

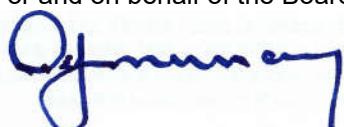
Appendix 4D

Half Year Report for the period ending 31 December 2023

Results for Announcement to the market:

<i>Reporting Period / Previous corresponding period</i>	6 months to 31 Dec 2023	6 months to 31 Dec 2022
<i>2.1 The amount of and percentage change up or down from the previous corresponding period of revenue from ordinary activities</i>	\$779,166 (Up 22%)	\$640,813
<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>	\$186,481 (Down 6%)	\$199,268
<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>	\$186,481 (Down 6%)	\$199,268
<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>	London City does not pay interim dividends	London City 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>	61 cents	59 cents
<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>	\$450,151 - 1.45 cents in fully franked dividends paid on 14 Oct 2023	\$429,100 – 1.40 cents in fully franked dividends paid on 14 Oct 2022
<i>6.0 Details of Dividend Distribution plan in operation.</i>	Dividend Reinvestment Plan operating. Discount of 2.5% applied.	Dividend Reinvestment Plan operating. Discount of 2.5% applied.
<i>7.0 Details of associates and joint venture entities including names and details of investments and contribution to profits.</i>	NA	NA
<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

15 February 2024



ABN 59 003 200 664

Half-Yearly Report

31 December 2023

Australian owned and incorporated - 1986



Corporate Directory

Directors:	P.E.J. Murray BA, FCA, SIAA Aff D.G. Butel MBA, BSc, Dip BusStd, Dip Ed. L.J. Joseph B Comm
Chief Operating Officer:	P.E.J. Murray BA, FCA, SIAA aff
Company Secretary:	L.J. Joseph B Comm
Auditors:	Cutcher & Neale Assurance Pty Limited, Chartered Accountants 130 Parry Street, Newcastle West NSW 2302
Bankers:	Westpac Banking Corporation
Corporate and Registered Office:	Level 2, 111 Harrington Street, The Rocks NSW 2000 Postal Address: PO Box R1414, Royal Exchange NSW 1225 Telephone: (02) 9247 9315 Web-Site: www.londoncity.com.au
Share Register:	Registry Direct PO Box 18366, Collins Street East Victoria 8003 Telephone: (03) 9020 7934 or 1300 55 66 35 Website: www.registrydirect.com.au
Stock Exchange:	Australian Securities Exchange Limited Home Exchange - Sydney (Code "LCE") 20 Bridge Street, Sydney NSW 2000
Corporate Web-site	www.londoncity.com.au
The Logo / Emblem:	



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.



Chairman's Key Points

Strong Six Months

Directors are pleased to report that both assets and income have continued to improve markedly for London City over the six months. Negative market volatility impacted by rising interest rates was avoided. The half year closed with the company near fully invested. Interim dividends due in March are expected to restore adequate liquidity.

Financials - Underlying profits supported by higher dividend receipts

The Net Profit after tax for the six months of \$186,000 reflects ongoing increases in dividend income and the usual careful monitoring of cost expenditures. The growth in the asset base has been quite significant over the six months - see below. Accordingly, the Board, to be conservative, has set aside in the Income Statement \$75,000 for potential outlay in respect of a performance fee that is assessed at year end. Both Fiducian and Excelsior companies paid higher final dividends this year.

Shareholders rewarded with another increase in dividend payout

The final dividend for the 2023 was increased again this year to 1.45 cents a share. Again this was fully franked and carried Dividend Reinvestment Plan participation. For 2023 the DRP market value discount continued at 2.5%.

Investment Portfolio - serious rise in values

The Investment Portfolio values rose 9.0% since 30 June. They outperformed the All Ordinaries Index which rose 5.7% in that period. **Fiducian Group (7% owned)** had a major increase in its final dividend payout in October and yet still saw a market value increase over the six months. And to top that performance, **Excelsior Capital (8% owned directly and 12.6% with associates)** rose 30% following the proposed and completed sale of its main undertaking, the CMI Electrical Division. However, expectations of some positive payout to shareholders were dismissed by the Excelsior Directors and the shares have fallen 7% since 31 December. Your Board notes the concern of other Excelsior shareholders and is assessing alternative scenarios, including legal and regulatory activity.

Net Assets - 61 cents a share at balance date

With accelerating market values, London City has seen its Net Assets rise to over \$19 million, close to historic record levels. This works out at 61 cents a share and comes after paying a higher fully franked dividend to shareholders in October.

