



Imperial Pacific Limited

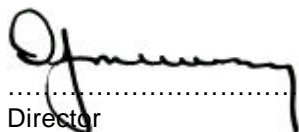
ABN 65 000 144 561

Appendix 4D

Half Year Report for the period ending 31 December 2013

Results for Announcement to the market:

<i>Reporting Period / Previous corresponding period</i>	6 months to 31 Dec 2013	6 months to 31 Dec 2012
<i>2.1 The amount of and percentage change up or down from the previous corresponding period of revenue from ordinary activities</i>	\$42,135 (down 40%)	\$70,939
<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>	(\$4,666) (reduce to loss)	\$53,243
<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>	(\$4,666) (reduce to loss)	\$53,243
<i>2.4 The amount per security and franked amount per security of final and interim ordinary dividends.</i>	5.0 cents in fully franked dividends paid on 24 Sept 2013).	5.0 cents in fully franked dividends paid on 17 Oct 2012.
<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>	\$0.82	\$0.94
<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>	\$145,325 - 5.0 cents in fully franked dividends paid on 24 Sept 2013 .	\$145,325 - 5.0 cents in fully franked dividends paid on 17 Oct 2012 .
<i>6.0 Details of Dividend Distribution plan in operation.</i>	No plan in operation	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 – 30.1% owned (Dec 2013 – Profit contrib. of \$78,000)	London City Equities Limited – 29.6% owned (Dec 2012 – Profit contrib. of \$120,000)
<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



 Director

20 February 2014



Imperial Pacific Limited

ABN 65 000 144 561

[And Controlled Entities]

Half Yearly Report

31 December 2013

Established in 1954



Website: www.imperialpacific.com.au



Imperial Pacific Limited

Chairman's Key Points – December Half

➤ **Operational**

The financial statements show that Imperial Pacific has continued to focus on its associate, London City Equities Limited. Given the strengthening in the stockmarket over the last eight months – encouraged by historical low interest rates – the share portfolio of London City has improved markedly. This has impacted positively on Imperial Pacific. As shareholders are aware, Imperial Pacific continues to hold comfortable levels of cash on deposit and these funds have enabled it to continue the payment of modest fully franked dividends.

On other potential areas of business we continue to hold activist investment fund aspirations. In this regard time was spent monitoring potential target investments. We believe managed funds will be easier to raise once we have established a prime, albeit confidential, investment target.

➤ **Financial Results**

The December year resulted in a modest loss of \$5,000 for the period, acceptable given little major events occurring in the period for the company. Again, we received no performance fees from the investment management activities. A fully franked dividend of 5.0 cents per share was paid to shareholders in October.

➤ **The Net Assets Per Share – 82 cents per share**

The group's net assets of \$2.7 million are slightly down on the 83 cents shown at 30 June but it must be remembered that Imperial Pacific has paid a 5 cent dividend to shareholders in the meantime.

Cash on deposit with Imperial Pacific's bankers is very comfortable at around \$900,000.

➤ **The Main Investments**

Imperial Pacific's 30.1% shareholding in London City increased in value as London City's share portfolio appreciated, assisted by its participation in an attractive share buy-back with IMB Limited. It was also helped by having a healthy level of investment funds in shares in companies in the financial services sector.

MainstreamBPO Pty Limited, 2% owned, to date has not provided proper consolidated and/or meaningful annual accounts to Imperial Pacific for years. We have made a number of lengthy submissions to ASIC under Section 294 about this situation in May, September and December. ASIC rejected any action on the first two occasions. We finally received the 2013 accounts last week and they are presently being appraised.

➤ **The Outlook**

Circumstances dictate that we have to be ultra cautious in appraising investments. It has been frustrating to undertake extensive appraisals of companies and find that the 'spin' on their accounts is not matched by actual performance. Despite that, we have detected stronger critical appraisal from research analysts. This helps to establish more realistic share prices. There still seems to be little interest in smaller capitalised companies from both broker's research and from investors themselves. This should offer our group some opportunities this year.

For and on behalf of the Board

Peter E.J. Murray
Chairman of Directors

20 February 2014



Statutory Directors' Report For the Half Year ended 31 December 2013

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 Rob Chenery and Mr David A. Sutherland.

Results

Imperial Pacific recorded a modest loss of \$5,000 for the six months. This reflects the company's focus on costs while researching investment opportunities and enhancing its key investment in London City Equities Limited. The lack of performance fees on its management of London City's portfolio is also relevant.

