

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')

31st December 2021

For announcement to the market

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

| | | | | |
|--|------|----------------|-------------------------------|---------|
| Extracts from this statement for announcement to the market (see note 1). | | | | \$A |
| Operating Revenue (item 1.1) | Down | 13% | To | 379,233 |
| Operating Profit (loss) before abnormal items and tax | Down | 26% | To | 237,091 |
| Operating Profit (loss) for the period after tax but before non-controlling interest (item 1.9) | Down | 23% | To | 177,938 |
| Profit (loss) for the period attributable to members (item 1.11) | Down | 24% | To | 177,548 |
| Income Distributions | | Current period | Previous corresponding period | |
| | | | | |
| Short details of any bonus or cash issue or other item(s) of importance not previously released to the market: | | | | |

Annual meeting*(Preliminary final statement only)*

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the annual report will be available

| |
|--|
| |
| |
| |
| |

Compliance statement

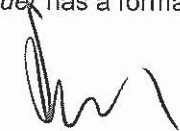
1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

| |
|--|
| |
|--|

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does/does not* (*delete one*) give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:
- | | |
|---|--|
| <input type="checkbox"/> The financial statements have been audited. | <input checked="" type="checkbox"/> The financial statements have been subject to review by a registered auditor (or overseas equivalent). |
| <input type="checkbox"/> The financial statements are in the process of being audited or subject to review. | <input type="checkbox"/> The financial statements have <i>not</i> yet been audited or reviewed. |
5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached
6. The *issuer* has a formally constituted audit committee.

Sign here:



(Director/Company secretary)

Date:

15 March 2022

Print name: STEVEN PRITCHARD



PRITCHARD EQUITY LIMITED

ACN 100 517 404

HALF YEAR FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

Pritchard Equity Limited ABN 80 100 517 404

10 Murray Street Hamilton NSW 2303 • P O Box 413 Hamilton, NSW Australia 2303 • Telephone: 02 4920 2877 • Facsimile: 02 4920 2878
Email: mail@pritchards.com.au • Webpage: www.pritchards.com.au

PRITCHARD EQUITY LIMITED

DIRECTORS' REPORT

Your directors present the financial report of the consolidated entity consisting of Pritchard Equity Limited and the entities it controlled for the half year ended 31 December 2021.

Directors

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

- Steven Shane Pritchard
- Enzo Pirillo
- Gordon Bradley Elkington

Review of Operations

The consolidated entity's principal activity was the making of medium and long term investments in both listed and unlisted securities.

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

There have been no significant changes in the nature of these activities since the date of the Company's last annual report.

The net operating profit after tax attributable to members of the company was \$177,548 compared to \$233,318 in the previous corresponding period.

As at 31 December 2021, the consolidated entity had total assets of \$266,052,427, total liabilities of \$261,998,281 resulting in total equity of \$4,054,146.

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 2 for the half year ended 31 December 2021.

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

Steven Shane Pritchard

Director

14 March 2022

Hamilton, NSW

Enzo Pirillo

Director

Pritchard Equity Limited
ACN: 100 517 404

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Pritchard Equity Limited for the half year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



PKF



MARTIN MATTHEWS
PARTNER

14 MARCH 2022
NEWCASTLE, NSW

PKF (NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839

Liability limited by a scheme approved
under Professional Standards Legislation

Sydney
Level 8, 1 O'Connell Street
Sydney NSW 2000 Australia
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755 Hunter Street
Newcastle West NSW 2302 Australia
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PKF (NS) Audit & Assurance Limited Partnership is a member firm of the PKF International Limited family of separately owned firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

