

21 August 2025

Appendix 4E - Preliminary Final Results announcement to the market

1. Period Covered:

Year ended 30 June 2025

2. Key Information	June 2025	June 2024
	\$000	\$000
Shareholder's Net Worth Change over the year - before dividend payout		
- Gain (Loss) in Investments / related	3,149	4,297
- Income Account during year	500	(6)
- New Capital	-	132
	3,649	4,423
Increase on Net Worth over previous year	-17%	
Revenue from Ordinary Activities	1,814	1,247
<i>Change on previous year</i>	45%	
Profit from Ordinary Activities after tax	500	(6)
<i>Change on previous year</i>	NA	
Profit from all Activities after tax	500	(6)
<i>Change on previous year</i>	NA	
Net Tangible Assets	24,616	21,437
Per Share (Cents)	78.6	68.5
<i>Change on previous year</i>	15%	
Amount of Dividend Proposed:	2.50 cents	1.50 cents
	(inc Special 1.00 cents)	
Amount of Franking expected:	100%	100%
Record Date for dividend entitlements	3 Oct 2025	1 Nov 2024
Payment Date for dividend	16 Oct 2025	11 Nov 2024
Dividend Reinvestment Plan	Operating	Suspended
Annual General Meeting Date:	22 Oct 2025	20 Nov 2024
Brief Explanation and background to the above results:		
<p>1. Following major portfolio value increases, Directors report a significant reduction in equity holdings by realisations in a strong stock-market. These resulted in a capital gain of \$11.3 million. Operating profit came in at \$500,000, boosted by higher dividend income but reduced by litigation costs. The Directors have increased the 2025 dividend payout by 67% with a "Special" dividend of 1.0 cents.</p>		
<p>2. The key event was the increased value of London City's 7% holding in Fiducian Group via a combination of strong stock-market conditions and a market recognition of the quality of this stock. We have been shareholders in Fiducian for over nineteen years and as this shareholding became overweighted in our portfolio we had to reduce our holding. The gain of \$11.3 million mainly arose the reduction in the Fiducian shareholding. In regard to our 9.2% equity holding in Excelsior Capital, London City remains negative and plans to call a Shareholder Meeting of that company to debate the validity of Excelsior investing shareholder funds in unlisted hedge funds.</p>		
<p>3. Legal action continues in the Federal Court of Australia seeking, primarily, relief that Excelsior be wound up and the funds returned to shareholders. We note with concern that a defendant and director has recently moved to Monaco in Europe, an issue not yet announced by Excelsior. London City is examining the implications of this move on the litigation.</p>		
<p>4. Since year end London City has reduced further its shareholding in Fiducian. Liquid funds now stand at over \$13 million. Portfolio values show slightly higher gains. Unaudited net worth per share is estimated to be 81.5 cents.</p>		



3. Income Statement

[See Attached Account Supporting Information]

	June 2025	June 2024
	\$000	\$000
Revenues:		
Dividends Received	1,162	922
Interest Received	129	-
Proceeds - Trading Investments	523	325
Other	-	1
	<u>1,814</u>	<u>1,248</u>
Less Costs:		
Management Fee Payable - Base	(256)	(207)
" " " - Performance	(18)	(475)
Cost of Trading Investments	(530)	(324)
Diminution in Value of Short Term securities	(89)	-
Litigation Expenses	(188)	(52)
Other Expenses:	(233)	(195)
Profit (Loss) Before Tax:	<u>500</u>	<u>(5)</u>
Plus (Less) Income Tax Expense	-	-
Net Profit after Tax attributable to Members	<u>500</u>	<u>(5)</u>

4. Balance Sheet

[See Attached Account Supporting Information]

Shareholders Equity	24,616	21,437
Per Ordinary Share	\$ 0.786	\$ 0.685

5. Statement of Cash Flows

[See Attached Account Supporting Information]

6. Dividend Payable for that year

Amount paid (\$000)	783	470
Date Paid / Payable	16 Oct 2024	11 Nov 2024
Per Share - Ordinary	1.50 cent	1.50 cent
Per Share - Special	1.00 cent	
Amount of Franking:	100%	100%

7. Dividend Reinvestment Plan

The company's Dividend Reinvestment Plan will operate this year.

