



IMPERIAL PACIFIC LIMITED

ABN 65 000 144 561

Appendix 4D Half Year Report for the period ending 31 December 2022

Results for Announcement to the market:

| <i>Reporting Period / Previous corresponding period</i> | 6 months to 31 Dec 2022 | 6 months to 31 Dec 2021 |
|---|---|---|
| <i>2.1 The amount of and percentage change up or down from the previous corresponding period of revenue from ordinary activities</i> | \$128,000 (Down 40%) | \$210,000 |
| <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> | \$27,000 (Down 46%) | \$50,000 |
| <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> | \$27,000 (Down 96%) | \$700,000 |
| <i>2.4 The amount per security and franked amount per security of final and interim ordinary dividends.</i> | See Below | See Below |
| <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> | \$1.43 | \$1.59 |
| <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> | \$316,000 – 6.25 cents in fully franked dividends paid on 14 Oct 2022 | \$309,000 – 6.25 cents in fully franked dividends paid on 22 Oct 2021 |
| <i>6.0 Details of Dividend Distribution plan in operation.</i> | DRP in operation with dividend payout. A 2.5% discount was applied. | DRP in operation with dividend payout. A 5.0% discount was applied. |
| <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 – 40.1% owned (Dec 2022 – Profit Contrib. of \$80,030) | London City Equities Limited – 39.6% owned (Dec 2021 – Profit Contrib. of \$650,000). |
| <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 |

For and on behalf of the Board

Peter EJ Murray
Director

16 February 2023

IMPERIAL PACIFIC LIMITED

ABN 65 000 144 561



[And Controlled Entities]

Half-Yearly Report

31 December 2022

Established in 1954



Website: www.imperialpacific.com.au



Chairman's Review of the Six Months

The Half Year - modest falls in underlying asset value - income increases.

Directors were pleased to see stockmarkets recover from the lows experienced in May and June 2022. The gain, however, was not evenly spread across all sectors. The obvious awareness of inflation and rising interest rates - and some relief expectations helped confidence. However, Imperial Pacific (including its 40% ownership of London City Equities) experienced a half year with lower portfolio values. While the ASX All Ordinaries Index rose 7.0% from 6,746 to 7,222 in the half, concerns about inflation and the Reserve Bank finally increasing interest rates meant some sectors would experience adverse conditions. For example, equity investment management, housing and construction. Our investment values reflect this change - despite key investments lifting their fully franked dividend payout.

Financials - Profits

The Net Profit after tax for the six months came in at \$26,803, reflecting an increase in dividends and portfolio management fees. As in the past, costs were controlled and this year there were no group litigation outlays. London City increased its final dividend in October and the same took place with our key shareholding in Excelsior Capital Limited.

Financials - Net Assets - closed at \$1.43 per share

The Net Worth of Imperial Pacific finished the half year at \$7.4 million - or \$1.43 a share. This is after paying another 6.25 cent a share to shareholders in October.

Shareholders Dividend - looking ahead.

Shareholders are aware of Imperial Pacific's historic and consistent payment of comfortable fully franked dividends. The Board has noted the new Federal Government's attitude to franking credits and is looking at the the impact that such implementation might have on Imperial Pacific dividend payout.

The Investment Portfolio - down slightly but improved since balance date.

By looking at our key investments in the consolidated group, we note that the consistently successful past performance of Fiducian Group, an operator in the broad investment management sector, has been impacted adversely by falling share prices of other operators in that sector. While some have seen very large investment fund outflows and thus major share price falls, Fiducian has not suffered to the same extent with its price down approx 8%. On the other hand Excelsior Capital, with a quality performance from one operating division, saw a 10% value increase in the same period.

Net Assets - estimated now at \$1.49 a share.

Since balance date Australian stockmarkets have continued to improve with the All Ordinaries Index up some 5%. The group's underlying investment values have broadly followed the same improvement, albeit on light turnover. Estimated Net Assets are presently in the order of \$1.49 a share.

For and on behalf of the Board

A handwritten signature in blue ink, appearing to read "Peter Murray".

