

FORM: ~~Half-yearly~~/preliminary final report

Name of issuer

PRITCHARD EQUITY LIMITED

ACN or ARBN

100 517 404

Half yearly
(tick)

Preliminary
final (tick)

√

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

30 June 2020

For announcement to the market

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

				\$A
Revenue (item 1.1)	Up	28%	to	\$956,286
Profit (loss) for the period (item 1.9)	Up	47%	to	\$457,526
Profit (loss) for the period attributable to members of the parent (item 1.11)	Up	47%	to	\$449,895
Dividends				
Franking rate applicable:				
Final dividend (preliminary final report only)(item 10.13-10.14)				
Amount per security				
Franked amount per security				
Interim dividend (Half yearly report only) (item 10.11 – 10.12)				
Amount per security				
Franked amount per security				
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

Annual meeting*(Preliminary final statement only)*

The annual meeting will be held as follows:

Place

TBA

Date

TBA

Time

TBA

Approximate date the annual report will be available

Compliance statement

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

Identify other standards used

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:

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

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

6. The issuer has a formally constituted audit committee.

Sign here: 
(Director/Company secretary)

Date: 11 Sept 2020

Print name: Steve R L

PRITCHARD EQUITY LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	Consolidated Year to 30 June 2020			Consolidated Year to 30 June 2019		
		Revenue	Capital	Total	Revenue	Capital	Total
		\$	\$	\$	\$	\$	\$
Income from investment portfolio	3a	48,769	-	48,769	55,863	-	55,863
Income from trading portfolio	3b	425	-	425	2,726	-	2,726
Income from deposits	3c	14,694	-	14,694	21,687	-	21,687
Income from the provision of services	3d	299,483	-	299,483	187,990	-	187,990
Income from structured finance products	3e	539,493	-	539,493	465,258	-	465,258
Share of net profit of associated company		53,422	-	53,422	8,444	-	8,444
Total income from ordinary activities		956,286	-	956,286	741,968	-	741,968
Auditors remuneration		42,549	-	41,751	41,751	-	41,751
ASIC fees		24,687	-	24,687	30,599	-	30,599
Bank charges		2,590	-	2,590	1,830	-	1,830
Depreciation expense		1,356	-	1,356	1,031	-	1,031
Employee expenses		70,840	-	70,840	68,003	-	68,003
Finance costs		1,548	-	1,548	2,116	-	2,116
Listing fees		14,876	-	14,876	11,438	-	11,438
Net realised foreign exchange loss/ (gain)		(10,898)	-	-	-	-	-
Share registry fees		8,646	-	8,646	8,430	-	8,430
Administration expenses		190,404	-	190,404	146,857	-	146,857
		346,598	-	346,598	312,055	-	312,055
Operating profit before income tax		609,688	-	609,688	429,913	-	429,913
Income tax expense	4a	(152,162)	-	(152,162)	(119,598)	-	(119,598)
Operating profit after income tax		457,526	-	457,526	310,315	-	310,315
(Profit) attributable to non-controlling interest		(7,631)	-	(7,631)	(4,621)	-	(4,621)
Operating profit attributable to members of the company		449,895	-	449,895	305,694	-	305,694
Other comprehensive income							
Items that will not be reclassified subsequently to profit or loss							
Net revaluation of non-current assets		-	(6,804)	(6,804)	-	56,939	56,939
Net realised gains on sale of long-term investments		-	20,014	20,014	-	(5,454)	(5,454)
Foreign currency translation		-	(3,250)	(3,250)	-	12,217	12,217
Total other comprehensive income for the year		-	9,960	9,960	-	63,702	63,702
Total comprehensive income for the year		449,895	9,960	459,855	305,694	63,702	369,396

Overall Operations

Basic earnings per share (cents per share)	7	21.88	15.55
Diluted earnings per share (cents per share)	7	21.88	15.55

The accompanying notes form part of these financial statements.