Review of Operations

Imperial Pacific's subsidiary Imperial Pacific Asset Management continued its management of the portfolio of London City. The positive feature was the successful exit from London City's portfolio of a franked credit Share Buy-back of IMB Limited and increased shareholdings in Fiducian Portfolio Services Limited (3.9% owned) and Tranzact Portfolio Services Limited (7.4% owned until taken over). Time was spent on legal options open to London City with its investment in Penrice. And Imperial Pacific again paid a fully franked dividend to shareholders of 5.0 cents per share.

Imperial Pacific's funds on deposit presently amount to around \$900,000.

Events occurring after Balance Date

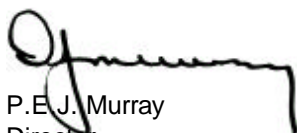
Since 31 December 2013 Imperial Pacific's asset base has increased because of the appreciation of some \$300,000 in London City's portfolio. Otherwise, no material event has taken place since balance date.

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 20th day of February, 2014.

On behalf of the Board



P.E.J. Murray
Director



D.A. Sutherland
Director

Imperial Pacific Limited

(ABN 65 000 144 56)

and Controlled Entities



Consolidated Income Statement for the Half Year to 31 December 2013

		--- Consolidated Entity ---	
	Note	31 Dec 2013	31 Dec 2012
		\$	\$
Revenue	(2)		
Investment revenue		18,959	33,961
Management fees received		23,176	21,978
Other Income		0	15,000
		<hr/>	<hr/>
		42,135	70,939
Operating Expenses	(2)		
Management fees		(63,520)	(72,620)
Directors' fees		(25,000)	(24,972)
Other		(36,588)	(40,076)
		<hr/>	<hr/>
		(82,973)	(66,729)
Share of net profit (loss) of associate accounted for using the equity accounting method	(2)	78,307	119,972
		<hr/>	<hr/>
Profit (Loss) from Ordinary Activities before Income Tax	(2)	(4,666)	53,243
Income Tax Expense relating to ordinary activities		-	-
		<hr/>	<hr/>
Net Profit attributable to outside equity interests		(4,666)	53,243
Total changes in equity other than those resulting from transactions with owners as owners		<hr/> (4,666) <hr/>	<hr/> 53,243 <hr/>
Basic and diluted Earnings Per Share (Cents per Share)		(0.2)	1.8

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 2013

		--- Consolidated Entity ---	
	Note	31 Dec 2013	30 June 2013
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		881,011	953,314
Trade and other receivables	(4)	47,333	170,976
TOTAL CURRENT ASSETS		928,344	1,124,290
NON-CURRENT ASSETS			
Investment Portfolio		1,468,252	1,367,963
Property, Plant & Equipment		381	416
Deferred Tax Assets		60,000	0
TOTAL NON-CURRENT ASSETS		1,528,633	1,368,379
TOTAL ASSETS		2,456,977	2,492,669
CURRENT LIABILITIES			
Trade and other payables		79,182	51,778
Tax liabilities		-	-
TOTAL CURRENT LIABILITIES		79,182	51,778
NON-CURRENT LIABILITIES			
Deferred Tax Liability		-	-
TOTAL LIABILITIES		79,182	51,778
NET ASSETS		2,377,795	2,440,891
SHAREHOLDERS' EQUITY			
Issued Capital	(3)	1,560,970	1,560,970
Realised Capital Gains Reserve		2,380,774	2,416,807
Unrealised Revaluation Reserve		45,881	(77,047)
Accumulated Losses		(1,609,830)	(1,459,839)
TOTAL EQUITY		2,377,795	2,440,891

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 2013

2013	Issued Capital	Realised Capital Gains Reserve	Unrealised Profits Reserve	Retained Earnings (Losses)	Total Equity
	\$	\$	\$	\$	\$
At 1 July 2013	1,560,970	2,416,807	(77,047)	(1,459,839)	2,440,891
Available-for-sale financial assets:					
- Net realised loss taken to equity:		(36,033)			(36,033)
- Tax on realised loss					-
- Net Unrealised gain taken to equity:			176,042		176,042
- Tax on unrealised loss			(53,114)		(53,114)
Net Income for period				(4,666)	(4,666)
Dividends Paid				(145,325)	(145,325)
At 31 December 2013	1,560,970	2,380,774	45,881	(1,609,830)	2,377,795