Peter E.J. Murray
Chairman of Directors

15 February 2023.



Statutory Directors Report For the Half Year ended 31 December 2022

The Directors of Imperial Pacific Limited submit their report together with the 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 EJ Murray, Mr David G Butel, Mr Neil E Schafer (from 1 July to 25 October) and Mr Louis J Joseph (appointed 28 September)

Review of Operations

Directors monitored economic news, the concerns about inflation and the group's participation in the stockmarket movements in the half. While the underlying investment in Fiducian Group fell in value as part of the specific investment management sector, the group investment in Excelsior Capital rose satisfactorily. Dividend and management fee income rose comfortably.

The Results

The Net Profit after tax for the six months was \$26,803, down from the \$700,000 of 2021 that included a large contribution from London City Equities Limited. Both dividend and management fee income rose in the period. Costs continue to be restrained. A dividend of 6.25 cents a share was paid in October.

The Investments

Of the two direct and underlying group key investments of Fiducian Group Limited and Excelsior Capital Limited, the share price of Fiducian fell around 8% in the half while Excelsior's share price rose 10%. Both companies paid higher fully franked dividends during the half year.

Events Occurring after Balance Date

No specific material event has taken place since balance date. However Australian stockmarkets have continued to improve in 2023. The group's underlying investment values have broadly followed the the same improvement.

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 of 15 February 2023.

Signed and dated this 15th day of February 2023.

On behalf of the Board

.....
P.E.J.Murray - Director

.....
D.G.Butel - Director



Consolidated Income Statement For the Half Year ended 31 December 2022

| | | 31 Dec 2022 | 31 Dec 2021 |
|--|------------|------------------|------------------|
| | | \$ | \$ |
| Revenue | Notes 2 | | |
| Dividends - investment portfolio | | 17,472 | 8,499 |
| Interest - deposits | | 115 | 4 |
| Management Fees | | 98,160 | 201,813 |
| Other Income | | 11,818 | 8,826 |
| | | <u>127,565</u> | <u>219,142</u> |
| Operating Expenses | | | |
| Depreciation - Lease | | (22,766) | (20,247) |
| Directors fees | | (34,767) | (30,000) |
| Management fees - Director Related | | (82,175) | (57,360) |
| Other Operating Expenses | 2 | (41,084) | (61,651) |
| | | <u>(180,792)</u> | <u>(169,258)</u> |
| | | (53,227) | 49,884 |
| Share of net profit of associate accounted for using the equity accounting method | | 80,030 | 650,353 |
| Profit (Loss) from ordinary activities before Income Tax | | 26,803 | 700,237 |
| Income Tax Expenses relating to ordinary activities | | - | - |
| Net Profit in equity other than those resulting from transactions with owners as owners | | 26,803 | 700,237 |
| | | <u>26,803</u> | <u>700,237</u> |
| Basic Earnings Per Share (Cents per share) | | 0.52 | 24.10 |

The accompanying notes form part of these financial statements.



Consolidated Statement of Financial Position as at 31 December 2022

| | Notes | 31 Dec 2022 \$ | 30 June 2022 \$ |
|-------------------------------------|-------|----------------------|-----------------------|
| Current assets | | | |
| Cash and cash equivalents | | 69,237 | 55,490 |
| Trade and other receivables | 4 | 106,498 | 72,287 |
| Total current assets | | 175,735 | 127,777 |
| Non-current assets | | | |
| Investment - Portfolio | 5 | 1,232,432 | 1,115,914 |
| Investment - Associated Corporation | 5 | 7,754,671 | 7,894,757 |
| Right-of-Use Asset | | 110,037 | 132,802 |
| Deferred Tax Assets | | 60,000 | 60,000 |
| Total non-current assets | | 9,157,140 | 9,203,473 |
| Total assets | | 9,332,875 | 9,331,250 |
| Current liabilities | | | |
| Trade and other payables | 6 | 1,672,995 | 1,420,288 |
| Lease Liability | 6 | 39,706 | 41,715 |
| Total current liabilities | | 1,712,701 | 1,462,003 |
| Non-current liabilities | | | |
| Deferred Tax Liability | | 128,000 | 99,000 |
| Lease Liability | | 73,001 | 91,512 |
| | | 201,001 | 190,512 |
| Total liabilities | | 1,913,702 | 1,652,515 |
| Net assets | | 7,419,173 | 7,678,735 |
| Equity | | | |
| Share Capital | | 3,853,990 | 3,679,765 |
| Realised Capital Gains Reserve | | 2,850,485 | 2,850,485 |
| Unrealised Revaluation Reserve | | 4,393,990 | 4,538,955 |
| Retained Profits | | (3,679,292) | (3,390,470) |
| Total equity | | 7,419,173 | 7,678,735 |

The accompanying notes form part of these financial statements.



