

## **London Finance & Investment Group P.L.C.**

(Incorporated in England with registered number 201151)

LSE code: LFI

JSE code: LNF

ISIN: GB0002994001

(the 'Company')

## **Unaudited Preliminary Results for the year ended 30 June 2019 and Dividend Declaration**

London Finance & Investment Group PLC. (LSE: LFI, JSE: LNF), the investment company whose assets primarily consist of Strategic Investments and a General Portfolio, today announces its unaudited Preliminary Results for the year ended 30<sup>th</sup> June 2019 and the Board's Dividend Declaration.

### **Strategy, Business Model and Investment Policy**

Lonfin is an investment company whose objective is to generate growth in shareholder value in real terms over the medium to long term whilst maintaining a progressive dividend policy.

The Group's investment policy is to invest in a range of 'Strategic', 'General Portfolio' and from time to time 'Other Investments'. General Portfolio Investments comprise liquid stock market investments, both in equity instruments and bonds, and, at the Board's discretion, 'Other Investments' are typically property and other physical assets. Strategic Investments are significant investments in smaller UK quoted companies. These are balanced by the General Portfolio, which consists of a broad range of investments in major USA, UK and other European companies which provides a diversified exposure to international equity markets.

The Group's net assets per share for 2019 have decreased from the previous year to 59p and net assets per share have increased 17.7% over the last five years. Shareholders' dividends for 2019 remains the same at 1.15p and increased by 15% over the last five years.

### **Results**

- \* Net assets have reduced to 59p per share (2018 – 65.4p per share)
- \* Strategic Investments have decreased in value over the year, from £10,650,000 to £7,596,000 largely due to the fluctuation in share price of Finsbury Food Group Plc.
- \* Strategic investments are yielding 3.6% (2018 – 3.4%)
- \* The General Portfolio has increased, adjusting for investment purchases and sales, over the year, by 7% from £10,676,000 to £11,383,000
- \* Fair value movement is £755,000
- \* No significant increase in Group operating costs
- \* A final dividend of 0.60p per share is recommended, making a total of 1.15p per share for the year (2018 – 1.15p)

The Company and its subsidiaries ("Group") achieved an operating profit for the year, before interest, tax and changes to the fair value adjustments of investments of £360,000, compared to an operating profit for the previous year, before tax and changes to the fair value adjustments of investments, of £306,000. The significant decrease in fair value of strategic investments that occurred during the year has led to Total Comprehensive Loss for the year of £1,759,000 compared to profit of £256,000 for the previous year. Basic earnings per share are 2.9p (2018- 0.6p) and headline earnings per share are 0.6p (2018 – 0.8p).

### **Strategic Investments**

Strategic Investments have reduced in value by £3,054,000 due to the market movements in the share prices.

### **Western Selection PLC ("Western")**

The Group holds 7,860,515 ordinary shares, being 43.8%, of the issued share capital of Western.

On 30<sup>th</sup> September 2019, Western announced unaudited preliminary results showing a loss after tax of £2,611,000 for the year to 30<sup>th</sup> June 2019 (2018 Restated for IFRS 9 loss – £241,000). Losses per share are 14.5p (2018 Restated for IFRS 9 loss of 1.3p).

Whilst Western paid an interim dividend of 1.1p in March this year, Western's Board does not recommend payment of a final dividend, making a total dividend of 1.1p per share for the year, compared to 2.25p for 2018.

Western's net assets at market value at 30<sup>th</sup> June 2019 were £11,426,000 equivalent to 64p per share, a decrease of 33% from 96p last year.

Our share of the net assets of Western, including the value of Western's investments at market value, was £5,005,000 (2018 - £7,595,000). The fair value for Western recorded in the Statement of Financial Position is the market value of £3,576,000 (2018 - £3,930,000). This represents 19.3% (2018 – 19%) of the net assets of the Group.

Western's objective is to generate growth in value for shareholders over the medium to long term and pay a progressive dividend. Western's business model is to take sizeable minority stakes in relatively small companies usually before or as their shares are admitted to trading on one of the UK's stock exchanges and have directors in common through which they can provide advice and support for these growing companies. These may or may not become associated companies. The aim is that these companies ("Core Holdings") will grow to a stage at which Western's support is no longer required and its stake can be sold over time into the relevant stock market. Companies that are targeted as Core Holdings will have an experienced management team, a credible business model and good prospects for growth.