2012	Issued Capital	Realised Capital Gains Reserve	Unrealised Profits Reserve	Retained Earnings (Losses)	Total Equity
	\$	\$	\$	\$	\$
At 1 July 2012	1,560,970	3,531,313	(757,559)	(1,275,333)	3,059,391
Available-for-sale financial assets:					
- Net realised loss taken to equity:		(282,931)			(282,931)
- Tax on realised loss					-
- Net unrealised loss taken to equity:			83,080		83,080
- Tax on unrealised loss			(24,924)		(24,924)
Net Income for period				53,243	53,243
Dividends Paid				(145,325)	(145,325)
At 31 December 2012	1,560,970	3,248,382	(699,403)	(1,367,415)	2,742,534

The accompanying notes form part of this financial report.

Imperial Pacific Limited

(ABN 65 000 144 56)

and Controlled Entities



Consolidated Cash Flow Statement for the Half Year ended 31 December 2013

	--- Consolidated Entity ---	
	31 Dec 2013	31 Dec 2012
	\$	\$
Cash flows from operating activities		
Receipts from customers	97,755	6,000
Payments to suppliers and management	(107,608)	(171,194)
Dividends received	67,289	69,751
Interest received	15,954	27,634
Income Tax Paid	-	-
Net Cash provided by (used in) operating activities	73,390	(67,809)
Cash flows from investing activities		
Proceeds from Investments	-	-
Payments for Investments	-	-
Net Cash provided by (used in) investing activities	-	-
Cash flows from financing activities		
Payment of Advances	(368)	(1,950)
Dividend Paid to Shareholders	(145,325)	(145,325)
Net Cash provided by (used in) financing activities	(145,693)	(147,275)
Net increase (decrease) in cash held	(72,303)	(215,084)
Cash at beginning of half year	953,314	1,365,801
Cash at end of the period	881,011	1,150,717
Comprising:		
Cash and cash equivalents	881,011	1,150,717
	881,011	1,150,717

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 2013

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 2013 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 accounting policies adopted have been consistently applied by the company and are consistent with those applied in the 30 June 2013 Annual Report. New standards or interpretations mandatory for the annual reporting period beginning 1 July 2013 will not have any effect on the financial position or performance of the company.

(b) Other Disclosure

The financial report of Imperial Pacific Limited for the six months ended 31 December 2013 was authorised for issue in accordance with a resolution of the Directors on 20 February 2014.

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 56)

and Controlled Entities



Notes to the financial statements - 31 December 2013 (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 2013 \$	31 Dec 2012 \$
Interest	16,584	28,024
Dividends Received	2,375	5,937
Management Fees - associated company	23,176	21,978
Other Income - associated company	-	15,000
	<u>42,135</u>	<u>70,939</u>

(b) charging as expense:

Payable to Auditors - Audit	(4,650)	(4,150)
Payable to Auditors - Other Services	(2,150)	(2,050)
Depreciation	(35)	(80)
Directors Fees - parent company	(25,000)	(24,972)
Interest Paid	-	-
Management Fees - Director Related	(63,520)	(72,620)
Superannuation - Director Related	-	(2,434)
Other Operating Expenses	(29,753)	(31,362)
	<u>(125,108)</u>	<u>(137,668)</u>

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

78,307 119,972

Profit (Loss) from Ordinary Activities before Income Tax

(4,666) 53,243

Note 3 Shares on Issue

Ordinary Shares - 1 July 2013

---- Number of Shares ----

2,906,504 2,906,504

Plus Changes during Period

- -

Ordinary Shares - 31 December 2013

2,906,504 2,906,504

Average Shares on Issue during period

2,906,504 2,906,504

Note 4 Trade and other receivables

(30 Jun 13)

Other Debtors, Bank Bills and Prepayments

37,407 36,567

Associated Company

9,926 74,409

Current Tax Asset

- 60,000

47,333 170,976

Note 5 Dividends

The following dividends were recognised in the current accounting period.

A fully franked ordinary dividend of 5.0 cents per share was paid to shareholders on 24 September 2013 (Same in previous year).

145,325 145,325

There are no interim dividends proposed for payment.

