

IMPERIAL PACIFIC LIMITED

ABN 65 000 144 561

16 August 2024



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

1. Period Covered:

Year ended 30 June 2024

2. Key Information

	June 2024	June 2023
	\$000	\$000
Group's Shareholder Net Worth Change - before shareholder payout		
- Gains in Investments / related	2,061	(372)
- Income Account during year	385	113
- New Equity	183	174
	2,629	(85)
Increase on Net Worth previous year	36%	
Revenue from Ordinary Activities	742	395
Change on previous year	88%	
Profit from Ordinary Activities after tax	385	113
Change on previous year	241%	
Profit from all Activities after tax	385	113
Change on previous year	241%	
Net Tangible Assets	9,584	7,278
Per Share	\$1.80	\$1.41
Change on previous year	28%	
Amount of Dividend Proposed (Cents):	7.00	6.25
Amount of Franking:	100%	100%
Rate of Franking	25.0%	25.0%
Record Date for dividend entitlements	1 Nov 24	4 Oct 23
Payment Date for dividend	11 Nov 24	13 Oct 23
Dividend Reinvestment Plan	Suspended	Operating
Annual General Meeting Date:	20-Nov-24	2 Nov 23

Brief Explanation and background to the above results:

1. In its 70th year of operation Imperial Pacific's investment values rose significantly by 19% and gross revenues rose from a combination of higher dividends and management fees, including a solid performance fee arising from the major gain in London City's portfolio. Dividend was increased.

2. London City, 41% owned, had an excellent year with Net Worth improving by 25%. Its dividend payout also rose. Its two strategic holdings in Fiducian Group (7% owned) and Excelsior Capital (8% owned directly) both increased in value significantly over the year.

3. Excelsior Capital, 2% owned by Imperial in an associate group holding 12.8%, improved its market value by 28% after selling main business undertaking, CMI Electrical, for \$101 million. In addition there may be a further \$9 million due if certain profit levels are achieved. Despite such a substantial flow of cash into Excelsior and significant franking credits held for shareholders, its Board opted to give not one cent to shareholders. We note London City is pursuing legal action.

4. Since balance date the Board of Imperial Pacific has seen a continuing rise in its portfolio values and has estimated the Net Worth of its shares now stand at \$1.84 each.



3. Consolidated Income Statement

[See Attached Account Supporting Information]

	June 2024	June 2023
	\$000	\$000
Revenues:		
Management Fee Received - Base	207	191
" " " - Performance	475	136
Dividends Received	35	34
Interest Received	-	-
Sales - Trading Investments	-	-
Other	25	34
	<u>742</u>	<u>395</u>
Less Costs:		
Cost of Trading Investments Sold	-	-
Various Expenses:	<u>(354)</u>	<u>(351)</u>
	388	44
Plus: Equity Share of Associated Company:	<u>(3)</u>	<u>69</u>
Profit (Loss) Before Tax:	385	113
Plus / Less Income Tax Gain (Expense)	-	-
Net Profit (Loss) after Tax attributable to Members	<u>385</u>	<u>113</u>

4. Balance Sheet

[See Attached Account Supporting Information]

Shareholders Equity	9,584	7,278
Per Ordinary Share	\$ 1.80	\$ 1.41

5. Cash Flow Statement

[See Attached Account Supporting Information]

6. Dividends Paid

Amount paid during year (\$000)	\$ 323	\$ 315
Date Paid	14 Oct 2023	14 Oct 2022
Per Share	6.25 cents	6.25 cents
Amount of Franking:	100%	100%

7. Dividend Reinvestment Plan

The company's Dividend Reinvestment Plan is suspended and will not operate this years.

8. Net Asset Backing Per Share:

As at 30 June:	\$ 1.80	\$ 1.41
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9. Details of entities over which control has been gained or lost during period.

There were no such entities.

10. Details of Associates

Name of Associate:	London City Equities Limited	
Percentage of ownership held:	40.94%	40.47%
Share of Profit for period (\$000)	(3)	69

11. Other Information:

Issued Capital - shares on Issue:		
Ordinary Shares	5,317,508	5,168,980

12. Commentary on Results

(a) General

1. Imperial Pacific's investment portfolio gains and revenue increases were near record levels.
2. Further information is provided on the front page.
3. Dividend was raised to 7.00 cents a share.

(b) Earnings Per Share:

Cents Per Share

Note: No options on issue.

June 2024

7.3

June 2022

2.2

(c) Return to Shareholders

Profit after tax to Shareholders Equity at year end

4.0%

1.6%

Profit after tax to Shareholders Equity prior year.


5.3%

1.5%

13. 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

16 August 2024



IMPERIAL PACIFIC LIMITED

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Attachment

Notes and Supporting Information relating to Appendix 4E

(Preliminary Final Results for announcement to the market.)