PRITCHARD EQUITY LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	Consolidated	
		2020	2019
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	7,031,266	1,718,201
Trade and other receivables	9	2,394,867	2,970,299
Trading portfolio	10	21,558	46,426
Income tax receivable		307	285
Financial assets	11	269,875,645	226,275,183
TOTAL CURRENT ASSETS		279,323,643	231,010,394
NON-CURRENT ASSETS			
Investment portfolio	12	1,262,098	1,017,779
Investment in associate accounted for using the equity method	13(a)	554,526	501,104
Trade and other receivables	9	642,570	415,126
Financial assets	11	23,852,898	53,442,898
Plant and equipment	14	3,307	3,041
Deferred tax assets	15	238,721	266,116
TOTAL NON-CURRENT ASSETS		26,554,120	55,646,064
TOTAL ASSETS		305,877,763	286,656,458
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	3,368,705	3,745,657
Borrowings	17	274,825,645	226,389,944
TOTAL CURRENT LIABILITIES		278,194,350	230,135,601
NON-CURRENT LIABILITIES			
Trade and other payables	16	737,795	463,124
Borrowings	17	23,852,898	53,442,898
Deferred tax liabilities	15	2	82
TOTAL NON-CURRENT LIABILITIES		24,590,695	53,906,104
TOTAL LIABILITIES		302,785,045	284,041,705
NET ASSETS		3,092,718	2,614,753
EQUITY			
Issued capital	18	1,265,466	1,254,966
Reserves	19	185,193	195,247
Retained earnings		1,623,364	1,153,454
Equity attributable to equity holders of the parent		3,074,023	2,603,667
Minority equity interest		18,695	11,086
TOTAL EQUITY		3,092,718	2,614,753

The accompanying notes form part of these financial statements.

PRITCHARD EQUITY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Issued Capital	Foreign Currency Reserve	Asset Revaluation Reserve	Capital Profits Reserve	Retained Earnings	Total
	\$	\$	\$	\$	\$	\$
Consolidated						
Balance at 1 July 2018 as reported	1,227,197	44,396	11,982	55,473	867,454	2,206,502
Shares issued during the year	27,769	-	-	-	-	27,769
Profit for the year	-	-	-	-	305,694	27,769
Other comprehensive income						
Revaluation of non current assets (net of tax)	-	-	56,939	-	-	79,772
Net capital losses for the year	-	-	-	-	(5,454)	(5,454)
Foreign currency exchange reserve	-	12,217	-	-	-	12,217
Total other comprehensive income	-	12,217	56,939	-	12,031	63,702
Total comprehensive income for the year	-	12,217	56,939	-	248,779	369,396
Balance at 30 June 2019	1,254,966	56,613	68,921	69,713	1,153,454	2,603,667
Balance at 1 July 2019 as reported	1,254,966	56,613	68,921	69,713	1,153,454	2,603,667
Shares issued during the year	10,500	-	-	-	-	10,500
Profit for the year	-	-	-	-	449,896	449,896
Other comprehensive income						
Revaluation of non current assets (net of tax)	-	-	(6,804)	-	-	(6,804)
Net capital gains for the year	-	-	-	-	20,014	20,014
Foreign currency exchange reserve	-	(3,250)	-	-	-	(3,250)
Total other comprehensive income	-	(3,250)	(6,804)	-	20,014	9,960
Total comprehensive income for the year	-	(3,250)	(6,804)	-	469,910	459,856
Balance at 30 June 2020	1,265,466	53,363	62,117	69,713	1,623,364	3,074,023

The accompanying notes form part of these financial statements.

PRITCHARD EQUITY LIMITED

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	Consolidated	
		2020	2019
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		23,682	301,763
Sales from trading portfolio		27,235	6,936
Purchases for trading portfolio		(1,980)	(9,246)
Brokerage received		190,272	127,275
Interest received		7,409,530	5,442,123
Dividends received		7,528	20,457
Distributions received		29,485	9,820
Other fees received		16,500	66,137
Withholding tax received		90,450	19,125
Other receipts		81,908	4,812
		<hr/>	<hr/>
		7,874,610	5,989,202
Administration expenses		(343,730)	(310,747)
Bank charges		(2,590)	(1,831)
Finance costs		(7,001,065)	(5,133,977)
Withholding tax paid		(187,206)	(155,384)
Income tax paid		(163,697)	(30,630)
		<hr/>	<hr/>
Net cash provided by operating activities	21a	176,322	356,633
CASH FLOWS FROM INVESTING ACTIVITIES			
Sales from investment portfolio		98,458	169,260
Purchases for investment portfolio		(312,683)	(41,125)
Purchases of other assets		(1,616)	(1,631)
Loans and advances		(65,618,200)	(43,322,803)
Repayment of loans and advances		43,666,639	53,033,561
		<hr/>	<hr/>
Net cash (used in)/ provided by investing activities		(22,167,402)	9,837,262
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		66,128,160	43,348,958
Repayment of borrowings		(38,831,681)	(53,057,522)
		<hr/>	<hr/>
Net cash provided by/ (used in) financing activities		27,296,479	(9,708,564)
		<hr/>	<hr/>
Net increase in cash held		5,305,399	485,331
Cash at beginning of financial year		1,718,201	1,228,296
Effects of exchange rate changes on the balance of cash held in foreign currencies		7,666	4,574
		<hr/>	<hr/>
Cash at end of financial year	8	7,031,266	1,718,201

The accompanying notes form part of these financial statements.