Western is a strategic investment which is technically a subsidiary of the Company that has not been consolidated due to the application of the investment entity exemption under IFRS 10.

David Marshall is the Chairman of Western and Edward Beale is non-executive director.

Western's main Core Holdings are Northbridge Industrial Services plc, Brand Architekts Group plc (formerly Swallowfield plc), Bilby Plc and Tudor Rose International Limited.

An extract from Western's announcement on 30 September 2019 relating to its main Core Holdings is set out below:

## **Core Holdings**

### **Northbridge Industrial Services plc ("Northbridge")**

Northbridge hires and sells specialist industrial equipment to a non-cyclical customer base. With offices or agents in the UK, USA, Dubai, Germany, Belgium, France, Australia, New Zealand, Singapore, Brazil and Korea, Northbridge has a global customer base. This includes utility companies, the oil and gas sector, shipping, construction and the public sector. The product range includes loadbanks, transformers and oil tools. Further information about Northbridge is available on their website: [www.northbridgegroup.co.uk](http://www.northbridgegroup.co.uk)

Northbridge, which is admitted to trading on AIM, announced its results for the year ended 31 December 2018 on 11 April 2019 and recorded a loss after tax of £2,409,000 for the year (2017- loss after tax £4,626,000). No dividend was recommended by Northbridge and no dividends were received by Western from Northbridge during the year.

Western now holds 3,300,000 Northbridge shares which represents 12.6% of Northbridge's enlarged issued share capital. The value of this investment at 30<sup>th</sup> June 2019 was £4,900,500 (2018 - £4,290,000) which represents approximately 42% (2018 - 25%) of Western's net assets.

David Marshall was a non-executive director of Northbridge up until 4 June 2019.

### **Brand Architekts Group plc (“BAG” formerly Swallowfield plc)**

BAG is now a brands business following the sale of its contract manufacturing operations and the change of name to Brand Architekts Group plc. Further information about BAG is available on their website: <https://www.brandarchitekts.com/>.

BAG, which is admitted to trading on AIM, announced its results for the 52 weeks ended 29 June 2019 on 30 September 2019 and recorded a profit after tax of £3,640,000 compared to a profit after tax of £3,633,000 for the comparable period last year. Dividends of £82,550 were received from BAG during the year (2018 – £78,500). A final dividend of 4.35p per share has been declared and, if approved, Western will receive a further £56,550 of income in December 2019.

At the reporting date, being 30 June 2019, Western held 1,300,000 BAG shares which represented 7.7% of BAG’s issued share capital. The market value of our holding in BAG on 30 June 2019 had decreased to £2,502,000 from the value of our holding at 30 June 2018 of £4,095,000. The value of this investment represents approximately 21.4% (2018 – 23.6%) of Western’s net assets.

Edward Beale is a non-executive director of BAG.

### **Bilby Plc (“Bilby”)**

Bilby is an established, and award winning, provider of gas installation, maintenance and general building services to local authority and housing associations across London and South East England. They have a strategy of growing organically and by acquisition. Further information about Bilby is available on their website: [www.bilbyplc.com](http://www.bilbyplc.com)

Bilby, which is admitted to trading on AIM, announced its results for the year ended 31 March 2019 on 19 September 2019 showing a loss after tax of £8,596,000 compared to a profit after tax of £3,450,000 for the previous year ended 31 March 2018. Dividends of £67,500 were received from Bilby during the year (2018 - £54,000). Due to the results in the year, Bilby’s Board did not recommend a final dividend

Western holds 2,700,000 Bilby shares which represents approximately 6.7% of Bilby’s issued share capital. The market value of this investment on 30 June 2019 was £877,000 (2018- £2,835,000) which represents approximately 7.5% (2018 – 16%) of Western’s net assets.

