



# IMPERIAL PACIFIC LIMITED

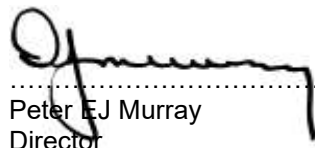
ABN 65 000 144 561

## Appendix 4D

### Half Year Report for the period ending 31 December 2021

#### Results for Announcement to the market:

<i>Reporting Period / Previous corresponding period</i>	<b>6 months to 31 Dec 2021</b>	<b>6 months to 31 Dec 2020</b>
<i>2.1 The amount of and percentage change up or down from the previous corresponding period of revenue from ordinary activities</i>	\$210,000 (Up 135%)	\$89,000
<i>2.2 The amount of and percentage change up or down from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to members.</i>	\$50,000 (Up to profit)	(\$79,000)
<i>2.3 The amount of and percentage change up or down from the previous corresponding period of the net profit (loss) for the period attributable to members.</i>	\$700,000 (Up significantly)	(\$79,000)
<i>2.4 The amount per security and franked amount per security of final and interim ordinary dividends.</i>	See Below	See Below
<i>2.5 The record date for determining entitlements to the dividends (if any)</i>	Imperial Pacific does not pay interim dividends	Imperial Pacific does not pay interim dividends
<i>2.6 A brief explanation of any of the figures in 2.1 and 2.4 necessary to enable the figures to be understood.</i>	See formal accounts.	See formal accounts.
<i>3.0 Net Tangible Assets per security with the comparative figure for the previous corresponding period.</i>	\$1.59	\$1.22
<i>4.0 Details of entities over which control has been gained or loss over the period.</i>	NA	NA
<i>5.0 Details of individual and total dividends including dates of distribution.</i>	\$308,000 – 6.25 cents in fully franked dividends paid on 22 Oct 2021	\$193,000 – 6.25 cents in fully franked dividends paid on 12 Oct 2020
<i>6.0 Details of Dividend Distribution plan in operation.</i>	Dividend Re-investment Plan re-introduced starting with 2021 dividend payout. 5% discount applied for the new share price.	No plan in operation
<i>7.0 Details of associates and joint venture entities including names and details of investments and contribution to profits.</i>	London City Equities Limited – 39.6% owned (Dec 2020 – Profit contrib. of \$650,000)	London City Equities Limited – 39.0% owned (Dec 2019 – Profit contrib. of loss \$7,000)
<i>8.0 Foreign entities requirements</i>	NA	NA
<i>9.0 Whether the accounts are subject to audit dispute or qualification.</i>	No	No

  
Peter EJ Murray  
Director

28 February 2022



# IMPERIAL PACIFIC LIMITED

ABN 65 000 144 561

[And Controlled Entities]

## Half Yearly Report

**31 December 2021**

***Established in 1954***



**Website: [www.imperialpacific.com.au](http://www.imperialpacific.com.au)**



# IMPERIAL PACIFIC LIMITED

## Chairman's Key Points – December Half

### ➤ Positive moves in the half

Directors report that Imperial Pacific has had an excellent half year in 2021 with significantly increased enhanced net asset values. In addition, the litigation pursued by London City and the group was finalised by a confidential settlement in late December.

### ➤ Financials – Sizeable profit, serious net asset uplift, dividend maintained

The operating profit \$700,000 for the half was significant and included London City's contribution of \$650,000. Again, costs have been controlled. A 6.25 fully franked dividend was paid.

### ➤ Net Assets Per Share – \$1.59 at 31 December

Our ownership of associate London City Equities Limited has increased to 39.6%. Again London City has seen its 7% shareholding in Fiducian Group Limited appreciate in the period... Our 2% direct shareholding in Excelsior Capital (as part of 9% joint shareholding) also increased moderately over the period. According to the formal Half Year accounts, net assets at 31 December had risen to \$1.59 a share.

### ➤ Investments

**London City Equities Limited**, now 39.6% owned, holds \$2.2 million in cash. Its 7% shareholding in **Fiducian Group Limited** rose significantly in value to near record levels. Also, we advise there has been some adversarial activity being conducted by some shareholders against the Board and management of **Excelsior Capital Limited**, where we own some 2% via a jointly held 9% shareholding. A successful rejection of that company's Remuneration Report in November carried our support. We await Excelsior's half yearly result with interest.