Consolidated Statement of Changes in Equity for the Half Year Ended 31 December 2022

| 2022 | Issued Capital | Realised <i>Capital Gains</i> Reserve | Unrealised Revaluation Reserve | Retained Earnings | Total Equity |
|--|-------------------|---|--------------------------------------|----------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| At 1 July 2022 | 3,679,765 | 2,850,485 | 4,538,955 | (3,390,470) | 7,678,735 |
| Increase in Capital - DRP | 174,225 | | | | 174,225 |
| Investment Portfolio at fair value | | | | | |
| - Net unrealised gains taken to equity | | | (215,593) | | (215,593) |
| - Net Tax on unrealised gains | | | 70,628 | | 70,628 |
| Tax Reduced by Tax Losses | | | | | |
| Net Income for period | | | | 26,803 | 26,803 |
| Dividends Paid | | | | (315,625) | (315,625) |
| At 31 December 2022 | <u>3,853,990</u> | <u>2,850,485</u> | <u>4,393,990</u> | <u>(3,679,292)</u> | <u>7,419,173</u> |

| 2021 | Issued Capital | Realised <i>Capital Gains</i> Reserve | Unrealised Revaluation Reserve | Retained Earnings | Total Equity |
|--|-------------------|---|--------------------------------------|----------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| At 1 July 2021 | 3,528,869 | 2,850,485 | 3,896,948 | (3,839,993) | 6,436,309 |
| Increase in Capital - DRP | 150,897 | | | | 150,897 |
| Investment Portfolio at fair value | | | | | |
| - Net unrealised gains taken to equity | | | 1,485,142 | | 1,485,142 |
| - Net Tax on unrealised gains | | | (408,414) | | (408,414) |
| Tax Reduced by Tax Losses | | | | | - |
| Net Income for period | | | | 700,237 | 700,237 |
| Dividends Paid | | | | (308,717) | (308,717) |
| At 31 December 2021 | <u>3,679,766</u> | <u>2,850,485</u> | <u>4,973,676</u> | <u>(3,448,473)</u> | <u>8,055,454</u> |

The accompanying notes form part of these financial statements.



Consolidated Cash Flow Statement for the Half Year ended 31 December 2022

| | <i>Notes</i> | 2022 | 2021 |
|--|--------------|------------------|------------------|
| | | \$ | \$ |
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of goods and services tax) | | 98,160 | 201,786 |
| Payments to suppliers and employees (inclusive of goods and services tax) | | (216,365) | (163,392) |
| Dividends Received | | 187,491 | 175,017 |
| Interest Received | | 115 | 4 |
| Other Income | | 11,818 | - |
| Net cash inflow (outflow) from operating activities | | 81,219 | 213,415 |
| Cash flows from investing activities | | | |
| Payments for investments | | (182,385) | (169,245) |
| Proceeds from sale of investment | | - | - |
| Net cash inflow (outflow) from investing activities | | (182,385) | (169,245) |
| Cash flows from financing activities | | | |
| Increase in Issued Capital Related Corporations | | 174,225 | 150,896 |
| Other Advances | | 54 | 10,753 |
| Dividends paid | | 256,259 | 104,596 |
| | | (315,625) | (308,717) |
| Net cash inflow (outflow) from financing activities | | 114,913 | (42,472) |
| Net increase (decrease) in cash held | | 13,747 | 1,698 |
| Cash at beginning of the financial year | | 55,490 | 48,976 |
| Cash at end of the financial year | | 69,237 | 50,674 |

The accompanying notes form part of these financial statements.