8. Share Buy-back Programme

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

9. Net Asset Backing Per Share at Year end:

Cents	78.6	68.5
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10. Retained Earnings

Balance at start of year	6,256	6,712
Profit (loss) after Tax for year	500	(6)
Less: Dividend Paid	(470)	(450)
Retained Earnings - year end	<u>6,286</u>	<u>6,256</u>

11. Details of entities over which control has been gained or lost during period.

There were no such entities.

12. Details of Associates

Name of Associate:	Imperial Pacific	Imperial Pacific
Percentage of ownership held by Imperial Pacific in	Limited	Limited
London City:	40.98%	40.94%

13. Other Information:

Issued Capital - shares on Issue:

Ordinary Shares	31,304,311	31,304,311
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14. Commentary on Results

(a) General

1. As indicated on the front page, London City had a significant rise in asset values and has reduced its investment equity levels, thereby realising \$11.3 million in capital gains.
2. Federal Court Action continues with Excelsior Capital Limited
3. Dividend has been increased with a Special Dividend component of 1.0 Cents a share.

(b) Earnings Per Share:

Cents	(Note: No options exist)	1.60	(0.02)
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(c) Return to Shareholders

Profit after tax to Shareholders Equity at year end	2.03%	-0.02%
Profit after tax to Shareholders Equity at previous year end:	2.33%	-0.03%

15. Status - Audit:

1. The above Preliminary Final Report has been based on accounts which are in the process of being audited.
2. There are no items in dispute in relation to the accounts of the company.

Signed for and on behalf of the Board

Peter EJ Murray - Director and Chief Operating Officer

21 August 2025

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Attachment

Notes and Supporting Information relating to Appendix 4E

(Preliminary Final Results for announcement to the market.)

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London City Equities Limited

ABN 59 003 200 664



Income Statement for the year ended 30 June 2025

		2025	2024
		\$	\$
Revenue from ordinary activities	Notes 3	1,814,197	1,248,756
Other expenses from ordinary activities			
Management fees	4	(274,543)	(681,691)
Other Operating Expenses	4	(509,350)	(249,995)
		<u>(783,893)</u>	<u>(931,686)</u>
Cost of Trading Investments sold	4	(530,393)	(323,552)
Profit (Loss) from ordinary activities before tax		499,911	(6,482)
Income tax	5	-	-
		<u>499,911</u>	<u>(6,482)</u>
Profit (Loss) for Year		499,911	(6,482)
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)	25	1.60	(0.02)

The accompanying notes form part of these financial statements.

London City Equities Limited

ABN 59 003 200 664



Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2025

	Notes	2025 \$	2024 \$
Profit (Loss) for Year		499,911	(6,482)
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:	14	3,148,675	4,295,701
Total Other Comprehensive Income (Expense)		3,148,675	4,295,701
Total Comprehensive Income (Expense) for the year		3,648,586	4,289,219

The accompanying notes form part of these financial statements.

London City Equities Limited

ABN 59 003 200 664



Balance Sheet as at 30 June 2025

	Notes	2025 \$	2024 \$
Current assets			
Cash and cash equivalents	6	42,842	19,758
Short Term Securities	7	11,324,571	-
Trade and other receivables	7	402,466	87,917
Total current assets		11,769,879	107,675
Non-current assets			
Investment Portfolio	8	14,586,727	22,844,902
Deferred Tax Assets	9	750,000	3,660,000
Total non-current assets		15,336,727	26,504,902
Total assets		27,106,606	26,612,577
Current liabilities			
Trade and other payables	10	250,288	699,281
Total current liabilities		250,288	699,281
Non-current liabilities			
Deferred Tax Liability - Investment Portfolio	11	2,240,000	4,476,000
Total liabilities		2,490,288	5,175,281
Net assets		24,616,318	21,437,296
Equity			
Share Capital	12	8,080,174	8,080,174
Realised Capital Gains Reserve	14 (a)	4,539,828	(6,732,895)
Unrealised Revaluation Reserve	14 (b)	5,709,821	13,833,869
Retained Profits	14 (c)	6,286,495	6,256,148
Total equity		24,616,318	21,437,296

The accompanying notes form part of these financial statements.