For and on behalf of the Board

P. E. J. Murray  
Chairman of Directors

28 February 2022



## **Statutory Directors' Report** **For the Half Year ended 31 December 2021**

The Directors of Imperial Pacific Limited submit their report together with the consolidated financial report for the above period.

### **Directors**

The names of Directors who held office at any time during the half year and up to the date of this report are Mr Peter E.J. Murray, Mr David G. Butel and Mr Neil E Schafer.

### **Results**

Imperial Pacific recorded a profit of \$700,000 for the six months. The net assets rose again, notwithstanding the payment of another fully franked dividend of 6.25 Cents in October.

### **Review of Operations**

Imperial Pacific Asset Management's management fee for the portfolio of London City rose as well and will increase over the next year because of London City's increased asset base. The Board re-introduced the former Dividend Reinvestment Plan for shareholders.

### **Events occurring after Balance Date**

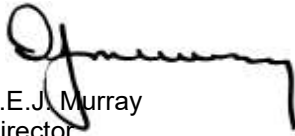
Since 31 December Directors note that the underlying market values of the group's key investment portfolio holdings have reduced slightly, such as Fiducian Group Limited, 7% owned by our 39.6% associate London City. Net assets have accordingly risen slightly since year end. No other material event has taken place since balance date.

### **Auditor's Independence Declaration**


The auditors, Cutcher & Neale, have provided us with the enclosed declaration of independence.

This Report is made in accordance with a resolution of the Directors. Dated at Sydney this 28th day of February, 2022.

On behalf of the Board



P.E.J. Murray  
Director



D.G. Butel

D.G. Butel  
Director

# Imperial Pacific Limited

(ABN 65 000 144 56)  
and Controlled Entities



## Consolidated Income Statement

for the Half Year to 31 December 2021

	--- Consolidated Entity ---	
	31 Dec 2021	31 Dec 2020
	\$	\$
<b>Revenue</b>		
Investment revenue	8,503	24,644
Management fees received	201,813	64,044
Proceeds - sale on Investments	0	0
	<u>210,316</u>	<u>88,688</u>
<b>Operating Expenses</b>		
Cost of Investments Sold	-	-
Management fees	(57,360)	(68,880)
Directors' fees	(30,000)	(30,000)
Other	(73,072)	(62,007)
	<u>49,884</u>	<u>(72,199)</u>
Share of net profit (loss) of associate accounted for using the equity accounting method	650,353	(7,311)
	<u>700,237</u>	<u>(79,510)</u>
<b>Profit (Loss) from Ordinary Activities before Income Tax</b>	700,237	(79,510)
Income Tax Expense relating to ordinary activities	-	-
	<u>700,237</u>	<u>(79,510)</u>
<b>Net Profit (Loss) attributable to outside equity interests</b>	<b>700,237</b>	<b>(79,510)</b>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>	<b>700,237</b>	<b>(79,510)</b>
Basic and diluted Earnings Per Share (Cents per Share)	24.1	(2.7)

*The accompanying notes form part of this financial report.*

# Imperial Pacific Limited

(ABN 65 000 144 56)  
and Controlled Entities



## Statement of Financial Position

as at 31 December 2021

	--- Consolidated Entity ---	
	31 Dec 2021	30 June 2021
	\$	\$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	50,674	48,976
Trade and other receivables	45,682	68,434
<b>TOTAL CURRENT ASSETS</b>	<b>96,356</b>	<b>117,410</b>
<b>NON-CURRENT ASSETS</b>		
Investment Portfolio	9,357,852	7,612,514
Right to Use Asset	0	20,247
Deferred Tax Assets	60,000	60,000
<b>TOTAL NON-CURRENT ASSETS</b>	<b>9,417,852</b>	<b>7,692,761</b>
<b>TOTAL ASSETS</b>	<b>9,514,208</b>	<b>7,810,171</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	1,368,754	1,276,938
Tax Liabilities	90,000	75,000
Lease Liability	-	21,924
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,458,754</b>	<b>1,373,862</b>
<b>NON-CURRENT LIABILITIES</b>		
Lease Liability	-	-
<b>TOTAL LIABILITIES</b>	<b>1,458,754</b>	<b>1,373,862</b>
<b>NET ASSETS</b>	<b>8,055,454</b>	<b>6,436,309</b>
<b>SHAREHOLDERS' EQUITY</b>		
Issued Capital	3,679,766	3,528,869
Reserves	7,824,171	6,747,433
Accumulated Losses	(3,448,483)	(3,839,993)
<b>TOTAL EQUITY</b>	<b>8,055,454</b>	<b>6,436,309</b>

The accompanying notes form part of this financial report.