For our office locations visit www.pkf.com.au

PRITCHARD EQUITY LIMITED

CONDENSED CONSOLIDATED STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2021

| | Note | 31.12.2021 | 31.12.2020 |
|---|------|----------------|----------------|
| | | \$ | \$ |
| Income from investment portfolio | 2a | 20,374 | 13,251 |
| Income from trading portfolio | 2b | 2,150 | (1,122) |
| Income from deposits | 2c | 2,622 | 3,928 |
| Income from the provision of services | 2d | 93,267 | 145,923 |
| Income from structured finance products | 2e | 260,820 | 272,685 |
| Total income from ordinary activities | | 379,233 | 434,665 |
| Share of net (profit)/ loss of equity – accounted investment | | (30,054) | (420) |
| Administration expenses | | 100,204 | 63,529 |
| Auditor's remuneration | | 19,189 | 30,313 |
| Bank charges | | 773 | 1,603 |
| Depreciation expense | | 798 | 786 |
| Directors fees | | 10,800 | 10,500 |
| Employee expenses | | 26,698 | 28,280 |
| Finance costs | | 359 | 8 |
| Listing fees | | 7,525 | 5,849 |
| Net realised foreign exchange loss/ (gain) | | 1,647 | (29,227) |
| Share registry fees | | 4,203 | 4,213 |
| Operating profit before income tax | | 237,091 | 319,231 |
| Income tax expense | | (59,153) | (86,479) |
| Operating profit after income tax | | 177,938 | 232,752 |
| Loss/ (profit) attributable to non-controlling interest | | (390) | 566 |
| Operating profit attributable to members of the company | | 177,548 | 233,318 |
| Other comprehensive income | | | |
| <i>Other items that will not be subsequently reclassified to profit or loss</i> | | | |
| Net revaluation of non-current assets | | 123,070 | 82,926 |
| Net realised gains on sale of long-term investments | | 17,119 | 7,671 |
| Foreign currency (loss)/ gain on translation | | 27,168 | (48,025) |
| Total other comprehensive income for the half-year | | 167,357 | 42,572 |
| Total comprehensive income for the half-year | | 344,905 | 275,890 |
| Overall Operations | | | |
| Basic earnings per share (cents per share) | | 8.45 | 11.10 |
| Diluted earnings per share (cents per share) | | 8.45 | 11.10 |

The accompanying notes form part of these condensed financial statements.

PRITCHARD EQUITY LIMITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

| | Note | 31.12.2021 | 30.06.2021 |
|---|------|--------------------|--------------------|
| | | \$ | \$ |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 4,119,296 | 4,305,146 |
| Trade and other receivables | | 2,288,612 | 2,413,670 |
| Income tax receivable | | 7,969 | 9,339 |
| Financial assets | 6 | 249,004,306 | 205,150,394 |
| TOTAL CURRENT ASSETS | | 255,420,183 | 211,878,549 |
| NON-CURRENT ASSETS | | | |
| Investments in associates accounted for using the equity method | | 670,278 | 640,224 |
| Trade and other receivables | | 275,015 | 414,222 |
| Financial assets | 6 | 9,590,589 | 15,460,835 |
| Plant and equipment | | 1,740 | 3,336 |
| Deferred tax assets | | 94,622 | 128,940 |
| TOTAL NON-CURRENT ASSETS | | 10,632,244 | 16,647,557 |
| TOTAL ASSETS | | 266,052,427 | 228,526,106 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 5,364,323 | 5,733,459 |
| Borrowings | | 248,965,519 | 205,119,132 |
| TOTAL CURRENT LIABILITIES | | 254,329,842 | 210,852,591 |
| NON-CURRENT LIABILITIES | | | |
| Trade and other payables | | 315,541 | 475,356 |
| Borrowings | | 7,352,898 | 13,500,000 |
| Deferred tax liabilities | | - | 108 |
| TOTAL NON-CURRENT LIABILITIES | | 7,668,439 | 13,975,464 |
| TOTAL LIABILITIES | | 261,998,281 | 224,828,055 |
| NET ASSETS | | 4,054,146 | 3,698,051 |
| EQUITY | | | |
| Issued capital | 4 | 1,286,766 | 1,275,966 |
| Reserves | | 479,187 | 317,966 |
| Retained earnings | | 2,277,855 | 2,094,437 |
| Equity attributable to equity holders of the parent | | 4,043,808 | 3,688,369 |
| Minority equity interest | | 10,338 | 9,682 |
| TOTAL EQUITY | | 4,054,146 | 3,698,051 |

The accompanying notes form part of these condensed financial statements.

