an amount of \$23,476, which were the costs incurred in the acquisition of the group's interest in FijiStock Brokers Limited. From time immemorial, the costs an asset has included the costs of acquiring it. However following a further change in accounting standards, the costs of acquisition must now be written off if the costs are paid in cash, but can be added to the cost of the asset acquired if debt or equity securities have been issued as consideration for the asset. This in our view, is clearly yet another example of changes being made for changes sake and the introduction of further new accounting standards that lack any underlying conceptual framework.

The loss is equivalent to a 3.7 cents per share, compared to a loss of 12.7 cents per share last year.

Net assets per ordinary share fell by 6% to \$1.24 per ordinary share compared to a 6.4% decrease last year.

The level of gearing of the group whilst increasing slightly to 5.6%, remained low.

Australian Accounting Standards

Shareholders will have noted that this year's Financial Report has again grown longer and now contains a Statement of Comprehensive Income. The setters of accounting standards in Australia, the Australian Accounting Standards Board (AASB), are apparently looking for some sense of academic purity in the presentation of financial statements, but the result is that they are becoming larger and larger and less and less meaningful to the average shareholder, and as a result much of the information contained in the Financial Report will be either unread or not understandable to the average shareholder.

Each year the information required to be included changes and the names of various items change for no apparent reason. For example, shareholders may have noticed that over the last few years, the name of the balance sheet has changed to statement of financial position, back to balance sheet, and now for the current year, back to statement of financial position again. When we made enquiries with the AASB as to why this was happening, we were advised that it was to comply with International Accounting Standards.

When Australia first set out on the path of adopting International Accounting Standards, we were told that this would lead to reduced costs. Clearly this has not been the case.

We also wonder as to who is actually adopting these so called International Accounting Standards. The United States of America has not adopted them, and in the United Kingdom they are mandatory in limited circumstances.

For a small company such as ours, we find it amazing that so much information needs to be collated, audited and included in the financial statements, when it is simply repetitive and confusing.

For example, the new Comprehensive Income Statement, even the name of which, we believe is arguably misleading contains jumble of operating profit, realised capital gains and losses, and unrealised capital gains and losses. All of the information that is contained in the statement is already contained elsewhere in the Financial Report.

Investment activity

The company has continued its cautious approach to making new investments during the year and maintains a low level of debt with gearing remaining at a low 5.6%.

As at balance date the group had approximately 38% of its assets in listed investments, 50% in unlisted investments, 5% in cash and 7% in other assets.

Listed investments

We continued to build our portfolio of listed investments and to take advantage of opportunities where they arose. Details of the investments are disclosed in Note 27 of the Financial Report.

We made an investment in Hamilton Securities Limited during this period. Hamilton Securities Limited is a new listed investment company that invests in distressed debt securities.

PRITCHARD EQUITY LIMITED

Unlisted investments

The group's major unlisted investment is its 31.84% interest in Cameron Capital Limited, which is the holding company for Cameron Stockbrokers Limited. With the improvement in the Australian equity markets the consolidated loss of Cameron Capital Limited decreased from \$256,721 in the previous year financial year to \$41,949 for the current year.

During the year, Cameron Capital Limited established Cameron Investment Management Limited, which applied for and obtained a new Australian Financial Services Licence to allow it to act as a Responsible Entity. Cameron Investment Management Limited proposes to launch a number of specialised investment funds, the first one of which, the Cameron Income Fund, is expected to be available towards the end of the current calendar year.

The group continues to maintain its strategic holding of 4.15% of the issued capital of the unlisted property investment company Penrose Club Holdings Limited. Penrose owns a substantial parcel of land in the Southern Highlands of New South Wales. Progress in releasing value from this asset has been slower than expected. However the board of Penrose continues to explore a number of opportunities to maximise the returns to shareholders from this asset.

The South Pacific Investment Company Limited

During the year, The South Pacific Investment Company Limited continued to develop its investment portfolio in the Fiji Islands with the acquisition of 80.17% of FijiStock Brokers Limited.

FijiStock Brokers Limited was established in 1997 and is the oldest established stockbroker in Fiji.

During the year, I also joined the board of the South Pacific Stock Exchange Limited in order to represent our interests in the exchange.

With our acquisition of FijiStock Brokers Limited our holding of 12.5% of the South Pacific Stock Exchange Limited, we are now well placed to benefit from the expansion of the capital markets in Fiji.

We have also had some preliminary discussions with the Reserve Bank of Fiji regarding the establishment of a funds management business there.

Outlook

The group balance sheet remains strong and provides us with the flexibility to take advantage of undervalued investment opportunities as they arise.

Over the last few weeks the group has started to selectively acquire investments in a number of companies which it believes have been over sold by the market, and these are being added to the long term investment portfolio.

As one of our shareholders has often reminded me the best time to buy London property was at the height of the blitz.



Steven Pritchard
Chairman
28 September 2010

PRITCHARD EQUITY LIMITED

DIRECTORS' REPORT

Your directors present their report on the group consisting of Pritchard Equity Limited and its controlled entities for the financial year ended 30 June 2010. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors in office at any time during or since the end of the financial year are:

- Steven Shane Pritchard
- Enzo Pirillo
- Gordon Bradley Elkington

The directors have been in office from the start of the financial year to the date of this report.

Company Secretary

Enzo Pirillo held the position of company secretary at the end of the financial year. Details of Mr Pirillo's qualifications are contained in the Information on Directors.

Principal Activities

During the year, the principal activity of the group was the making of medium and long term investments in both listed and unlisted investments.

The group acquired 80.17% of the issued capital of FijiStock Brokers Limited during the year.

There were no significant changes in the nature of the company's principal activities during the financial year.

Dividends Paid or Recommended

A final fully franked preferred income equity securities dividend for 30 June 2009 was paid on 30 September 2009. An interim fully franked preferred income equity securities dividend for 31 December 2009 was paid on 30 March 2010 and a final fully franked preferred income equity securities dividend declared for 30 June 2010 is payable on 30 September 2010.

Operating Results and Review of Operations

The consolidated net loss after providing for income tax and eliminating minority equity interests was \$59,543 compared to a loss of \$133,096 last year. A loss of \$13,357 from the group's associate Cameron Capital Limited compared to a loss of \$84,230 last year was the primary reason for the fall in the consolidated net operating loss.

Financial Position

The net assets of the group as at 30 June 2010 were \$2,029,428 compared to \$2,147,004 as at 30 June 2009, a decrease of \$117,576.

The group continues to maintain a strong liquidity position, and currently holds cash and readily realisable assets of \$1,068,570. During the year the group increased its short term borrowings from \$102,647 to \$114,382.

Significant Changes in State of Affairs

The directors are not aware of any other significant changes in the operations of the group, or the environment in which it operates, that will adversely affect the results of the company in subsequent years.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

Future Developments, Prospects and Business Strategies

The group will continue to pursue its investment objectives for the long-term benefit of members. This will require the continued review of the investment strategy that is in place, and may require some changes to that strategy.

Further information on likely developments in the operations of the group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the group.

PRITCHARD EQUITY LIMITED

Environmental Issues

The group's operations are not regulated by any significant environmental regulation under Commonwealth or State law.

Information on Directors

Steven Shane Pritchard	—	Chairman (Executive)
Qualifications	—	B Com, CPA, F Fin Previously a member of the Stock Exchange of Newcastle Limited
Experience	—	Chairman and director since 10 May 2002
Interest in shares and options	—	391,480 A Ordinary shares 541,000 B Ordinary shares 103,740 Series 2 Options 103,740 Series 3 Options 1,019 Preferred Income Equity Securities
Special responsibilities	—	Member of the Audit Committee Director of Henley Underwriting & Investment Company Pty Limited and Cameron Capital Limited
Directorships held in other listed entities	—	Current chairman and director of Hamilton Securities Limited (since 14 July 2009), Illuminator Investment Company Limited (since 22 December 2003), current director of Florin Mining Investment Company Limited (since 29 September 2004), and Winpar Holdings Limited (since 4 July 2004)
Enzo Pirillo	—	Director (Executive) and Company Secretary
Qualifications	—	B Com, CPA, F Fin
Experience	—	Director and company secretary since 14 September 2005
Interest in shares and options	—	2,000 A Ordinary shares 1,000 B Ordinary shares 25,500 Series 2 Options 25,500 Series 3 Options 3 Preferred Income Equity Securities
Special Responsibilities	—	Member of the Audit Committee Director of Henley Underwriting & Investment Company Pty Limited and Cameron Capital Limited
Gordon Bradley Elkington	—	Director (Non-Executive)
Qualifications	—	B Sc, M Sc, Ph D, LL.M
Experience	—	Director since 12 December 2005
Interest in shares and options	—	29,360 A Ordinary shares 15,200 B Ordinary shares 20,100 Series 2 Options 20,100 Series 3 Options 45 Preferred Income Equity Securities
Special Responsibilities	—	Member of the Audit Committee
Directorships held in other listed entities	—	Director of Stokes (Australasia) Limited (since 24 April 2003), Hamilton Securities Limited (since 14 July 2009) and Winpar Holdings Limited (since 1994)

PRITCHARD EQUITY LIMITED

Meetings of Directors

During the financial year, 6 meetings of directors (including committees) were held. Attendances were as follows:

	DIRECTORS MEETINGS		AUDIT COMMITTEE MEETINGS	
	Number held	Number attended	Number held	Number attended
Steven Shane Pritchard	5	5	1	1
Enzo Pirillo	5	5	1	1
Gordon Elkington	5	5	1	1

Shares under Option

Options have been issued in relation to A ordinary shares as follows.

