



IMPERIAL PACIFIC LIMITED

ABN 65 000 144 561

Appendix 4D Half Year Report for the period ending 31 December 2023

Results for Announcement to the market:

<i>Reporting Period / Previous corresponding period</i>	6 months to 31 Dec 2023	6 months to 31 Dec 2022
<i>2.1 The amount of and percentage change up or down from the previous corresponding period of revenue from ordinary activities</i>	\$200,000 (Up 56%)	\$128,000
<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>	\$98,000 (Up 263%)	\$27,000
<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>	\$98,000 (Up 263%)	\$27,000
<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>	\$1.54	\$1.43
<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>	\$323,061 – 6.25 cents in fully franked dividends paid on 14 Oct 2023	\$315,625 – 6.25 cents in fully franked dividends paid on 14 Oct 2022
<i>6.0 Details of Dividend Distribution plan in operation.</i>	DRP in operation with dividend payout. A 2.5% discount was applied.	DRP in operation with dividend payout. A 2.5% discount was applied.
<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 – 40.91% owned (Dec 2023 – Profit Contrib. of \$76,296)	London City Equities Limited – 40.1% owned (Dec 2022 – Profit Contrib. of \$80,030).
<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

For and on behalf of the Board

Peter EJ Murray
Director

15 February 2024

IMPERIAL PACIFIC LIMITED



[And Controlled Entities]

Half-Yearly Report

31 December 2023

Established in 1954 - 70th Anniversary this Year



Website: www.imperialpacific.com.au



Chairman's Review of the Six Months

The Half Year - Unexpected solid gains in asset values

While the overall markets were despondent over most of the half year, Imperial Pacific and its associate London City Equities Limited both saw their Investment Portfolios rising strongly. In respect of Imperial Pacific its investment values rose by 11% over the six months. The move in the ASX All Ordinaries Index was 5.7% in this period, much of it in the last six weeks. Income remained even but it should be enhanced over the current period when another performance fee could add to the numbers.

Financials - Profits steady

The Net Profit for the six months came in at \$98,000, reflecting an increase in both dividends and portfolio management fees. With the solid performance coming through from London City's two key investments your Board has accrued \$75,000 as a modest performance fee in addition to the standard management fee. This will be assessed formally in June and payable then, if applicable.

Financials - Net Assets - closed up at \$1.54 per share

The Net Worth of Imperial Pacific closed at \$8.2 million, probably a record. This works out at \$1.54 a share and rose even after paying the fully franked dividend of 6.25 cents a share in October. While some tax losses are available, Directors have adopted a conservative stance and not created any future income tax benefits.

Shareholders Dividend - looking ahead.

Shareholders are aware of Imperial Pacific's historic and consistent payment of comfortable fully franked dividends. The Board has noted the new Federal Government's attitude to franking credits and is looking at the the impact that such implementation might have on Imperial Pacific dividend payout in the future.

The Investment Portfolio - values rose over the six months.

Through Imperial Pacific's part ownership of London City and its own shareholding in Excelsior Capital the numbers were enhanced. **London City** with its two key shareholdings in **Fiducian Group** and **Excelsior Capital** saw the latter rising solidly in value some 30% over the six months. The reason was the historic decision by Excelsior's Board to sell its main business undertaking, its CMI Electrical Division. In principle we agreed with that decision, especially as it created \$100 million in cash funds for the Excelsior company and its 650 shareholders. However, the stance of the Excelsior Directors to refuse even a modest "special" shareholder payout and now pursue an odd confusing investment programme (when past results have been quite bad), means the London City associates have joined with others and have adopted contrary views. These are likely to lead to legal and regulatory action. Fiducian Group had a good half year with increases in dividend payout and a reasonable share price rise.

Outlook

We have all seen local and US stockmarkets hitting record highs - on the back of paused interest rate rise decisions by the Federal authorities. This is welcome as it signifies a return of some optimism. For us, however, the impact will depend on the Excelsior situation and whether decisions can be made by its Directors that will improve the market rating of that company.

For and on behalf of the Board

A handwritten signature in blue ink, appearing to read 'Peter E.J. Murray'.