Notes to the financial statements - 31 December 2022

Note 1: Statement of Significant Accounting Policies

(a) Basis of Preparation

This general purpose half-yearly 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. It is recommended that this report should be read in conjunction with the 2022 Annual Report and public announcements made by the company during the half year, in accordance with the continuous disclosure obligations arising out of the Corporations Act 2001.

The half-year financial report also 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 Company has two discrete types of investments - the Trading Portfolio (Current Assets) and the Investment Portfolio (Non-Current Assets). The Company is a long term investor. All investments are initially recognised at the fair value of the consideration given. After initial recognition, investments (classified as either Trading or Investment) 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 or losses on Trading Portfolio investments are recognised in the Income Statement. Gains or losses on Portfolio investments are recognised as a separate component of equity in the Unrealised Revaluation Reserve.

The accounting policies adopted have been consistently applied by the company and are consistent with those applied in the 30 June 2022 Annual Report. New standards or interpretations mandatory for the annual reporting period beginning 1 July 2022 will not have any effect on the financial position or performance of the company.

The company applies a Corporation Tax Rate of 25% for its financial reporting.

(b) Other Disclosure

The financial report of Imperial Pacific Limited for the six months ended 31 December 2022 was authorised for issue in accordance with a resolution of the Directors on 15 February 2023.

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 65 000 144 561



Notes to the financial statements - 31 December 2022 (cont'd)

| | 31 Dec 2022 | 31 Dec 2021 |
|--|----------------|----------------|
| | \$ | \$ |
| Note 2. Profit (Loss) from ordinary activities | | |
| The following revenue and expense items are relevant in explaining the financial performance for the interim period: | | |
| <i>(a) Crediting as revenue:</i> | | |
| Dividends - Franked | 17,472 | 8,499 |
| Interest - Other Corporations | 115 | 4 |
| Management Fees (Base fee) - associated company | 98,160 | 201,813 |
| Other Income | 11,818 | 8,826 |
| Total Operating Revenue | <u>127,565</u> | <u>219,142</u> |

| | | |
|-----------------------------------|------------------|------------------|
| <i>(b) Charging as expense:</i> | | |
| Auditors re Audit | (9,300) | (5,959) |
| Auditors re other services | (2,000) | - |
| Depreciation - Lease | (22,766) | (20,247) |
| Directors fees - Paid or accrued | (34,767) | (30,000) |
| Interest Paid | (3,118) | (275) |
| Management Fee - Director Related | (82,175) | (57,360) |
| Other Operating Expenses | (26,666) | (55,417) |
| Total Operating Expenses | <u>(180,792)</u> | <u>(169,258)</u> |

| | | |
|---|---------------|----------------|
| Share of net profit of associate accounted for using the equity accounting method | <u>80,030</u> | <u>650,353</u> |
| Profit (Loss) from Ordinary Activities before Income Tax | <u>26,803</u> | <u>700,237</u> |

| Note 3. Shares on Issue | Number | Number |
|---------------------------------------|------------------|------------------|
| Ordinary Shares - 1 July 2022 | 5,049,852 | 4,939,474 |
| Movement during the period - DRP Plan | 119,128 | 110,378 |
| Balance at reporting date | <u>5,168,980</u> | <u>5,049,852</u> |

The company has in existence a Dividend Reinvestment Plan under which shareholders elect to have all or part of their dividend reinvested in new ordinary shares at a discount to the market price. The scheme was re-introduced in late 2020 and has been applied since. The market value discount offered to shareholders in 2022 was 2.5% (5.0% in 2021).

| | 31 Dec 2022 | 30 Jun 2022 |
|---|----------------|----------------|
| Note 4. Current Assets - receivables | | |
| Other Debtors and Prepayments | 106,498 | 72,287 |
| Associated Company | - | - |
| | <u>106,498</u> | <u>72,287</u> |

| | | |
|-------------------------------------|------------------|------------------|
| Note 5. Investment Portfolio | | |
| Shares in other public corporations | 1,232,432 | 1,115,914 |
| Shares in associated corporation | 7,754,671 | 7,894,757 |
| | <u>8,987,103</u> | <u>9,010,671</u> |

| | | |
|---|------------------|------------------|
| Note 6. Current Liabilities- payables | | |
| Directors or Director Related entity (See Note below) | 1,506,766 | 1,237,028 |
| Current Lease Liability | 39,706 | 41,715 |
| Associated Company | 4,817 | 44,724 |
| Other Creditors and Accruals | 161,412 | 138,536 |
| | <u>1,712,701</u> | <u>1,462,003</u> |

Note: Director Related Advances are unsecured, interest free and repayable on 90 days notice.