Date of issue	Expiry date	Number	Exercise price
24 April 2007	10 December 2010	339,679	\$2.50
24 April 2007	10 December 2015	339,679	\$5.00

Indemnifying Officers or Auditor

During or since the end of the financial year the company has not given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums in relation to any officer or auditor.

Proceedings on Behalf of Company

No person has applied for leave of the court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

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

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2010 has been received and is found on page 8 of the report.

Signed in accordance with a resolution of the Directors made pursuant to s 298 (2) of the Corporations Act 2001.

Steven Shane Pritchard

Director

28 September 2010

Enzo Pirillo

Director

PRITCHARD EQUITY LIMITED

REMUNERATION REPORT

This report details the nature and amount of remuneration for each director of Pritchard Equity Limited, and for the executives receiving the highest remuneration.

Remuneration policy

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

The constitution of Pritchard Equity Limited requires the approval by shareholders in general meeting of a maximum amount of remuneration per year to be allocated among 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 \$80,000 per annum.

Non-executive directors hold office until such time as they retire, resign or are removed from office in accordance with the constitution of the company. Non-executive directors do not receive any performance based remuneration.

Details of remuneration

The company has only two executives, Steven Pritchard and Enzo Pirillo (2009: two executives), both of whom are directors of the company.

Details of the remuneration for each director of the Company are as follows.

2010	Salary and Fees	Superannuation contributions	Other	Total
	\$	\$	\$	\$
Steven Pritchard	-	-	-	-
Enzo Pirillo	-	-	-	-
Gordon Elkington	-	-	-	-

2009	Salary and Fees	Superannuation Contributions	Other	Total
	\$	\$	\$	\$
Steven Pritchard	-	-	-	-
Enzo Pirillo	-	-	-	-
Gordon Elkington	-	-	-	-

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

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

As lead audit partner for the audit of the Pritchard Equity Limited financial report for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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



FORSYTHES



M J Matthews
Partner
Chartered Accountants
Newcastle, 28 September 2010

PRITCHARD EQUITY LIMITED

CORPORATE GOVERNANCE STATEMENT

The Board has the responsibility of ensuring that the Company is properly managed so as to protect and enhance the interests of shareholders, consistently with the Company's meeting its obligations to all parties with which it interacts. To this end, the Board has adopted what it believes to be appropriate corporate governance policies and practices, having regard to its size and the nature of its activities.

The main corporate governance policies are summarised below.

Appointment and retirement of non-executive directors

It is the Board's policy to determine the terms of the appointment and retirement of non-executive directors on a case by case basis, and in conformity with the requirements of the Listing Rules and the *Corporations Act*.

Director qualifications

In choosing directors, the company seeks to appoint those individuals who have a significant personal or family ownership interest in the company's ordinary shares. These persons must also have high integrity, business skills, shareholder orientation and a genuine interest in the company.

Board size

The Board presently consists of three members, two of whom are executive directors. Under the company's constitution, the Board must consist of not less than three members and not more than 10. The Board periodically reviews the number of its members, having regard to the nature and extent of the company's operations.

Directors' responsibilities

The basic responsibility of the directors is to exercise their business judgment to act in what they believe to be the best interests of the company and its shareholders, and to conduct themselves in accordance with their fiduciary duties.

Directors' access to independent professional advice

It is the Board's policy that any committees established by the Board should:

- be entitled to obtain independent professional or other advice at the company's cost, unless the Board determines otherwise;
- be entitled to obtain such resources and information from the company, its employees and advisers, as they may require; and
- operate in accordance with any terms of reference established by the Board.

Board meetings

The Chairman of the Board is responsible for establishing the agenda for each Board meeting. Each director is free to suggest items for inclusion on the agenda and to raise at any Board meeting subjects that are not on the agenda. At least once each year the Board reviews the company's long term plans and the principal issues that the Company will face in the future.

Audit committee

The Board has established an audit committee, which meets with the external auditors at least once a year. The Audit Committee addresses the financial and compliance responsibilities of the Board, and monitors in particular:

- the adequacy of the company's internal controls and procedures to ensure compliance with all applicable legal obligations;
- the adequacy of financial risk management processes; and
- any reports prepared by the external auditor.

PRITCHARD EQUITY LIMITED

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Note	Consolidated		Parent	
		2010 \$	2009 \$	2010 \$	2009 \$
Income from investment portfolio	3a	29,734	19,348	6,122	1,810
Income from trading portfolio	3b	45,166	(30,222)	-	-
Income from deposits	3c	8,748	20,176	3,200	5,595
Income from the provision of services	3d	23,264	-	-	-
Other income	3e	35	1,051	2,591	2,294
Total income from ordinary activities		106,947	10,353	11,913	9,699
Share of net loss of associated company		13,357	84,230	-	-
Acquisition costs – FijiStock Brokers Limited		23,476	-	-	-
Auditors remuneration		47,440	27,750	36,840	31,750
Bank charges		2,275	1,555	406	826
Depreciation expense		773	-	-	-
Employee expenses		5,773	-	-	-
Finance costs		9,767	4,122	34	61
Listing fees		6,411	6,883	6,411	6,883
Net realised foreign exchange loss		2,395	-	-	-
Share registry fees		14,459	16,964	10,415	16,964
Administration expenses		65,821	58,895	21,100	29,450
Operating (loss)/profit before income tax		(85,000)	(190,046)	(63,293)	(76,235)
Income tax benefit	4	15,152	13,486	15,905	13,644
Operating (loss)/profit after income tax		(69,848)	(176,560)	(47,388)	(62,591)
(Profit)/loss attributable to non-controlling interest		(19,516)	(1,321)	-	-
AASB 139 impairment revaluation charge on investment portfolio – sold from the investment portfolio before 31 December 2009		-	(18,470)	-	-
Operating (loss)/profit before realised gains/(losses) on the investment portfolio		(89,364)	(196,351)	(47,388)	(62,591)
Net realised gains/(losses) on equity securities sold from the investment portfolio		29,821	63,255	13,621	34,037
(Loss)/Profit attributable to members of the company		(59,543)	(133,096)	(33,767)	(28,554)
Overall Operations					
Basic earnings per share (cents per share)	7	(3.65)	(8.64)		
Diluted earnings per share (cents per share)	7	(3.65)	(8.64)		

The accompanying notes form part of these financial statements.

Note that the comparative figures have been restated as a result of the adoption of AASB 9 – see note 26

PRITCHARD EQUITY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
(Loss)/profit for the year	(89,364)	(196,351)	(47,388)	(62,591)
Other comprehensive income				
Net revaluation /(devaluation) of non-current assets	(48,913)	(79,454)	(42,836)	6,691
Cumulative gains for the period on securities realised before 31 December 2009	-	18,470	-	-
Net realised gains on sale of long-term investments transferred to the Income Statement from the asset revaluation reserve	29,821	63,255	13,621	34,037
Total other comprehensive income for the year	(19,092)	2,271	(29,215)	40,728
Total comprehensive income for the year	(108,456)	(194,080)	(76,603)	(21,863)

The accompanying notes form part of these financial statements.

PRITCHARD EQUITY LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	Consolidated		Parent	
		2010	2009	2010	2009
		\$	\$	\$	\$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	8	114,667	445,565	10,337	243,473
Trade and other receivables	9	87,780	136,301	330,715	264,303
Trading portfolio	10	145,760	43,154	-	-
Investment portfolio	12	-	50,000	-	50,000
TOTAL CURRENT ASSETS		348,207	675,020	341,052	557,776
NON-CURRENT ASSETS					
Investment portfolio	12	1,012,003	803,802	163,372	152,620
Investments in associates accounted for using the equity method	13	1,048,945	1,062,302	168,814	168,814
Investments in controlled entities		-	-	610,970	526,873
Plant and equipment	14	8,487	-	-	-
Goodwill	15	14,778	-	-	-
Deferred tax assets	11	92,842	59,350	92,842	59,350
TOTAL NON-CURRENT ASSETS		2,177,055	1,925,454	1,035,998	907,657
TOTAL ASSETS		2,525,262	2,600,474	1,377,050	1,465,433
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	16	117,649	84,157	36,726	42,439
Borrowings	17	114,382	102,647	14,811	365
Provision for tax		(1,934)	158	(850)	-
TOTAL CURRENT LIABILITIES		230,097	186,962	50,687	42,804
NON-CURRENT LIABILITIES					
Borrowings	17	265,737	265,737	265,737	265,737
Deferred tax liabilities	11	-	771	-	771
TOTAL NON-CURRENT LIABILITIES		265,737	266,508	265,737	266,508
TOTAL LIABILITIES		495,834	453,470	316,424	309,312
NET ASSETS		2,029,428	2,147,004	1,060,626	1,156,121
EQUITY					
Issued capital	18	932,960	932,960	932,960	932,960
Reserves	19	(108,511)	(30,764)	14,559	43,774
Retained earnings		1,051,534	1,101,138	113,107	179,387
Equity attributable to equity holders of the parent		1,875,983	2,003,334	1,060,626	1,156,121
Minority equity interest		153,445	143,670	-	-
TOTAL EQUITY		2,029,428	2,147,004	1,060,626	1,156,121

The accompanying notes form part of these financial statements.