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

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 not applied any Australian Accounting Standards or AASB interpretations that have been issued at balance date but are not yet operative for the year ended 30 June 2020 ("the inoperative standards"). The impact of the inoperative standards has been assessed and the impact has been identified as not being material. The Group only intends to adopt inoperative standards at the date at which their adoption becomes mandatory.

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

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.

The financial statements were authorised for issue by the directors on 11 September 2020.

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 30 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 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. 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.

d. 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.

e. Income from deposits

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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. Trade and other receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'trade and other receivables'.

Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

h. 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%.

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. Holdings of Securities

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.

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) 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 Retained Earnings through Other Comprehensive Income.

(ii) 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.

(iii) 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.

k. Borrowings

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

l. 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.

m. 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 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

o. 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 liabilities 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.

The Group has recognised deferred tax assets in relation to carried forward revenue and capital losses and deductible temporary differences as disclosed in Note 15. The Group recognises these assets only if the Group considers it is probable that future taxable amounts will be available to utilise these temporary differences and losses. The Group intends to not dispose of portfolio assets until there are gains on the investments which the Directors believe will be sufficient to recoup the deferred tax assets.

p. 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 2020

NOTE 2: CONTROLLED ENTITIES

a. Composition of Consolidated Group

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

	Country of incorporation	Percentage owned (%)*	
Parent		2020	2019
Pritchard Equity Limited	Australia	100	100
Henley Underwriting & Investment Company Pty Limited	Australia	100	100
The NSX Investment Trust	Australia	100	100
PEQ Investment Holdings Pty Limited	Australia	100	100
First Newcastle Pty Limited	Australia	100	100
The Newcastle Exchange Pty Limited	Australia	100	100
The South Pacific Investment Company Limited	Australia	100	100
Fiji Stock Brokers Limited	Fiji	80	80
Structured Finance Securities Pty Limited	Australia	100	100

* Percentage of voting power is in proportion to ownership

b. Acquisition of Controlled Entities

On 18 April 2019 Pritchard Equity Limited incorporated Structured Finance Securities Pty Limited as a 100% owned subsidiary. At the date of incorporation Structured Finance Securities Pty Limited had no assets or liabilities.

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

NOTE 3: REVENUE

	Consolidated	
	2020	2019
	\$	\$
a. Income from investment portfolio		
— dividends received	13,979	26,525
— trust distributions received	34,790	29,338
Total Income from investment portfolio	48,769	55,863
b. Income from trading portfolio		
— sales revenue	27,273	6,960
— cost of sales	(26,848)	(4,234)
— net profit/ (loss) from trading portfolio	425	2,726
Total Income from trading portfolio	425	2,726
c. Income from deposits		
— interest received	14,694	21,848
Total Income from deposits	14,694	21,848
d. Income from the provision of services		
— brokerage received	195,028	122,425
— other income received	104,455	65,565
Total Income from the provision of services	299,483	187,990
e. Income from structured finance products		
— fees received	15,000	66,106
— interest received	9,950,334	12,163,116
— interest paid	(6,450,560)	(7,725,772)
— acquisition fees	(2,975,281)	(4,038,192)
Total Income from structured finance products	539,493	465,258

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

NOTE 4: INCOME TAX EXPENSE

	Note	Consolidated	
		2020	2019
		\$	\$
a. The components of tax expense comprise:			
Prior year adjustment		3,282	(936)
Current tax payable		(132,769)	(117,118)
Deferred tax liability	15	(2)	(1,580)
Deferred tax asset	15	(22,673)	36
		<u>(152,162)</u>	<u>(119,598)</u>
b. The prima facie tax on profit from ordinary activities before income expense is reconciled to the income tax as follows:			
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2019: 30%)			
— Consolidated		182,906	128,974
Less:			
Tax effect of:			
— tax offset for franked dividends		2,496	5,811
— under provision for tax previous year		3,652	(3,090)
— share of net profit of associated company netted directly		16,027	2,533
— Difference in tax/accounting distribution		-	(56)
— Difference in tax rate		3,386	(4,151)
— Realised losses on investment portfolio		-	1,636
— tax losses not brought to account		5,925	55
— other permanent differences		(742)	6,638
Income tax expense attributable to entity		<u>152,162</u>	<u>119,598</u>
Amounts recognised directly through other comprehensive income			
c. (Decrease)/ increase in deferred tax assets relating to capital gains tax on the movement in unrealised gains/ losses in the investment portfolio		(5,466)	13,046

NOTE 5: AUDITORS' REMUNERATION

Remuneration of the auditor of the company for

— auditing the financial report	42,549	41,751
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PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