PRITCHARD EQUITY LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

| | Issued capital | Asset revaluation reserve | Capital profits reserve | Foreign currency translation reserve | Retained earnings | Total |
|---|-------------------|---------------------------------|-------------------------------|---|----------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2020 | 1,265,466 | 62,117 | 69,713 | 53,364 | 1,611,124 | 3,061,784 |
| Shares issued during the period | 10,500 | - | - | - | - | 10,500 |
| Profit for the half year | - | - | - | - | 233,318 | 233,884 |
| Other comprehensive income | | | | | | |
| Net revaluation of non-current assets | - | 82,926 | - | - | - | 82,926 |
| Net capital profit for the half year | - | - | - | - | 7,671 | 7,671 |
| Foreign currency exchange reserve | - | - | - | (58,533) | 10,508 | (48,025) |
| Total other comprehensive income | - | 82,926 | - | (58,533) | 18,179 | 42,572 |
| Total comprehensive income for the period | - | 82,926 | - | (58,533) | 251,497 | 275,890 |
| Balance at 31 December 2020 | 1,275,966 | 145,043 | 69,713 | (5,169) | 1,862,621 | 3,348,174 |
| Balance at 1 July 2021 | 1,275,966 | 236,951 | 69,713 | 11,302 | 2,094,437 | 3,688,369 |
| Shares issued during the period | 10,800 | - | - | - | - | 10,800 |
| Profit for the half year | - | - | - | - | 177,548 | 177,548 |
| Other comprehensive income | | | | | | |
| Net revaluation of non-current assets | - | 123,070 | - | - | - | 123,070 |
| Net capital profit for the half year | - | - | - | - | 17,119 | 17,119 |
| Transfers to reserves | - | - | 7,588 | - | (7,588) | - |
| Foreign currency exchange reserve | - | - | - | 30,563 | (3,661) | 26,902 |
| Total other comprehensive income | - | 123,070 | 7,588 | 30,563 | 5,870 | 167,091 |
| Total comprehensive income for the period | - | 123,070 | 7,588 | 30,563 | 183,418 | 344,639 |
| Balance at 31 December 2021 | 1,286,766 | 360,021 | 77,301 | 41,865 | 2,277,855 | 4,043,808 |

The accompanying notes form part of these condensed financial statements.

PRITCHARD EQUITY LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

| | 31.12.2021 | 31.12.2020 |
|--|--------------------|--------------------|
| | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Purchases for trading portfolio | (5,388) | - |
| Net receipts/ (payments) from customers | (115,147) | 35,788 |
| Brokerage received | 76,198 | 36,522 |
| Fees received | - | 162,503 |
| Dividends received | 12,307 | 5,240 |
| Interest received | 4,094,650 | 3,316,263 |
| Distributions received | 48 | 17,724 |
| Withholding tax received | 4,750 | 4,750 |
| Other receipts | 22,902 | 78,014 |
| | <hr/> 4,090,320 | <hr/> 3,656,804 |
| Administration expenses | (192,790) | (129,835) |
| Bank charges | (770) | (1,603) |
| Finance costs | (3,937,139) | (3,133,091) |
| Withholding tax paid | (114,986) | - |
| Income tax paid | (56,111) | (35,460) |
| Net cash (used in)/ provided by operating activities | <hr/> (211,476) | <hr/> 356,815 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Sales from investment portfolio | 30,819 | 10,890 |
| Purchases for investment portfolio | (120,408) | (91,561) |
| Purchase of other assets | (176) | (731) |
| Loans and advances | 13,483,403 | (26,729,716) |
| Loans and advances | (51,095,189) | 39,957,295 |
| Net cash (used in)/ provided by investing activities | <hr/> (37,701,551) | <hr/> 13,146,177 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of notes | 51,182,688 | 26,221,178 |
| Payment for the redemption of notes | (13,483,403) | (44,907,295) |
| Repayment of borrowings | (276) | - |
| Net cash provided by/ (used in) financing activities | <hr/> 37,699,009 | <hr/> (18,686,117) |
| Net (decrease)/ increase in cash held | (214,018) | (5,183,125) |
| Cash at beginning of period | 4,305,146 | 7,031,266 |
| Foreign currency exchange difference | 28,168 | (30,686) |
| Cash at end of period | <hr/> 4,119,296 | <hr/> 1,817,455 |

The accompanying notes form part of these condensed financial statements.

