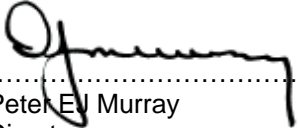


## Appendix 4D

### Half Year Report for the period ending 31 December 2020

#### Results for Announcement to the market:

| <i>Reporting Period / Previous corresponding period</i>   | <b>6 months to 31 Dec 2020</b>   | <b>6 months to 31 Dec 2019</b>   |
|---|--|--|
| <i>2.1 The amount of and percentage change up or down from the previous corresponding period of revenue from ordinary activities</i>  | \$287,000<br>(Up 13%)  | \$253,000  |
| <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> | (\$19,000)<br>(Down to Loss)   | \$36,000   |
| <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>             | (\$19,000)<br>(Down to Loss)   | (\$36,000)   |
| <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>   | 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>  | 51 cents   | 49 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>   | \$311,800 - 1.375 cents in fully franked dividends paid on 12 Oct 2020   | \$311,800 - 1.375 cents in fully franked dividends paid on 10 Oct 2019 |
| <i>6.0 Details of Dividend Distribution plan in operation.</i>  | Dividend Reinvestment Plan reinstated and will apply from October 2021 dividend. 5% market value discount applies. | Dividend Reinvestment Plan suspended.                                  |
| <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   |

  
.....  
Peter EJ Murray  
Director

19 February 2021

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ABN 59 003 200 664

## Half-Yearly Report

31 December 2020

*Established in 1986*



Website: [www.londoncity.com.au](http://www.londoncity.com.au)



## Chairman's Key Points

### **Half Year 2020 – Very Positive – New Funds Raised – Portfolio Gains**

Directors are very pleased to report an excellent half year result for London City. The Pro Rata Entitlement Issue raised \$3 million in new capital with good support from the shareholders. In addition the Investment Portfolio recorded gains of over 20% in the period. The company's assets have reached record levels, despite costs and time being spent on the serious litigation pursuing Ernst & Young, the former auditors of Penrice Soda Holdings Limited, which is now in liquidation.

### **Financials – Portfolio well ahead - Small operating Loss - Dividend maintained.**

Again, our 7% shareholding in Fiducian Group Limited significantly outperformed the ASX All Ord Index. Clearly the wealth management sector is one not directly impacted by Covid. The increased dividends from Fiducian Group have been very helpful and this year could produce over \$500,000 in income to London City. The operating income is again impacted by the EY Litigation and some \$120,000 was outlaid on legal costs over the six months. As in recent years London City has maintained the payment of a solid fully franked annual dividend of 1.375 Cents, paid in October.

### **Portfolio values increased significantly since 30 June – Net Assets now 51 Cents a share.**

Portfolio values have continued to grow over the period. In particular London City's 7% shareholding in **Fiducian Group Limited** features strongly with its value growing over 20% since 30 June 2020. **Excelsior Capital Limited (2.5% owned - within a joint 7% shareholding with associates)** has experienced some shareholder agitation with two shareholder meetings over six months. We avoided serious involvement - and presently await Excelsior's forthcoming results.

The Investment Portfolio has seen its value appreciate some \$2.5 million over cost since 30 June and this improvement has enabled Directors to record a further increase in future tax benefits of \$600,000. Accordingly, the Directors are pleased to report that Net Assets per Share at 31 December stood at 51 Cents a share.

### **Other**

In regard to its serious **litigation against Ernst & Young**, London City has recently served lay evidence in the proceedings. The Defendants are due to serve their lay evidence shortly. Together with our legal team we continue to pursue documentation and process arrangements that are likely to lead ultimately to a full hearing. In the meantime we are planning for the completion of discovery and mediation. Our Expert Forensic Accountant has re-assessed the level of damages suffered by London City as at 31 December 2020. The Board of London City has accepted the advice provided by its legal team that Supreme Court of NSW interest rates should be adopted for these purposes. In this regard the updated LCE damages were assessed at approximately \$13,850,000. At this juncture there is insufficient information to estimate the extent of future benefit or costs that might arise.

For and on behalf of the Board

P. E. J. Murray  
Chairman of Directors

19 February 2021

# London City Equities Limited



## Statutory Directors' Report For the Half Year ended 31 December 2020

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 E.J. Murray, Mr David G. Butel and Mr Neil E. Schafer.

### Review of Operations - Overview

London City's shareholders funds grew considerably over the six months. Firstly new capital was raised from shareholders by a \$3.0 million Pro Rata Entitlement Issue at 40 Cents a share in October / November. In addition the value of the investment portfolio rose by some \$2.5 million since 30 June 2020. Serious attention was given to the EY litigation in terms of direct costs and expenditure of time.

