

25 August 2015

Appendix 4E - Preliminary Final Results announcement to the market

1. Period Covered:

Year ended 30 June 2015

	June 2015	June 2014
	\$000	\$000
2. Key Information		
Revenue from Ordinary Activities	603	1,793
Change on previous year	-66%	
Profit (Loss) from Ordinary Activities after tax	59	419
Change on previous year	-86%	
Profit (Loss) from all Activities after tax	59	419
Change on previous year	-86%	
Net Tangible Assets	4,451	4,946
Per Share (Cents)	20.6	22.9
Change on previous year	-10%	
Amount of Dividend Proposed:	1.0 cent	1.0 cent
Amount of Franking expected:	100%	100%
Record Date for dividend entitlements	1 Oct 2015	1 Oct 2014
Payment Date for dividend	15 Oct 2015	9 Oct 2014
Dividend Reinvestment Plan	Suspended	Suspended
Annual General Meeting Date:	22 October 2015	23 October 2014
Brief Explanation and background to the above results:		
1. London City's cautious approach to new investment has continued while it searches for a distinctive long term investment. Its key holding in Fiducian Limited has passed 5%. In addition a modest holding of 1.5% in Coffey International Limited has been acquired. Fiducian's excellent performance has been marred by adverse surprises coming from Coffey since its AGM on 4 November 2014.		
2. Profits have been restrained due to low interest rates and difficulty in locating attractive higher yielding investments that meet our criteria. Franking credits have increased again.		
3. London City continues to work closely with advisers in assessing the information given to investors by Penrice Soda (now in liquidation) in 2008 and 2009 so as to assess what action might be undertaken and funds recovered from various parties.		
4. Directors have continued to adopt a conservative approach to accounting for future tax benefits. They 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.		
5. Liquidity remains comfortable.		



3. Income Statement

[See Attached Schedule]

	June 2015	June 2014
	\$000	\$000
Revenues:		
Dividends Received	266	382
Interest Received	50	64
Unit Trust Distribution		
Proceeds - Trading Investments	287	1,346
Other	-	-
	<u>603</u>	<u>1,792</u>
Less Costs:		
Management Fee Payable	(47)	(47)
Cost of Trading Investments	(376)	(1,400)
Other Expenses:	<u>(121)</u>	<u>(137)</u>
Profit (Loss) Before Tax:	59	208
Plus (Less) Income Tax Expense	-	210
Net Profit after Tax attributable to Members	<u>59</u>	<u>418</u>

4. Balance Sheet

[See Attached Schedule]

Shareholders Equity	4,451	4,946
Per Ordinary Share	\$ 0.206	\$ 0.229

5. Statement of Cash Flows

[See Attached Schedule]

6. Dividends Paid

Amount paid (\$000)	216	216
Date Paid	9 Oct 2014	24 Sept 2013
Per Share	1 cent	1 cent
Amount of Franking:	100%	100%

7. Dividend Reinvestment Plan

The company's Dividend Reinvestment Plan is currently suspended.

8. Share Buy-back Programme

The company has no Share Buy-back programme presently operating.

9. Retained Earnings

Balance at start of year	7,356	7,153
Profit (loss) after Tax for year	59	418
Less: Dividend Paid	<u>(216)</u>	<u>(215)</u>
Retained Earnings - year end	<u>7,199</u>	<u>7,356</u>

10. Net Asset Backing Per Share at Year end:

Cents	20.6	22.9
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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. London City's portfolio has benefited from the appreciation of its 5.1% shareholding in Fiducian Group. This gain has been reduced by the negative performance of the 1.5% holding in Coffey International Limited.
2. Modest and frustrating results, despite active research and company visits.
3. Net Tangible Assets per share are static at 21 cents, following another payment of a 1.0 cent fully franked dividend in late 2014. The Board of London City has continued to defer accounting for potential future tax benefit of investment losses realised during the years.

(b) Earnings Per Share:

Cents	(Note: No options exist)	0.27	1.94
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(c) Return to Shareholders

Profit after tax to Shareholders Equity at year end	1.33%	8.45%
Profit after tax to Shareholders Equity at previous year end:	1.19%	8.45%

(d) Segmental Disclosure

	Equity Investment	Other	Total
2015			
Revenue	\$000	\$000	\$000
Investment /other revenue	553	50	603
Segment Result - Profit after Tax	93	(34)	59
Segment Assets	3,342	1,253	4,595
Segment Liabilities	(112)	(32)	(144)
Net cash inflow from operating activities	190	(19)	171
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

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

25 August 2015

London City Equities Limited

ABN 59 003 200 664



Income Statement for the year ended 30 June 2015

		2015	2014
	Notes	\$	\$
Revenue from ordinary activities	3	603,338	1,792,983
Other expenses from ordinary activities			
Management fees	4	(46,696)	(47,401)
Other Operating Expenses	4	(121,613)	(136,722)
		<u>(168,309)</u>	<u>(184,123)</u>
Cost of Trading Investments sold		(376,064)	(1,400,017)
Profit (Loss) from ordinary activities before tax		58,965	208,843
Income tax	5	-	210,000
Profit (Loss) for Year		<u>58,965</u>	<u>418,843</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)	26	0.27	1.94
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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 2015

	Notes	2015 \$	2014 \$
Current assets			
Cash and cash equivalents	6	970,186	2,506,727
Trade and other receivables	7	12,850	24,545
Total current assets		983,036	2,531,272
Non-current assets			
Investment Portfolio	8	3,342,078	2,374,872
Deferred Tax Assets	9	270,000	270,000
Total non-current assets		3,612,078	2,644,872
Total assets		4,595,114	5,176,144
Current liabilities			
Trade and other payables	10	64,336	19,621
Income tax payable	10	-	-
Total current liabilities		64,336	19,621
Non-current liabilities			
Deferred Tax Liability - Investment Portfolio	11	80,000	210,000
		80,000	210,000
Total liabilities		144,336	229,621
Net assets		4,450,778	4,946,523
Equity			
Share Capital	12	4,240,881	4,240,881
Realised Capital Gains Reserve	14 (a)	(7,175,256)	(7,140,370)
Unrealised Revaluation Reserve	14 (b)	186,000	489,913
Retained Profits	14 (c)	7,199,153	7,356,099
Total equity		4,450,778	4,946,523

The accompanying notes form part of these financial statements.

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Cash Flow Statement for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of goods and services tax)		(154,068)	(314,286)
Dividends Received		265,832	382,468
Interest Received		58,083	60,479
Purchase of Trading Investments		(286,310)	(1,115,985)
Proceeds - Sale of Trading Investments		287,652	1,117,780
Net cash inflow (outflow) from operating activities	25	171,189	130,456
Cash flows from investing activities			
Payments for investments		(1,502,204)	(765,021)
Proceeds from sale of investment		10,385	1,216,581
Net cash inflow (outflow) from investing activities		(1,491,819)	451,560
Cash flows from financing activities			
Increase (Reduction) in related corporations accounts		-	(2,280)
Dividends paid		(215,911)	(215,911)
Net cash inflow (outflow) from financing activities		(215,911)	(218,191)
Net increase (decrease) in cash held		(1,536,541)	363,825
Cash at beginning of the financial year		2,506,727	2,142,902
Cash at end of the financial year	6	970,186	2,506,727

The accompanying notes form part of these financial statements.