NOTE 6: DIVIDENDS

	Consolidated	
	2020	2019
	\$	\$
a. Dividend Paid		
No dividends paid (2019: no dividends paid)	-	-
b. Dividends declared		
No dividends declared (2019: no dividends declared).	-	-
c. Franking account	578,741	574,860
Impact on franking account balance of dividends not recognised	-	-

NOTE 7: EARNINGS PER SHARE

	Consolidated	
	2020	2019
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	2,056,215	1,966,010
Weighted average number of options outstanding	-	-
Weighted average number of ordinary shares outstanding during the year used in the calculation of dilutive earnings per share	2,056,215	1,966,010
a. Basic and diluted earnings per share	\$	\$
Profit attributable to members of the Group	449,895	305,694
	Cents	Cents
Basic earnings per share	21.88	15.55
Diluted earnings per share	21.88	15.55

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

NOTE 8: CASH AND CASH EQUIVALENTS

	Consolidated	
	2020	2019
	\$	\$
Cash at bank	6,740,546	1,237,771
Deposits at call	266,272	214,677
Term deposit	24,448	265,753
	7,031,266	1,718,201

The effective interest rate on deposits at call was 1.25% (2019: 1.25%).

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 statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	7,031,266	1,718,201
	7,031,266	1,718,201

NOTE 9: TRADE AND OTHER RECEIVABLES

CURRENT

Dividends and trust distributions receivable	8,659	36,288
Goods and services tax refund	78,371	32,315
Other debtors	69,865	97,497
Accrued income	1,284,738	810,664
Loan acquisition fees prepaid	953,234	1,993,535
	2,394,867	2,970,299

NON CURRENT

Loan acquisition fees prepaid	642,570	415,126
	642,570	415,126

Receivables are non-interest bearing and unsecured.

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

NOTE 10: TRADING PORTFOLIO

CURRENT

Listed investments, at market value

- Shares	21,558	46,426
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PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

NOTE 11: FINANCIAL ASSETS

	Consolidated	
	2020	2019
	\$	\$
CURRENT		
- Unsecured notes	99,937,644	69,027,182
- Loans and advances	169,938,001	157,248,001
	<u>269,875,645</u>	<u>226,275,183</u>

- a The interest payable on the unsecured notes is fixed for the term of the notes. These notes have been pledged as security to the holders of the limited recourse secured notes. Refer Note 17b.

NON CURRENT

Secured

- Loans and advances	23,852,898	53,442,898
	<u>23,852,898</u>	<u>53,442,898</u>

- b. The interest payable on the loans and advances is fixed for the term of the loans and advances. The loans and advances are secured over by the holders' interests in various managed investments schemes. These loans and advances have been pledged as security to the holders of the limited recourse secured notes. Refer Note 17c.

NOTE 12: INVESTMENT PORTFOLIO

NON-CURRENT

Listed Investments, at fair value

- Shares and trust units	980,399	737,203
	<u>980,399</u>	<u>737,203</u>

Unlisted Investments, at fair value

- Shares and trust units	281,699	280,576
	<u>1,262,098</u>	<u>1,017,779</u>

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

NOTE 13: INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

Interest held in the following associated company:

Name	Principal activities	Country of incorporation	Class of shares	Ownership interest		Carrying amount of interest	
				2020 %	2019 %	2020 \$	2019 \$
Unlisted:							
Hamilton Capital Pty Limited	Investing	Australia	Ordinary	45.10	45.10	554,526	501,104
						554,526	501,104

	Note	Consolidated	
		2020 \$	2019 \$
a. Movements during the year in equity accounted investment in associated company			
Balance at beginning of the financial year		501,104	473,892
Add: New investments during the year		-	18,768
Share of associated company's profit/ (loss) after income tax	13b	53,422	8,444
Balance at end of the financial year		554,526	501,104
b. Equity accounted profit of associates are broken down as follows:			
Share of associate's profit before income tax (expense)/ benefit		54,333	8,125
Share of associate's income tax (expense)/ benefit		(911)	319
Share of associate's profit/ (loss) after income tax		53,422	8,444
c. Summarised presentation of aggregate assets, liabilities and performance of associate			
Current assets		886,249	1,016,473
Non-current assets		1,221,952	1,104,319
Total assets		2,108,201	2,120,792
Current liabilities		287,988	601,044
Non-current liabilities		273,742	84,811
Total liabilities		561,730	685,855
Net assets		1,546,471	1,434,937
Revenues		387,662	269,444
Profit after income tax of associate		118,432	18,722