### Review of Operations – Revenue improves - results impacted by litigation costs.

London City recorded an operating loss of \$19,000 for the half year (profit of \$35,000 in 2019). The numbers this year reflect an acceleration in focus on the Penrice / EY litigation as it heads towards a conclusion.

### Review of Operations – Dividend Maintained

London City paid a 1.375 Cent fully franked dividend to shareholders in October. As part of the \$3.0 million Entitlement Issue conducted in October / November the Directors advised that the Dividend Reinvestment Plan, previously suspended has now been restored. This will apply to the expected final payout due in October 2021 and provide for a 5% discount. London City does not pay interim dividends.

### Events occurring after Balance Date

Since Balance Date the value of the investment portfolio has risen modestly. As part of the legal process, major legal documents were served by the plaintiffs on EY in recent weeks as the parties head towards the discovery and mediation requirements.

### 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 17 February 2021. Signed and dated at Sydney this 19th day of February 2021.

On behalf of the Board,

P.E.J. Murray - Director.

D.G. Butel – Director

# London City Equities Limited

ABN 59 003 200 664



## Income Statement For the Half Year to 31 December 2020

|  | Note | 31 Dec<br>2020<br>\$ | 31 Dec<br>2019<br>\$ |
|--|------|----------------------|----------------------|
| <b>Revenue</b>   | (2)  |                      |                      |
| Dividends - investment portfolio   |      | 250,934              | 252,963              |
| Interest - deposits and bank bills   |      | -                    | 2                    |
| Proceeds - Sale of Trading Securities  |      | 30,990               |                      |
| Other Income - Government Grants   |      | 5,000                | -                    |
|  |      | <hr/>                | <hr/>                |
|  |      | 286,924              | 252,965              |
| <b>Operating Expenses</b>  | (2)  |                      |                      |
| Cost of Securities Sold  |      | (24,160)             | -                    |
| Management Fees  |      | (64,044)             | (60,290)             |
| Directors' Fees  |      | (45,000)             | (45,000)             |
| Other Operating Expenses   |      | (172,467)            | (112,138)            |
|  |      | <hr/>                | <hr/>                |
|  |      | (285,671)            | (217,428)            |
| <b>Profit (Loss) from Ordinary Activities<br/>before Income Tax</b>                                    | (2)  | (18,747)             | 35,537               |
| Income Tax Expense relating to<br>ordinary activities  |      | -                    | -                    |
|  |      | <hr/>                | <hr/>                |
|  |      | (18,747)             | 35,537               |
| <b>Net Profit (Loss) attributable to members of<br/>the parent entity</b>                              |      | <hr/>                | <hr/>                |
|  |      | (18,747)             | 35,537               |
| <b>Total changes in equity other than those resulting<br/>from transactions with owners as owners:</b> |      | <hr/>                | <hr/>                |
|  |      | (18,747)             | 35,537               |
|  |      | <hr/>                | <hr/>                |
| Basic Earnings Per Share (Cents per share)   |      | (0.07)               | 0.16                 |

The accompanying notes form part of this financial report

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# London City Equities Limited

ABN 59 003 200 664



## Statement of Financial Position as at 31 December 2020

|   | 31 Dec<br>2020<br>\$ | 30 June<br>2020<br>\$ |
|---|----------------------|-----------------------|
| <b>Current Assets</b>                           |                      |                       |
| Cash and cash equivalents                       | 1,768,696            | 1,221                 |
| Trade and other receivables                     | 52,430               | 62,544                |
| <b>Total Current Assets</b>                     | <b>1,821,126</b>     | <b>63,765</b>         |
| <b>Non-Current Assets</b>                       |                      |                       |
| Investment Portfolio                            | 13,812,227           | 11,153,289            |
| Deferred Tax Assets                             | 2,760,000            | 2,160,000             |
| <b>Total Non-Current Assets</b>                 | <b>16,572,227</b>    | <b>13,313,289</b>     |
| <b>Total Assets</b>                             | <b>18,393,353</b>    | <b>13,377,054</b>     |
| <b>Current Liabilities</b>                      |                      |                       |
| Trade and other payables                        | 184,105              | 1,087,989             |
| <b>Total Current Liabilities</b>                | <b>184,105</b>       | <b>1,087,989</b>      |
| <b>Non-Current Liabilities</b>                  |                      |                       |
| Deferred Tax Liabilities - Investment Portfolio | 2,808,000            | 2,014,000             |
| <b>Total Non-Current Liabilities</b>            | <b>2,808,000</b>     | <b>2,014,000</b>      |
| <b>Total Liabilities</b>                        | <b>2,992,105</b>     | <b>3,101,989</b>      |
| <b>Net Assets</b>                               | <b>15,401,248</b>    | <b>10,275,065</b>     |
| <b>Shareholders' Equity</b>                     |                      |                       |
| Contributed Equity                              | 7,511,916            | 4,507,475             |
| Realised Capital Gains Reserve                  | (6,739,135)          | (6,739,135)           |
| Unrealised Revaluation Reserve                  | 9,042,392            | 6,590,106             |
| Retained Profits                                | 5,586,075            | 5,916,619             |
| <b>Total Equity</b>                             | <b>15,401,248</b>    | <b>10,275,065</b>     |