Imperial Pacific Limited

(ABN 65 000 144 56)

and Controlled Entities



Notes to the financial statements - 31 December 2013 (Cont'd)

Note 6 Segment Information

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

December 2013	Investment	Financial Services	Consolidated
Revenue			
Investment /other revenue	18,959	23,176	42,135
Segment Result			
Profit after Tax	34,712	(39,378)	(4,666)
Segment Assets	2,427,966	29,011	2,456,977
Segment Liabilities	(39,591)	(39,591)	(79,182)
Net cash inflow from operating activities	50,961	22,429	73,390

Carrying amount on investment in associates accounted for using the equity accounting method	1,289,351	-	1,289,351
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December 2012	Investment	Financial Services	Consolidated
Revenue			
Investment /other revenue	33,961	36,978	70,939
Segment Result			
Profit after Tax	85,099	(31,856)	53,243
Segment Assets	2,709,586	129,727	2,839,313
Segment Liabilities	(48,390)	(48,389)	(96,779)
Net cash inflow from operating activities	14,788	(82,597)	(67,809)

Carrying amount on investment in associates accounted for using the equity accounting method	1,379,969	-	1,379,969
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Note 7 Contingent Liabilities

In support of past and future financing needs the parent company and its subsidiary Imperial Pacific Asset Management Pty Ltd have in place cross-guarantees to a bank. Neither company presently has any bank loan facilities or arrangements.

Note 8 Contingent Assets

On 28 January 2011 shareholders of Imperial Pacific approved the sale of the company's interest in convertible loan notes in MainstreamBPO Pty Limited. It was a condition of that contract that Imperial Pacific will accrue a profit share of 15% of the realised gain achieved by the purchaser if the investment is sold within five years. There is insufficient information at the date of this report to estimate any future benefit that may arise.

On 17 June and on 25 July 2011 associated company London City Equities Limited was granted judgement in its favour by the Federal Court of Australia to access certain records and documents of Penrice Soda Holdings Limited ("Penrice"). This followed legal action by London City to assess the conduct of the directors of Penrice and the provision of information at the time London City made investments in Penrice. This investigatory process may ultimately lead to legal action being taken against the Directors of Penrice, or that company itself, for the recovery of substantial investment losses. There is insufficient information at the date of this report to estimate any future benefit that may arise.



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 2013 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. A. SUTHERLAND, Director

Sydney

Dated this 20th day of February 2014

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 2013, 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.


Ian Neale FCA
Partner

Cutcher & Neale
Chartered Accountants

25 Bolton Street
Newcastle NSW 2300

20 February 2014

Independent Review Report to the Members of Imperial Pacific Limited

Scope

The financial report and director's responsibility

We have reviewed the financial report of Imperial Pacific Limited for the half year ended 31 December 2013 as set out on pages 3 to 10. The financial report comprises the statement of financial position, income statement, cash flow statement, statement of changes in equity, accompanying note to the financial statements, and the directors' declaration for Imperial Pacific Limited and its consolidated entities ("the consolidated entity") for the half year ended 31 December 2013.

The company's directors are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company, and that complies with Accounting Standards AASB 134 "Interim Financial Reporting", in accordance with the corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review Approach

We conducted an independent review of the financial report in order to make a statement about it to the members of the company and in order for the company to lodge the financial report with the Australian Stock Exchange and the Australian Securities and Investments Commission.

Our Review was conducted in accordance with Auditing Standard on Review Engagements ASRE 2410: "Review of an Interim Financial Report Performed by the Independent Auditor of the Entity", in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the Corporations Act 2001, Accounting Standard AASB 134: "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia, so as to present a view which is consistent with our understanding of the company's financial position, and of its performance as measured by the results of its operations and its cash flows. In addition, ASRE 2410 requires compliance with the ethical requirements relevant to the audit of the annual financial report.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than that given in an audit. We have not performed an audit and, accordingly, do not express an audit opinion.

Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Statement

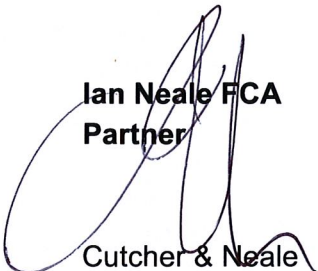
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Imperial Pacific Limited is not in accordance with:

(a) the Corporations Law, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2013 and of its performance for the half year ended on that date; and
- (ii) complying with accounting standard AASB 134: "Interim Financial Reporting" and the Corporations Regulations 2001; and

(a) other mandatory financial reporting requirements in Australia.

Ian Neale FCA
Partner


Cutcher & Neale
Chartered Accountants

25 Bolton Street
Newcastle NSW 2300

21 February 2014