PRITCHARD EQUITY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Issued Capital \$	Asset Revaluation Reserve \$	Capital Profits Reserve \$	Retained Earnings \$	Total \$
Consolidated					
Balance at 1 July 2008	728,260	(45,292)	10,075	1,287,730	1,980,773
Loss for the year	-	-	-	(196,351)	(196,351)
Other comprehensive income					
Revaluation of non current assets (net of tax)	-	(79,454)	-	-	(79,454)
Net capital gains for the year	-	-	-	63,255	63,255
Transfer to income statement for AASB 139 impairment revaluation charge (net of tax) - sold from the investment portfolio prior to 31 December 2009	-	18,470	-	-	18,470
Total other comprehensive income	-	(60,984)	-	63,255	2,271
Total comprehensive income for the period	-	(60,984)	-	(133,096)	(194,080)
Transfer from retained profits to reserves	-	-	65,437	(65,437)	-
Shares issued during the year	328,200	-	-	-	328,200
Dividend/distributions paid	-	-	-	(14,084)	(14,084)
Transfer to minority equity interest	-	-	-	26,025	26,025
Preferred income equity securities redemption	(123,500)	-	-	-	(123,500)
Balance at 30 June 2009	932,960	(106,276)	75,512	1,101,138	2,003,334
Balance at 1 July 2009 as reported	932,960	(44,565)	75,512	1,039,427	2,003,334
Adoption of AASB 9	-	(61,711)	-	61,711	-
Restated balance as at the beginning of the year	932,960	(106,276)	75,512	1,101,138	2,003,334
Loss for the year	-	-	-	(89,364)	(89,364)
Other comprehensive income					
Revaluation of non current assets (net of tax)	-	(48,913)	-	-	(48,913)
Net capital gains for the year	-	-	-	29,821	29,821
Total other comprehensive income	-	(48,913)	-	29,821	(19,092)
Total comprehensive income for the period	-	(48,913)	-	(59,543)	(108,456)
Transfer from retained profits to reserves	-	-	(28,834)	28,834	-
Dividend/distributions paid	-	-	-	(18,895)	(18,895)
Balance at 30 June 2010	932,960	(155,189)	46,678	1,051,534	1,875,983

The accompanying notes form part of these financial statements.

PRITCHARD EQUITY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Issued Capital	Asset Revaluation Reserve	Capital Profits Reserve	Retained Earnings	Total
	\$	\$	\$	\$	\$
Parent					
Balance at 1 July 2008	728,260	(4,893)	7,939	256,062	987,368
Loss for the year	-	-	-	(62,591)	(62,591)
Other comprehensive income					
Revaluation of non current assets (net of tax)	-	6,691	-	-	6,691
Net capital gains for the year	-	-	-	34,037	34,037
Total other comprehensive income	-	6,691	-	34,037	40,728
Total comprehensive income for the period	-	6,691	-	(28,554)	(21,863)
Shares issued during the year	328,200	-	-	-	328,200
Transfer from retained profits to reserves	-	-	34,037	(34,037)	-
Dividends/distributions paid	-	-	-	(14,084)	(14,084)
Preferred Income equity securities redemption	(123,500)	-	-	-	(123,500)
Balance at 30 June 2009	932,960	1,798	41,976	179,387	1,156,121
Balance at 1 July 2009	932,960	1,798	41,976	179,387	1,156,121
Loss for the year	-	-	-	(47,388)	(47,388)
Other comprehensive income					
Revaluation of non current assets (net of tax)	-	(42,836)	-	-	(42,836)
Net capital gains for the year	-	-	-	13,621	13,621
Total other comprehensive income	-	(42,836)	-	13,621	(29,215)
Total comprehensive income for the period	-	(42,836)	-	(33,767)	(76,603)
Shares issued during the year	-	-	-	-	-
Transfer from retained profits to reserves	-	-	13,621	(13,621)	-
Dividend/distributions paid	-	-	-	(18,892)	(18,892)
Balance at 30 June 2010	932,960	(41,038)	55,597	113,107	1,060,626

The accompanying notes form part of these financial statements.

PRITCHARD EQUITY LIMITED

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Note	Consolidated		Parent	
		2010	2009	2010	2009
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Sales from trading portfolio		33,626	5,541	-	-
Purchases for trading portfolio		(83,566)	(6,206)	-	-
Brokerage received		21,062	-	-	-
Interest received		8,639	19,832	3,200	5,595
Dividends received		15,294	10,829	14	38
Distributions received		3,919	7,889	632	3,236
Commissions received		36	1,156	-	-
Other receipts		4,441	20,608	1,856	20,008
		<u>3,451</u>	<u>59,649</u>	<u>5,702</u>	<u>28,877</u>
Administration expenses		(153,671)	(96,851)	(79,359)	(80,618)
Bank charges		(2,275)	(1,520)	(406)	(826)
Finance costs		(9,773)	(4,121)	(34)	(61)
Income tax paid		(158)	-	-	-
Net cash provided by (used in) operating activities	21a	<u>(162,426)</u>	<u>(42,843)</u>	<u>(74,097)</u>	<u>(52,628)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Sales from investment portfolio		400,668	516,790	74,189	341,401
Purchases for investment portfolio		(452,442)	(593,540)	(149,784)	(299,233)
Purchases of other assets		(2,911)	-	-	-
Application monies		-	(127,500)	-	(15,000)
Acquisition of shares in FijiStock Brokers Limited		(43,234)	-	-	-
Advance to related party		(75,000)	-	-	-
Net cash provided by (used in) investing activities		<u>(172,919)</u>	<u>(204,250)</u>	<u>(75,595)</u>	<u>27,168</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		-	234,200	-	184,200
Dividends/distributions paid		(18,893)	(16,241)	(18,893)	(14,084)
Proceeds from borrowings		21,238	63,056	-	68,000
Repayment of borrowings		(29,306)	-	(78,176)	(74,218)
Net cash provided by (used in) financing activities		<u>(26,961)</u>	<u>281,015</u>	<u>(97,069)</u>	<u>163,898</u>
Net increase in cash held		<u>(362,306)</u>	<u>33,922</u>	<u>(246,761)</u>	<u>138,437</u>
Cash at beginning of financial year		<u>445,565</u>	<u>411,643</u>	<u>243,473</u>	<u>105,036</u>
Cash acquired as part of acquisition of FijiStock Brokers Limited		31,408	-	-	-
Cash at end of financial year	8	<u>114,667</u>	<u>445,565</u>	<u>(3,288)</u>	<u>243,473</u>

The accompanying notes form part of these financial statements.

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

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. This Financial Report has been authorised for issue on the date of the Directors Declaration.

The Financial Report covers the separate financial statements of the company and the consolidated financial statements of the Group.

Pritchard Equity Limited is a listed public company, incorporated and domiciled in Australia.

Australia Accounting Standards include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards ("IFRS").

The Group has applied the following Australian Accounting Standards or interpretations that have been issued as at balance date but are not yet operative for the year ended 30 June 2010 in the table below. The Group has also applied AASB 9 as noted below.

The directors have applied class order 10/654 in the preparation of this financial report.

Australian Accounting Standard	Title	Mandatory Application Date	Possible Impact
AASB 2010 – 4	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	1 January 2011	<p>The principle amendments contained in AASB 2010 – 4 are as follows:</p> <ul style="list-style-type: none"> accounting policy changes in the year of adoption (AASB 1); clarification of disclosures (AASB 7); clarification of statement of changes in equity (AASB 101); and significant events and transactions (AASB 134) <p>The amendments are not expected to have a significant impact on the financial statements</p>
AASB 2010 – 3	Amendments to Australian Accounting Standards arising from the Annual Improvements Project	1 July 2010	<p>The principle amendments contained in AASB 2010-3 are as follows:</p> <ul style="list-style-type: none"> measurement of non-controlling interests (AASB 3); transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised AASB 3 <i>Business Combinations</i> (2008); and transition requirements for amendments arising as a result of AASB 127 <i>Consolidated and Separate Financial Statements</i>. <p>The amendments are not expected to have a significant impact on the financial statements</p>
AASB 2009 – 5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	1 January 2010	<p>The principle amendments contained in AASB 2009-5 being disclosure of information about segment assets (AASB 8).</p> <p>The amendments are not expected to have a significant impact on the financial statements</p>

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

Changes in Accounting Standards

AASB 101 (revised): Presentation of Financial Statements

With effect from 1 July 2009, the Group has adopted the revised AASB 101 – 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 Group's net assets, net profit or total recognised gains and losses, but changes the statement where certain gains and losses are presented. Previously, unrealised gains / (losses) on the investment portfolio and the associated deferred tax (charge) / credit were recorded in reserves in the Statement of Changes in Equity. These items are now presented as components of "Other Comprehensive Income" in the new Statement of Comprehensive Income.

AASB 8: Operating Segments

The Group has adopted AASB 8 Operating Segments from 1 July 2009. AASB 8 replaces AASB 114 Segment Reporting. The new standard requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes. The segment information is therefore reported in a manner that is more consistent with internal reporting provided to the Board or its sub-committees. The adoption of the new standard has not affected the measurement of the Group's assets and liabilities or the way that the assets, liabilities, income and expense items are presented in the financial statements.

AASB 9: Financial Instruments

The Group has early adopted AASB 9 – Financial Instruments, with effect from 31 December 2009. The Group has voluntarily adopted this standard, as this is considered to result in a presentation that better reflects the performance and operations of the Group.

This standard changes the way in which the Group's investments, and their performance, are presented.

Adoption of this standard has no impact on the way in which the Group's investments are measured and hence no impact on net assets or total comprehensive income.