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# London City Equities Limited

ABN 59 003 200 664



## Statement in Changes in Equity For the Half Year to 31 December 2020

| 2020                                   | Issued<br>Capital | Realised<br>Capital Gains<br>Reserve | Unrealised<br>Revaluation<br>Reserve | Retained<br>Earnings | Total Equity      |
|--|-------------------|--------------------------------------|--------------------------------------|----------------------|-------------------|
|  | \$                | \$                                   | \$                                   | \$                   | \$                |
| <b>At 1 July 2020</b>                  | 4,507,475         | (6,739,135)                          | 6,590,106                            | 5,916,619            | 10,275,065        |
| Increase in Capital - Share Issue      | 3,004,441         |                                      |                                      |                      | 3,004,441         |
| Investment Portfolio at fair value     |                   |                                      |                                      |                      |                   |
| - Net unrealised gains taken to equity |                   |                                      | 2,646,286                            |                      | 2,646,286         |
| - Net Tax on unrealised gains          |                   |                                      | (794,000)                            |                      | (794,000)         |
| Tax reduced by Tax Losses              |                   |                                      | 600,000                              |                      | 600,000           |
| Net Income for period                  |                   |                                      |                                      | (18,747)             | (18,747)          |
| Dividends Paid                         |                   |                                      |                                      | (311,797)            | (311,797)         |
| <b>At 31 December 2020</b>             | <b>7,511,916</b>  | <b>(6,739,135)</b>                   | <b>9,042,392</b>                     | <b>5,586,075</b>     | <b>15,401,248</b> |
| <b>2019</b>                            |                   |                                      |                                      |                      |                   |
|  | \$                | \$                                   | \$                                   | \$                   | \$                |
| <b>At 1 July 2019</b>                  | 4,507,475         | (6,739,135)                          | 6,852,634                            | 6,180,387            | 10,801,361        |
| Investment Portfolio at fair value     |                   |                                      |                                      |                      |                   |
| - Net unrealised gains taken to equity |                   |                                      | 881,859                              |                      | 881,859           |
| - Net Tax on unrealised gains          |                   |                                      | (265,000)                            |                      | (265,000)         |
| Net Income for period                  |                   |                                      |                                      | 35,537               | 35,537            |
| Dividends Paid                         |                   |                                      |                                      | (311,797)            | (311,797)         |
| <b>At 31 December 2019</b>             | <b>4,507,475</b>  | <b>(6,739,135)</b>                   | <b>7,469,493</b>                     | <b>5,904,127</b>     | <b>11,141,960</b> |

The accompanying notes form part of this financial report

# London City Equities Limited

ABN 59 003 200 664



## Cash Flow Statement For the Half Year to 31 December 2020

|  | 31 Dec<br>2020   | 31 Dec<br>2019   |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>Cash flows from operating activities</b>          |                  |                  |
| Dividends Received                                   | 250,934          | 252,963          |
| Interest received                                    |                  | 2                |
| Government Grant                                     | 5,000            | -                |
| Proceeds from sale of trading investments            | 24,160           | -                |
| Purchase of trading investments                      | (17,330)         | -                |
| Payments to suppliers and management                 | (225,574)        | (196,995)        |
| Net Cash provided by (used in ) operating activities | <u>37,190</u>    | <u>55,970</u>    |
| <b>Cash flows from investing activities</b>          |                  |                  |
| Proceeds from sale of investments                    | -                | -                |
| Purchase of investments                              | (12,653)         | (257,996)        |
| Net Cash provided by (used in) investing activities  | <u>(12,653)</u>  | <u>(257,996)</u> |
| <b>Cash flows from financing activities</b>          |                  |                  |
| Increase in Equity Capita                            | 2,054,734        | -                |
| Increase (reduction) in related corporations         |                  | 500,897          |
| Dividends paid to shareholders                       | (311,797)        | (311,797)        |
| Net Cash provided by (used in) financing activities  | <u>1,742,937</u> | <u>189,100</u>   |
| <b>Net increase / (decrease) in cash held</b>        | 1,767,474        | (12,926)         |
| Cash at beginning of half year                       | 1,222            | 15,089           |
| <b>Cash at end of the period</b>                     | <u>1,768,696</u> | <u>2,163</u>     |
| <b>Comprising:</b>                                   |                  |                  |
| Cash and cash equivalents                            | 1,768,696        | 2,163            |
|  | <u>1,768,696</u> | <u>2,163</u>     |