PRITCHARD EQUITY LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the Condensed Consolidated Financial Statements

This general purpose half year financial report has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *Interim Financial Reporting*.

It is recommended that this financial report be read in conjunction with the 2021 Annual Report and any public announcements made by the Company during the half year, in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the company's 2021 annual financial report for the financial year ended 30 June 2021, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

New and amended standards adopted by the company

There were no new standards, interpretations or amendments to existing accounting standards that are not mandatory for the interim reporting period ending 31 December 2021.

(a) Financial Assets

(i) Statement of Financial Position classification

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

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

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

(ii) Valuation of investments

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

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

(iii) Income from holdings of securities

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

PRITCHARD EQUITY LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 2: REVENUE

| | 31.12.2021 \$ | 31.12.2020 \$ |
|--|------------------|------------------|
| a. Income from Investment Portfolio | | |
| — dividends received | 20,311 | 12,358 |
| — trust distributions received | 63 | 893 |
| Total income from investment portfolio | 20,374 | 13,251 |
| b. Income from Trading Portfolio | | |
| — sales revenue | - | - |
| — cost of sales | 2,150 | (1,122) |
| Total income from trading portfolio | 2,150 | (1,122) |
| c. Income from Deposits | | |
| — interest received | 2,622 | 3,928 |
| Total income from deposits | 2,622 | 3,928 |
| d. Income from the provision of services | | |
| — brokerage received | 76,515 | 26,023 |
| — other income received | 16,752 | 119,900 |
| Total other income | 93,267 | 145,923 |
| e. Income from structured finance products | | |
| — interest received | 4,612,954 | 4,126,815 |
| — interest paid | (3,991,782) | (2,927,707) |
| — acquisition fees | (360,352) | (926,423) |
| Total income from structured finance products | 260,820 | 272,685 |

NOTE 4: ISSUED CAPITAL

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

| Date | Details | A Ordinary Shares | B Ordinary Shares | Issued Capital \$ |
|------------|---------------------------------|----------------------|----------------------|----------------------|
| 01/07/2021 | Opening balance | 1,100,313 | 1,000,000 | 1,275,966 |
| 10/12/2021 | Shares issued during the period | 30,000 | - | 10,800 |
| 31/12/2021 | Closing balance | 1,130,313 | 1,000,000 | 1,286,766 |

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

A Ordinary shares confer on their holder the right to receive notices, reports and accounts and to attend and speak, but not to vote at general meetings of the Company.

B Ordinary shares confer on their holder the right to receive notices, reports and accounts and to attend and speak and vote at general meetings of the Company.

PRITCHARD EQUITY LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 5: 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.

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

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

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

| Half year ended 31.12.2021 | Investments | Financial Services | Structured Finance Products | Total |
|----------------------------|-------------|--------------------|-----------------------------|---------|
| Revenue | 26,902 | 91,511 | 260,820 | 379,233 |
| Results | (86,787) | 3,515 | 260,820 | 177,548 |

| Half year ended 31.12.2020 | Investments | Financial Services | Structured Finance Products | Total |
|----------------------------|-------------|--------------------|-----------------------------|---------|
| Revenue | 101,912 | 60,068 | 272,685 | 434,665 |
| Results | (34,884) | (2,291) | 272,685 | 233,318 |

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

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

| 31.12.2021 | Investments | Financial Services | Structured Finance Products | Total |
|------------|-------------|--------------------|-----------------------------|-------------|
| Assets | 7,323,922 | - | 258,728,505 | 266,052,427 |

| 30.06.2021 | Investments | Financial Services | Structured Finance Products | Total |
|------------|-------------|--------------------|-----------------------------|-------------|
| Assets | 7,239,965 | - | 221,286,141 | 228,526,106 |

PRITCHARD EQUITY LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

| NOTE 6: FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES | 31.12.2021 | 30.06.2021 |
|--|--------------------|--------------------|
| | \$ | \$ |
| Listed investments, at market value | | |
| Investment portfolio | 2,237,691 | 1,960,835 |
| Trading portfolio | 38,787 | 31,262 |
| Other financial assets | 256,318,417 | 218,619,132 |
| | <u>258,594,895</u> | <u>220,611,229</u> |

Fair values of financial assets and liabilities are determined by the Company on the following basis:

Listed securities included in both the Investment and Trading portfolios are readily traded on organised markets in a standardised form. The fair value of listed securities is determined by valuing them at the last quoted market price as at balance date. In accordance with Australian Accounting Standards, this is considered "Level 1" under the fair value measurement hierarchy, which is defined as quoted prices (unadjusted) in active markets for identical assets or liabilities.