IMPERIAL PACIFIC LIMITED

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Consolidated Income Statement for the year ended 30 June 2024

	Notes	2024 \$	2023 \$
Revenue from ordinary activities	3	742,360	395,498
Less:			
Expenses from ordinary activities	4	(354,957)	(351,126)
Share of net profit of associate accounted for by using the equity accounting method	3	(2,654)	68,657
Profit from ordinary activities before income tax		384,749	113,029
Income tax credit (expense)	5	-	-
Net Profit (Loss) attributable to members of Imperial Pacific Limited		384,749	113,029

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)	32	7.30	2.20
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The accompanying notes form part of these financial statements.

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Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2024

	Notes	2024 \$	2023 \$
Profit (Loss) for Year		384,749	113,029
Other Comprehensive Income (Expense)			
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:	17	2,060,598	(371,826)
Total Other Comprehensive Income (Expense)		2,060,598	(371,826)
Total Comprehensive Income (Expense) for the year for equity holders		2,445,347	(258,797)

The accompanying notes form part of these financial statements.

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Consolidated Balance Sheet as at 30 June 2024

	Notes	2024 \$	2023 \$
Current assets			
Cash and cash equivalents	6	24,008	19,906
Receivables	7	565,516	157,592
Total current assets		589,524	177,498
Non-current assets			
Investment - Portfolio	10	1,447,213	1,115,592
Investment - Associated Corporation	10	9,179,440	7,444,291
Right-of-Use Asset	9	41,738	87,270
Tax Asset	8	60,000	60,000
Total non-current assets		10,728,391	8,707,153
Total assets		11,317,915	8,884,651
Current liabilities			
Trade and other payables	11	1,469,455	1,384,602
Lease Liability	12	45,720	45,791
Total current liabilities		1,515,175	1,430,393
Non Current liabilities			
Tax liabilities	13	219,000	130,000
Lease Liability	14	-	45,720
Total current liabilities		219,000	175,720
Total liabilities		1,734,175	1,606,113
Net assets		9,583,740	7,278,538
Equity			
Share Capital	15	4,036,906	3,853,990
Reserves	17	9,078,212	7,017,614
Retained Profits (Accumulated losses)	17	(3,531,378)	(3,593,066)
Total equity		9,583,740	7,278,538

The accompanying notes form part of these financial statements.

IMPERIAL PACIFIC LIMITED

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Consolidated Statement of Changes in Equity for the Year Ended 30 June 2024

	Notes	2024 \$	2023 \$
Total Equity at the beginning of the year		7,278,538	7,678,735
Transactions with Equity holders in their capacity as equity holders:			
Contribution to new Equity, after costs		182,916	174,225
Dividends provided or paid		(323,061)	(315,625)
Total transactions with Equity holders in their capacity as equity holders:		(140,145)	(141,400)
Income and Expense for Year:			
Profit (Loss) for Year		384,840	113,029
Other Comprehensive Income for the year:			
Realised Gain on Investment disposal	17	17,544	121,934
Revaluation of Investment Portfolio	17	6,963,002	4,472,039
Provision for Tax on unrealised gains	17	(2,051,624)	(1,317,112)
Reduced by Deferred Tax Asset	17	286,603	-
Less:			
- Reversal of Revaluation Last Year	17	(4,472,039)	(5,185,513)
- Reversal of Deferred Tax Provision Last Year	17	1,317,112	1,536,826
		2,060,598	(371,826)
Total recognised income (including unrealised gains) and expenses for the Year		2,305,293	(400,197)
Total Equity at the end of the year		9,583,831	7,278,538

The accompanying notes form part of these financial statements.



Note 1: Summary of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. International Financial Reporting Standards ("IFRS") form the basis of Australian Accounting Standards ("AASBs") adopted by the AASB. The financial report has been prepared in accordance with AIFRS (Australian Equivalents to International Financial Reporting Standards).

In this report "Group" refers to the consolidated entity and "Company" refers to the parent entity, Imperial Pacific Limited. This financial report consists of financial statements for the consolidated entity which consists of Imperial Pacific Limited and its respective subsidiaries and its equity accounted associate London City Equities Limited.

The Group has tried to adopt "Plain English" where possible to assist in information transparency.

The following is a summary of the significant accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless stated otherwise.

(a) Basis of Accounting

Imperial Pacific Limited is a listed public company incorporated and domiciled in Australia. It has subsidiary companies also incorporated and domiciled in Australia. The financial statements are prepared using the valuation methods described below for holdings of securities. All other items have been treated in accordance with historical cost convention.

In the application of the Company's accounting policies described above, the Directors are required to evaluate estimates and judgments that may be incorporated into the financial statements. Estimates and associated assumptions are based on historical experience and assume a reasonable expectation of future events. Actual results may differ from these estimates.

There are no estimates or judgments that have a material impact on the Company's financial results for the year ended 30 June 2024. All material financial assets are valued by reference to quoted prices and therefore no significant estimates or judgments are required in respect to their valuation. Revisions to accounting policies are recognised in the period in which the estimate is revised.

(b) Principles of Consolidation

A controlled entity is any entity controlled by Imperial Pacific Limited. Control exists where Imperial Pacific Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Imperial Pacific Limited to achieve the objectives of Imperial Pacific Limited. A list of controlled entities is contained in Note 27 to the financial statements. All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses have been eliminated on consolidation.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

The accounts of 40.94% owned London City Equities Limited are included by adopting the equity method of accounting (equity accounted as a 40.47% owned entity in 2023).