### **Tudor Rose International Limited (“Tudor Rose International”)**

Tudor Rose International works closely with a number of leading UK branded fast-moving consumer goods companies, offering a complete sale, marketing and logistical service. Based in Stroud, Gloucestershire, Tudor Rose International sells into 78 countries worldwide including USA, Spain, Portugal, Italy, Czech Republic, Russia, Turkey, South Africa, Saudi Arabia, UAE, Malaysia, Australia and China.

Western holds 441,090 A ordinary shares in Tudor Rose International which represents 49.5% of the company’s issued share capital. Western also holds £1,750,000 of redeemable preference shares in Tudor Rose International at a par value of 1p per share.

Tudor Rose International, which is a private company, has a 31 December year end and, in the year to 30 June 2019, generated a trading loss of £478,723. Turnover in the period was £11,430,000 (2018 - £19,032,000). Western’s share of the loss for the twelve months to 30 June 2019 was 206,486 (2018 – profit £41,000) and the book value of the investment at 30 June 2019 was 2,177,159 (2018 - £1,633,000).

In recent years changes in ownership and strategy of major brands that Tudor Rose International represented have led to significant losses in business, which have not been fully replaced. This business has a significant deficit on net assets excluding goodwill and a mixed trading record since 2010. Uncertainties surrounding Brexit have impeded its efforts to profitably grow turnover, and may well impede future growth. As no return on this investment can be forecast an impairment provision of £2,177,159 has been made against its full carrying value.

Western has two nominees on the board of Tudor Rose International: Edward Beale and David Marshall.

### **Finsbury Food Group plc (“Finsbury”)**

Finsbury is one of the largest producers and suppliers of premium cakes, bread and morning goods in the UK and currently supplies most of the UK's major supermarket chains. Further information about Finsbury, which is admitted to trading on AIM, is available on its website: [www.finsburyfoods.co.uk](http://www.finsburyfoods.co.uk)

At 30 June 2019, Lonfin held 6,000,000 Finsbury shares, representing 4.6% of Finsbury's issued share capital. The market value of the holding was £4,020,000 as at 30<sup>th</sup> June 2019 (cost - £1,724,000) and represents approximately 22% (2018 – 33%) of Lonfin's net assets.

On 16 September 2019, Finsbury announced audited profits on continuing operations after tax of £10,293,000 for the 52 weeks ended 29<sup>th</sup> June 2019 (2018 –£3,164,000).

Dividends of £201,600 were received from Finsbury during the year (2018 - £198,000). Finsbury has recommended to its shareholders a final dividend of 2.34p per share for 2019 which, with the interim dividend of 1.16p, makes total dividends of 3.5p for the year (2018 – 2.2p). The final dividend, if approved, will be paid in December 2019 and will provide the Company with further income of £140,400.

Edward Beale was a non-executive director of Finsbury up until 23 November 2016.

### **General Portfolio**

The investments comprising the General Portfolio at 30 June 2019 are listed below.

#### **Composition of General Portfolio At 30 June 2019**

|                                  | <b>£000</b> | <b>%</b> |
|----------------------------------|-------------|----------|
| LVMH Moet Hennessey              | 670         | 5.9      |
| Diageo                           | 575         | 5.1      |
| Investor AB                      | 525         | 4.6      |
| Pernod Ricard                    | 501         | 4.4      |
| Unilever                         | 493         | 4.3      |
| Nestle                           | 492         | 4.3      |
| Schindler                        | 490         | 4.3      |
| Heineken Holding                 | 474         | 4.2      |
| L'Oréal                          | 473         | 4.2      |
| Royal Dutch Shell                | 465         | 4.1      |
| Givaudan                         | 462         | 4.1      |
| Brown-Forman                     | 446         | 3.9      |
| Danone                           | 400         | 3.5      |
| Exxon Mobil Corp                 | 397         | 3.5      |
| Procter & Gamble Co              | 388         | 3.4      |
| Antofagasta                      | 372         | 3.3      |
| HSBC Holdings                    | 361         | 3.2      |
| United Technologies Corp         | 348         | 3.1      |
| Phillip Morris International Inc | 314         | 2.8      |
| Reckitt Benckiser Group          | 305         | 2.7      |
| 3M Co                            | 300         | 2.6      |
| Henkel                           | 298         | 2.6      |
| Becton Dickinson & Co            | 277         | 2.4      |