London City Equities Limited

ABN 59 003 200 664



Statement of Changes in Equity for the Year Ended 30 June 2025

	Notes	2025 \$	2024 \$
Total Equity at the beginning of the year		21,437,296	17,466,056
Transactions with Equity holders in their capacity as equity holders:			
Contributions/(Decrease) in Equity, net of transaction costs:	12	-	132,172
Dividends paid:	15	(469,564)	(450,151)
Total transactions with Equity holders in their capacity as equity holders:		(469,564)	(317,979)
Income and Expense for Year:			
Profit (Loss) for Year:		499,911	(6,482)
Other Comprehensive Income (Expense) Items:			
Net Realised Gain (Loss) for the period for stocks held on 30 June	14	3,148,675	4,295,701
Total other comprehensive income (including realised and unrealised gains and losses) for the year		3,148,675	4,295,701
Total Equity at the end of the year		24,616,318	21,437,296

The accompanying notes form part of these financial statements.

London City Equities Limited

ABN 59 003 200 664



Cash Flow Statement for the year ended 30 June 2025

	Notes	2025 \$	2024 \$
Cash flows from operating activities			
Investment Income			
Dividends Received		1,162,338	922,014
Interest Received		128,959	1,595
Proceeds - Sale of Trading Securities		522,900	-
Outlays - Short Term Trading Securities		(530,393)	-
Outlays - Short Term Trading Securities and Term Deposits		(11,301,263)	-
Payments to suppliers and personnel (inclusive of goods and services tax)		(703,393)	(415,347)
Other Income		-	-
Net cash inflow (outflow) from operating activities	24	(10,720,852)	508,262
Cash flows from investing activities			
Payments for investments		(1,964,733)	(411,330)
Proceeds from sale of investment		13,787,842	272,697
Net cash inflow (outflow) from investing activities		11,823,109	(138,633)
Cash flows from financing activities			
Increase in Issued Capital		-	132,172
Related Corporations		(609,608)	(49,478)
Dividends paid		(469,565)	(450,152)
Net cash inflow (outflow) from financing activities		(1,079,173)	(367,458)
Net increase (decrease) in cash held		23,084	2,171
Cash at beginning of the financial year		19,758	17,587
Cash at end of the financial year	24	42,842	19,758

The accompanying notes form part of these financial statements.

London City Equities Limited

Notes to the financial statements - 30 June 2025



Note 1: Summary of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian 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 statements have been prepared in accordance with AIFRS (Australian Equivalents to International Financial Reporting Standards).

The Company has endeavoured to adopt "plain English" where possible to assist in information transparency.

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

Basis of Accounting

London City Equities Limited is a listed public company incorporated and domiciled in Australia. It is a free standing company and its accounts are presented as such. 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 2025. 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.

(a) Income Tax

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 tax bases of assets and liabilities and their carrying amounts in the financial statements and to the unused tax losses. The rate of 30% has been adopted for these statements.

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. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those differences and losses.

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 30% has been adopted.

Where non-current Investment Portfolio assets 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.

(b) Investments

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.

London City Equities Limited

Notes to the financial statements - 30 June 2025

Note 1: Summary of significant accounting policies (Cont'd)



(c) 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.

(d) Derivatives

To a large extent the company may be exposed to fluctuations in interest rates with its activities. It is not the policy of the company to use derivative financial instruments. The company does not hedge its exposure to interest rates.

(e) 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 16 of the financial statements.

(f) 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.

(g) 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. Revenue from the rendering of a service is recognised upon meeting the relevant performance obligations.

(h) 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 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 flows.

