

20 August 2014

Appendix 4E - Preliminary Final Results announcement to the market

1. Period Covered:

Year ended 30 June 2014

		June 2014	June 2013
		\$000	\$000
2. Key Information			
Revenue from Ordinary Activities		1,793	851
Change on previous year	Increase	111%	
Profit (Loss) from Ordinary Activities after tax		419	383
Change on previous year	Increase	9%	
Profit (Loss) from all Activities after tax		419	383
Change on previous year	Increase	9%	
Net Tangible Assets		4,946	4,299
Per Share (Cents)		22.9	19.9
Change on previous year	Decrease	15%	
Amount of Dividend Proposed:		1.0 cent	1.0 cent
Amount of Franking expected:		100%	100%
Record Date for dividend entitlements		1 Oct 2014	13 Sep 2013
Payment Date for dividend		9 Oct 2014	24 Sep 2013
Dividend Reinvestment Plan		Suspended	Suspended
Annual General Meeting Date:		23 October 2014	24 October 2013
Brief Explanation and background to the above results:			
1. A cautious approach to new investment has continued. Key investment Fiducian Portfolio Services (4% owned) has performed well and paid franked dividends. The 8% holding in Tranzact Financial Services was sold via a takeover offer.			
2. Profits improved in particular because of the high dividend component of the IMB share buy-back. This increased London City's franking credits.			
3. London City continues to work closely with advisers in assessing the quality of quality of information provided to investors by Penrice Soda (now in liquidation) in 2008 and 2009 so as to assess what funds might be recovered from various parties.			
4. Directors have continued to adopt a conservative approach to accounting for future tax benefits and have not accounted for a major component of future benefits that might arise from realised losses. This has impacted on net assets significantly, reducing them in the order of \$2 million. Despite the payment of a One Cent dividend during the year, the Net Tangible Assets still rose 15% to 22.9 cents a share.			
5. Liquidity remains comfortable while the appraisal of potential investments continue.			



3. Income Statement

[See Attached Schedule]

	June 2014	June 2013
	\$000	\$000
Revenues:		
Dividends Received	382	598
Interest Received	64	84
Unit Trust Distribution		
Proceeds - Trading Investments	1,346	169
Other	-	-
	<u>1,792</u>	<u>851</u>
Less Costs:		
Management Fee Payable	(47)	(43)
Cost of Trading Investments	(1,400)	(201)
Other Expenses:	<u>(137)</u>	<u>(199)</u>
Profit (Loss) Before Tax:	208	408
Plus (Less) Income Tax Expense	<u>210</u>	<u>(25)</u>
Net Profit after Tax attributable to Members	<u>418</u>	<u>383</u>

4. Balance Sheet

[See Attached Schedule]

Shareholders Equity	4,946	4,299
Per Ordinary Share	\$ 0.229	\$ 0.199

5. Statement of Cash Flows

[See Attached Schedule]

6. Dividends Paid

Amount paid (\$000)	216	216
Date Paid	24 Sept 2013	17 Oct 2012
Per Share	1 cent	1 cent
Amount of Franking:	100%	100%

7. Dividend Reinvestment Plan

Although the company has a Dividend Reinvestment Plan in place. It is suspended.

8. Share Buy-back Programme

The company let its on-market Share Buy-back programme lapse in 2012/13.

9. Retained Earnings

Balance at start of year	7,153	6,986
Profit (loss) after Tax for year	418	383
Less: Dividend Paid	<u>(215)</u>	<u>(216)</u>
Retained Earnings - year end	<u>7,356</u>	<u>7,153</u>

10. Net Asset Backing Per Share at Year end:

Cents	22.9	19.9
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11. Details of entities over which control has been gained or lost during period.

There were no such entities.

12. Details of Associates

Name of Associate:	Imperial Pacific Limited	Imperial Pacific Limited
Percentage of ownership held by Imperial Pacific in London City:	30.1%	30.1%

**13. Other Information:****Issued Capital - shares on Issue:**

Ordinary Shares	21,591,099	21,591,099
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14. Commentary on Results**(a) General**

1. A very comfortable result given the continuous cautious approach to investment.
2. Net Tangible Assets per share rose to 23 cents despite the payment of a 1.0 cent dividend and the earlier decision by the Board of London City to defer accounting for potential future tax benefit of losses realised during the years.