|                                |               |              |
|--------------------------------|---------------|--------------|
| British American Tobacco       | 269           | 2.4          |
| Anheuser Busch Inbev           | 260           | 2.3          |
| BASF                           | 240           | 2.1          |
| Compagnie Financiere Richemont | 220           | 1.9          |
| AP Moeller-Maersk A/S          | 209           | 1.8          |
| Deutsche Post                  | 194           | 1.6          |
| Imperial Brands                | 165           | 1.4          |
|                                | <b>11,383</b> | <b>100.0</b> |

|                             |               |              |
|-----------------------------|---------------|--------------|
| <b>Analysis by currency</b> | <b>£000</b>   | <b>%</b>     |
| Euro                        | 3,510         | 30.8         |
| Sterling                    | 3,005         | 26.5         |
| US Dollar                   | 2,470         | 21.7         |
| Swiss Franc                 | 1,664         | 14.6         |
| Swedish Kronas              | 525           | 4.6          |
| Danish Kronas               | 209           | 1.8          |
|                             | <b>11,383</b> | <b>100.0</b> |

The portfolio is diverse with material interests in Food and Beverages, Natural Resources, Chemicals and Tobacco. We believe that the portfolio of quality companies we hold has the potential to outperform the market in the medium to long term.

At 30 June 2019, the number of holdings in the General Portfolio was 30 (2018 – 30). We have decreased the amount invested in the General Portfolio over the year by £49,000 (2018 - increased by £1,000).

The opening value of our General Portfolio investments at 30 June 2018 was £10,676,000 which compared with a cost of such investments at the same date of £6,257,000. After investment purchases during the year of £611,000 and investment sales (including selling expenses) during the same period of £667,000, the value of the General Portfolio investments as at 30 June 2019 had increased by 7% to £11,383,000.

## Operations, Directors and Employees

All of our operations and those of Western, with the exception of investment selection, are outsourced to our subsidiary, City Group PLC (“City Group”). City Group also provides office accommodation, company secretarial and head office finance services to a number of other companies. City Group is responsible for the initial identification and appraisal of potential new strategic investments for the Company and the day to day monitoring of existing strategic investments.

## Dividend

The Board recommends a final dividend of 0.60p per share, making a total of 1.15p per ordinary share for the year (2018 – 1.15p). Subject to shareholders’ approval at the Company’s AGM to be held on Wednesday, 13 November 2019, the dividend will be paid on Wednesday, 4 December 2019 to those shareholders on the register at the close of business on Friday, 8 November 2019.

Shareholders on the South African register will receive their dividend in South African rand converted from sterling at the closing rate of exchange on Wednesday, 25 September 2019 being GBP1= ZAR 18.5292.

## JSE Disclosure Requirements

In respect of the normal gross cash dividend, and in terms of the South African Tax Act, the following dividend tax ruling only applies to those shareholders who are registered on the South African register on Friday, 8 November 2019.

- The number of shares in issue as at the dividend declaration date is 31,207,479;
- The dividend has been declared from income reserves. Funds are sourced from the Company's main bank account in London and is regarded as a foreign dividend by South African shareholders; and
- The Company's UK Income Tax reference number is 948/L32120.

Dividend dates:

|                               |                            |
|-------------------------------|----------------------------|
| Last date to trade (SA)       | Tuesday, 5 November 2019   |
| Shares trade ex-dividend (SA) | Wednesday, 6 November 2019 |
| Shares trade ex-dividend (UK) | Thursday, 7 November 2019  |
| Record date (UK and SA)       | Friday, 8 November 2019    |
| Pay date                      | Wednesday, 4 December 2019 |

The JSE Listings Requirements requires disclosure of additional information in relation to any dividend payments.

Shareholders registered on the South African register are advised that a dividend withholding tax will be withheld from the gross final dividend amount of 11.11752 SA cents per share at a rate of 20% unless a shareholder qualifies for an exemption; shareholders registered on the South African register who do not qualify for an exemption will therefore receive a net dividend of 8.89402 SA cents per share. The dividend withholding tax and the information contained in this paragraph is only of direct application to shareholders registered on the South African register, who should direct any questions about the application of the dividend withholding tax to Computershare Investor Services (Pty) Limited, Tel: +27 11 370 5000.