(c) Investments: Controlled Entities & Associates

The investments in subsidiary companies are carried at their cost of acquisition less any provision for impairment. Dividends are brought to account in the profit and loss account when they are credited or paid by the controlled entity.

London City Equities Limited is not recognised as a controlled entity because it is a company over which the group is not able to exercise control despite its 40.94% equity ownership, as one other shareholder controls a similar percentage of London City's issued capital. It is an associated company.

Investments in associated companies are recognised in the financial statements by applying the equity method of accounting.

IMPERIAL PACIFIC LIMITED

Notes to the financial statements - 30 June 2024



(d) Income Tax Expense

The income tax expense or credit for the period is the tax payable on the current period's taxable income adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the asset bases of assets and liabilities and their carrying amounts in the financial statements and to unused tax losses. Deferred tax assets and liabilities are offset as all current and deferred taxes relate to the Australian Taxation Office and can legally be settled on a net basis.

A tax provision is made for the unrealised gain or loss on Trading Portfolio securities valued at market value through the Income Statement. A tax rate of 25.0% has been adopted (25.0% in 2023).

Where non-current Investment Portfolio securities are adjusted for unrealised gains or losses at balance date in the Unrealised Revaluation Reserve an assessed deferred tax liability or asset is created to reflect the applicable tax, even though there may be no intention to dispose of those holdings. The tax sum is applied to the Unrealised Revaluation Reserve on one hand and the deferred tax liability or asset on the other.

Where the company might dispose of such securities, tax is calculated on gains made according to the particular parcels allocated to the sale for tax purposes offset against any capital losses carried forward.

Imperial Pacific Limited and its wholly-owned subsidiaries have formed an income tax consolidation group under the Tax Consolidation Regime. Imperial Pacific Limited is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidated group. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the consolidated group.

(e) Investments

The Company has two discrete types of investments. They are Trading Portfolio Financial Assets (Current Assets) and Investment Portfolio Financial Assets (Non-Current Assets).

All investments are initially recognised at the fair value of the consideration paid. After initial recognition, investments (classified as either Trading or Investment Portfolio) 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 on Trading Portfolio investments are recognised in the Income Statement.

Gains on Investment Portfolio securities are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of.

Dividend income is only taken to account when the right to receive a dividend is established, interest revenue being recognised on a proportional basis taking into account interest rates applicable to the financial assets.

(f) Non-Current Assets

The carrying amounts of all non-current assets other than investments are reviewed at least annually to determine whether they are in excess of their recoverable amount. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower value. In assessing recoverable amounts, the relevant cash flows have been discounted to their present value.

(g) Derivatives

The economic entity is from time to time exposed to fluctuations in interest rates from its activities. It is not the policy of the economic entity to use derivative financial instruments. The economic entity does not hedge its exposure to interest rate fluctuations. It has no foreign exchange exposure.

(h) Employee Entitlements

The company has no employees.

(i) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) Financial Risk issues

The economic entity has in place risk management controls supervised by the Board and the Audit, Compliance and Risk Management Committee. Risk issues are explained further in Note 19 of the financial statements.

(k) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable where invoiced. The net amount of GST recoverable from, or payable to the ATO is included with other payables in the balance sheet. Cash Flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are reported as operating cash flow.

IMPERIAL PACIFIC LIMITED

Notes to the financial statements - 30 June 2024



(l) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Revenues from the rendering of a service is recognised upon meeting the relevant performance obligations.

Management revenue is recognised on an accruals basis.

(m) Leases

The lease liability is measured at the present value of the lease payments still to be paid, discounted at the interest rate implicit in the lease. Lease payments included in the measurement of the lease liability include fixed lease payments less any lease incentive, amounts expected to be payable by the lessee under residual values guarantees, exercise of options and penalties for terminating the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made, initial direct costs, less accumulated depreciation and impairment losses, if any.

(n) New Standards and interpretations not yet adopted.

The Australian Accounting Standards Board has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The reported results and position of the Company will not change on adoption of these pronouncements as they do not result in any changes to the Company's existing accounting policies. Adoption will, however, result in changes to information currently disclosed in the financial statements. The Group does not intend to adopt any of these pronouncements before their effective date.

(o) Financial Statements Approval

The financial statements were authorised for issue by the Board of Directors on 16 August 2024.

Note 2. Segmental information

During 2023/23 the economic entity acted mainly in the investment and financial services sectors in Australia.