(i) Leases

A lessee is required to recognise, the commencement date of the lease, the present value of the remaining non-cancellable lease payments as a lease liability on the statement of financial position with a corresponding right-of-us asset. The unwinding of the financial charge on the lease liability includes depreciation and an interest borrowing rate expense. The Company has assessed that it is not a party to any arrangements that are required to be accounted for as Leases under AASB 16.

(j) 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 are not anticipated to materially impact the Company's existing accounting policies. Adoption will, however, result in changes to information currently disclosed in the financial statements. The Company does not intend to adopt any of these pronouncements before their effective date.

(k) Consolidated Entity Disclosure Statement

As the Company is not required to prepare consolidated financial statements by Australian Accounting Standards, it is not required to present a consolidated entity disclosure statement.

(l) Financial Statements Approval

The financial statements were authorised for issue by the Board of Directors on 20 August 2025.

London City Equities Limited

Notes to the financial statements - 30 June 2025



Note 2. Segmental information

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

	Equity Investment	Other	Total
2025			
Revenue	\$	\$	\$
Investment /other revenue	1,685,238	128,959	1,814,197
Segment result			
Profit (loss) after tax	709,502	(209,591)	499,911
Segment assets	26,601,299	505,307	27,106,606
Segment liabilities	(2,404,732)	(85,556)	(2,490,288)
Net cash inflow from operating activities	662,470	(11,383,322)	(10,720,852)

	Equity Investment	Other	Total
2024			
Revenue	\$	\$	\$
Investment /other revenue	1,247,161	1,595	1,248,756
Segment result			
Profit (loss) after tax	221,288	(227,771)	(6,483)
Segment assets	26,444,901	164,602	26,609,503
Segment liabilities	(5,095,543)	(76,664)	(5,172,207)
Net cash inflow from operating activities	631,271	(123,009)	508,262

Note 3. Revenue

	2025	2024
From continuing operations	\$	\$
Dividends	1,162,338	922,014
Interest - Other Corporations	128,959	-
Other Income	-	1,595
Sales - Trading investments	522,900	325,147
Total Operating Revenue	1,814,197	1,248,756

Note 4. Profit from ordinary activities

Profit from ordinary activities before income tax expense includes the following specific expenses:

Expenses		
Auditors Fees (Note 18)	21,200	25,050
Directors fees (Note 17)	105,000	100,000
Superannuation - Directors (Note 17)	11,875	8,985
Licence fee payable regarding premises	25,773	24,662
Management fees - associated company		
- Basic management fee	255,903	207,141
- Performance Fee	18,640	474,550
Legal and associated Litigation Costs	187,907	52,502
Unrealised Diminution in value - trading securities	89,082	-
Other Operating Expenses	68,513	38,796
Total Operating Expenses	783,893	931,686
Cost of Trading and other Investments sold	(530,393)	(323,552)
Operating Profit before Tax	499,911	(6,482)

(b) Individually significant items included above

Costs - Management fees - associated company	274,543	681,691
Costs - Litigation Expenses	187,907	52,502

London City Equities Limited

Notes to the financial statements - 30 June 2025 (Cont'd)



Note 5. Income Tax Expense

(a) The components of income tax credit (expense) comprise:

	2025	2024
Current Tax	-	-
Deferred Tax	-	-
	<u>-</u>	<u>-</u>

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

Profit from ordinary activities before income tax expense	499,911	(6,482)
Income tax calculated at 30%	(149,973)	1,945
Less: Tax Effect of :		
- Recoupment of prior year losses	-	-
- Net Dividend Franking Credit re dividends	149,973	(1,945)
- Future income tax benefits arising in prior years not previously brought to account	-	-
Income tax benefit (expense)	<u>-</u>	<u>-</u>

(c) Amounts recognised directly in equity:

Decrease (Increase) in deferred tax asset relating to

(i) capital gains tax on the increase in unrealised losses in the Investment Portfolio

(ii) capital gains tax on realised loss in the Investment Portfolio

Net Movement

	-	-
	-	-
	<u>-</u>	<u>-</u>

(d) Deferred tax assets not recognised

All future income tax benefit has been brought to account in 2025. For 2024 no future income tax benefit was brought to account in the accounts in respect of estimated tax losses of approximately \$3,000,000.