Outlook

Directors have noted the pause in interest rate increases by the Reserve Bank. Although the actual timing of reductions is strongly debated by market participants, the overall trend looks positive. And record stockmarket levels in USA and Australia reflect that view. Our own immediate performance depends very much on the Excelsior situation and in that regard we are focussed on maximising our investment value.

For and on behalf of the Board

Peter E.J. Murray
Chairman of Directors

15 February 2024



Statutory Directors Report For the Half Year ended 31 December 2023

The Directors of London City Equities 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 and Mr Louis Joseph.

Review of Operations - Overview

Despite rising interest rates and inflationary concerns, the company's key shareholdings increased in value. And both Fiducian Group and Excelsior Capital increased their dividend payouts. The usual annual October dividend payout was increased to 1.45 cents a share.

The Investments

At balance date the company's strategic Investment Portfolio was valued at \$19.9 million, \$12.2 million over cost. Both investments rose in value with 8% owned Excelsior shareholding rising 32% over the six months. This followed the announced sale of its main CMI Electrical business. Fiducian Group increased in value by 6% - coupled with a significantly higher final dividend payout.

Revenue

The dividends received from London City's two key investments rose as a result of those companies opting for higher dividend payouts this half year.

Shareholders Dividend

The annual dividend paid to shareholders was raised to a fully franked dividend rate of 1.45 Cents a share. Again, shareholders had an opportunity to participate in the Dividend Reinvestment Plan where the market value discount this year was 2.5%

Events occurring after Balance Date

The only material event that has taken place since balance date is the sale by Excelsior Capital of its main business, its CMI Electrical business. The conversion of Excelsior into a virtual cash box with no clear investment strategy has concerned shareholders.

Auditor's Independence Declaration

The auditors, Cutchner & 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 2024.

Signed and dated this 15th day of February 2024.

On behalf of the Board

P.E.J. Murray - Director

D.G. Butel - Director



Income Statement For the Half Year ended 31 December 2023

	Notes	31 Dec 2023 \$	31 Dec 2022 \$
Revenue	2		
Dividends - investment portfolio		460,319	376,578
Interest - deposits		-	-
Proceeds - Sale of Trading Securities		318,847	264,235
Other Income - Confidential Settlement - Net		-	-
		<u>779,166</u>	<u>640,813</u>
Operating Expenses	2		
Cost of Trading Investments sold		(323,553)	(250,402)
Management fees		(94,497)	(98,160)
Directors fees		(50,000)	(45,150)
Litigation costs		-	-
Other Operating Expenses		<u>(124,635)</u>	<u>(47,833)</u>
		<u>(592,685)</u>	<u>(441,545)</u>
Profit (Loss) from ordinary activities before Income Tax		186,481	199,268
Income Tax Expenses relating to ordinary activities		-	-
Net Profit in equity other than those resulting from transactions with owners as owners		<u>186,481</u>	<u>199,268</u>
Basic Earnings Per Share (Cents per share)		0.60	0.64

The accompanying notes form part of these financial statements.



Statement of Financial Position as at 31 December 2023

	Notes	31 Dec 2023 \$	30 June 2023 \$
Current assets			
Cash		14,307	17,587
Short Term Securities		-	275,774
Trade and other receivables	3	81,071	64,226
Total current assets		95,378	357,587
Non-current assets			
Investment Portfolio	4	19,881,580	17,295,813
Deferred Tax Assets		2,960,000	2,960,000
Total non-current assets		22,841,580	20,255,813
Total assets		22,936,958	20,613,400
Current liabilities			
Trade and other payables	5	245,348	213,344
Total current liabilities		245,348	213,344
Non-current liabilities			
Deferred Tax Liability - Investment Portfolio		3,660,000	2,934,000
		3,660,000	2,934,000
Total liabilities		3,905,348	3,147,344
Net assets		19,031,610	17,466,056
Equity			
Share Capital		8,080,174	7,948,002
Realised Capital Gains Reserve		(6,732,895)	(6,732,895)
Unrealised Revaluation Reserve	6	11,235,527	9,538,168
Retained Profits		6,448,804	6,712,781
Total equity		19,031,610	17,466,056

The accompanying notes form part of these financial statements.