	Investment	Financial Services	Consolidated
	\$	\$	\$
2024			
Revenue			
Investment /other revenue	36,007	706,353	742,360
Segment Result			
Profit (Loss) after Tax	(73,107)	457,947	384,840
Segment Assets	11,257,982	66,773	11,324,755
Segment Liabilities	(956,998)	(784,018)	(1,741,016)
Net cash inflow from operating activities	235,222	(317,268)	(82,046)
Share of net profits (losses) of equity accounted associates	(2,654)	-	(2,654)
Carrying amount of investment in Associates accounting for using the equity accounting method	7,444,291	-	7,444,291
2023			
Revenue			
Investment /other revenue	34,391	361,107	395,498
Segment Result			
Profit (Loss) after Tax	(2,267)	115,296	113,029
Segment Assets	8,637,798	246,853	8,884,651
Segment Liabilities	(822,302)	(783,811)	(1,606,113)
Net cash inflow from operating activities	121,085	30,012	151,097
Share of net profits (losses) of equity accounted associates	68,657	-	68,657
Carrying amount of investment in Associates accounting for using the equity accounting method	7,444,291	-	7,444,291

IMPERIAL PACIFIC LIMITED

Notes to the financial statements - 30 June 2024



Note 3. Revenue

	2024	2023
From continuing operations	\$	\$
Dividends Received	35,554	34,110
Interest Received	453	281
Management Fees Received:		
- Base Management Fee	207,141	190,637
- Performance Fee	474,550	136,675
Licence Fee Revenue - Premises	24,662	23,795
Sales - Trading / Other Investments	-	-
Other		10,000
Total Revenue	742,360	395,498
Share of net profit (loss) of associate accounted	(2,654)	68,657

Note 4. Profit from ordinary activities

Net gains and expenses

Profit from ordinary activities before income tax has been determined after:

(a) Expenses

Auditors Fees (Note 21)	(40,900)	(18,900)
Depreciation re Lease (Note 23)	(45,532)	(45,532)
Directors fees	(70,000)	(69,767)
Directors superannuation	(7,775)	(7,362)
Interest - re Lease (Note 23)	(3,539)	(5,718)
Professional fees - director related	(142,740)	(155,250)
Other Expenses	(44,471)	(48,597)

Total Operating Expenses

(354,957)	(351,126)
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Cost of Trading / Other Investments Sold

-	-
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Net Operating Profit (Loss) before Tax

384,749	113,029
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(b) Revenue and net gains

Management fee - associated company - Base fee	207,141	190,637
Management fee - associated company - Performance fee	474,550	136,675

Note 5. Income Tax Expense

(a) The components of income tax expense comprise:

Current Tax

-	-
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(b) The income tax expense for the financial year differs from the amount calculated on the profit. The differences are reconciled as follows:

Profit (Loss) from ordinary activities before income tax	384,749	113,029
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Income tax calculated at 25.0% (25.0% - 2023)	(96,187)	(28,257)
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Plus (Less): Tax Effect of :

- Share of Associated Equity	17,164	17,164
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- Deferred tax benefit not recognised in respect of past year losses	11,093	11,093
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Income tax benefit (expense)	-	-
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(c) Amounts recognised directly in equity:

Decrease (Increase) in deferred tax liabilities relating to capital gains tax on the increase in unrealised changes in values of the investment portfolio

250,714	250,714
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(d) Deferred tax assets not recognised

No future income tax benefit has been brought to account in the accounts in respect of estimated tax losses of :

Revenue Losses	1,502,000	1,580,000
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Capital Losses	-	-
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These losses have not been confirmed by the tax authorities. The taxation benefits will only be obtained if:

- Assessable income is derived of a nature and of amount sufficient to enable the benefit of the deductions to be realised;
- Conditions for deductibility imposed by the law complied with; and
- No changes in tax legislation adversely affect the realisation of the benefit and of the deductions.

IMPERIAL PACIFIC LIMITED

Notes to the financial statements - 30 June 2024



	2024	2023
	\$	\$
Note 6. Cash and Cash Equivalents		
Cash at Bank and on Hand	24,008	19,906
	<u>24,008</u>	<u>19,906</u>

Note 7. Current assets - Receivables

Other Debtors	20,119	35,628
Amounts receivable from: (payable to)		
Associated Company	545,397	121,964
	<u>565,516</u>	<u>157,592</u>

Note 8. Non current assets - Tax

Current Tax Asset	60,000	60,000
	<u>60,000</u>	<u>60,000</u>

Note 9. Non current assets - Right-to-Use Asset

Right to Use Asset - Lease	41,738	87,270
	<u>41,738</u>	<u>87,270</u>

Note 10. Non current assets - Investment Portfolio

Investments

Shares in other corporations - Listed - at Market Value	1,431,555	1,097,643
Shares in other corporations - Unlisted - at Market Value	15,658	17,949
	<u>1,447,213</u>	<u>1,115,592</u>
Shares in associated corporation - at fair value	9,179,440	7,444,291
	<u>9,179,440</u>	<u>7,444,291</u>

Note 11. Current Liabilities - Payables

Directors or their Director Related Entities	1,331,280	1,247,591
Other Creditors	137,875	135,071
Associated Entity	300	1,940
	<u>1,469,455</u>	<u>1,384,602</u>

Note 12. Current Liabilities - Lease Liability

Least Liability - Premises	45,720	45,791
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Note 13. Non-Current Liabilities - Tax Liabilities

Income Tax	219,000	130,000
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Note 14. Non-Current Liabilities - Lease Liability

Lease Liability - Premises	-	45,720
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Note 15. Share Capital

(a) Share capital	\$	\$
5,168,980 (2023: 5,049,852) fully paid ordinary shares	4,036,906	3,853,990
(b) Movement in ordinary share capital:		
Balance at beginning of accounting period	3,853,990	3,679,765
Movements during the year - Dividend Reinvestment Plan	182,916	174,225
Balance at reporting date	<u>4,036,906</u>	<u>3,853,990</u>
(c) Movement in ordinary share numbers:		
Balance at beginning of accounting period	5,168,980	5,049,852
Movements during the year - Dividend Reinvestment Plan	148,528	119,128
Balance at reporting date	<u>5,317,508</u>	<u>5,168,980</u>

(d) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number and amounts paid on the shares. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll is entitled to one vote.