Revenue Losses	4,992,000	4,080,000
Capital Losses	9,347,000	9,340,000
	<u>14,339,000</u>	<u>13,420,000</u>

The tax losses have not been confirmed by the tax authorities. The taxation benefits will only be obtained if:-

(i) Assessable income is derived of a nature and of amount sufficient to enable the benefit of the deductions to be realised;

(ii) Conditions for deductibility imposed by the law complied with; and

(iii) No changes in tax legislation adversely affect the realisation of the benefit and of the deductions.

It is noted that London City's present share portfolio holds substantial Unrealised Gains (Note 14).

Note 6. Current assets - Cash and cash equivalents

Cash at Bank and on Hand	42,842	19,758
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The above figures are the final balances of the statement of cash flows.

Note 7(a). Current assets - Trade and other receivables

Other debtors	396,291	87,617
Amounts due from Associated Entities	6,175	300
	<u>402,466</u>	<u>87,917</u>

Note 7(b). Current assets - Short Term Securities

Term Deposit Westpac Banking Corpn	5,146,369	0
Listed Bank Hybrid Floating Rate Securities	6,178,202	-
	<u>11,324,571</u>	<u>-</u>

London City Equities Limited

Notes to the financial statements - 30 June 2025



Note 8. Non current assets - Investment Portfolio

2025 2024

Listed investments

Listed securities of corporations at market value 14,115,117 22,781,389

Unlisted investments

Unlisted securities of corporations at market value 471,610 63,513

14,586,727 22,844,902

Note 9. Non current assets - Deferred Tax Assets

Recognised deferred tax assets are attributable to the following:

Tax Value of loss carry-forwards recognised:

Unrealised Capital Losses 690,000 3,600,000

Revenue Losses 60,000 60,000

750,000 3,660,000

Note 10. Current liabilities - Trade and Other Payables

Unsecured liabilities

Sundry Creditors 171,112 153,884

Amounts payable to associated company 79,176 545,397

250,288 699,281

Note 11. Non-current liabilities - Deferred Tax Liability

Deferred Tax Liabilities on Unrealised Gains in the

Investment Portfolio 2,240,000 4,476,000

2,240,000 4,476,000

Note 12. Share Capital

(a) Issued capital

31,304,311 (2024: 31,044,928) fully

paid ordinary shares 8,080,174 8,080,174

(b) Movement in ordinary share capital:

Balance at beginning of accounting period 8,080,174 7,948,002

Movements during year: - 132,172

Balance at reporting date 8,080,174 8,080,174

(c) Movement in ordinary share numbers:

Balance at beginning of accounting period 31,304,311 31,044,928

Movements 2024 - 2025: - 259,383

Balance at reporting date 31,304,311 31,304,311

(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.

Note 13. 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 a steady stream of fully-franked dividends, minimal gearing and enhancement of capital invested. Its goals include paying dividends that, 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 amount of dividends paid, issue new shares from time to time, buy-back its own shares or sell assets to minimise debt. At present there is no share buy-back programme in operation. The company intends to pay dividends according to franked credits available.

London City Equities Limited

Notes to the financial statements - 30 June 2025



Note 14. Reserves and retained profits

	2025	2024
(a) Realised Capital Gains Reserve	\$	\$
Balance - beginning of year	(6,732,895)	(6,732,895)
Gain (Loss) realised during year	11,272,723	-
Balance - year end	<u>4,539,828</u>	<u>(6,732,895)</u>
(b) Unrealised Revaluation Reserve		
Balance - beginning of year	13,833,869	9,538,168
Reverse Unrealised - Prior Year	(14,919,869)	(9,782,168)
Reverse Applicable Tax - Prior Year	4,476,000	2,934,000
Increase in Unrealised Gains	7,469,821	14,919,869
Provision for Tax on Unrealised Gains	(2,240,000)	(4,476,000)
Less: Unrequired Provision due to past tax losses	(2,910,000)	700,000
Balance - year end	<u>5,709,821</u>	<u>13,833,869</u>
(c) Retained Profits		
Retained Profits at the start of the financial year	6,256,148	6,712,781
Net profit (loss) for the year	499,911	(6,482)
Dividends paid	(469,564)	(450,151)
Retained Profits at the end of the financial year	<u>6,286,495</u>	<u>6,256,148</u>

