

12 August 2016

**Appendix 4E - Preliminary Final Results announcement to the market**

**1. Period Covered:**

**Year ended 30 June 2016**

**2. Key Information**

**June 2016**

**June 2015**

**Group's Net Worth Gain over the year - before shareholder payout**

- Gains in Investments	1,920	(338)
- Income Account during year	42	59
	<u>1,962</u>	<u>(279)</u>
<b>Change on Net Worth previous year</b>	<b>44%</b>	<b>-6%</b>

	\$000	\$000
Revenue from Ordinary Activities	597	603
Change on previous year	-1%	
Profit (Loss) from Ordinary Activities after tax	42	59
Change on previous year	-29%	
Profit (Loss) from all Activities after tax	42	59
Change on previous year	-29%	
Net Tangible Assets	6,197	4,451
Per Share (Cents)	28.7	20.6
Change on previous year	39%	
Amount of Dividend Proposed:	1.25 cents	1.00 cent
Amount of Franking expected:	100%	100%
Record Date for dividend entitlements	3 Oct 2016	1 Oct 2015
Payment Date for dividend	13 Oct 2016	15 Oct 2015
Dividend Reinvestment Plan	Suspended	Suspended
Annual General Meeting Date:	27 Oct 2016	22 Oct 2015

**Brief Explanation and background to the above results:**

1. London City reports a successful year in which realised gains, portfolio uplifts and profit increased net worth 44%. London City's 5.7% shareholding in Fiducian Group Limited was enhanced particularly by the impressive business performance of that group. A 2% holding in Coffey International Limited was sold into a takeover for a gain of \$0.5 million.

2. Dividend Payout increased 25% to 1.25 cents a share.

3. The portfolio has appreciated some \$550,000 since year end and liquidity remains very comfortable with nearly \$2 million on deposit.

4. 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.

5. London City advises that it will be offering a Share Purchase Plan to shareholders in the near future at 25 cents, a discount to net asset backing. It will be payable by 30 September. It will not participate in the final dividend for 2016. Up to \$10,000 per holder will be offered. The Record Date will be 11 August 2016. The purpose is to increase the asset base to reduce the pro rata impact of overheads on profitability and to allow smaller holders to increase their holdings.



### 3. Income Statement

[ See Attached Schedule ]

	June 2016	June 2015
	\$000	\$000
<b>Revenues:</b>		
Dividends Received	184	266
Interest Received	30	50
Proceeds - Trading Investments	383	287
Other	-	-
	<u>597</u>	<u>603</u>
<b>Less Costs:</b>		
Management Fee Payable	(59)	(47)
Cost of Trading Investments	(368)	(376)
Other Expenses:	<u>(128)</u>	<u>(121)</u>
<b>Profit (Loss) Before Tax:</b>	42	59
Plus (Less) Income Tax Expense	-	-
<b>Net Profit after Tax attributable to Members</b>	<u>42</u>	<u>59</u>

### 4. Balance Sheet

[ See Attached Schedule ]

Shareholders Equity	6,197	4,451
Per Ordinary Share	\$ 0.287	\$ 0.206

### 5. Statement of Cash Flows

[ See Attached Schedule ]

### 6. Dividends Paid

Amount paid (\$000)	216	216
Date Paid	15 Oct 2015	9 Oct 2014
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	7,199	7,356
Profit (loss) after Tax for year	42	59
Less: Dividend Paid	<u>(216)</u>	<u>(216)</u>
Retained Earnings - year end	<u>7,025</u>	<u>7,199</u>

### 10. Net Asset Backing Per Share at Year end:

Cents	28.7	20.6
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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 appreciated significantly during the year. In particular it benefited from the appreciation in value of its 5.7% shareholding in Fiducian Group.
2. Net Tangible Assets per share appreciated from 21 cents to 29 cents, after paying another fully franked dividend in late 2015.