IMPERIAL PACIFIC LIMITED

Notes to the financial statements - 30 June 2024



Note 16. Capital Management

The Company's objective in managing capital is to continue to provide shareholders with attractive investment returns over the medium to longer term through access to investment management fee income, a steady stream of fully-franked dividends, minimum gearing and enhancement of capital invested. These goals include paying dividends that will, over time, grow faster than the rate of inflation. The company recognises that its capital will fluctuate in accordance with market conditions and the performance of its underlying investments. It may adjust the dividends paid, issue new shares from time to time or buy-back its shares or sell assets to minimise debt.

Note 17. Reserves and retained profits

(a) Reserves - as per below

	2024	2023
	\$	\$
Realised Capital Gains Reserve	2,989,963	2,972,419
Unrealised Revaluation Reserve	6,088,249	4,045,195
	<u>9,078,212</u>	<u>7,017,614</u>

Realised Capital Gains Reserve

Balance at 1 July 2023	2,972,419	2,850,485
Realisation Gain in period - Investment Portfolio	17,544	121,934
Balance at 30 June 2024	<u>2,989,963</u>	<u>2,972,419</u>

Unrealised Revaluation Reserve

Balance at 1 July 2023	4,045,195	4,538,955
Add Back Previous Revaluation of Portfolio	(4,472,039)	(5,185,513)
Add Back previous Provision for Tax	1,317,112	1,536,826
Revaluation of Investment Portfolio	6,963,002	4,472,039
Less Provision for Tax on Unrealised Gains	(2,051,624)	(1,317,112)
Additional Tax Reduction due to Past Losses	286,603	-
Balance at 30 June 2024	<u>6,088,249</u>	<u>4,045,195</u>

(b) Retained Profits / (Accumulated losses)

Retained Earnings (Accumulated losses)		
- beginning of the financial year	(3,593,066)	(3,390,470)
Net gain (loss) loss attributable to members of Imperial Pacific Limited	384,749	113,029
Dividends paid	(323,061)	(315,625)
Balance at 30 June 2024	<u>(3,531,378)</u>	<u>(3,593,066)</u>

(c) Net Realised and Unrealised Gains in the Period

Realised Gain (Loss)	17,544	121,934
Unrealised Gain (Loss)	2,043,054	(493,760)
	<u>2,060,598</u>	<u>(371,826)</u>

(d) Nature and purpose of reserves

Realised Capital Gains Reserve

The Realised Capital Gains Reserve records gains from the sale of non-current assets. The reserve may be used for the distribution of bonus shares to shareholders and is available for the payment of cash dividends as permitted by law.

Unrealised Revaluation Reserve

The Unrealised Revaluation Reserve is used to record increments and decrements on the revaluation of non-current Investment Portfolio assets, as described in the accounting policies, adjusted to reflect the applicable deferred tax liability or asset.

IMPERIAL PACIFIC LIMITED

Notes to the financial statements - 30 June 2024



2024 2023
\$ \$

Note 18. Dividends

(a) Dividends Payable

Dividend paid - Fully Franked	13 Oct 2023	(323,061)	(315,616)
Dividend proposed - Fully Franked	11 Nov 2024	(372,190)	(323,061)

Note: The company has in place a Dividend Reinvestment Plan for the 2024 dividend.

(b) Franking credits

Franking credit tax component available for
dividends in future years

	300,000	368,000
Fully franked dividends possible at tax rate of 25.0% (25.0% - 2023)	1,094,000	1,094,000

Note: The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for franking credits and debits arising from payment of tax liabilities and receipt of franked dividends.

Note 19. Financial instruments and risk

A. Financial instruments - fair value of financial assets and liabilities

Accounting Standards require the disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Level 1 - Quoted prices in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Inputs for the asset or liabilities that are not based on observable market data (unobservable inputs).

2024 Allocation	Level 1	Level 2	Level 3	Total
Financial assets	\$	\$	\$	\$
Cash & cash equivalents	24,008			24,008
Receivables		565,516		565,516
Portfolio Investments	1,431,555	15,658		1,447,213
Investment - Associated Corporation		9,179,440		9,179,440
Financial liabilities				
Other creditors	1,469,455			1,469,455
2023 Allocation	Level 1	Level 2	Level 3	Total
Financial assets	\$	\$	\$	\$
Cash & cash equivalents	19,906			19,906
Receivables		157,592		157,592
Portfolio Investments	1,097,643	17,949		1,115,592
Investment - Associated Corporation		7,444,291		7,444,291
Financial liabilities				
Other creditors	1,384,602			1,384,602

B. Risk Considerations - Main factors

The Group's activities expose it to various financial risks, mainly market risk, credit risk and liquidity risk. Risk management is carried out by senior management under policies and strategies approved by the Board and the Audit, Compliance and Risk Management Committee. The Group is not directly exposed to currency risk.