The accompanying notes form part of this financial report.

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# London City Equities Limited

ABN 59 003 200 664



## Notes to the Accounts as at 31 December 2020

### Note 1 Statement of Significant Accounting Policies

#### (a) Basis of Preparation

This general purpose half-year condensed financial report has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001 and other applicable Accounting Standards and other mandatory professional reporting requirements.

This interim financial report does not include all the notes of the type normally included in an annual financial report. It is recommended that this report should be read in conjunction with the 2019 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.

This 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 2020 Annual Report. New standards or interpretations mandatory for the annual reporting period beginning 1 July 2020 will not have any effect on the financial position or performance of the company.

#### (b) Other Disclosure

The financial report of London City Equities Limited for the six months ended 31 December 2020 was authorised for issue in accordance with a resolution of the Directors on 17 February 2021.

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

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# London City Equities Limited

ABN 59 003 200 664



## Notes to the Accounts as at 31 December 2020 (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<br>2020 | 31 Dec<br>2019 |
|---------------------------------------|----------------|----------------|
|                                       | \$             | \$             |
| Dividends                             | 250,934        | 252,963        |
| Interest                              | -              | 2              |
| Proceeds - Sale of Trading Securities | 30,990         | -              |
| Other Income - Government Grant       | 5,000          | -              |
|                                       | <u>286,924</u> | <u>252,965</u> |

#### (b) charging as expense:

|   |                  |                  |
|---|------------------|------------------|
| Payable to Auditors - Audit                         | (5,500)          | (4,000)          |
| Payable to Auditors - Other Services                | -                | 500              |
| Directors Fees - Paid or accrued                    | (45,000)         | (45,000)         |
| Litigation Expenses                                 | (119,864)        | (56,107)         |
| Management Fees (Base) - Related Corporation        | (64,044)         | (60,290)         |
| Management Fees (Performance) - Related Corporation | -                | -                |
| Cost of Trading Securities                          | (24,160)         | -                |
| Other Operating Expenses                            | (47,103)         | (52,531)         |
|   | <u>(305,671)</u> | <u>(217,428)</u> |

### Profit (Loss) from Ordinary Activities before Income Tax

|          |        |
|----------|--------|
| (18,747) | 35,537 |
|----------|--------|

### Note 3 Unrealised Revaluation Reserve

|  |                  |                  |
|--|------------------|------------------|
| Unrealised gains on listed securities available-for-sale | 9,360,392        | 7,970,493        |
| Income Tax Applicable                                    | (2,808,000)      | (2,391,000)      |
| Tax Losses recognised as deferred tax assets             | 2,490,000        | 1,890,000        |
|  | <u>9,042,392</u> | <u>7,469,493</u> |

### Note 4 Shares on Issue

|                                       | Number            | Number            |
|---------------------------------------|-------------------|-------------------|
| Ordinary Shares - 1 July 2020         | 22,676,099        | 22,676,099        |
| Change during Period                  | 7,558,700         | -                 |
| Ordinary Shares - 31 December 2020    | <u>30,234,799</u> | <u>22,676,099</u> |
| Average Shares on Issue during period | 26,455,449        | 22,676,099        |

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 will apply to the final dividend payable in October 2021. It provides a market value discount of 5% to shareholders subscribing for their entitlement.

### Note 5 Dividends Paid

The following dividends were recognised in the accounting period:

|   | 31 Dec<br>2020 | 31 Dec<br>2019 |
|---|----------------|----------------|
|   | \$             | \$             |
| A fully franked ordinary dividend of 1.375 cents per share was paid to shareholders on 12 October 2020 (previous year - 1.375 cent fully franked dividend). | (311,797)      | (311,797)      |
| There are no interim dividends proposed for payment.  |                |                |

# London City Equities Limited

ABN 59 003 200 664



## Notes to the Accounts as at 31 December 2020 (Cont'd)

### Note 6 Taxation

A future income tax benefit of \$2,760,000 (2019 - \$2,160,000) has been brought to account in respect of estimated recoupable tax losses available to the company. While market values indicate higher recoupment of past tax losses, Directors have cautiously opted not to bring the full amount of future income tax benefit to account.