(i) Old accounting treatment

Previously, the Group's investments were accounted for under AASB 139 – Financial Instruments: Recognition and Measurement. All investments were carried at fair value and classified as set out below:

Portfolio	AASB 139 Classification
Investment portfolio	"Available for sale"
Trading portfolio	"Held for trading"

Unrealised gains and losses on investments held in the investment portfolio were taken to the asset revaluation reserve, through the statement of changes in equity (and under revised AASB 101 would have been reported as "Other Comprehensive Income" ("OCI") in the new Statement of Comprehensive Income).

On sale of investments in the investment portfolio, the cumulative gain or loss from purchase to sale of the investment was transferred from the asset revaluation reserve to the income statement, and reported as part of profit.

Where there was objective evidence of impairment of an investment in the investment portfolio, an impairment charge was required to be booked through the income statement (as a transfer from the investment revaluation reserve), even where no loss had been realised.

All gains and losses on the trading portfolio were recognised in the Group's profit through the income statement.

(ii) New accounting treatment

AASB 9 introduces new categories of classification for financial instruments. All the Group's investments continue to be carried at fair value and are now classified as follows:

Portfolio	AASB 9 Classification
Investment portfolio	"Designated at fair value through other comprehensive income"
Trading portfolio	"Held for trading"

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

Equity Instruments in the Investment Portfolio

All gains and losses (realised and unrealised) on equity instruments held in the investment portfolio are reported as "Other Comprehensive Income" in the new Statement of Comprehensive Income and are accumulated in the asset revaluation reserve. Realised gains and losses, are no longer reclassified from other comprehensive income to the income statement, and do not form part of the Group's profits.

Cumulative gains and losses are transferred from the asset revaluation reserve to retained profits or the realised capital gains reserve when the investments are sold.

There are no impairment provisions in AASB 9 for investments designated at fair value through other comprehensive income.

Equity Instruments in the Trading Portfolio

The adoption of AASB 9 has no impact on the trading portfolio.

(iii) Transitional provisions

Comparatives have been restated, but AASB 9 can only be applied retrospectively to investments held at the date of adoption, being 31 December 2009.

Equity Instruments in the Investment Portfolio

Investments sold prior to adoption date are accounted for under AASB 139 as described above. Therefore in the current and prior periods, the cumulative gains and losses on investments sold prior to 31 December 2009 are transferred out of the asset revaluation reserve to the income statement and continue to form part of profit.

Investments sold after this date are accounted for under AASB 9 and the cumulative gains and losses remain in other comprehensive income.

Impairment charges recognised in previous periods in profit or loss are reversed in the restatement of comparatives, except where the charge is in respect of investments sold prior to 31 December 2009.

Further details on the impact of restating comparatives have been set out in Note 26.

Basis of Preparation

Reporting Basis and Conventions

The financial statements are prepared using the valuation methods described below for holdings of securities. All other items have been treated in accordance with the historical cost convention.

All amounts are presented in Australian dollars, unless otherwise noted.

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 so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 2 to the financial statements.

All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the Group, 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 Company.

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. Associate Accounting Policy

Associates are entities over which the Company has significant influence but not control, generally accompanied by a shareholding of between 20 per cent and 50 per cent of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost in the Company's financial statements.

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

c. Holdings of Securities

(i) Statement of Financial Position classification

The Group has two discrete portfolios of securities: the investment portfolio and the trading portfolio. The purchase and the sale of securities are accounted for at the date of trade.

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.

Securities within the investment portfolio are classified as "financial assets measured at fair value through other comprehensive income", and are designated as such upon initial recognition, whereas securities held in the trading portfolio are classified as measured at fair value through profit or loss in accordance with AASB 9¹.

The designation of securities within the investment portfolio as "financial assets measured at fair value through other comprehensive income" is consistent with the Director's view of these assets as being held for the long term for both capital growth and for the provision to the Group of dividends and distribution of income rather than to make a profit from their sale, which is the purpose of securities held in the trading portfolio.

(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 equity instruments are recognised as other comprehensive income and taken to the Asset Revaluation Reserve.

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

(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) 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. Fair Value of Financial Assets and Liabilities

The fair value of cash and cash equivalents, borrowings and non-interest monetary financial assets and liabilities of the Group approximate their carrying value.

The fair value for assets that are actively traded on a market 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.

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

e. Income from the Provision of Services

Revenue arising from brokerage commissions and fee income are recognised by the Group on an accruals basis as and when services have been provided.

f. 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.

g. Plant and Equipment

Plant and equipment is included at cost less accumulated depreciation and any impairment in value. All plant and equipment is depreciated over its estimated useful life, commencing from the time assets are held ready for use.

The depreciation rates for each class of asset are as follows:

Furniture and fittings 12 – 33%

Office equipment 20 – 40%.

h. Goodwill

Goodwill on acquisition is initially measured at cost, being the excess of the costs of the business combination over the acquirer's interest in the fair value of the identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is reviewed for impairment, annually, or more frequently if events or changed circumstances indicate that the carrying amount is impaired.

i. Foreign Currency Transactions and Balances

Foreign currency transactions during the year are converted to Australian currency using the exchange rates applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of foreign exchange ruling at that date.

j. 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.

k. Taxation

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 date.

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 in the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

i. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (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 statement of financial position 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.

m. Critical accounting judgements and key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. In accordance with AASB 112 Income Taxes, deferred tax assets have been recognised for Capital Gains Tax (CGT) on the unrealised gain in the Investment Portfolio at current tax rates.

As the directors do not intend to dispose of the portfolio, this tax asset may not be crystallised. In addition, the tax liability that arises on disposal of these securities may be impacted by changes in tax legislation relating to treatment of capital gains and the rate of taxation applicable to such gains at the time of disposal

n. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Board has been identified as the chief operating decision-maker, as it is responsible for allocating resources and assessing performance of the operating segments.

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

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 (%)*	
		2010	2009
Parent			
Pritchard Equity Limited	Australia	100	100
Henley Underwriting & Investment Company Pty. Limited	Australia	100	100
PEQ Opportunities Fund	Australia	50	50
The NSX Investment Trust	Australia	100	100
J. H. Clack & Co. Proprietary Limited	Australia	100	100
PEQ Estates Pty Limited	Australia	100	100
PEQ Hamilton Fund	Australia	60	60
PEQ Investment Holdings Proprietary Limited	Australia	100	100
First Newcastle Pty Limited	Australia	100	100
Fleet Funds Management Proprietary Limited	Australia	100	-
PEQ Nominees Pty Limited	Australia	100	100
PEQ Investment Nominees Proprietary Limited	Australia	100	100
The Newcastle Exchange Proprietary Limited	Australia	100	100
Pritchard Equity Holdings Proprietary Limited	Australia	100	100
The South Pacific Investment Company Limited	Australia	100	-
FijiStock Brokers Limited	Fiji	80	-

* Percentage of voting power is in proportion to ownership

b. Acquisition of Controlled Entities

On 29 September 2009 Pritchard Equity Limited incorporated Fleet Funds Management Proprietary Limited as a 100% owned subsidiary. At the date of incorporation Fleet Funds Management Proprietary Limited had no assets or liabilities.

On 4 January 2010 the Group acquired control of FijiStock Brokers Limited details of the acquisition are contained in Note 22.

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 3: REVENUE

	Note	Consolidated		Parent	
		2010	2009	2010	2009
		\$	\$	\$	\$
a. Income from investment portfolio					
— dividends received		21,891	13,808	2,399	1,810
— trust distributions received		7,843	5,540	3,723	-
Total Income from investment portfolio		29,734	19,348	6,122	1,810
b. Income from trading portfolio					
— sales revenue		33,626	5,549	-	-
— cost of sales		11,540	(35,771)	-	-
— net profit/(loss) from trading portfolio		45,166	(30,222)	-	-
Total Income from trading portfolio		45,166	(30,222)	-	-
c. Income from deposits					
— interest received		8,748	20,176	3,200	5,595
Total Income from deposits		8,748	20,176	3,200	5,595
d. Income from the provision of services					
— brokerage received		21,238	-	-	-
— other income received		2,026	-	-	-
Total Income from the provision of services		23,264	-	-	-
e. Other Income					
— commissions received		35	1,051	-	-
— dividends from associated companies		-	-	-	-
— dividends from subsidiaries		-	-	-	-
— trust distributions from controlled entities		-	-	2,591	2,294
Total Other income		35	1,051	2,591	2,294

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 4: INCOME TAX EXPENSE

	Note	Consolidated		Parent	
		2010 \$	2009 \$	2010 \$	2009 \$
a. The components of tax expense comprise:					
Current tax		(48,645)	(17,570)	(49,398)	(17,728)
Deferred tax liability	11	-	771	-	771
Deferred tax asset	11	33,493	3,313	33,493	3,313
		(15,152)	(13,486)	(15,905)	(13,644)
b. The prima facie tax on (loss)/profit from ordinary activities before income tax is reconciled to the income tax as follows:					
Prima facie tax payable on (loss)/profit from ordinary activities before income tax at 30% (2009: 30%)					
— Consolidated		(25,500)	(57,014)	-	-
— Parent		-	-	(18,989)	(22,871)
Less:					
Tax effect of:					
— tax offset for franked dividends		510	2,416	1,003	985
— accrued charges		(1,528)	-	-	-
— share of net profits(losses) of associated company netted directly		(4,007)	(25,269)	-	-
— recoupment of unused prior year tax losses now recognised		5,421	77	-	-
— effect of revaluation of investments for tax purposes		12,983	7,414	-	-
— Difference in tax/accounting distribution		5,969	-	-	-
— Realised gains/(losses) on investment portfolio		(16,025)	(18,977)	(4,087)	(10,212)
— tax losses not brought to account		(13,671)	(9,189)	-	-
Income tax benefit attributable to entity		(15,152)	(13,486)	(15,905)	(13,644)
Amounts recognised directly through other comprehensive income					
Increase/(decrease) in deferred tax assets relating to capital gains/(losses) tax on the movement in unrealised gains in the investment portfolio					
		18,358	-	18,358	-