Statement of Changes in Equity for the Half Year Ended 31 December 2023

2023	Issued Capital	Realised <i>Capital Gains</i> Reserve	Unrealised Revaluation Reserve	Retained Earnings	Total Equity
	\$	\$	\$	\$	\$
At 1 July 2023	7,948,002	(6,732,895)	9,538,168	6,712,474	17,465,749
Increase in Capital - DRP	132,172				132,172
Investment Portfolio at fair value					
- Net unrealised gains taken to equity			2,423,359		2,423,359
- Net Tax on unrealised gains			(726,000)		(726,000)
Tax Reduced by Tax Losses					-
Net Income for period				186,481	186,481
Dividends Paid				(450,151)	(450,151)
At 31 December 2023	8,080,174	(6,732,895)	11,235,527	6,448,804	19,031,610

2022	Issued Capital	Realised <i>Capital Gains</i> Reserve	Unrealised Revaluation Reserve	Retained Earnings	Total Equity
	\$	\$	\$	\$	\$
At 1 July 2022	7,725,485	(6,732,895)	11,156,823	6,972,275	19,121,688
Increase in Capital - DRP	222,517				222,517
Investment Portfolio at fair value					
- Net unrealised gains taken to equity			(990,033)		(990,033)
- Net Tax on unrealised gains			297,000		297,000
Tax Reduced by Tax Losses					-
Net Income for period				199,268	199,268
Dividends Paid				(429,125)	(429,125)
At 31 December 2022	7,948,002	(6,732,895)	10,463,790	6,742,418	18,421,315

The accompanying notes form part of these financial statements.

London City Equities Limited

ABN 59 003 200 664



Cash Flow Statement for the Half Year ended 31 December 2023

	31 Dec 2023 \$	31 Dec 2022 \$
Cash flows from operating activities		
Dividends Received	460,319	376,576
Interest Received	-	-
Proceeds from the sale of trading investments	312,544	264,235
Purchase of trading investments	(41,476)	(250,402)
Confidential Settlement - Net	-	-
Payments to suppliers and management	(182,507)	(217,697)
Net cash inflow (outflow) from operating activities	548,880	172,712
Cash flows from investing activities		
Payments for investments	(162,352)	(651,529)
Proceeds from sale of investment	-	-
Net cash inflow (outflow) from investing activities	(162,352)	(651,529)
Cash flows from financing activities		
Increase in Issued Capital	132,172	222,516
Related Corporations	(71,522)	39,053
Dividends paid to shareholders	(450,151)	(429,125)
Net cash inflow (outflow) from financing activities	(389,501)	(167,556)
Net increase (decrease) in cash held	(2,973)	(646,373)
Cash at beginning of the financial year	17,280	1,551,842
Cash at end of the period	14,307	905,469
Comprising:		
Cash and Cash Equivalents (incl floating rate bank hybrids - 2022)	14,307	905,469
	14,307	905,469

The accompanying notes form part of these financial statements.



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 2023 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 2023 Annual Report. New standards or interpretations mandatory for the annual reporting period beginning 1 July 2023 will not have any effect on the financial position or performance of the company.

The company applies a Corporation Tax Rate of 30% for its financial reporting.

(b) Other Disclosure

The financial report of London City Equities Limited for the six months ended 31 December 2023 was authorised for issue in accordance of the Directors on 14 February 2024.

London City Equities Limited is a company limited by shares and incorporated in Australia. Its shares are publicly traded on the Australian Securities Exchange. It is substantially Australian owned.

London City Equities Limited



Notes to the financial statements - 31 December 2023 (cont'd)

Note 2. Profit (Loss) from ordinary activities

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

(a) Crediting as revenue:

	31 Dec 2023	31 Dec 2022
	\$	\$
Dividends - Franked	460,319	370,669
Dividends - Unfranked		5,909
Interest - Other Corporations	-	-
Confidential Sum - Net		
Proceeds - Sale of Trading Securities	318,847	264,235
Total Operating Revenue	779,166	640,813

(b) Charging as expense:

Auditors re Audit	(6,100)	(3,800)
Auditors re other services	(500)	(500)
Directors fees - Paid or accrued	(50,000)	(45,150)
Litigation Expenses	\	-
Management Fees (Base fee) - Related Corporation	(94,497)	(98,160)
Management Fees (Performance fee) - Related Corporation		
- Performance Fee (Est) - Accrued - not paid until June 2024	(75,000)	-
- Basic management fee (GST lost)	-	-
Cost of Trading Securities	(323,553)	(250,402)
Other Operating Expenses	(43,035)	(43,533)
Total Operating Expenses	(592,685)	(441,545)