The fair value of unlisted managed funds is determined by valuing them at the net asset value provided by the fund manager as at balance date. Unlisted managed funds included in the Investment and Trading portfolios are considered "Level 2" under the fair value measurement hierarchy, which is defined as inputs other than quoted prices, which can be observed either directly (as prices) or indirectly (derived from prices).

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.

As at 31 December 2021. The Company's Level 1 investments totalled \$1,171,817 (30 June 2021: \$1,093,549), its Level 2 investments totalled \$1,065,874 (30 June 2021: \$898,548) and its Level 3 investments totalled \$256,318,417 (30 June 2021: \$218,619,132).

For all other financial assets and liabilities, the carrying amount closely approximates its fair value.

There were no transfers between Level 1, 2 and 3 for assets measured at fair value on a recurring basis during the reporting period (30 June 2021: no transfers).

| NOTE 7: RELATED PARTY TRANSACTIONS | 31.12.2021 | 31.12.2020 |
|---|-------------------|-------------------|
| | \$ | \$ |

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

Transactions with related parties:

| | | |
|--|------------|------------|
| Accounting fees paid/ payable to Rees Pritchard Pty Limited | 38,174 | 26,139 |
| Newcastle Capital Markets Registries Pty. Limited for share registry costs | 4,203 | 4,213 |
| Interest receivable from RAM Investment Partners No.1 Pty Limited | 886,833 | 419,083 |
| Unsecured notes from RAM Investment Partners No.1 Pty Limited | 76,877,907 | 29,160,750 |
| Interest receivable from RAM Investment Partners No.2 Pty Limited | 900,858 | 578,099 |
| Unsecured notes from RAM Investment Partners No.2 Pty Limited | 90,437,613 | 57,038,674 |
| Loan payable to Steven Shane Pritchard | 15,251 | 14,645 |
| Units held in Tyrex Solutions Unit Trust | 90,000 | 50,000 |
| Distribution accrued/ receivable from Tyrex Solutions Unit Trust | 103,787 | 23,229 |

PRITCHARD EQUITY LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 8: KEY MANAGEMENT PERSONNEL

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

NOTE 9: CONTINGENT LIABILITIES

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

NOTE 10: EVENTS SUBSEQUENT TO REPORTING DATE

Since 31 December 2021 to the date of this report Pritchard Equity has repaid \$62,562,500 in loans to borrowers and redeemed \$62,562,500 in notes. There have been no other events specific to the consolidated entity of which the Directors are aware which has had a material effect on the consolidated entity or its financial position.

PRITCHARD EQUITY LIMITED

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 3 to 11:
 - a. comply with Accounting Standards and the Corporations Regulations; and
 - b. give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to s. 303(5) of the *Corporations Act 2001*.

On behalf of the directors

Steven Shane Pritchard
Director

Enzo Pirillo
Director

14 March 2022
Hamilton, NSW

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF PRITCHARD EQUITY LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Pritchard Equity Limited (the Company) and its controlled entities ("the Consolidated Entity"), which comprises the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Pritchard Equity Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2021, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the Company a written Auditor's Independence Declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors' of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Regulations 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Pritchard Equity Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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PKF (NS) Audit & Assurance Limited Partnership is a member firm of the PKF International Limited family of separately owned firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

For our office locations visit www.pkf.com.au

Auditor's Responsibility for the Review of the Half-Year Financial Report (cont'd)

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



PKF



MARTIN MATTHEWS
PARTNER

14 MARCH 2022
NEWCASTLE, NSW

PRITCHARD EQUITY LIMITED

CORPORATE DIRECTORY

Directors

Steven Shane Pritchard – Executive Chairman
Enzo Pirillo
Gordon Bradley Elkington

Secretary

Enzo Pirillo

Principal Place of Business and Registered Office

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