NOTE 5: AUDITORS' REMUNERATION

Remuneration of the auditor of the company for

— auditing or reviewing the financial report	47,440	27,750	36,840	31,750
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PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 6: DIVIDENDS

	Note	Consolidated		Parent	
		2010	2009	2010	2009
		\$	\$	\$	\$
a. Dividend Paid					
Half yearly fully franked preferred income equity securities dividend of \$3.50 per share paid on 30 September 2009		9,446	5,114	9,446	5,114
Half yearly fully franked preferred income equity securities dividend of \$3.50 per share paid on 30 March 2010		9,446	8,971	9,446	8,971
		18,892	14,085	18,892	14,085
b. Dividends declared					
Half yearly fully franked preferred income equity securities dividend of \$3.50 per share payable on 30 September 2010. This dividend has not been brought to account in the financial statements for the year ended 30 June 2010, but will be recognised in subsequent financial reports		9,446	9,446	9,446	9,446
c. Franking account		563,276	564,551	136,489	126,177
Impact on franking account balance of dividends not recognised		(4,048)	(4,048)	(4,048)	(4,048)

NOTE 7: EARNINGS PER SHARE

	Consolidated	
	2010	2009
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	1,631,346	1,539,580
Weighted average number of options outstanding	679,358	679,358
Weighted average number of ordinary shares outstanding during the year used in the calculation of dilutive earnings per share	1,631,346	1,539,580
a. Basic and diluted earnings per share	\$	\$
(Loss)/Profit attributable to members of the Group	(59,543)	(133,096)
	Cents	Cents
Basic earnings per share	(3.65)	(8.64)
Diluted earnings per share	(3.65)	(8.64)

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 7: EARNINGS PER SHARE (CONTINUED)

b. Classification of securities	Number	Number
The following potential ordinary shares are not dilutive and are excluded from the weighted average number of ordinary shares for the purposes of dilutive earnings per share:		
- Options outstanding	679,358	679,358

NOTE 8: CASH AND CASH EQUIVALENTS

	Note	Consolidated		Parent	
		2010 \$	2009 \$	2010 \$	2009 \$
Cash at bank		92,346	279,597	-	77,505
Deposits at call		10,337	165,968	10,337	165,968
Term deposit		11,984	-	-	-
		114,667	445,565	10,337	243,473

The effective interest rate on deposits at call was 3.00% (2009: 3.00%).

The credit risk exposure of the Group 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 statement of financial position as follows:

Cash and cash equivalents		114,667	445,565	10,337	243,473
Bank overdraft	17	-	-	(13,625)	-
		114,667	445,565	(3,288)	243,473

NOTE 9: TRADE AND OTHER RECEIVABLES

CURRENT

Dividends and trust distributions receivable		3,091	-	7,125	2,293
Goods and services tax refund		1,331	6,337	702	5,028
Other debtors		6,169	2,121	1,914	4
Application monies		-	127,501	-	15,000
Accrued income		789	342	-	-
Amounts receivable from:					
— Wholly-owned subsidiaries		-	-	304,574	241,578
— Other corporations		76,400	-	16,400	400
		87,780	136,301	330,715	264,303

Receivables are non-interest bearing and unsecured.

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

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 10: TRADING PORTFOLIO

CURRENT	Note	Consolidated		Parent	
		2010	2009	2010	2009
		\$	\$	\$	\$
Listed investments, at market value					
- Shares		145,760	43,154	-	-

NOTE 11: TAX

	Note	Consolidated		Parent	
		2010	2009	2010	2009
		\$	\$	\$	\$
a. Liabilities					
NON-CURRENT					
Deferred tax liability comprises:					
Revaluation adjustments taken directly to other comprehensive income		-	771	-	771
Total		-	771	-	771
b. Assets					
Deferred tax assets comprise:					
Transaction costs on equity issue		-	3,313	-	3,313
Deferred tax assets attributable to tax losses		65,758	47,341	65,758	47,341
Revaluation adjustments taken directly to other comprehensive income		17,952	-	17,952	-
Impairment of non current assets		296	296	296	296
Other temporary differences		8,836	8,400	8,836	8,400
		92,842	59,350	92,842	59,350
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		771	-	771	-
Revaluation adjustments taken directly to equity		(771)	771	(771)	771
Closing balance		-	771	-	771

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 11: TAX (CONTINUED)

	Note	Consolidated		Parent	
		2010 \$	2009 \$	2010 \$	2009 \$
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		3,313	6,626	3,313	6,626
Debited directly to equity		(3,313)	(3,313)	(3,313)	(3,313)
Closing balance		-	3,313	-	3,313
Deferred tax assets attributable to tax losses					
Opening balance		47,341	30,383	47,341	30,383
Credited to the Income Statement		18,417	16,958	18,417	16,958
Closing balance		65,758	47,341	65,758	47,341
Impairment of non current assets					
Opening balance		296	296	296	296
Credited to the Income Statement		-	-	-	-
Closing balance		296	296	296	296
Unrealised loss on investments					
Opening balance		-	2,097	-	2,097
Credited to the reserve		17,952	(2,097)	17,952	(2,097)
Closing balance		17,952	-	17,952	-
Other temporary differences					
Opening balance		8,400	8,400	8,400	8,400
Credited to the Income Statement		436	-	436	-
Closing balance		8,836	8,400	8,836	8,400
		92,842	59,350	92,842	59,350

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(k) occur

- operating losses	135,247	151,668
- capital losses	656,802	614,346
	792,049	766,014

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 12: INVESTMENT PORTFOLIO

	Note	Consolidated		Parent	
		2010	2009	2010	2009
		\$	\$	\$	\$
CURRENT					
Unlisted Investments, at fair value					
-	Shares and trust units	-	50,000	-	50,000
NON-CURRENT					
Listed Investments, at fair value					
-	Options	1,750	1,750	-	-
-	Shares and trust units	806,393	655,442	113,372	152,620
		808,143	657,192	113,372	152,620
Unlisted Investments, at fair value					
-	Shares and trust units	203,860	146,610	50,000	-
		1,012,003	803,802	163,372	152,620

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

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	
				2010 %	2009 %	2010 \$	2009 \$
Unlisted:							
Cameron Capital Limited	Stockbroking	Australia	Ordinary	31.84	32.81	1,048,945	1,062,302
						1,048,945	1,062,302

	Note	Consolidated		Parent	
		2010 \$	2009 \$	2010 \$	2009 \$
a. Movements during the year in equity accounted investment in associated companies					
Balance at beginning of the financial year		1,062,302	1,146,532	168,814	168,814
Add: New investments during the year		-	-	-	-
Share of associated company's profit after income tax	13b	-	-	-	-
Dividend revenue from associated company		-	-	-	-
Less Share of associated company's loss after income tax	13b	(13,357)	(84,230)	-	-
Balance at end of the financial year		1,048,945	1,062,302	168,814	168,814

b. Equity accounted (losses)/profits of associates are broken down as follows:

Share of associate's profit/(loss) before income tax expense	(23,396)	(108,467)
Share of associate's income tax benefit/(expense)	10,039	24,237
Share of associate's (loss)/profit after income tax	(13,357)	(84,230)

c. Summarised presentation of aggregate assets, liabilities and performance of associates

Current assets	7,303,769	5,754,936
Non-current assets	1,196,036	1,398,364
Total assets	8,499,805	7,153,300
Current liabilities	5,218,943	3,917,230
Non-current liabilities	47,461	43,100
Total liabilities	5,266,404	3,960,330
Net assets	3,233,401	3,192,970
Revenues	4,413,453	2,648,862
Profit/(loss) after income tax of associates	(41,949)	(256,721)

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 14: PLANT AND EQUIPMENT

	Note	Consolidated		Parent	
		2010	2009	2010	2009
		\$	\$	\$	\$
Plant and equipment					
At cost		22,443	-	-	-
Accumulated depreciation		(13,956)	-	-	-
		8,487	-	-	-

Reconciliation

Plant and equipment					
Carrying amount at the beginning of the year		2,128	-	-	-
Additions		7,132	-	-	-
Disposals		-	-	-	-
Depreciation		(773)	-	-	-
Carrying amount at the end of the year		8,487	-	-	-

NOTE 15: GOODWILL

Goodwill

At cost		14,778	-	-	-
Accumulated amortisation impairment		-	-	-	-
		14,778	-	-	-

Reconciliation

Goodwill					
Carrying amount at the beginning of the year		-	-	-	-
Additions		14,778	-	-	-
Amortisation impairment		-	-	-	-
Carrying amount at the end of the year		14,778	-	-	-

NOTE 16: TRADE AND OTHER PAYABLES

CURRENT

Unsecured liabilities					
Trade payables		80,213	56,157	8,726	14,439
Accrued charges		37,436	28,000	28,000	28,000
		117,649	84,157	36,726	42,439

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 17: BORROWINGS

	Note	Consolidated		Parent	
		2010	2009	2010	2009
		\$	\$	\$	\$
CURRENT					
Unsecured					
-	Loans payable to:				
-	other corporations	47,669	28,866	-	-
-	wholly-owned subsidiaries	-	-	1,186	365
		47,669	28,866	1,186	365
Secured					
-	Short-term borrowings	17a	66,713	73,781	-
-	Bank overdraft		-	-	13,625
			66,713	73,781	13,625
			114,382	102,647	14,811
NON CURRENT					
Unsecured					
-	Compound financial instruments	18c	265,737	265,737	265,737