Peter E.J. Murray
Chairman of Directors

15 February 2024.



Statutory Directors Report For the Half Year ended 31 December 2023

The Directors of Imperial Pacific Limited submit their report together with the 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 EJ Murray, Mr David G Butel and Mr Louis J Joseph.

Review of Operations

Directors spent most of the period monitoring economic news, appraising the performances and attending annual meetings of the group's two key investments in Fiducian Group and Excelsior Capital, completing higher group dividend payouts and maintaining the on-going search for potential new investments. They were pleased to see the portfolio values rise significantly in this period. They have also set in motion the creation of the "Imperial Opportunities Growth Fund" for professional investors interested in our investment philosophy.

The Results

The Net Profit after tax for the six months was a modest \$98,000 - but is starting to reflect the scope from increased revenue relating to successful investment and increasing management fees. Costs continue to be restrained. A fully franked dividend of 6.25 cents a share was paid in October.

The Investments

Both key group key investments of Fiducian Group (7% owned for London City) and Excelsior Capital Limited (owned 12.6% by our associated parties) saw a combination of increased share prices and increased dividends. Imperial Pacific's portfolio growth in the half year was in the order of 11%.

Events Occurring after Balance Date

Excelsior Capital announced in late November the proposed sale of its main business undertaking, its CMI Electrical business. Shareholders approved the sale at a shareholder meeting of 25 January 2024. While on face value this is a good move, there is a serious concern about the direction that the Excelsior Directors are taking with those substantial new resources. Legal action is being considered.

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 of 14th February 2024.

Signed and dated this 15th day of February 2024.

On behalf of the Board

P.E.J.Murray - Director

D.G.Butel - Director



Consolidated Income Statement For the Half Year ended 31 December 2023

	Notes	31 Dec 2023 \$	31 Dec 2022 \$
Revenue	2		
Dividends - investment portfolio		18,857	17,472
Interest - deposits		110	115
Management Fee - Basic		94,497	98,160
Management Fee - Performance Estimated - Accrued		75,000	
Other Income		11,818	11,818
		200,282	127,565
Operating Expenses			
Depreciation - Lease		(22,766)	(22,766)
Directors fees		(35,000)	(34,767)
Management fees - Director Related		(73,440)	(82,175)
Other Operating Expenses	2	(47,781)	(41,084)
		(178,987)	(180,792)
		21,295	(53,227)
Share of net profit of associate accounted for using the equity accounting method		76,296	80,030
Profit (Loss) from ordinary activities before Income Tax		97,591	26,803
Income Tax Expenses relating to ordinary activities		-	-
Net Profit in equity other than those resulting from transactions with owners as owners		97,591	26,803
Basic Earnings Per Share (Cents per share)		1.83	0.52

The accompanying notes form part of these financial statements.



Consolidated Statement of Financial Position as at 31 December 2023

	Notes	31 Dec 2023 \$	30 June 2023 \$
Current assets			
Cash and cash equivalents		23,346	19,906
Trade and other receivables	4	176,462	157,592
Total current assets		199,808	177,498
Non-current assets			
Investment - Portfolio	5	1,431,415	1,115,592
Investment - Associated Corporation	5	8,187,129	7,444,291
Right-of-Use Asset		64,504	87,270
Deferred Tax Assets		60,000	60,000
Total non-current assets		9,743,048	8,707,153
Total assets		9,942,856	8,884,651
Current liabilities			
Trade and other payables	6	1,440,539	1,384,602
Lease Liability	6	47,941	45,791
Total current liabilities		1,488,480	1,430,393
Non-current liabilities			
Deferred Tax Liability		214,000	130,000
Lease Liability		21,040	45,720
		235,040	175,720
Total liabilities		1,723,520	1,606,113
Net assets		8,219,336	7,278,538
Equity			
Share Capital		4,036,906	3,853,990
Realised Capital Gains Reserve		2,989,963	2,972,419
Unrealised Revaluation Reserve		5,011,003	4,045,195
Retained Profits		(3,818,536)	(3,593,066)
Total equity		8,219,336	7,278,538

The accompanying notes form part of these financial statements.