(b) Earnings Per Share:

Cents	(Note: No options exist)	1.94	1.77
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(c) Return to Shareholders

Profit after tax to Shareholders Equity at year end	8.45%	8.91%
Profit after tax to Shareholders Equity at previous year end:	9.72%	0.38%

(d) Segmental Disclosure

	Equity Investment	Other	Total
2014			
Revenue	\$000	\$000	\$000
Investment /other revenue	1,728	64	1,792
Segment Result - Profit after Tax	446	(28)	418
Segment Assets	2,374	2,802	5,176
Segment Liabilities	(124)	(124)	(248)
Net cash inflow from operating activities	187	(56)	131
2013			
Revenue	\$000	\$000	\$000
Investment /other revenue	767	84	851
Segment Result - Profit after Tax	411	(28)	383
Segment Assets	2,282	2,164	4,446
Segment Liabilities	(61)	(86)	(147)
Net cash inflow from operating activities	410	(42)	368

15. Status - Audit:

1. The above Preliminary Final Report has been based on accounts which are in the process of being audited.
2. There are no items in dispute in relation to the accounts of the company.

Signed for and on behalf of the Board

Peter EJ Murray - Director and Chief Operating Officer

20 August 2014

London City Equities Limited

ABN 59 003 200 664



Income Statement for the year ended 30 June 2014

		2014	2013
	<i>Notes</i>	\$	\$
Revenue from ordinary activities	3	1,792,983	851,001
Other expenses from ordinary activities			
Management fees	4	(47,401)	(43,425)
Other Operating Expenses	4	(136,722)	(197,542)
		<u>(184,123)</u>	<u>(240,967)</u>
Cost of Trading Investments sold		(1,400,017)	(201,760)
Profit (Loss) from ordinary activities before tax		208,843	408,274
Income tax	5	<u>210,000</u>	<u>(25,457)</u>
Profit (Loss) for Year		<u>418,843</u>	<u>382,817</u>

Earnings per share:

Earnings per share from profit from continuing operations attributable to the ordinary equity holders of the company.

Basic and Diluted earnings per share (Cents)	25	1.94	1.77
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The accompanying notes form part of these financial statements.

London City Equities Limited

ABN 59 003 200 664



Balance Sheet as at 30 June 2014

	Notes	2014 \$	2013 \$
Current assets			
Cash and cash equivalents	6	2,506,727	2,142,902
Trade and other receivables	7	24,545	21,450
Total current assets		2,531,272	2,164,352
Non-current assets			
Investment Portfolio	8	2,374,872	2,111,618
Deferred Tax Assets	9	270,000	169,830
Total non-current assets		2,644,872	2,281,448
Total assets		5,176,144	4,445,800
Current liabilities			
Trade and other payables	10	19,621	121,779
Income tax payable	10	-	25,457
Total current liabilities		19,621	147,236
Non-current liabilities			
Deferred Tax Liability - Investment Portfolio	11	210,000	-
		210,000	-
Total liabilities		229,621	147,236
Net assets		4,946,523	4,298,564
Equity			
Share Capital	12	4,240,881	4,240,881
Realised Capital Gains Reserve	14 (a)	(7,140,370)	(6,839,215)
Unrealised Revaluation Reserve	14 (b)	489,913	(256,269)
Retained Profits	14 (c)	7,356,099	7,153,167
Total equity		4,946,523	4,298,564

The accompanying notes form part of these financial statements.

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Cash Flow Statement for the year ended 30 June 2014

	Notes	2014 \$	2013 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of goods and services tax)		(314,286)	(254,012)
Dividends Received		382,468	586,980
Interest Received		60,479	85,993
Purchase of Trading Investments		(1,115,985)	(137,824)
Proceeds - Sale of Trading Investments		1,117,780	86,258
Unit Trust Distributions		-	-
Net cash inflow (outflow) from operating activities	25	130,456	367,395
Cash flows from investing activities			
Payments for investments		(765,021)	(594,441)
Proceeds from sale of investment		1,216,581	672,672
Net cash inflow (outflow) from investing activities		451,560	78,231
Cash flows from financing activities			
Increase (Reduction) in related corporations accounts		(2,280)	70,925
Payments for shares bought back		-	(13,775)
Dividends paid		(215,911)	(215,914)
Net cash inflow (outflow) from financing activities		(218,191)	(158,764)
Net increase (decrease) in cash held		363,825	286,862
Cash at beginning of the financial year		2,142,902	1,856,040
Cash at end of the financial year	6	2,506,727	2,142,902

The accompanying notes form part of these financial statements.