(d) Nature and purpose of reserves

Realised Capital Gains Reserve

The Realised Capital Gains Reserve records realisation gains or losses from the sale of non-current assets. The reserves 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 and adjusted to reflect the applicable deferred tax liability or asset. It is then reduced according to future tax benefits.

Note 15. Dividends

(a) Status of dividends

Dividend paid - Fully Franked	11 Nov 2024	(469,564)	(429,128)
Total Dividends Paid		<u>(469,564)</u>	<u>(429,128)</u>
Proposed fully franked dividends			
- 2.50 Cents per share (Ordinary of 1.5 Cents and Special Dividend of 1.0 Cents)	16 Oct 2025	(782,608)	(469,564)

Note: The dividend recommended for October 2025 has not been accrued in the above accounts. The Dividend Reinvestment Plan will be operating this year.

(b) Franking credits

Franking credit tax component available for dividends in future years	1,020,000	1,022,000
Fully franked dividends possible at tax rate of 30%	<u>2,380,000</u>	<u>2,384,667</u>

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 and receipt of franked dividends.

London City Equities Limited

Notes to the financial statements - 30 June 2025



Note 16. 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).

2025 Allocation	Level 1	Level 2	Level 3	Total
Financial assets	\$	\$	\$	\$
Cash & cash equivalents	42,842			42,842
Short Term Securities	11,324,571			11,324,571
Receivables		402,842		402,842
Portfolio Investments	14,586,727			14,586,727
Financial liabilities				
Other creditors	(250,288)			(250,288)
2024 Allocation	Level 1	Level 2	Level 3	Total
Financial assets	\$	\$	\$	\$
Cash & cash equivalents	19,758			19,758
Short Term Securities	-			-
Receivables		87,917		87,917
Portfolio Investments	22,844,902			22,844,902
Financial liabilities				
Other creditors	(699,281)			(699,281)

B. Main Risk Considerations

London City'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 company is not directly exposed to currency risk.

(a) Market Risk

This is the risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market prices that depend on many factors including economic conditions and corporate profitability. London City 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 industry, performance outlook, management skills and level of strategic shareholding acquired. Price and Interest Rate risks are shown below.

(a) (i) Price Risk

The company is exposed to equities securities price risk. This arises from investments held by the company and classified on the balance sheet as either Trading or Investment. London City is not directly exposed to commodity price risk or derivative securities risk.

London City Equities Limited

Notes to the financial statements - 30 June 2025



Note 16. Financial instruments and risk (Cont'd)

Price Risk Sensitivity Analysis:

The table below summarises the pre-tax impact of both a general increase and general fall in stock-market prices by 10%. The analysis is based on the assumption that the movements are spread equally over all assets in the Trading and Investment Portfolios.

	---- 2025 ----		---- 2024 ----	
	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)	(14,587)	14,587	(22,845)	22,845
Impact on Equity (Pre tax)	1,458,673	(1,458,673)	2,284,490	(2,284,490)

(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 London City had a proportion of its assets held in interest-bearing bank accounts and deposits at call. As such, the company's revenues and assets are subject to interest rate risk to the extent that the cash rate falls over any given period. Given that London City does not have any interest bearing liabilities at balance date, the Board and management do not consider it necessary to hedge the group's exposure to interest rate risk.

Interest Rate Risk Sensitivity Analysis:

London City's levels of Cash at Bank and on deposit are not material. It has no interest bearing liabilities. Accordingly impact of changing interest rates is not material.

(b) Credit Risk

The credit risk on the financial assets of an 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 London City is minimised by its policy of placing surplus funds with the company's bankers.