(a) Market Risk

This is the risk that the fair value of future cash flows of financial instruments may fluctuate because of changes in market prices that depend on many factors, including economic conditions, corporate profitability and management competence. The group seeks to reduce market risk by adhering to the prudent investment guidelines of its board, including guidelines in respect of industry status, investee position in the industry, performance outlook, management skills and level of strategic shareholding acquired. Price and Interest Rate risk issues are shown below.



Note 19. Financial instruments and risk (Cont'd)

(a) (i) Price Risk

The Group is exposed to price risk in relation to equities securities and convertible loan notes. These arise from:

- Investments held by the Group and classified on the balance sheet as either Trading or Portfolio; and
- Exposure to adverse movements in equity prices which may have negative flow-on effects to the revenue derived from the management of clients' investment portfolios.

The Group is not directly exposed to commodity price risk or derivative securities risk.

Price Risk Sensitivity Analysis:

The table below summarises the pre-tax impact of both a general fall and general increase in stock-market prices on listed equity securities by 10%. The analysis is based on the assumption that the movements are spread equally over all assets in the investment and trading portfolios. It assumes no performance fees payable from managed funds.

	----- 2024 -----		----- 2023 -----	
	10.0% increase in market prices	10.0% decrease in market prices	10.0% increase in market prices	10.0% decrease in market prices
	\$	\$	\$	\$
Impact on Profit (Pre tax)	22,844	(22,844)	17,305	(17,305)
Impact on Equity (Pre tax)	1,063,349	(1,063,349)	855,885	(855,885)

(a) (ii) Interest Rate Risk

This is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At balance date the Group had money on deposit with its bankers. As such, the Group's revenues and assets are subject to interest rate risk to the extent that the cash rate might fall over any given period. Given that the Group does not have any interest bearing liabilities at balance date, however, the Board and management do not consider it necessary to hedge the group's exposure to interest rate risk.

Interest Rate Risk Sensitivity Analysis:

The table below summarises the pre-tax impact of both a decrease and an increase in interest rates by 100 basis points (1.00%). The analysis is based on the assumption that the change is based on the amounts of cash at bank and cash at year end.

	----- 2024 -----		----- 2023 -----	
	100 bps increase in Interest Rate	100 bps decrease in Interest Rate	100 bps increase in Interest Rate	100 bps decrease in Interest Rate
	\$	\$	\$	\$
Impact on profit (pre-tax)	240	(240)	199	(199)

(b) Credit Risk

The credit risk on the financial assets of the entity is the risk that one party to a financial instrument may cause a financial loss for the other party by failing to discharge an obligation. This credit risk for Imperial Pacific is minimised by its policy of placing surplus funds with the company's bankers.

(b) (i) Cash and Cash Equivalents

The credit risk of the Group in relation to cash and cash equivalents in the carrying amount and any accrued unpaid interest. The average weighted maturity of the cash portfolio at any time is no greater than 90 days. The credit quality of cash deposits and equivalents can be assessed by reference to external credit ratings.

	2024	2023
Cash at bank and short-term bank deposits	\$	\$
- Credit Rating (Short)	AA -	AA -
	24,008	19,906

(b) (ii) Trade and sundry receivables

The credit risk of the Group in relation to trade and sundry receivables is their carrying amounts. The sums are minor and relate mainly to accrued unpaid interest and prepayments. The risk is mitigated by internal monitoring.

IMPERIAL PACIFIC LIMITED

Notes to the financial statements - 30 June 2024



Note 19. Financial instruments and risk (Cont'd)

(c) Liquidity Risk

This risk is that experienced by an entity when it has difficulties meeting its financial obligations. The Imperial Pacific consolidated entity has no formal external borrowings, although it has temporary related party director advances of \$1,247,591 at 30 June 2024 which carry no interest and a 90 day prior repayment notice.

Imperial Pacific manages maturity balances of deposits, marketable securities and cash flows carefully. The Group's management and its Board actively review the liquidity position on a regular basis to ensure that the Group can always meet its commitments, including investment programmes.

(c) (i) Maturities of financial assets

The following table details the Group's maturity periods of its financial assets. This table has been prepared based on the fair values of financial assets as at 30 June and according to the committed deposit maturing dates. Estimates are continually evaluated and are based on historical experience and expectations which are considered reasonable.

	2024	2023
To 30 days	24,008	19,906
30 - 90 days	542,882	-
90 - 120 days	22,634	157,592
Long Term	8,559,883	8,559,883

(c) (ii) Maturities of financial liabilities

The following table details the Group's maturity periods of its financial liabilities. This table has been prepared based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is liable to meet its obligations. The table includes both interest (where applicable) and principal cash flows.