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

NOTE 14: PLANT AND EQUIPMENT

	Consolidated	
	2020	2019
	\$	\$
Plant and equipment		
At cost	34,906	33,292
Accumulated depreciation	(31,599)	(30,251)
	3,307	3,041
Reconciliation		
Plant and equipment		
Carrying amount at the beginning of the year	3,041	2,440
Additions	1,622	1,632
Depreciation	(1,356)	(1,031)
Foreign exchange difference	-	-
Carrying amount at the end of the year	3,307	3,041

NOTE 15: TAX

a. Liabilities

NON-CURRENT

Deferred tax liability comprises:

Other temporary differences	286	82
Total	286	82

b. Assets

Deferred tax assets comprise:

Deferred tax assets attributable to realised capital losses	176,227	175,758
Deferred tax assets attributable to tax losses	34,209	55,250
Revaluation adjustments taken directly to other comprehensive income	23,651	29,117
Other temporary differences	4,634	5,991
238,721	266,116	

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

NOTE 15 TAX (CONTINUED)

	Consolidated	
	2020	2019
	\$	\$
c. Reconciliations		
i. Deferred Tax Liability		
The movement in deferred tax liability for each temporary difference during the year is as follows:		
Other temporary differences		
Opening balance	82	36
Credited to the income statement	(80)	46
Closing balance	2	82
ii. Deferred Tax Assets		
The movement in deferred tax assets for each temporary difference during the year is as follows:		
Deferred tax assets attributable to realised capital losses		
Opening balance	175,758	178,550
Credited to the income statement	469	(2,792)
Closing balance	176,227	175,758
Deferred tax assets attributable to tax losses		
Opening balance	55,250	53,695
Credited to the income statement	(21,041)	1,555
Closing balance	34,209	55,250
Unrealised loss on investments		
Opening balance	29,117	42,163
Credited to the reserve	(5,466)	(13,046)
Closing balance	23,651	29,117
Other temporary differences		
Opening balance	5,991	7,255
Credited to the income statement	(1,357)	(1,264)
Closing balance	4,634	5,991
	238,721	266,116

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

NOTE 16: TRADE AND OTHER PAYABLES

	Note	Consolidated	
		2020	2019
		\$	\$
CURRENT			
Trade payables		917,116	437,102
Accrued charges		1,180,460	838,263
Prepaid interest		1,092,392	2,170,253
Income tax payable		73,572	103,084
Withholding tax		105,165	196,955
		<u>3,368,705</u>	<u>3,745,657</u>
NON CURRENT			
Prepaid interest		737,511	463,124
Withholding tax		284	-
		<u>737,795</u>	<u>463,124</u>

NOTE 17: BORROWINGS

CURRENT

Unsecured

- Loans payable to:			
- other corporations		-	74,774
		<u>-</u>	<u>74,774</u>

Secured

- Short-term borrowings	17a	-	39,987
- Limited Recourse Secured Notes	17b	99,937,644	69,027,182
- Limited Recourse Secured Notes	17c	174,888,001	157,248,001
		<u>274,825,645</u>	<u>226,315,170</u>
		<u>274,825,645</u>	<u>226,389,944</u>

- 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:

<u>108,417</u>	<u>36,767</u>
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- b. The limited recourse secured notes are secured over unsecured notes. The liability to pay interest and the repayment of the principal on these notes is limited to the receipt of interest and principal, if any, from the issuer of the unsecured notes. Refer Note 11a.

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

NOTE 17: BORROWINGS (Continued)

	Note	Consolidated	
		2020	2019
		\$	\$
NON CURRENT			
Secured			
- Limited Recourse Secured Notes	17c	<u>23,852,898</u>	<u>53,442,898</u>

- c. The limited recourse secured notes are secured over loans and advances to third parties. The liability to pay interest and the repayment of the principal on these notes is limited to the receipt of interest and principal, if any, from the borrowers. Refer Note 11b.

NOTE 18: ISSUED CAPITAL

1,079,654 (2019: 1,079,654) A ordinary shares fully paid	18a	806,869	806,869
990,659 (2019: 960,659) B ordinary shares fully paid	18b	458,597	448,097
		<u>1,265,466</u>	<u>1,254,966</u>

a. A ordinary shares

At the beginning of reporting period	806,869	797,485
Shares issued during the year	-	9,384
At reporting date	<u>806,869</u>	<u>806,869</u>

b. B ordinary shares

At the beginning of reporting period	448,097	429,712
Shares issued during the year	10,500	18,385
At reporting date	<u>458,597</u>	<u>448,097</u>

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.