(b) (i) Cash and Cash Equivalents

The credit risk of London City in relation to cash and cash equivalents is 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 material deposits of cash and cash equivalents can be assessed by reference to external credit ratings.

	2025	2024
Cash at bank and short-term bank deposits:		
AA -	42,842	19,758

(b) (ii) Trade and sundry receivables

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

(c) Liquidity Risk

This risk is that experienced by an entity when it has difficulties meeting its financial obligations. London City has no external formal borrowings. It manages liquidity carefully, recognising dividend inflow timing and maturity balances of term deposits and marketable securities. London City's Board and management actively reviews its liquidity position on a regular basis to ensure that the company can always meet its commitments, including investment programmes.

London City Equities Limited

Notes to the financial statements - 30 June 2025



Note 16. Financial instruments and risk (Cont'd)

(c) (i) Maturities of financial assets

The following table details London City'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.

Maturity:	2025	2024
Immediate	42,842	19,758
To 30 Days	371,289	87,917
30 - 365 days	11,324,571	-
Longer Term	14,586,727	22,844,902

(c) (ii) Maturities of financial liabilities

The following table details the company'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 London City is liable to meet its obligations. The table includes both interest (where applicable) and principal cash flows.

Maturity:	2025	2024
To 30 Days	250,288	699,281
90 - 120 days	-	-
Greater than 120 days	-	-

Note 17. Directors and Executives' Remuneration

The company has no executives. Its portfolio is managed by a Management Agreement with Imperial Pacific Asset Management Pty Limited. The basic management charge for 2025 was \$255,903 (2024 - \$207,141) and the performance fee accrued was \$18,640 (2024 - \$474,550).

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

Mr P E J Murray	- Chair and Chief Operating Officer
Mr DG Butel	- Director - Non-Executive
Mr LJ Joseph	- Director - Non Executive and Company Secretary

(b) Directors' Remuneration:

	Primary	Post	Other	Total
2025	Salary, Fees	Employment	(Equity	
	Commissions	Contributions	Options Etc)	\$
Mr P E J Murray	30,000	3,450	-	33,450
Mr D G. Butel	40,000	4,400	-	44,400
Mr LJ Joseph	35,000	4,025	-	39,025
	<u>105,000</u>	<u>11,875</u>	<u>-</u>	<u>116,875</u>

	Primary	Post	Other	Total
2024	Salary, Fees	Employment	(Equity	
	Commissions	Contributions	Options Etc)	\$
Mr P E J Murray	30,000	3,300	-	33,300
Mr D G. Butel	40,000	4,400	-	44,400
Mr LJ Joseph	30,000	3,300	-	33,300
	<u>100,000</u>	<u>11,000</u>	<u>-</u>	<u>111,000</u>

London City Equities Limited

Notes to the financial statements - 30 June 2025



Note 17. Directors and Executives' Remuneration (Cont'd)

(c) Shareholdings

Number of Shares held by Directors and Specified Executives

	Balance 01-Jul-24	Received as Remuneration	Options Exercised	Net change *	Balance 30-Jun-25
Mr P E J Murray	14,991,730	-	-	10,000	15,001,730
Mr D G Butel	12,937,959	-	-	10,000	12,947,959
Mr LJ Joseph	12,897,922	-	-	10,000	12,907,922

* Net change refers to shares purchased, sold or resulting from relevant interest during the financial year
Note: Each holding includes 12,827,025 shares (2024 - 12,817,025 shares) held by Imperial Pacific Ltd.

(d) Remuneration Practices

1. The company has no executives.
2. 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 a maximum of \$125,000. The company has scope to remunerate Directors for special duties that may be requested on occasion.
3. There is a formal management agreement in place with Imperial Pacific Asset Management Pty Limited, a subsidiary of Imperial Pacific Limited. This was approved by shareholders on 22 November 2023 and provides for, inter alia, a term of 10 years from 22 November 2023 that continues until replaced. Fees are 1% of the portfolio value, together with possible performance fees of 15% of any gain achieved above the performance of the S&P ASX 300 Accum Index movement. The total basic fee payable during 2025 was \$255,903 (\$207,141 in 2024). In addition a performance fee of \$18,640 (\$474,550 in 2024) was accrued for 2025. This was payable due to the portfolio of the company outperforming the S&P ASX 300 Accumulated Index by a small sum.
4. Interests of Mr Murray were paid \$159,840 by Imperial Pacific Limited during 2025.
5. The company has a Remuneration Committee in operation.