	2024	2023
To 30 days	137,009	137,009
30 - 90 days	1,331,280	-
90 - 120 days	45,720	1,247,593
Long Term	219,000	221,511

NOTE: Of the 2024 financial liabilities due within 90 days, \$1,247,593 has been provided by a Director pending the Company concluding alternative investment scenarios that are being considered. The Director has given written assurances that the sums are interest free and subject to 90 day prior notice for repayment.

Note 20. Directors and Executives' Remuneration

(a) Names and positions held of parent entity directors and specified executives in office at any time during the financial year are:

Parent Entity Directors:

Mr P E J Murray	- Chairman
Mr D G Butel	- Director - Non-Executive
Mr L J Joseph	- Director - Non-Executive

(b) Parent Entity Directors' Remuneration	Primary Salary, Fees & Commissions	Post Superannuation Contributions	Other Employment	Total
2024				
Mr P E J Murray	142,740	-	-	142,740
Mr D G Butel	40,000	4,400	-	44,400
Mr L J Joseph	30,000	3,300	-	33,300
	212,740	7,700	-	220,440
2023				
Mr P E J Murray	155,250	-	-	155,250
Mr D G Butel	40,000	4,200	-	44,200
Mr L J Joseph	20,150	2,115	-	22,265
Mr N E Schafer	9,616	1,010	-	10,626
	225,016	7,325	-	232,341

(c) Number of Shares held by Parent Entity Directors / Specified Executives

	Balance 1.07.23	Received as Remuneration	Options Exercised	Net change *	Balance 30.06.24
Mr P E J Murray	2,648,896	-	-	164,556	2,813,452
Mr D G Butel	103,880	-	-	-	103,880
Mr L J Joseph	103,894	-	-	5,273	109,167
	2,856,670	-	-	169,829	3,026,499

* Net change refers to shares purchased or sold during the financial year.

ADD TO Append 4E acciPCJun24excel16/08/2024

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Note 20. Directors and Executives' Remuneration (Cont'd)

(d) Remuneration Practices

The company's policy for determining the nature and amount of emoluments of board members and senior executives of the company is as follows:

1. The remuneration arrangements for directors are determined by the shareholders in general meeting. From time to time the Board may submit proposals to increase the fees, which are presently have a maximum of \$125,000. The company has scope to remunerate Directors for special duties that may be requested on occasion. Mr Murray does not receive Directors Fees from the Company.
2. The company has no formal executives. In the case of Mr Murray his remuneration is based on an assessment of his experience, performance and tasks undertaken through the year where, in the main, an hourly fee of \$90 is payable, plus a share of corporate advisory fee income, if any.
3. The company has a Remuneration Committee in operation.

Note 21. Auditor's Remuneration

Remuneration for audit or review of the financial reports of the parent or any entity in the economic entity

Cutcher & Neale - Assurance services

Remuneration for other services:

Cutcher & Neale - Other compliance services

Total

	2024	2023
	\$	\$
	30,200	14,900
	10,700	4,000
	40,900	18,900

Note: Imperial Pacific Limited's Audit, Compliance and Risk Management Committee oversees the audit relationship, including reviewing with the Board the scope of the audit and the proposed fee.

Note 22. Contingent liabilities

Directors are not aware of any contingent liabilities that may impact on the company.

Note 23. Capital and Leasing commitments

(a) Capital Expenditure Commitments

There are no material capital commitments outstanding at year end.

These commitments represent non-cancellable operating leases relating to office premises.

(b) Impact of AASB 16: Leases on the Group during the year ended 30 June 2024:

Lease liability balance at 30 June 2024	45,720
Right-of-use assets at 30 June 2024	41,738
Cost - Interest component during the year	(3,539)
Cost - Depreciation component during the year	(45,532)

Note 24. Employee entitlements

There is no pension scheme within the immediate group entities as at 30 June 2024. The company has no formal employees.

Note 25. Related Party transactions

Directors

The names of persons who were Directors of Imperial Pacific Limited at any time during the financial year were Mr P.E.J. Murray, Mr D.G. Butel and Mr.L.J. Joseph.

Each Director was also a Director of associated company London City Equities Ltd during the same period.

Remuneration

Information on remuneration of directors is disclosed in Note 20.

IMPERIAL PACIFIC LIMITED

Notes to the financial statements - 30 June 2024



Note 25. Related Party transactions (cont'd)

Other related parties

Aggregate amounts included in the determination of operating profit before income tax that resulted from transactions with each class of other related parties:

	2024	2023
Associated Corporation - London City Equities Limited	\$	\$
Management fee - Basic	207,141	190,637
Management - Performance Fee	474,550	136,675
Sale of Excelsior Capital Limited Shares to Associated Corp on 4 May 2023 at market value	-	157,300

Aggregate amounts receivable from, and (payable to), each class of other related parties at balance date:

Current payables

Director related advance - PEJ Murray - interest free - see Note 11.	1,331,280	1,247,591
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Current receivables (liabilities)

Associated entity (intercompany balance) - interest free	545,397	121,964
Associated entity (intercompany balance) - interest free	(300)	(1,940)

Each Director also received director fee remuneration from the associated corporation, London City Equities Limited, based on \$30-40,000 each per annum.