# Imperial Pacific Limited

(ABN 65 000 144 56)

and Controlled Entities



## Consolidated Statement in Changes in Equity for the Half Year to 31 December 2021

<b>2021</b>	Issued Capital	Realised Capital Gains Reserve	Unrealised Profits Reserve	Retained Earnings (Losses)	Total Equity
	\$	\$	\$	\$	\$
<b>At 1 July 2021</b>	3,528,869	2,850,485	3,896,948	(3,839,993)	6,436,309
New Equity Capital raised	150,897				150,897
Investment Portfolio at fair value					
- Net Unrealised gain taken to equity:			1,485,142		1,485,142
- Net Tax on unrealised loss			(408,414)		(408,414)
Tax Reduction due to past tax losses					-
Net Income for period				700,237	700,237
Dividends Paid				(308,717)	(308,717)
<b>At 31 December 2021</b>	<b>3,679,766</b>	<b>2,850,485</b>	<b>4,973,676</b>	<b>(3,448,473)</b>	<b>8,055,454</b>

<b>2020</b>	Issued Capital	Realised Capital Gains Reserve	Unrealised Profits Reserve	Retained Earnings (Losses)	Total Equity
	\$	\$	\$	\$	\$
<b>At 1 July 2020</b>	1,692,585	2,848,050	2,301,392	(3,528,905)	3,313,122
New Equity Capital raised	1,836,285				1,836,285
Investment Portfolio at fair value					
- Net Unrealised gain taken to equity:			1,343,496		1,343,496
- Net Tax on unrealised loss			(398,309)		(398,309)
Tax Reduction due to past tax losses			233,984		233,984
Net Income for period				(79,510)	(79,510)
Dividends Paid				(192,948)	(192,948)
<b>At 31 December 2020</b>	<b>3,528,870</b>	<b>2,848,050</b>	<b>3,480,563</b>	<b>(3,801,363)</b>	<b>6,056,120</b>

# Imperial Pacific Limited

(ABN 65 000 144 56)

and Controlled Entities



## Consolidated Cash Flow Statement for the Half Year to 31 December 2021

	--- Consolidated Entity ---	
	31 Dec 2021	31 Dec 2020
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	201,786	76,906
Payments to suppliers and management	(163,392)	(145,224)
Dividends received	175,017	108,880
Interest received	4	19
Proceeds - Trading Investments	-	-
Payments - Trading Investments	-	-
Income Tax Paid	-	-
Net Cash provided by (used in ) operating activities	<b>213,415</b>	<b>40,581</b>
<b>Cash flows from investing activities</b>		
Proceeds from Investments	-	-
Payments for Investments	(169,245)	(951,762)
Net Cash provided by (used in) investing activities	<b>(169,245)</b>	<b>(951,762)</b>
<b>Cash flows from financing activities</b>		
New Equity Capital	150,896	593,453
Financing movements - Related Entities	10,753	495,006
Other Advances	104,596	
Dividend Paid to Shareholders	(308,717)	(192,948)
Net Cash provided by (used in) financing activities	<b>(42,472)</b>	<b>895,511</b>
<b>Net increase ( decrease) in cash held</b>	1,698	(15,670)
Cash at beginning of half year	48,976	45,898
<b>Cash at end of the period</b>	<b>50,674</b>	<b>30,228</b>
<b>Comprising:</b>		
Cash and cash equivalents:	50,674	30,228
	<b>50,674</b>	<b>30,228</b>

The accompanying notes form part of this financial report.