Note 18. Auditor's remuneration

	2025	2024
Remuneration contracted for audit review of the financial reports of the parent entity or any entity in the consolidated entity.	\$	\$
Cutcher & Neale - Assurance services	18,200	17,600
	<u>18,200</u>	<u>17,600</u>
Remuneration for other services		
Cutcher & Neale - Other compliance services	3,000	3,300
	<u>3,000</u>	<u>3,300</u>
	<u>21,200</u>	<u>20,900</u>

Note. London City's Audit, Compliance and Risk Management Committee oversees the relationship with the Auditors, including reviewing the scope of the audit and the proposed fee.

Note 19. Contingent liabilities

Directors report that there are minor bank guarantee arrangements regarding office rentals. Legal action is noted as being pursued, but outlook unknown. Otherwise, Directors of London City are not aware of any contingent liabilities that may impact on the company.

London City Equities Limited

Notes to the financial statements - 30 June 2025



Note 20. Capital and Leasing commitments

	2025	2024
(a) Capital Expenditure Commitments	\$	\$
There are no material capital commitments outstanding at year end.	0	0
(b) Licence Fee Arrangements - Premises		
Arrangement in relation to use of premises at the reporting date but not recognised as liabilities, payable		
Not later than one year	25,858	23,436
Between 1 & 2 years	26,892	-
Later than 2 years but not later than 5 years	25,552	
	<u>78,302</u>	<u>23,436</u>

These arrangements represent a premises use licence.

Note 21. Related parties

Directors

The names of persons who were Directors of London City Equities Limited at any time during the financial year were Mr P.E.J.Murray, Mr D.G.Butel and Mr L.J.Joseph. Each of these parties were directors of associated company, Imperial Pacific Limited and its group companies during the year, including the subsidiary Imperial Pacific Asset Management Pty Ltd, the manager of London City's Portfolio.

Remuneration

Information on remuneration of directors is disclosed in Note 17.

Other related parties

Aggregate amounts included in the determination of operating profit before income tax that resulted from transactions with other related parties, predominantly its associate Imperial Pacific Limited.:

Associated Entity - Imperial Pacific Limited Group	2025	2024
- Management Fee Payable (Basic)	(255,903)	(207,141)
- Management Fee Payable (Performance)	(18,640)	(474,550)
Amounts payable at balance date (to) by Imperial Pacific Ltd Group	(73,001)	(120,024)

Note 22. Economic dependency

The main trading activity of the company during the year was investment in equities, property and cash deposits. From time to time a significant strategic investment may be made which could influence its economic dependency. London City Equities owns 1.1% of the equity capital of Fiducian Group Limited, a financial services company and 9.2% of Excelsior Capital Limited, predominantly a cash box with a unit trust hedge type investments. Accordingly, London City has some dependency on the financial services and hedge type investment product sector. It has indirect dependence on interest rate levels.

Note 23. Events occurring after balance date

An Ordinary and Special Dividend totalling 2.5 Cents per share has been proposed for payment in October 2025. This has not been provided for in the financial statements. Since balance date the value of the investment portfolio has improved modestly. In broad and unaudited terms Directors estimate that net assets have risen in the order of \$700,000 after potential tax..



LOGO: The emblem of London City Equities Limited represents the London Plane Tree. This plant, initially recorded in 1670, has become a long term survivor of the English seasons and population growth. Its resilience comes from its hardwood strength and its ability to shed bark, thereby renewing and protecting itself from risk of disease. Its shiny leaves are easily washed and reinvigorated by the rain. There are many examples still growing vigorously in London Squares that are estimated to be over 200 years old.