At the present levels there remain some \$300,000 in tax losses still available for the future. These tax losses 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 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

### Note 7 Segmental Information

The economic entity acted through the period as a strategic investment holding company

|   | Equity<br>Investment | Other       | Total       |
|---|----------------------|-------------|-------------|
| <b>December 2020</b>                      |                      |             |             |
| Revenue                                   | \$                   | \$          | \$          |
| Investment /other revenue                 | 281,924              | 5,000       | 286,924     |
| Segment result                            |                      |             |             |
| Profit after tax                          | 117,009              | (135,756)   | (18,747)    |
| Segment assets                            | 16,593,622           | 1,799,732   | 18,393,354  |
| Segment liabilities                       | (2,900,053)          | (92,053)    | (2,992,106) |
| Net cash inflow from operating activities | 190,092              | (152,902)   | 37,190      |
|   |                      |             |             |
| <b>December 2019</b>                      |                      |             |             |
| Revenue                                   | \$                   | \$          | \$          |
| Investment /other revenue                 | 252,963              | 2           | 252,965     |
| Segment result                            |                      |             |             |
| Profit after tax                          | 144,249              | (108,712)   | 35,537      |
| Segment assets                            | 14,556,759           | 34,741      | 14,591,500  |
| Segment liabilities                       | (2,439,965)          | (1,009,575) | (3,449,540) |
| Net cash inflow from operating activities | 193,865              | (137,895)   | 55,970      |

### Note 8. Legal Matter - Ernst & Young

Legal action has taken place with Penrice Soda Holdings Limited ("Penrice") since 2010. On 31 July 2014 liquidators were appointed over Penrice and the operations closed. London City incurred substantial direct and indirect losses regarding its investment in Penrice. During 2018 London City and other parties began legal proceedings in Supreme Court of NSW by lodging a Statement of Claim against Ernst & Young, the former auditor of Penrice, seeking appropriate recompense. Following a Court hearing on 29 March 2019 the Court handed down on 1 August 2019 a judgment that London City's Statement of Claim be accepted and that there was an arguable case on the question of duty of care owed to LCE plaintiffs altering their behaviour on the basis of EY's conduct as auditors. The matter is proceeding to a full hearing. An Amended Statement of Claim was lodged in April 2020. Court proceedings are continuing with the relevant serving of evidence by London City. EY's lay evidence is due shortly. London City is planning for the completion of discovery and mediation. During 2020 Directors received a report year from an Expert Forensic Accountant that assessed London City's damages at \$11,900,000 based on alternative investment scenarios. These assessments have been updated to 31 December 2020 values and have increased slightly. London City has been advised by its legal team that the Supreme Court of NSW interest rates should be adopted for these purposes. This advice has been accepted by the London City Board. On this basis the London City damages at 31 December 2020 amounted to approximately \$13,850,000. There is insufficient information at this date to estimate the extent of future benefit or costs that might arise.

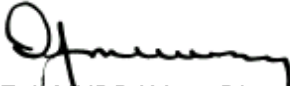


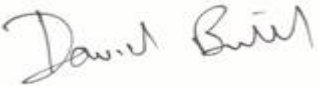
## Directors' Declaration

In the Directors' opinion:

1. the financial statements and notes set out on pages 3 to 9 are in accordance with the Corporations Act 2001, including
  - (i) complying with Accounting Standards , the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) give a true and fair view of the Company's financial position as at 31 December 2020 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 19th day of February 2021

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**Auditor's Independence Declaration to the Directors of London City Equities Limited**

In relation to our review of the financial report of London City Equities Limited for the half year ended 31 December 2020, 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.



**Mark O'Connor CA**  
**Partner**



Cutcher & Neale  
Chartered Accountants

25 Bolton Street  
Newcastle NSW 2300

19 February 2021

## 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 2020 as set out on pages 3 to 10. The financial report comprises the statement of financial position as at 31 December 2020, the income statement, 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, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of London City Equities Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2020 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 annual 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 that gives a true and fair view 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 gives a true and fair view and 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 is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 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.



**Mark O'Connor CA**  
**Partner**



Cutcher & Neale  
Chartered Accountants

25 Bolton Street  
Newcastle NSW 2300

19 February 2021

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