IMPERIAL PACIFIC LIMITED

ABN 65 000 144 561



Notes to the financial statements - 31 December 2022 (Cont'd)

Note 7. Dividends Paid

The following dividends were recognised in the accounting period:

| | 31 Dec 2022 | 31 Dec 2021 |
|---|----------------|----------------|
| | \$ | \$ |
| A fully franked ordinary dividend of 6.25 cents per share was paid to shareholders on 14 October 2022 (previous year - 6.25 cents fully franked dividend. Both dividends carried DRP participation. | 315,625 | 308,717 |
| There are no interim dividends proposed for payment. | | |

Note 8. Segmental information

The economic entity predominantly acted through the year as a strategic investor investing funds in Australia.

| December 2022 | Equity Investment | Financial Services | Total |
|---|----------------------|-----------------------|-------------|
| Revenue | \$ | \$ | \$ |
| Investment /other revenue | 17,587 | 109,978 | 127,565 |
| Segment result | | | |
| Profit (loss) after tax | 7,221 | 19,582 | 26,803 |
| Segment assets | 9,224,608 | 108,267 | 9,332,875 |
| Segment liabilities | (774,234) | (1,139,468) | (1,913,702) |
| Net cash inflow from operating activities | 122,697 | (41,478) | 81,219 |

Carrying amount on investment in associates accounted for using the equity accounting method

| | | |
|-----------|---|-----------|
| 7,754,671 | - | 7,754,671 |
|-----------|---|-----------|

| December 2021 | Equity Investment | Financial Services | Total |
|---|----------------------|-----------------------|-------------|
| Revenue | \$ | \$ | \$ |
| Investment /other revenue | 8,503 | 201,813 | 210,316 |
| Segment result | | | |
| Profit (loss) after tax | 613,011 | 87,226 | 700,237 |
| Segment assets | 9,450,828 | 63,380 | 9,514,208 |
| Segment liabilities | (774,377) | (684,847) | (1,459,224) |
| Net cash inflow from operating activities | 125,234 | 88,181 | 213,415 |

Carrying amount on investment in associates accounted for using the equity accounting method

| | | |
|-----------|---|-----------|
| 8,312,085 | - | 8,312,085 |
|-----------|---|-----------|



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 and consolidated entity's financial position as at 31 December 2022 and of 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.

A handwritten signature in black ink, appearing to read 'P.E.J. Murray'.

P.E.J.Murray, Director

A handwritten signature in black ink, appearing to read 'David Butel'.

D.G.,Butel, Director

Sydney

Dated this 15th day of February 2023

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 2022, 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.

Cutcher & Neale
Chartered Accountants



Nick Nancarrow CA
Partner

NEWCASTLE

14 February 2023

Independent Auditor's Review Report to the Members of Imperial Pacific Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Imperial Pacific Limited ("the Company") and the entities it controlled during the half year (together the Group) for the half year ended 31 December 2022 as set out on pages 3 to 10. The financial report comprises the statement of financial position as at 31 December 2022, the statement of comprehensive income, cash flow statement, and statement of changes in equity for the half-year ended on that date, accompanying notes to the financial statements, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying half-year financial report of Imperial Pacific Limited and its consolidated entities, has not been prepared, in all material aspects, in accordance with the *Corporations Act 2001*.

Basis for Conclusion

We conducted our review in accordance with *ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Half-Year Financial Report

The directors of the Group are responsible for the preparation of the half-year financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report has not been prepared, in all material aspects in accordance with the *Corporations Act 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Cutcher & Neale
Chartered Accountants



Nick Nancarrow CA
Partner

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16 February 2023