- 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:

304,800	245,892	-	-
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PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 18: ISSUED CAPITAL

	Note	Consolidated		Parent	
		2010 \$	2009 \$	2010 \$	2009 \$
791,968 (2009: 791,968) A ordinary shares fully paid	18a	527,885	527,885	527,885	527,885
839,378 (2009: 839,378) B ordinary shares fully paid	18b	401,212	401,212	401,212	401,212
2,699 (2009: 2,699) Preferred income equity securities	18c	3,863	3,863	3,863	3,863
		932,960	932,960	932,960	932,960

a. A ordinary shares

At the beginning of reporting period		527,885	331,985	527,885	331,985
Shares issued during the year					
— 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
At reporting date		527,885	527,885	527,885	527,885

b. B ordinary shares

At the beginning of reporting period		401,212	392,412	401,212	392,412
Shares issued during the year					
— 8,000 shares issued in relation to the Property Fox takeover offer at \$1.10		-	8,800	-	8,800
At reporting date		401,212	401,212	401,212	401,212

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. Preferred Income Equity Securities

At the beginning of reporting period		3,863	3,863	3,863	3,863
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 2010

NOTE 18: CONTRIBUTED EQUITY (CONTINUED)

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

d. Series 2 Options

As at 30 June 2010, the Company has on issue 339,679 (2009: 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 but not thereafter. As at the reporting date none of the options had been exercised.

e. Series 3 Options

As at 30 June 2010, the Company has on issue 339,679 (2009: 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 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 2010

NOTE 19: RESERVES

	Note	Consolidated		Parent	
		2010	2009	2010	2009
		\$	\$	\$	\$
Asset revaluation reserve	19a	(155,189)	(106,276)	(41,038)	1,797
Capital profits	19b	46,678	75,512	55,597	41,977
		(108,511)	(30,764)	14,559	43,774

a. Asset revaluation reserve

Movements during the year

Opening balance	(106,276)	(45,292)	1,798	(4,893)
Revaluation of non current assets	(67,271)	(76,586)	(61,194)	9,559
Provision for tax on unrealised losses	18,358	(2,868)	18,358	(2,868)
Transfer to income statement for AASB 139 impairment revaluation charge – sold from the investment portfolio prior to 31 December 2009	-	18,470	-	-
Closing balance	(155,189)	(106,276)	(41,038)	1,798

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	75,512	10,075	41,977	7,940
Transfer from retained profits	-	65,437	13,620	34,037
Transfer to retained profits	(28,834)	-	-	-
Closing balance	46,678	75,512	55,597	41,977

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 2010

NOTE 20: FINANCIAL INSTRUMENTS

(a) Financial Risk Management

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

Credit Risk

This is 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.

Liquidity Risk

This is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Group monitors its cash-flow requirements and ensures that it has either cash or access to short term borrowing facilities available sufficient to meet any payments.

The Group's inward cash-flows depend upon the level of distributions received and the sale of securities. The Group's major cash outflow is the purchase of securities, the level of which is manageable by the Board. Furthermore, a substantial proportion of the Group's assets is in the form of readily tradeable securities which can be sold if necessary. The current financial liabilities are shown in Notes 16 and 17.

Market Risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price.

By its nature as the Group invests a substantial proportion of its assets in tradeable securities. The Group is always subject to market risk as it invests its capital in securities which are not risk free, i.e. the market price of these securities can fluctuate.

A general fall in market prices of 5% or 10%, if spread equally over all assets in the investment and trading portfolios would lead to a reduction in the Group's equity of \$47,695 or \$95,390 respectively.

The Group 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 Group 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.

The Group's investment by sector is as follows:

	2010	2009
	%	%
Materials	10.59	1.55
Capital goods	3.50	2.34
Energy	7.50	-
Commercial	9.58	1.54
Media	0.65	7.17
Food and beverage	14.25	2.09
Banks	1.62	2.76
Diversified financials	46.55	76.63
Real estate	3.52	2.57
Utilities	2.24	3.35
	100.00	100.00

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

Securities representing over 5 per cent of the combined investment and trading portfolio at 30 June 2010 were:

	Portfolio
	%
Illuminator Investment Company Limited	14.08
Penrose Club Holdings Limited	9.02
Graincorp Limited	8.06
Florin Mining Investment Company Limited	5.94
NIB Holdings Limited	5.40
Bounty Oil & Gas NL	5.32

No other security represents over 5 per cent of the Group's investment and trading portfolios.

Interest Rate Risk

The Group is exposed to interest rate risk, which is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates. The risk is managed by the Group maintaining an appropriate mix between fixed and floating rate borrowings. The effective average of interest rates on:

- (a) short term borrowings was 9.49% (2009: 7.99%)
- (b) long term borrowings was 7% (2009: 7%).

As at the 30 June 2010 the Group's interest bearing short term borrowings totalled \$114,949. Given the amount of borrowings involved the Group does not believe they are subject to any material interest rate risks.

Currency Risk

A proportion of the Group's assets are exposed to movements in the value of foreign currencies relative to the Australian dollar. Considering the quantum of the assets in absolute terms as well as relative terms compared to the Groups total assets it is not cost-effective to hedge against foreign currency fluctuations.

(b) Fair Value Measurement

The company has adopted the amendment to AASB 7 Financial Instruments: Disclosures which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- (c) inputs for the asset or liabilities that are not based on observable market data (unobservable inputs) (level 3).

30 June 2010	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets at fair value through other comprehensive income				
Investment portfolio	1,012,003	-		- 1,012,003
Financial assets at fair value through profit or loss				
Trading portfolio	145,760	-		- 145,760
Total	1,157,763	-		- 1,157,763

Comparative information has not been provided as permitted by the transitional provisions of the new rules.

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of valuation methods and makes assumptions that are based on market conditions existing at the end of each reporting period. These instruments are included in level 2.

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

(c) Numerical Disclosures – Investment Portfolio

The following disclosures result from the Group's early adoption of AASB 9, and apply only to investments held by the Group on 31 December 2009 and subsequent to this date. The fair value of each investment held at fair value through other comprehensive income is disclosed at Note 27.

Dividend income for the period on those investments held at the period end was \$21,891 (2009: \$13,808), and dividend income for those investments sold from 31 December to the period end was \$982.

Certain securities within the investment portfolio were disposed of between 31 December 2009 and the period end. The fair value of the investments sold during this period was \$185,700. The cumulative profit on these disposals was \$4,573 for the period after tax, which has been transferred from the revaluation reserve to the income statement (refer to statement of changes in equity).

The Group has only one class of investments in the investment portfolio - assets that are able to be defined under AASB 9 as 'equity instruments', movements in the fair value of these investments are accounted for under the fair value of which are other comprehensive income. At 30 June 2010 the fair value of these investments was \$1,012,003 (30 June 2009: \$803,802).

NOTE 21: CASH FLOW INFORMATION

	Note	Consolidated		Parent	
		2010	2009	2010	2009
		\$	\$	\$	\$
a. Reconciliation of cash flow from operations with (loss)/profit after income tax					
(Loss)/Profit after income tax		(59,543)	(133,096)	(33,767)	(28,554)
Non-cash flows in profit					
Dividends re-invested		(7,178)	(2,980)	(2,386)	(1,773)
Net gain on disposal of investments		(29,821)	(63,255)	(13,621)	(34,037)
AASB 139 impairment revaluation charge on investment portfolio – sold from the investment portfolio before 31 December 2009		-	18,470	-	-
Unrealised fair value (gain)/loss		-	(261)	-	-
Write-downs to recoverable amount		773	-	-	-
Share of associated companies net loss/(profit) after income tax and dividends		13,357	84,230	-	-
(Increase)/decrease in trade and other receivables		(2,256)	(3,278)	(3,265)	(3,739)
(Increase)/decrease in the trading portfolio		(102,607)	19,572	-	-
Increase/(decrease) in trade payables and accruals		26,826	(441)	(5,153)	(17,516)
Increase/(decrease) in foreign currencies		13,334	51,682	-	46,635
Increase/(decrease) in taxes payable		(15,311)	(13,486)	(15,905)	(13,644)
Cash flow from operations		(162,426)	(42,843)	(74,097)	(52,628)

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 22: ACQUISITION OF FIJISTOCK BROKERS LIMITED

On 4 January 2010 the parent entity acquired FijiStock Brokers Limited with South Pacific Investment Company Limited entitled to 80.17% of profits earned from 1 January 2010. Details of the acquisition are as follows:

Consideration	43,233
Current assets	31,178
Non-current assets	23,100
Total assets	54,278
Current liabilities	18,784
Non-current liabilities	-
Total liabilities	18,784
Net assets	35,494
Parent interest	28,455
Minority interest	7,039
Goodwill acquired on acquisition	14,778

Impact of acquisitions on the results of the Group

Included in the loss for the year is \$308 attributable to the additional business generated by FijiStock Brokers Limited. Revenue for the period includes \$23,446 in respect of FijiStock Brokers Limited.

NOTE 23: SEGMENT REPORTING

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

Description of segments

The board makes the strategic resource allocations for the Group. The Group has therefore determined the operating segments based on the reports reviewed by the Board, which are used to make strategic decisions. The Board is responsible for the Group's entire portfolio of investments and considers the business to have a single operating segment. The Board's asset allocation decisions are based on a single, integrated investment strategy, and the Group's performance is evaluated on an overall basis. The Group invests in equity securities and other instruments to provide shareholders with attractive investment returns through access to a steady stream of fully franked dividends and enhancement of capital invested.