NOTE 19: RESERVES

Asset revaluation reserve	19a	62,117	68,921
Capital profits	19b	69,713	69,712
Foreign exchange reserve	19c	53,363	56,614
		<u>185,193</u>	<u>195,247</u>

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

NOTE 19: RESERVES (CONTINUED)

	Consolidated	
	2020	2019
	\$	\$
a. Asset revaluation reserve		
Movements during the year		
Opening balance	68,921	11,982
Revaluation of non current assets	(1,338)	69,986
Provision for tax on unrealised (gains)/ losses	(5,466)	(13,045)
Closing balance	<u>62,117</u>	<u>68,921</u>
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	69,713	55,473
Transfer from retained profits	-	14,240
Closing balance	<u>69,713</u>	<u>69,713</u>
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.		
c. Foreign exchange reserve		
Movements during the year		
Opening balance	56,613	44,396
Transfer to retained profits	(3,250)	12,217
Closing balance	<u>53,363</u>	<u>56,613</u>

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.

The Group manages credit risk by regularly monitoring loans and receivable balances. At 30 June 2020, the Group had credit exposure with loans totalling \$293,728,543. The loans and advances are secured over by the holders interests in various managed investments schemes. These loans and advances have been pledged as security to the holders of the limited recourse secured notes.

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

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 timing of the repayments of principal and interest on the limited recourse notes is equivalent to the timing of the repayment of the principal and interest on the loans and advances and the unsecured notes.

The Group's other 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 are 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.

The Group is 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.

Loans and advances/ unsecured notes are not subject to market risk. The Group's Investment & Trading Portfolios are subject to market risk. 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 \$64,183 or \$128,366 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.

	2020	2019
The Group's investment & trading portfolio by sector is as follows:	%	%
Materials	3.08	4.04
Banks	1.54	0.19
Capital goods	9.76	6.17
Commercial	0.94	1.12
Consumer Services	0.02	0.04
Energy	0.93	0.30
Healthcare Equipment & Services	0.19	0.29
Media	0.40	0.45
Food and beverage	3.57	2.75
Food & Staples Retailing	0.06	0.07
Diversified financials	62.32	57.40
Pharmaceuticals, Biotech & Life Sciences	0.18	0.20
Real estate	16.46	21.68
Retailing	0.32	1.15
Telecommunication Services	-	1.54
Transportation	0.06	1.54
Software, hardware & services	0.12	2.54
	100.00	100.00

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

Securities representing over 5 per cent of the combined investment and trading portfolio at 30 June 2020 were:

	Portfolio %
Hamilton Sirius Fund	19.87
Newcastle Securities and General Trust	16.63
VB Holdings Limited	14.77
Illuminator Investment Company Limited	14.71
Florin Mining Investment Company Limited	7.75
Reece Limited	5.49

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 6.17% (2019: 7.29%)
- (b) long term borrowings was 6.17% (2019: 7.29%).

As at the 30 June 2020 the Group's interest bearing short term borrowings excluding the limited recourse secured notes was nil.

The interest rates on the limited recourse secured notes are fixed for the term of the notes.

The interest rates on the unsecured notes and loans and advances are fixed for the term of the notes and loans and advances.

Accordingly, the Group is not exposed to any interest rate risk in relation to the above.

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 consolidated entity measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Trading portfolio; and
- Investment portfolio.

The Company does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

- (i) Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1);

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

- (ii) Measurements based on 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
- (iii) Measurements based on inputs for the asset or liabilities that are not based on observable market data (unobservable inputs) (level 3).

The following table provides the fair values of the Company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
30 June 2020	\$	\$	\$	\$
Financial assets at fair value through other comprehensive income				
Investment portfolio	980,399	281,699	-	1,262,098
Financial assets at fair value through profit or loss				
Trading portfolio	21,558	-	-	21,558
Other financial assets at fair value	-	-	293,728,543	293,728,543
Total	1,001,957	281,699	293,728,543	295,012,199

	Level 1	Level 2	Level 3	Total
30 June 2019	\$	\$	\$	\$
Financial assets at fair value through other comprehensive income				
Investment portfolio	737,203	280,576	-	1,017,779
Financial assets at fair value through profit or loss				
Trading portfolio	46,426	-	-	46,426
Other financial assets at fair value	-	-	279,718,081	279,718,081
Total	783,629	280,576	279,718,081	280,782,286

Further information on the determination of the fair value is set out below:

(i) Trading portfolio – Level 1

The Company's trading portfolio consists of securities listed on the Australia Stock Exchange and National Stock Exchange. The valuation of listed investments has been obtained on the basis of quoted prices (unadjusted) in an active market for an identical security at 30 June 2020.

(ii) Investment Portfolio – Level 1

The Company's Level 1 investments consist of securities listed on the Australian Stock Exchange, National Stock Exchange and other public stock exchanges. The valuation of listed investments has been obtained on the basis of quoted prices (unadjusted) in an active market for an identical security at 30 June 2020.