Profit (Loss) from Ordinary Activities before Income Tax

186,481	199,268
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Note 3. Current Assets - receivables

Other Debtors and Repayments	71,131	62,286
Amounts payable by Associated Entity	9,940	1,940
	81,071	64,226

Note 4. Investment Portfolio

Shares in other public listed corporations	19,807,223	17,223,005
Shares in public unlisted corporations	74,357	72,808
	19,881,580	17,295,813

Note 5. Current Liabilities - payables

Sundry Creditors	186,906	91,380
Amounts payable to Associated Entity	58,442	121,964
	245,348	213,344

Note 6. Unrealised Revaluation Reserve

Unrealised gains on listed securities available-for-sale	12,205,527	9,782,168
Income Tax applicable	(3,660,000)	(2,934,000)
Tax Losses recognised as deferred tax assets	2,690,000	2,690,000
	11,235,527	9,538,168

Note 7. Shares on Issue

	Number	Number
Ordinary Shares - 1 July 2023	31,044,928	30,651,093
Movement during the period - DRP Plan	259,363	393,835
Balance at reporting date	31,304,291	31,044,928

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 market value discount offered to shareholders in 2023 was 2.5% (2.5% in 2022).



Notes to the financial statements - 31 December 2023 (Cont'd)

Note 8. Dividends Paid

The following dividends were recognised in the accounting period:

**31 Dec
2023**
\$

**31 Dec
2022**
\$

A fully franked ordinary dividend of 1.450 cents per share was paid to shareholders on 14 October 2023 (previous year - 1.400 cents fully franked dividend. Both dividends carried DRP participation.

450,152

429,125

There are no interim dividends proposed for payment.

Note 9. Taxation

A future income tax benefit of \$2,960,000 (2022 - \$2,960,000) has been brought to account in respect of estimated recoupable tax losses available to the company. While market values indicate higher recoupment of past losses, Directors have cautiously opted not to bring to account the full amount of future income tax benefit. At balance date there remains approx \$3,000,000 in losses still available for the future.

These tax losses considered in these assessments, have not been confirmed by tax authorities and the tax benefits will only be obtained if:

- (i) Assessable income is derived of a nature and of an 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 charges in tax legislation adversely affect the realisation of the benefit and of the deductions.

Note 10. Segmental information

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

	Equity Investment	Other	Total
2023			
Revenue	\$	\$	\$
Investment /other revenue	779,166	-	779,166
Segment result			
Profit (loss) after tax	321,047	(134,566)	186,481
Segment assets	22,877,146	59,812	22,936,958
Segment liabilities	(3,753,453)	(151,895)	(3,905,348)
Net cash inflow from operating activities	603,632	(54,752)	548,880
2022			
Revenue	\$	\$	\$
Investment /other revenue	640,813	-	640,813
Segment result			
Profit (loss) after tax	294,840	(95,572)	199,268
Segment assets	20,904,099	926,949	21,831,048
Segment liabilities	(3,370,867)	(38,866)	(3,409,733)
Net cash inflow from operating activities	325,102	(152,388)	172,714



Directors' Declaration

In the Directors' opinion:

1. the financial statements and notes set out on Pages 4 to 10 are in accordance with the Corporations Act 2001, including
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the Company's financial position as at 31 December 2023 and its performance, as represented by the results of its operations and its cash flows, for the half year ended on that date.
2. there are reasonable grounds to believe that London City Equities Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

P.E.J. Murray, Director

D.G. Butel, Director

Sydney

Dated this 15 Day of February 2024

Auditors Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of

LONDON CITY EQUITIES LIMITED
ABN 59 003 200 664

I declare that to the best of my knowledge and belief, during the half year ended 31 December 2023 there have been:

- i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Cutcher & Neale Assurance Pty Limited
(An authorised audit company)



Nick Nancarrow
Director

NEWCASTLE WEST

14 February 2024

Independent Auditor's Review Report to the Members of London City Equities Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of London City Equities Limited ("the Company") for the half year ended 31 December 2023 as set out on pages 4 to 10. The financial report comprises the statement of financial position as at 31 December 2023, 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 London City Equities Limited, has not been prepared, in all material aspects, in accordance with the *Corporations Act 2001* including: .

- (a) giving a true and fair view of its financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 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 Company 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 Company 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* including giving a true and fair view of the Company's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 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 Assurance Pty Ltd
(An authorised audit company)



Nick Nancarrow CA
Director

NEWCASTLE WEST

16 February 2024