2010	Investments \$	Financial Services \$	Total \$
Revenue	106,947	-	106,947
Results	(46,186)	(13,357)	(59,543)
Assets	1,476,317	1,048,945	2,525,262

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 23: SEGMENT REPORTING (continued)

2009	Investments	Financial Services	Total
	\$	\$	\$
Revenue	10,353	-	10,353
Results	(48,866)	(84,230)	(133,096)
Assets	1,538,172	1,062,302	2,600,474

NOTE 24: RELATED PARTY TRANSACTIONS

	Consolidated		Parent	
	2010 \$	2009 \$	2010 \$	2009 \$
Transactions between 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:				
Associated Company				
On 22 October 2008 Newcastle Capital Markets Registries Pty Limited applied for and was allotted 25,000 units in PEQ Opportunities Fund at \$1.00 per unit	-	25,000	-	-
On 22 October 2008 Cameron Investment Holdings Pty Limited applied for and was allotted 25,000 units in PEQ Opportunities Fund at \$1.00 per unit	-	25,000	-	-
Related party				
Accounting fees paid/payable to Rees Pritchard Pty Limited	45,930	38,404	19,174	14,099
Brokerage paid to Pritchard & Partners Pty Limited for stockbroking services	200	83	-	-
Brokerage paid to Cameron Stockbrokers Limited for stockbroking services	7,005	5,757	227	88
Share registry fees paid to Newcastle Capital Markets Registries Pty Limited	10,415	18,660	10,415	18,660

Loans and advances to subsidiaries

Balance at beginning of year	241,578	236,188
Advances	188,691	73,390
Repayments	(125,695)	(68,000)
Closing balance	304,574	241,578

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 24: RELATED PARTY TRANSACTIONS (continued)

Loans and advances from subsidiaries

Balance at beginning of year	(365)	(789)
Advances	(1,000)	-
Repayments	179	424
Closing balance	(1,186)	(365)

NOTE 24: SUBSEQUENT EVENTS TO REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

NOTE 25: CONTINGENCIES

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

NOTE 26: EFFECT OF CHANGES IN ACCOUNTING STANDARDS

The impact on comparative profit, other comprehensive income, the allocation of the Company's reserves and the classification of the Company's investments resulting from the adoption of AASB 9 is summarised below:-

	Consolidated	Parent
	2009	2009
	\$	\$
(i) Loss		
Net loss for the year (as reported last year)	(194,807)	(28,554)
Add: Impairment Charge*	61,711	-
Restated net loss	(133,096)	(28,554)
	Cents	
Earnings per share (as reported last year)	(12.65)	
Restated earnings per share	(8.64)	
* Relates to unsold securities (at the date of early adopting AASB 9) that were previously reported in the Income Statement as impaired under AASB 139.		
(ii) Other Comprehensive Income		\$
Net unrealised losses on investment portfolio (as reported last year)		727
Less: Impairment Charge		(61,711)
Net capital losses		63,255
Restated other comprehensive income/(expense)		2,271

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 26: EFFECT OF CHANGES IN ACCOUNTING STANDARDS (continued)

(iii) Shareholders' Equity

During the year ended 30 June 2009, under the old AASB 139, the Group was required to book an impairment charge. There are no provisions for impairment in the new standard, which is retrospectively applied to investments held at the date of adoption, 31 December 2009. The Group has not sold all of the investments against which an impairment charge was taken at 30 June 2009, and therefore retrospectively applying AASB 9 at 30 June 2009 results in the reversal of some of this impairment charge (as this will be taken as an unrealised loss through other comprehensive income instead of an impairment loss through profit as presented above).

This results in the following restatement of reserves on the 30 June 2009 consolidated Statement of Financial Position:

	As Previously Reported	Reverse Impairment Charge	Restated
	\$	\$	\$
Share Capital	932,960	-	932,960
Asset Revaluation Reserve	(44,565)	(61,711)	(106,276)
Capital Profits Reserve	75,512	-	75,512
Retained profits	1,039,427	61,711	1,101,138
Total equity	2,003,334	-	2,003,334

(iv) Classification of Investments

As described in Note 1, the adoption of AASB 9 has resulted in a change in the classification of the Group's investments, although this has not impacted the value of these investments.

	As Previously Reported	Restated
	\$	\$
AIFRS Classification		
Investment portfolio		
Available for sale assets*	1,062,302	10,452
Assets at fair value through other comprehensive income	-	1,051,850
Trading portfolio		
Assets held for trading – fair value through profit or loss	43,154	43,154
Total portfolio	1,105,456	1,105,456

*Investments held in the investment portfolio at 30 June 2009, which were sold prior to the adoption of AASB 9 on 31 December 2009, have not been reclassified as assets at fair value through other comprehensive income, as the transitional provisions of AASB only allow retrospective application of the new standard to investments held on the date of adoption of this standard.

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 27: SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AT 30 JUNE 2010

Listed below are those securities held in the investment portfolio that are revalued at fair value through other comprehensive income. They do not include securities held in the trading portfolio or, in the case of the comparatives securities sold prior to 31 December 2009.

Individual holdings in the portfolio may change during the course of the year.

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Australian Equities				
APA Group	-	8,250	-	-
Bell IXL Investments Limited	15,000	13,000	-	-
Belmont Holdings Limited	57,674	50,884	-	-
BHP Billiton Limited	9,412	-	-	-
Capilano Honey Limited	15,000	-	-	-
Capral Limited	1,290	3,629	-	-
Challenger Infrastructure Fund	6,900	7,500	-	-
Costa Exchange Limited	12,750	7,950	-	-
Elders Limited Perpetual Sub. Convertible Unsecured Hybrids	30,712	-	-	-
Embelton Limited	13,800	10,200	-	-
Emerging Leaders Investments Limited	1,460	-	-	-
Fleet Professional Investors Fund	50,000	-	50,000	-
Florin Mining Investment Company Limited	68,794	43,914	-	-
Florin Mining Investment Company Limited Options Exp 15-12-10	1,750	1,750	-	-
Geopacific Resources NL	10,000	-	-	-
Graincorp Limited	93,259	5,785	-	723
Guildford Coal Limited	2,000	-	-	-
Hamilton Securities Limited A Class Non Voting	4,500	-	-	-
Hamilton Securities Limited B Class Voting	16,000	-	-	-
Hamilton Securities Limited B Class Options Exp 30-11-19	-	-	-	-
Hastings Diversified Utilities Fund	19,050	6,256	-	-
Hastings High Yield Fund	16,100	15,680	-	-
Illuminator Investment Company Limited	163,040	221,051	113,372	151,402
Incitec Pivot Limited	13,650	-	-	-
IShares MSCI Bric Index Fund	24,155	10,327	-	-
Keybridge Capital Limited	-	308	-	-
Kingsgate Consolidated NL	9,470	-	-	-
Linden and Conway	10,419	10,419	-	-
London City Equities Limited	7,800	-	-	-
Macquarie Leisure Trust Group	-	3,961	-	495
Macquarie Radio Network Limited	7,500	3,000	-	-
Marbletrend Group Limited	6,720	5,152	-	-
Miclyn Express Offshore Limited	6,105	-	-	-
National Income Securities	18,800	18,125	-	-

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 27: SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AT 30 JUNE 2010 (continued)

NIB Holdings Limited	62,500	110,400	-	-
NSX Limited	1	21,631	-	-
Penrose Club Holdings Limited	104,445	104,445	-	-
Peoplebank Australia Limited	-	10,144	-	-
Peter Macgregor Investments Limited	2,630	-	-	-
PEQ Continuation Fund	10,000	10,000	-	-
Record Realty Limited	-	180	-	-
Rio Tinto Limited	6,933	5,429	-	-
Rio Tinto Limited Rights	-	1,139	-	-
Seven Net 6.5% Reset Pref	-	44,101	-	-
Sietel Limited	21,250	-	-	-
Sietel Limited 5.0% Cum. Preference	7,175	6,860	-	-
Stokes (Australasia) Limited	20,000	-	-	-
Trafalgar Corporate Group	5,950	2,170	-	-
Thakral Holdings Group	5,475	3,750	-	-
Willmott Forest Limited Reset Conv Pref –Pines	5,800	-	-	-
	965,269	767,390	163,372	152,620

International Equities

Amalgamated Telecom Holdings Limited	1,198	-	-	-
Blue Lagoon Cruises Limited	4,040	4,203	-	-
Communications Fiji Limited	-	4,761	-	-
Fosters Group Pacific Limited	13,302	9,907	-	-
Fiji Care Insurance Limited	1,204	-	-	-
South Pacific Stock Exchange Limited	24,955	17,541	-	-
Toyota Tsusho (South Sea) Limited	1,138	-	-	-
VB Holdings Limited	897	-	-	-
	46,734	36,412	-	-
Total Equities	1,012,003	803,802	163,372	152,620

NOTE 28: COMPANY DETAILS

The registered office and principal place of business of Pritchard Equity Limited is:

10 Murray Street

Hamilton

New South Wales 2303

PRITCHARD EQUITY LIMITED

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, set out on pages 10 to 44 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the company and consolidated entity;
2. the executive directors have each declared that:
 - a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view;
3. in the director's 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.

At the date of this declaration, there are reasonable grounds to believe that the companies which are party to this deed of cross guarantee will be able to meet any obligations or liabilities to which they are, or may become subject to, by virtue of the deed.