Consolidated Statement of Changes in Equity for the Half Year Ended 31 December 2023

2023	Issued Capital	Realised <i>Capital Gains</i> Reserve	Unrealised Revaluation Reserve	Retained Earnings	Total Equity
	\$	\$	\$	\$	\$
At 1 July 2023	3,853,990	2,972,419	4,045,195	(3,593,066)	7,278,538
Increase in Capital - DRP	182,916				182,916
Investment Portfolio at fair value					
- Net unrealised gains taken to equity		17,544	1,360,124		1,377,668
- Net Tax on unrealised gains			(394,316)		(394,316)
Tax Reduced by Tax Losses					-
Net Income for period				97,591	97,591
Dividends Paid				(323,061)	(323,061)
At 31 December 2023	4,036,906	2,989,963	5,011,003	(3,818,536)	8,219,336

2022	Issued Capital	Realised <i>Capital Gains</i> Reserve	Unrealised Revaluation Reserve	Retained Earnings	Total Equity
	\$	\$	\$	\$	\$
At 1 July 2022	3,679,765	2,850,485	4,538,955	(3,390,470)	7,678,735
Increase in Capital - DRP	174,225				174,225
Investment Portfolio at fair value					
- Net unrealised gains taken to equity			(215,593)		(215,593)
- Net Tax on unrealised gains			70,628		70,628
Tax Reduced by Tax Losses					
Net Income for period				26,803	26,803
Dividends Paid				(315,625)	(315,625)
At 31 December 2022	3,853,990	2,850,485	4,393,990	(3,679,292)	7,419,173

The accompanying notes form part of these financial statements.



Consolidated Cash Flow Statement for the Half Year ended 31 December 2023

	<i>Notes</i>	2023	2022
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		94,497	98,160
Payments to suppliers and employees (inclusive of goods and services tax)		(177,075)	(216,365)
Dividends Received		199,270	187,491
Interest Received		110	115
Other Income		11,818	11,818
Net cash inflow (outflow) from operating activities		128,620	81,219
Cash flows from investing activities			
Payments for investments		(129,224)	(182,385)
Proceeds from sale of investment		22,584	-
Net cash inflow (outflow) from investing activities		(106,640)	(182,385)
Cash flows from financing activities			
Increase in Issued Capital		182,916	174,225
Related Corporations		149,397	54
Other Advances		(27,792)	256,259
Dividends paid		(323,061)	(315,625)
Net cash inflow (outflow) from financing activities		(18,540)	114,913
Net increase (decrease) in cash held		3,440	13,747
Cash at beginning of the financial year		19,906	55,490
Cash at end of the financial period		23,346	69,237

The accompanying notes form part of these financial statements.



Notes to the financial statements - 31 December 2023

Note 1: Statement of Significant Accounting Policies

(a) Basis of Preparation

This general purpose half-yearly 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. It is recommended that this report should be read in conjunction with the 2023 Annual Report and public announcements made by the company during the half year, in accordance with the continuous disclosure obligations arising out of the Corporations Act 2001.

The half-year financial report also 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 2023 Annual Report. New standards or interpretations mandatory for the annual reporting period beginning 1 July 2023 will not have any effect on the financial position or performance of the company.

The company applies a Corporation Tax Rate of 25% for its financial reporting.

(b) Other Disclosure

The financial report of Imperial Pacific Limited for the six months ended 31 December 2023 was authorised for issue in accordance with a resolution of the Directors on 14 February 2024.

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

IMPERIAL PACIFIC LIMITED

ABN 65 000 144 561



Notes to the financial statements - 31 December 2023 (cont'd)

	31 Dec 2023	31 Dec 2022
	\$	\$
Note 2. Profit (Loss) from ordinary activities		
The following revenue and expense items are relevant in explaining the financial performance for the interim period:		
<i>(a) Crediting as revenue:</i>		
Dividends - Franked	18,857	17,472
Interest - Other Corporations	110	115
Management Fees (Base fee) - associated company	94,497	98,160
Management Fee (Performance - Estimated & Accrued)	75,000	
Other Income	11,818	11,818
Total Operating Revenue	<u>200,282</u>	<u>127,565</u>
<i>(b) Charging as expense:</i>		
Auditors re Audit	(11,250)	(9,300)
Auditors re other services	(1,000)	(2,000)
Depreciation - Lease	(22,766)	(22,766)
Directors fees - Paid or accrued	(35,000)	(34,767)
Interest Paid	(2,054)	(3,118)
Management Fee - Director Related	(73,440)	(82,175)
Other Operating Expenses	(33,477)	(26,666)
Total Operating Expenses	<u>(178,987)</u>	<u>(180,792)</u>
Share of net profit of associate accounted for using the equity accounting method	<u>76,296</u>	<u>80,030</u>
Profit (Loss) from Ordinary Activities before Income Tax	<u>97,591</u>	<u>26,803</u>