Note 26. Group Parent Entity - Imperial Pacific Limited

The ultimate parent company is Imperial Pacific Limited (ABN 65 000 144 561) which was incorporated on 13 December 1954. Its investments in subsidiary entities are shown in the following note. The parent entity's financial statements show the following summarised amounts:

	----- Parent Entity -----	
	2024	2023
(a) Balance Sheet		
Current Assets	153,638	131,741
Non current Assets	14,658,832	13,349,170
Total Assets	14,812,470	13,480,911
Current Liabilities	(2,427,455)	(2,025,256)
Non Current Liabilities	(6,845,069)	(6,724,190)
Total Liabilities	(9,272,524)	(8,749,446)
Net Assets	5,539,946	4,731,465
(b) Shareholders Equity		
Issued Capital	4,036,906	3,853,990
Capital Profits Reserve	2,778,744	2,767,951
Unrealised Revaluation Reserve	2,791,872	1,860,801
Retained Profits (Accumulated Losses)	(4,067,576)	(3,751,277)
	5,539,946	4,731,465
(c) Profit and Loss Account		
Total Income	359,700	286,823
Total Expenses	(352,938)	(349,556)
Net Profit (Loss) Before Tax	6,762	(62,733)
Tax Credit (Expense)	-	-
Net Profit (Loss) after Tax	6,762	(62,733)
(d) Contingent Liabilities		
The parent company has no known contingent liabilities.		
(e) Contractual Commitments		
There are no capital purchase commitments.		

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Note 27. Investment in controlled entities

The ultimate parent company Imperial Pacific Limited has the following direct and indirect investments in subsidiary companies:

Name of Entity	Country of Incorp	Class of shares	Equity holding		Cost of parent entity's investment	
			2024	2023	2024	2023
Imperial Pacific Asset Management Pty Limited	Australia	Ordinary Shares	100	100	1,000,000	1,000,000
Imperial Pacific Fund Managers Pty Limited	Australia	Ordinary Shares	100	100	1,700,000	1,700,000
Imperial Pacific Resources Pty Limited	Australia	Ordinary Shares	100	100	*	*

Note: Imperial Pacific Asset Management Pty Ltd and Imperial Pacific Fund Managers Pty Ltd are 100% directly controlled by Imperial Pacific Limited. Imperial Pacific Resources Pty Limited is wholly owned by Imperial Pacific Fund Managers Pty Limited.

Note 28. Investment in associate

Name of company	Ownership Interest		Consolidated carrying amount		Parent Entity carrying amount	
	2024	2023	2024	2023	2024	2023
Traded on organised markets:			\$	\$	\$	\$
London City Equities Limited						
Limited	40.94%	40.47%	9,179,440	7,444,291	7,049,363	4,007,136
(Incorporated in Australia)						
Strategic holding company investing in shares and deposits.						
			9,179,440	7,444,291	7,049,363	4,007,136

	Consolidated carrying amount	
	2024	2023
Movements in carrying amounts of investments in associate	\$	\$
Carrying amount at the beginning of the financial year	7,444,291	7,894,757
Additional Equity Purchased	127,663	233,334
Net Increase (Reduction) in Reserves	1,790,554	(582,440)
Share of operating profit (loss) after income tax	(2,654)	68,657
Less dividends received from associates	(180,414)	(170,017)
Carrying amount at the end of the financial year	9,179,440	7,444,291

Results attributable to associate	\$	
	2024	2023
Operating profits (loss) after income tax	(2,654)	68,657
Less dividends received	(180,414)	(170,017)
	(183,068)	(101,360)
Retained profits attributable at beginning of the financial year	1,826,191	2,009,259
Retained profits attributable at the end of the financial year	1,643,123	1,907,899

Reserves attributable to associate

Capital Reserves	3,148,450	1,357,895
Share of associate's contingent liabilities	Nil	Nil
Share of associate's expenditure commitments	Nil	Nil

Summary of the performance and financial position of associates

The aggregate profits, assets and liabilities of associates are:

Profits (loss) from ordinary activities after income tax	(6,482)	169,631
Assets	26,612,577	20,613,400
Liabilities	(5,175,281)	(3,147,344)
Net Assets	21,437,296	17,466,056

IMPERIAL PACIFIC LIMITED

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Note 29. Economic dependency

The major business activities of the group during the year 2023/24 were the management of the London City Equities portfolio, portfolio investment, economic and research monitoring.

The 40.94% owned London City Equities at 30 June 2024 owns interests in companies in the financial services and Portfolio investor with hedge fund type unit trust investments. Imperial Pacific has its own interests in similar sectors. Accordingly the group has dependency on the financial services and some hedge type investment holdings (Excelsior Capital Limited).

Note 30. Events occurring after balance date

The Directors have declared a fully franked dividend of 7.00 cents per share for 2024. This is not shown in the accounts. Market values of underlying securities have improved since 30 June and net worth has been estimated to have risen to \$9,780,000 (\$1.84 per share).