# Imperial Pacific Limited

(ABN 65 000 144 56)  
and Controlled Entities



## Notes to the Accounts as at 31 December 2021

### Note 1 Statement of Significant Accounting Policies

#### (a) Basis of Preparation

This general purpose half-year condensed financial report has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001 and other applicable Accounting Standards and other mandatory professional reporting requirements.

This interim financial report does not include all the notes of the type normally included in an annual financial report. This report should be read in conjunction with the 2021 Annual Report and public announcements made by the company during the half year, in accordance with the continuous disclosure requirements of the Corporations Act 2001.

This half-year financial report has been prepared in accordance with AIFRS (Australian Equivalents to International Financial Reporting Standards).

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.

The Company has two discrete types of investments - the Trading Portfolio (Current Assets) and the Investment Portfolio (Non-Current Assets). The Company is a long term investor. All investments are initially recognised at the fair value of the consideration given. After initial recognition, investments (classified as either Trading or Investment) are measured at their fair value. Fair Value of listed securities is determined by reference to the last sale price at the close of business at balance date. Gains or losses on Trading Portfolio investments are recognised in the Income Statement. Gains or losses on Portfolio investments are recognised as a separate component of equity in the Unrealised Revaluation Reserve.

The accounting policies adopted have been consistently applied by the company and are consistent with those applied in the 30 June 2021 Annual Report. New standards or interpretations mandatory for the annual reporting period beginning 1 July 2021 will not have any effect on the financial position or performance of the company.

On 9 December 2021, at a court ordered mediation, a confidential settlement was reached with Ernst & Young of Supreme Court of Proceeding 2017/145976 (Proceeding). The compromise reached by the parties reflected the relevant commercial and legal risks in continuing with the litigation. Associated company London City Equities Limited was the key Plaintiff.

#### (b) Other Disclosure

The financial report of Imperial Pacific Limited for the six months ended 31 December 2021 was authorised for issue in accordance with a resolution of the Directors on 25 February 2022.

Imperial Pacific Limited is a company limited by shares and incorporated in Australia. Its shares are publicly traded on the Australian Securities Exchange.

# Imperial Pacific Limited

(ABN 65 000 144 56)  
and Controlled Entities



## Notes to the financial statements - 31 December 2021 (Cont'd)

### Note 2 Profit (Loss) from ordinary activities

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

(a) crediting as revenue:

	31 Dec 2021	31 Dec 2020
	\$	\$
Interest	4	19
Dividends Received	8,499	11,763
Proceeds - Sale of Investments	-	-
Licence Fee Income	-	12,862
Management Fees - associated company	201,813	64,044
	<u>210,316</u>	<u>88,688</u>

(b) charging as expense:

Cost of Investments Sold	-	-
Payable to Auditors - Audit	(5,959)	(5,100)
Payable to Auditors - Other Services	-	-
Deoreciation - Lease	-	(24,297)
Directors Fees - parent company	(30,000)	(30,000)
Interest Cost	-	(1,547)
Management Fees - Director Related	(57,360)	(68,880)
Superannuation - Director Related	-	(2,850)
Other Operating Expenses	(67,113)	(28,213)
	<u>(160,432)</u>	<u>(160,887)</u>

Share of net profit of associate accounted for using the equity accounting method

650,353 (7,311)

### Profit (Loss) from Ordinary Activities before Income Tax

700,237 (79,510)

### Note 3 Shares on Issue

	---- Number of Shares ----	
Ordinary Shares - 1 July 2021	4,939,474	3,087,171
Plus Changes during Period - Pro Rata Issue	110,378	1,852,303
Ordinary Shares - 31 December 2021	<u>5,049,852</u>	<u>4,939,474</u>
Average Shares on Issue during period	4,994,663	4,013,323

### Note 4 Current Assets - receivables

	31 Dec 2021	31 Dec 2020
Other Debtors and Prepayments	45,682	37,859
Associated Company	-	-
	<u>45,682</u>	<u>37,859</u>

### Note 5 Investment Portfolio

Shares in other public corporations	1,045,767	880,196
Shares in associated corporation	8,312,085	6,283,303
	<u>9,357,852</u>	<u>7,163,499</u>

### Note 6 Current Liabilities - payables

Directors or Director Related Entities	1,121,090	1,089,904
Associated Company	964	9,641
Other Creditors and Accruals	246,700	89,827
	<u>1,368,754</u>	<u>1,189,372</u>

# Imperial Pacific Limited

(ABN 65 000 144 56)

## and Controlled Entities



### Notes to the financial statements - 31 December 2021 (Cont'd)

#### Note 7 Dividends

	31 Dec 2021	30 June 2021
The following dividends were recognised in the current accounting period		
A fully franked ordinary dividend of 6.25 cents per share was paid to shareholders on 22 October 2021 (6.25 cents in previous year).	308,717	192,948

There are no interim dividends proposed for payment.