Note 3. Shares on Issue

	Number	Number
Ordinary Shares - 1 July 2023	5,168,980	5,049,852
Movement during the period - DRP Plan	148,528	119,128
Balance at reporting date	<u>5,317,508</u>	<u>5,168,980</u>

The company has in existence a Dividend Reinvestment Plan under which shareholders elect to have all or part of their dividend reinvested in new ordinary shares at a discount to the market price. The market value discount offered to shareholders in 2023 was 2.5% (2.5% in 2022).

	31 Dec 2023	30 Jun 2023
Note 4. Current Assets - receivables		
Other Debtors and Prepayments	118,020	35,628
Associated Company	58,442	121,964
	<u>176,462</u>	<u>157,592</u>

Note 5. Investment Portfolio

Shares in other public corporations	1,431,415	1,115,592
Shares in associated corporation	8,187,129	7,444,291
	<u>9,618,544</u>	<u>8,559,883</u>

Note 6. Current Liabilities- payables

Directors or Director Related entity (See Note below)	1,175,646	1,247,591
Current Lease Liability	47,941	45,791
Associated Company	9,940	1,940
Other Creditors and Accruals	254,953	135,071
	<u>1,488,480</u>	<u>1,430,393</u>

Note: Director Related Advances are unsecured, interest free and repayable on 90 days notice.

IMPERIAL PACIFIC LIMITED

ABN 65 000 144 561



Notes to the financial statements - 31 December 2023 (Cont'd)

Note 7. Dividends Paid

The following dividends were recognised in the accounting period:

	31 Dec 2023	31 Dec 2022
	\$	\$
A fully franked ordinary dividend of 6.25 cents per share was paid to shareholders on 14 October 2023 (previous year - 6.25 cents fully franked dividend. Both dividends carried DRP participation.	323,061	315,625
There are no interim dividends proposed for payment.		

Note 8. Segmental information

The economic entity predominantly acted through the year as a strategic investor investing funds in Australia.

	Equity Investment	Financial Services	Total
	\$	\$	\$
December 2023			
Revenue			
Investment /other revenue	18,967	181,315	200,282
Segment result			
Profit (loss) after tax	5,770	91,822	97,592
Segment assets	9,827,055	115,801	9,942,856
Segment liabilities	(968,759)	(754,761)	(1,723,520)
Net cash inflow from operating activities	146,258	(17,638)	128,620
			8,219,336

Carrying amount on investment in associates accounted for using the equity accounting method

8,187,129	-	8,187,129
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	Equity Investment	Financial Services	Total
	\$	\$	\$
December 2022			
Revenue			
Investment /other revenue	17,587	109,978	127,565
Segment result			
Profit (loss) after tax	7,221	19,582	26,803
Segment assets	9,224,608	108,267	9,332,875
Segment liabilities	(774,234)	(1,139,468)	(1,913,702)
Net cash inflow from operating activities	122,697	(41,478)	81,219

Carrying amount on investment in associates accounted for using the equity accounting method

7,754,671	-	7,754,671
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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 and consolidated entity's financial position as at 31 December 2023 and of 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 15th day of February 2024

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 2023, 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.

Cutcher & Neale Assurance Pty Ltd
(An authorised audit company)



Nick Nancarrow CA
Director

NEWCASTLE WEST

14 February 2024

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 2023 as set out on pages 3 to 10. The financial report comprises the statement of financial position as at 31 December 2023, the statement of comprehensive income, 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, nothing has come to our attention that causes us to believe that the accompanying half-year financial report of Imperial Pacific Limited and its consolidated entities, has not been prepared, in all material aspects, in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of its financial position as at 31 December 2023 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 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 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 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 has not been prepared, in all material aspects in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2023 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.

Cutcher & Neale Assurance Pty Ltd
(An authorised audit company)



Nick Nancarrow CA
Director

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16 February 2024