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



Steven Shane Pritchard

Director

28 September 2010



Enzo Pirillo

Director

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

We have audited the accompanying financial report of Pritchard Equity Limited, which comprises the statement of financial position as at 30 June 2010, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Auditor's opinion

In our opinion:

- (a) the financial report of Pritchard Equity Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion the remuneration report of Pritchard Equity Limited for the year ended 30 June 2010, complies with section 300A of the Corporations Act 2001.



FORSYTHES



M J Matthews
Partner
Chartered Accountants
Newcastle, 28 September 2010

PRITCHARD EQUITY LIMITED

STOCK EXCHANGE INFORMATION

Top 20 A Ordinary Shareholders as at 14 September 2010.

Shareholder	Shares	% of Issued
Pritchard & Company Pty Limited	185,169	23.38
Pritchards Continuation Proprietary Limited	168,000	21.21
Mrs Margaret Jane Pritchard	50,000	6.31
The Investment Company of Australia Proprietary Limited	43,000	5.43
Dr Gordon Bradley Elkington	29,360	3.71
Fuggle Nominees Pty Limited	25,000	3.16
Newcastle Capital Markets Registries Pty Limited	25,000	3.16
Mr John Weston Seaforth Mackenzie	23,330	2.95
Bell IXL Investments Limited	22,500	2.84
Illuminator Investment Company Limited	20,000	2.53
Wilcorp No. 41 Pty Limited	19,168	2.42
Abelia Grove Pty Limited	17,230	2.18
Longbow Croft Capital Pty Limited	14,500	1.83
Mrs Milly Elkington	13,200	1.67
Banivory Pty Limited	8,600	1.09
Mr Steven Shane Pritchard	7,918	1.00
Steven Pritchard Investments Pty Limited	7,000	0.88
Community and Regional Investment Company Pty Limited	5,000	0.60
Mr John Richard Gilbert and Mrs Janet Patricia Gilbert	5,000	0.60
Jarfem Pty Limited	5,000	0.60
	693,975	87.63

Number of A ordinary shares held

1 – 1,000
 1,001 – 5,000
 5,001 – 10,000
 10,001 – 50,000
 50,001 – 100,000
 100,001 and over

Number of Shareholders

31
 36
 3
 12
 0
 2

PRITCHARD EQUITY LIMITED

STOCK EXCHANGE INFORMATION

Top 20 B Ordinary Shareholders as at 14 September 2010.

Shareholder	Shares	% of Issued
Pritchard & Company Pty Limited	199,000	23.71
Pritchards Continuation Pty Limited	150,000	17.87
Pritchards Continuation Pty Limited	150,000	17.87
The Investment Company of Australia Proprietary Limited	35,000	4.17
Fuggle Nominees Pty Limited	25,000	2.98
Mrs Margaret Jane Pritchard	25,000	2.98
Mr John Weston Seaforth Mackenzie	23,330	2.78
Bell IXL Investments Limited	22,500	2.68
Wilcorp No 41 Pty Limited	19,168	2.28
Abelia Grove Pty Limited	17,230	2.05
Mr Steven Shane Pritchard	16,650	1.98
Dr Gordon Bradley Elkington	15,200	1.81
Longbow Croft Capital Pty Limited	13,500	1.61
Newcastle Capital Markets Registries Pty Limited	12,500	1.49
Illuminator Investment Company Limited	10,000	1.19
Banivory Pty Limited	8,600	1.02
Mr John Richard Gilbert and Mrs Jane Patricia Gilbert	5,000	0.60
Jarfem Pty Limited	5,000	0.60
Mr John Barry Roberts and Mrs Judith Elizabeth Roberst	5,000	0.60
Superannuation Nominees Pty Limited	5,000	0.60
	762,678	90.86

Number of B ordinary shares held

1 – 1,000
 1,001 – 5,000
 5,001 – 10,000
 10,001 – 50,000
 50,001 – 100,000
 100,001 and over

Number of Shareholders

35
 23
 2
 12
 0
 2

PRITCHARD EQUITY LIMITED

STOCK EXCHANGE INFORMATION

Top 20 Preferred Income Equity Security holders as at 14 September 2010.

Share holder	Shares	% of Issued
Pritchard & Company Pty Limited	470	17.41
Pritchard Continuation Pty Limited	468	17.34
Rocco Sciarrone	136	5.04
The Investment Company of Australia Proprietary Limited	78	2.89
Mrs Margaret Jane Pritchard	75	2.78
Richard Benjamin Cook & Kim Elizabeth Cook	68	2.52
Dean Frances Coupland & Keitha Kim Coupland	68	2.52
David Redfern Investments Pty Limited	68	2.52
Diane Gardner	68	2.52
Anthony Illingworth	68	2.52
LA Milt Pty Limited	68	2.52
Tammy Mitchum & Ray Mitchum	68	2.52
Margaret Diane Murphy	68	2.52
Dianne Muriel Stewart	68	2.52
Mark Jon Tovey	68	2.52
WBD Enterprises Pty Limited	68	2.52
Mrs Grace Wolstenholme	68	2.52
Mr Douglas Robert Graham Neild	52	1.93
Fuggle Nominees Pty Limited	50	1.85
Mr John Weston Seaforth Mackenzie	47	1.74
	2,192	81.22

Number of Preferred Income Equity Securities held

1 – 1,000
 1,001 – 5,000
 5,001 – 10,000
 10,001 – 50,000
 50,001 – 100,000
 100,001 and over

Number of Security holders

84
 -
 -
 -
 -
 -

PRITCHARD EQUITY LIMITED

STOCK EXCHANGE INFORMATION

Top 20 Series 2 Option holders as at 14 September 2010.

Option holder	Options	% of Issued
Pritchard & Company Pty Limited	58,500	17.22
Pritchards Continuation Proprietary Limited	38,615	11.37
Mrs Margaret Jane Pritchard	27,500	8.10
Mr Enzo Pirillo	25,000	7.36
Cameron Securities Pty Limited	17,500	5.15
Dr Gordon Bradley Elkington	12,500	3.68
RFC Investment Holdings Pty Limited	12,500	3.68
Mr John Weston Seaforth Mackenzie	11,665	3.43
Wilcorp No 41 Pty Limited	9,584	2.82
Abelia Grove Pty Limited	8,615	2.54
Mr Brett Andrew Hall	8,000	2.36
Dr Gordon Bradley Elkington	7,600	2.24
Mr Daniel Distefano	7,500	2.21
Mrs Anna Pirillo	7,500	2.21
Mr Barry James Preston	7,500	2.21
Newcastle Capital Markets Registries Pty Limited	6,250	1.84
Bell IXL Investments Limited	5,625	1.66
Banivory Pty Limited	4,800	1.41
Illuminator Investment Company Limited	3,125	0.92
Kate Crockett	2,500	0.74
	282,379	83.13

Number of Series 2 options held

1 – 1,000
 1,001 – 5,000
 5,001 – 10,000
 10,001 – 50,000
 50,001 – 100,000
 100,001 and over

Number of Option holders

39
 22
 9
 7
 1
 -

PRITCHARD EQUITY LIMITED

STOCK EXCHANGE INFORMATION

Top 20 Series 3 Option holders as at 14 September 2010.

Option holder	Options	% of Issued
Pritchard & Company Pty Limited	58,500	17.22
Pritchards Continuation Proprietary Limited	38,615	11.37
Mrs Margaret Jane Pritchard	27,500	8.10
Mr Enzo Pirillo	25,000	7.36
Cameron Securities Pty Limited	17,500	5.15
Dr Gordon Bradley Elkington	12,500	3.68
RFC Investment Holdings Pty Limited	12,500	3.68
Mr John Weston Seaforth Mackenzie	11,665	3.43
Wilcorp No 41 Pty Limited	9,584	2.82
Abelia Grove Pty Limited	8,615	2.54
Mr Brett Andrew Hall	8,000	2.36
Dr Gordon Bradley Elkington	7,600	2.24
Mr Daniel DiStefano	7,500	2.21
Mrs Anna Pirillo	7,500	2.21
Mr Barry James Preston	7,500	2.21
Newcastle Capital Markets Registries Pty Limited	6,250	1.84
Bell IXL Investments Limited	5,625	1.66
Banivory Pty Limited	4,800	1.41
Illuminator Investment Company Limited	3,125	0.92
Kate Crockett	2,500	0.74
	282,379	83.13

Number of Series 2 options held

1 – 1,000
 1,001 – 5,000
 5,001 – 10,000
 10,001 – 50,000
 50,001 – 100,000
 100,001 and over

Number of Option holders

39
 22
 9
 7
 1
 -

Substantial Shareholders

As at 14 September 2010 the names and holdings of substantial shareholders as disclosed in notices received by the Company are as follows:

Substantial Shareholder	B Ordinary shares	% of total
Steven Shane Pritchard	541,000	64.45

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

Accountants

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

Auditors

Forsythes
175 Scott Street
Newcastle NSW 2300
Telephone (02) 4926 2699
Facsimile (02) 4929 1435

Solicitors

Baker & McKenzie
Level 27, AMP Centre
50 Bridge Street
Sydney NSW 1223
Telephone (02) 9225 0200
Facsimile (02) 9225 1595

Share Registry

Newcastle Capital Markets Registries Pty Limited
10 Murray Street
Hamilton NSW 2303
Telephone (02) 4920 2877
Facsimile (02) 4920 2878

Stockbroker and Nominated Advisers

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

Stockbroker

Cameron Stockbrokers Limited
Level 5
10 Spring Street
Sydney NSW 2000
Telephone (02) 8225 5100
Facsimile (02) 9232 7272