#### (b) Earnings Per Share:

Cents	(Note: No options exist)	0.19	0.27
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#### (c) Return to Shareholders

Profit after tax to Shareholders Equity at year end	0.68%	1.33%
Profit after tax to Shareholders Equity at previous year end:	0.94%	8.40%

#### (d) Segmental Disclosure

	Equity Investment	Other	Total
<b>2016</b>			
Revenue	\$000	\$000	\$000
Investment /other revenue	567	29	596
Segment Result - Profit after Tax	106	(64)	42
Segment Assets	4,871	1,953	6,824
Segment Liabilities	(584)	(43)	(627)
Net cash inflow from operating activities	127	(43)	84
<b>2015</b>			
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

### 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

12 August 2016

# London City Equities Limited

ABN 59 003 200 664



## Income Statement for the year ended 30 June 2016

		2016	2015
		\$	\$
<b>Revenue from ordinary activities</b>	Notes 3	596,955	603,338
Other expenses from ordinary activities			
Management fees	4	(58,902)	(46,696)
Other Operating Expenses	4	(128,600)	(121,613)
		<u>(187,502)</u>	<u>(168,309)</u>
Cost of Trading Investments sold		(367,741)	(376,064)
<b>Profit (Loss) from ordinary activities before tax</b>		41,712	58,965
Income tax	5	-	-
<b>Profit (Loss) for Year</b>		<u>41,712</u>	<u>58,965</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	0.19	0.27
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The accompanying notes form part of these financial statements.

# London City Equities Limited

ABN 59 003 200 664



## Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2016

	<i>Notes</i>	2016 \$	2015 \$
<b>Profit (Loss) for Year</b>		<b>41,712</b>	<b>58,965</b>
<b>Other Comprehensive Income (Expense)</b>			
Items that will not be recycled through the Income Statement:			
Net Realised and Unrealised Gain (Loss) for the period on securities in the Investment Portfolio:	14	1,920,012	(338,799)
<b>Total Other Comprehensive Income (Expense)</b>		<b>1,920,012</b>	<b>(338,799)</b>
<b>Total Comprehensive Income (Expense) for the year</b>		<b>1,961,724</b>	<b>(279,834)</b>

The accompanying notes form part of these financial statements.

# London City Equities Limited

ABN 59 003 200 664



## Balance Sheet as at 30 June 2016

	Notes	2016 \$	2015 \$
<b>Current assets</b>			
Cash and cash equivalents	6	1,867,062	970,186
Trade and other receivables	7	26,279	12,850
<b>Total current assets</b>		<b>1,893,341</b>	<b>983,036</b>
<b>Non-current assets</b>			
Investment Portfolio	8	4,269,136	3,342,078
Deferred Tax Assets	9	662,000	270,000
<b>Total non-current assets</b>		<b>4,931,136</b>	<b>3,612,078</b>
<b>Total assets</b>		<b>6,824,477</b>	<b>4,595,114</b>
<b>Current liabilities</b>			
Trade and other payables	10	85,886	64,336
<b>Total current liabilities</b>		<b>85,886</b>	<b>64,336</b>
<b>Non-current liabilities</b>			
Deferred Tax Liability - Investment Portfolio	11	542,000	80,000
		<b>542,000</b>	<b>80,000</b>
<b>Total liabilities</b>		<b>627,886</b>	<b>144,336</b>
<b>Net assets</b>		<b>6,196,591</b>	<b>4,450,778</b>
<b>Equity</b>			
Share Capital	12	4,240,881	4,240,881
Realised Capital Gains Reserve	14 (a)	(6,726,795)	(7,175,256)
Unrealised Revaluation Reserve	14 (b)	1,657,551	186,000
Retained Profits	14 (c)	7,024,954	7,199,153
<b>Total equity</b>		<b>6,196,591</b>	<b>4,450,778</b>

The accompanying notes form part of these financial statements.

# London City Equities Limited

ABN 59 003 200 664



## Cash Flow Statement for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees (inclusive of goods and services tax)		(145,571)	(154,068)
Dividends Received		183,695	265,832
Interest Received		29,819	58,083
Purchase of Trading Investments		(367,741)	(286,310)
Proceeds - Sale of Trading Investments		383,812	287,652
<b>Net cash inflow (outflow) from operating activities</b>	25	<b>84,014</b>	<b>171,189</b>
<b>Cash flows from investing activities</b>			
Payments for investments		(473,559)	(1,502,204)
Proceeds from sale of investment		1,502,332	10,385
<b>Net cash inflow (outflow) from investing activities</b>		<b>1,028,773</b>	<b>(1,491,819)</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(215,911)	(215,911)
<b>Net cash inflow (outflow) from financing activities</b>		<b>(215,911)</b>	<b>(215,911)</b>
<b>Net increase (decrease) in cash held</b>		896,876	(1,536,541)
Cash at beginning of the financial year		970,186	2,506,727
<b>Cash at end of the financial year</b>	6	<b>1,867,062</b>	<b>970,186</b>

The accompanying notes form part of these financial statements.