(iii) Investment Portfolio – Level 2

The Company's Level 2 Investment portfolio investments consist of unlisted securities and trusts. For trusts & unlisted securities, the valuations of these investments have been determined on the basis of the Company's share of the investment's net assets as at 30 June 2020

(iv) Unsecured notes and loans and advances – Level 3

The Company's Level 3 financial assets consist of unsecured notes and loans and advances. The financial asset and liabilities are carried at amortised cost.

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

Reconciliation of Level 3 fair value measurements:

	Consolidated	
	2020	2019
	\$	\$
Opening balance	279,718,081	294,378,837
Issues	66,127,102	43,322,805
Redemptions	(52,116,640)	(57,983,561)
Closing balance	<u>293,728,543</u>	<u>279,718,081</u>

NOTE 21: CASH FLOW INFORMATION

a. Reconciliation of cash flow from operations with profit after income tax

Profit after income tax	457,526	310,315
Non-cash flows in profit		
Dividends re-invested	(8,220)	(9,593)
Write-downs to recoverable amount	(9,550)	1,031
Share of associated companies net (profit)/ loss after income tax and dividends	(53,422)	(8,444)
Decrease/ (increase) in trade and other receivables	350,001	3,276,653
Directors fees – shares issued	10,500	9,000
Increase in the trading portfolio	24,868	(4,975)
(Decrease)/ increase in trade payables and accruals	(583,848)	(3,306,398)
Increase in income taxes payable	(29,593)	86,196
Increase in deferred taxes	18,060	2,848
Cash flow from operations	<u>176,322</u>	<u>356,633</u>

NOTE 22: SEGMENT REPORTING

Pritchard Equity Limited, its controlled and associated entities carry on the business of an investment company and financial services company, within Australia and Fiji.

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.

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

NOTE 22: SEGMENT REPORTING (CONTINUED)

2020	Investments	Financial Services	Structured Finance Products	Total
	\$	\$	\$	\$
Revenue	63,888	299,483	539,493	902,864
Results	(228,069)	92,680	539,493	404,104
Assets	9,363,218	-	296,514,545	305,877,763

2019	Investments	Financial Services	Structured Finance Products	Total
	\$	\$	\$	\$
Revenue	80,276	187,990	465,258	733,524
Results	(178,247)	18,683	465,258	305,694
Assets	3,989,988	-	282,937,406	286,927,394

NOTE 23: KEY MANAGEMENT PERSONNEL

The key management personnel of the company and their remuneration is reflected in the Remuneration Report on page 7 of the annual report.

NOTE 24: RELATED PARTY TRANSACTIONS

Consolidated
2020 **2019**
\$ **\$**

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:

Related party

Interest receivable from RAM Investment Partners No.1 Pty Limited	493,805	104,137
Purchase/ (redemption) of unsecured note from RAM Investment Partners No.1 PtyLtd	31,860,865	(15,769,849)
Interest receivable from RAM Investment Partners No.2 Pty Limited	696,393	702,808
Purchase/ (redemption) of unsecured note from RAM Investment Partners No.2 PtyLtd	(950,401)	4,081,092
Accounting fees paid/payable to Rees Pritchard Pty Limited	66,204	51,868
Share registry fees paid to Newcastle Capital Markets Registries Pty Limited	8,646	8,430
Distribution receivable from Tyrex Solutions Pty Limited	32,628	34,673
Units held in Tyrex Solutions Unit Trust	50,000	50,000
Trustee fees payable to Hamilton Asset Management Limited	-	4,583
Loan payable to Hamilton Capital Proprietary Limited	-	74,774
Loan payable to Steven Shane Pritchard	15,496	14,466

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

NOTE 24: RELATED PARTY TRANSACTIONS (CONTINUED)

	Parent	
	2020	2019
	\$	\$
Loans and advances to subsidiaries		
Balance at beginning of year	1,148,002	290,508
Advances	38,417	973,538
Repayments	-	(116,044)
Impairment adjustment	-	-
Closing balance	<u>1,186,419</u>	<u>1,148,002</u>
Loans and advances from subsidiaries		
Balance at beginning of year	159	-
Advances	1	1,000
Repayments	-	841
Closing balance	<u>160</u>	<u>159</u>

NOTE 25: SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AT 30 JUNE 2020

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

	Consolidated	
	2020	2019
	\$	\$
Australian Equities		
Accent Group Limited	-	282
Alexium International Group Limited	5,400	7,750
APA Group Limited	534	-
Australia and New Zealand Banking Group Limited	9,320	-
Beacon Lighting Group Limited	371	366
Bega Cheese Limited	9,434	9,956
Bendigo and Adelaide Bank Limited	491	1,308
Betashares Geared Australian Equity Fund	-	13,355
BHP Billiton Limited	860	1,152
Bounty Oil & Gas NL	10,800	1,800
Capral Limited	968	806
Challenger Limited	-	6,640
Cochlear Limited	1,511	2,068
Costa Group Holdings Limited	458	444
CSL Limited	2,296	2,150
Danger Close Rights Holdings Pty Ltd	20,000	20,000
Dawney & Co Ltd	2,500	3,625