#### Note 8 Segment Information

During the period the economic entity acted mainly in the investment and property sectors within Australia.

<b>December 2021</b>	<b>Investment</b>	<b>Financial Services</b>	<b>Consolidated</b>
Revenue			
Investment /other revenue	8,503	201,813	210,316
Segment Result			
Profit (Loss) after Tax	613,011	87,226	700,237
Segment Assets	9,450,828	63,380	9,514,208
Segment Liabilities	(774,377)	(684,847)	(1,459,224)
Net cash inflow from operating activities	125,234	88,181	213,415

Carrying amount on investment in associates accounted for using the equity accounting method	8,312,085	-	8,312,085
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<b>December 2020</b>	<b>Investment</b>	<b>Financial Services</b>	<b>Consolidated</b>
Revenue			
Investment /other revenue	24,644	64,044	88,688
Segment Result			
Profit (Loss) after Tax	(63,110)	(16,400)	(79,510)
Segment Assets	7,294,929	41,202	7,336,131
Segment Liabilities	(1,011,733)	(268,278)	(1,280,011)
Net cash inflow from operating activities	65,332	(24,751)	40,581

Carrying amount on investment in associates accounted for using the equity accounting method	6,283,303	-	6,283,303
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## Directors' Declaration

In the Directors' opinion:

1. the financial statements and notes set out on pages 3 to 9 are in accordance with the Corporations Act 2001, including


(i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(ii) give a true and fair view of the Company's financial position as at 31 December 2021 and its performance, as represented by the results of its operations and its cash flows, for the half year ended on that date.

2. there are reasonable grounds to believe that Imperial Pacific Limited 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.

  
P.E.J. MURRAY, Director

  
D. G. BUTEL, Director

Sydney

Dated this 28th day of February 2022

**Auditor's Independence Declaration to the Directors of Imperial Pacific Limited**

In relation to our review of the financial report of Imperial Pacific Limited for the half year ended 31 December 2021, to the best of my knowledge and belief there have been:

- (a) no contravention of the auditor independence requirements of the Corporation Act 2001;
- (b) no contravention of any applicable code of professional conduct.



**Mark O'Connor CA**  
**Partner**



Cutcher & Neale  
Chartered Accountants

130 Parry Street  
Newcastle West NSW 2302

28 February 2022

## Independent Auditor's Review Report to the Members of Imperial Pacific Limited

### Report on the Half-Year Financial Report

#### *Conclusion*

We have reviewed the half-year financial report of Imperial Pacific Limited ("the Company") and the entities it controlled during the half year (together the Group) for the half year ended 31 December 2021 as set out on pages 3 to 10. The financial report comprises the statement of financial position as at 31 December 2021, the income statement, cash flow statement, and statement of changes in equity for the half-year ended on that date, accompanying notes to the financial statements, 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 accompanying half-year financial report of Imperial Pacific Limited and its consolidated entities does not comply with the *Corporations Act 2001* including:

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

#### *Basis for Conclusion*

We conducted our review in accordance with *ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

*Responsibility of the Directors for the Half-Year Financial Report*

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

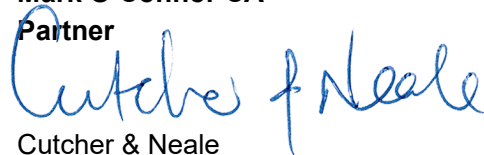
*Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Accounting Standard *AASB 134 Interim Financial Reporting* and the Corporations Regulations 2001.

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.



**Mark O'Connor CA**  
**Partner**



Cutcher & Neale  
Chartered Accountants

130 Parry Street  
Newcastle West NSW 2302

28 February 2022