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

NOTE 25: SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AT 30 JUNE 2020 (CONTINUED)

	Consolidated	
	2020	2019
	\$	\$
Australian Equities		
Domain Holdings Australia Limited	690	515
East 72 Holdings Limited	9	8
Elanor Investors Group	279	456
Event Hospitality and Entertainment Limited	278	412
Florin Mining Investment Company Limited	98,896	86,942
Graincorp Limited	470	908
Hamilton Sirius Fund	253,450	-
Huon Aquaculture Group Limited	327	504
Illuminator Investment Company Limited	187,657	168,395
Iluka Resources Limited	965	1,217
Imperial Pacific Limited (previously Belmont Holdings Limited)	5,861	699
Jupiter Mines Limited	4,200	5,175
Kalina Power Limited	-	-
Kemp & Denning Limited	17,318	17,317
Ku-ring-gai Financial Services Limited	5,000	5,000
Link Administration Holdings Limited	467	10,355
Longevity Group Australia Limited	19,620	19,620
Myer Holdings Limited	3,700	10,900
National Australia Bank	456	534
Newcastle Securities & General Trust	199,443	198,257
Newcrest Mining Limited	788	798
NSX Limited	1	1
Octanex Limited	540	360
OFX Group Limited	-	315
Onemarket Limited	15	11,527
Platinum Asset Management Limited	421	548
Qube Holdings Limited	719	650
Ramsay Health Care Limited	931	1,011
Reece Limited	70,074	11,194
RuralCo Holdings Limited	-	707
Shopping Centres Australasia Property Group	702	900
Sundance Resources Limited	6,508	6,508
Tyrex Solutions Unit Trust	50,000	50,000
United Malt Group Limited	469	-
Vaneck Vectors Australian Equal Weight ETF	514	17,925

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

NOTE 25: SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AT 30 JUNE 2020 (CONTINUED)

	Consolidated	
	2020	2019
	\$	\$
Australian Equities		
Vanguard All World Ex-US	-	7,243
Vanguard Australian shares Index ETF Fund	-	42,300
Vanguard US Total Market Shares Index	-	10,640
Vocus Group Limited	-	16,350
Weebit Nano Limited	-	1,760
Westpac Banking Corporation	9,406	255
Woodside Petroleum Limited	498	1,091
Woolworths Limited	820	731
Xref Limited	1,001	3,360
	1,007,436	785,590
International Equities		
Amalgamated Telecom Holdings Limited	2,672	4,274
Atlantic & Pacific Packaging Company Limited	2,327	2,137
Blue Lagoon Cruises Limited	4,482	4,503
Communications Fiji Limited	4,135	3,874
Kinetic Growth Fund	761	765
Paradise Beverages (Fiji) Limited	34,434	17,298
RB Patel Group Limited	1,157	2,688
South Pacific Stock Exchange Limited	27,713	27,816
Toyota Tsusho (South Sea) Limited	9,306	7,681
VB Holdings Limited	189,233	207,579
	276,220	278,615
Total Equities	1,283,656	1,064,205

PRITCHARD EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

NOTE 26: PARENT ENTITY FINANCIAL INFORMATION

Summary Financial Information

The individual financial statements for the parent entity show the following aggregate amounts:

Statement of financial position

Current assets	246,980,158	230,590,548
Total assets	272,278,021	285,274,952
Current liabilities	245,702,278	229,688,655
Total liabilities	270,292,971	283,594,677
Net assets	1,985,050	1,680,275

Equity

Issued capital	1,265,466	1,254,966
Reserves		
Asset revaluation reserve	(51,021)	(78,329)
Capital profits reserve	55,597	55,597
Retained earnings	715,008	427,186
Total equity	1,985,050	1,680,275

Profit/ (loss) for the year	286,427	267,443
Total comprehensive income	287,822	253,048

NOTE 27: SUBSEQUENT EVENTS TO REPORTING DATE

At balance date, \$58,500,000 of the loans and advances included in loans and advances at Note 11 were overdue for repayment. Subsequent to the balance date the company issued notices of demand to the borrowers, and proceeded to close out to the borrower's loans in accordance with the respective loan and security agreements. Upon closing out the borrower's positions the company fully recovered all of the overdue loans and advances.

Apart from the above no other 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 28: COMPANY DETAILS

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

10 Murray Street
Hamilton
New South Wales 2303