Share certificates may not be de-materialised or re-materialised between Wednesday, 6 November 2019 and Friday, 8 November 2019, both days inclusive. Shares may not be transferred between the registers in London and South Africa during this period either.

## Outlook

The continued political and economic uncertainty in Europe, where Brexit has yet to be delivered, and globally, with the negative impact from tariff issues, will clearly impact on world economies and we can expect further volatility and turbulence in the markets ahead. Whilst the last 12 months have been challenging for the Company's investments, particularly its Strategic Investments, and we can expect further challenges ahead, the Board is confident that the Company has a solid base of investments which can lead to further capital growth in the medium to long term.

## Future Developments

The Group's development and its financial performance are dependent on the success of its Investment Strategy and the continued support of its Shareholders. Against a background of challenging and uncertain times in the markets, the Board continues to seek out investments which will generate growth in shareholder value. The Board also continues to monitor and enhance the quality of investments in the General Portfolio. A resolution was put to Shareholders at last year's AGM to amend the Company's Investment Policy so that up to 40 investments may be held in the Company's General Portfolio at any time. The resolution was approved. Aside from this change, the Board continues to pursue its current

Investment Policy and has no plans to make any further changes to the policy in the near future. As at 30 June 2019, the Company held 30 investments in the General Portfolio.

30 September 2019

The Company's 2019 Annual Report and Accounts will be finalised shortly and sent to shareholders.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

The directors of the Company accept responsibility for the contents of this announcement.

For further information, please contact:

**London Finance & Investment Group PLC:** 020 7796 9060

*David Marshall/Edward Beale)*

Johannesburg Sponsor:

**Sasfin Capital** (a member of the Sasfin Group)

## Consolidated Statement of Total Comprehensive Income

For the year ended 30 June

| Operating Income                                                          | 2019<br>£000 | 2018<br>£000 |
|---------------------------------------------------------------------------|--------------|--------------|
| Dividends receivable                                                      | 687          | 674          |
| Rental and other income                                                   | 130          | 107          |
| Profits on sales of investments                                           | 15           | 26           |
| Management service fees                                                   | 260          | 274          |
|                                                                           | <u>1,092</u> | <u>1,081</u> |
| Administrative expenses                                                   |              |              |
| Investment operations                                                     | (398)        | (411)        |
| Management services                                                       | (334)        | (364)        |
| Total administrative expenses                                             | <u>(732)</u> | <u>(775)</u> |
| Operating profit                                                          | 360          | 306          |
| Unrealised changes in the carrying value of General Portfolio investments | 748          | (117)        |
| Exceptional costs                                                         | (67)         | -            |
| Interest payable                                                          | (34)         | (14)         |
| Profit before taxation                                                    | <u>1,007</u> | <u>175</u>   |
| Tax (expense)/income                                                      | <u>(95)</u>  | <u>20</u>    |
| Profit after taxation                                                     | 912          | 195          |
| Non-controlling interest                                                  | 5            | (8)          |
| Profit attributable to shareholders                                       | <u>917</u>   | <u>187</u>   |

### Other comprehensive income/(expense)

*Items that will not be reclassified to profit or loss*

|                                                                                        |         |      |
|----------------------------------------------------------------------------------------|---------|------|
| Unrealised changes in the carrying value of Strategic investments                      | (3,054) | (23) |
| Profit on sale of investments                                                          | -       | -    |
| Other taxation -                                                                       |         |      |
| Deferred tax                                                                           | 379     | 42   |
| Corporation tax                                                                        | -       | 50   |
| Total Other Comprehensive (Loss)/Income attributable to shareholders                   | (2,675) | 69   |
| Total Comprehensive (Loss)/Income attributable to owners of the parent                 | (1,758) | 256  |
| <b>Reconciliation of headline earnings</b>                                             |         |      |
| Basic and diluted earnings per share                                                   | 2.9p    | 0.6p |
| Adjustment for the unrealised changes in the carrying value of investments, net of tax | (2.3)p  | 0.2p |
| Headline earnings per share                                                            | 0.6p    | 0.8p |

## Consolidated Statement of Financial Position

At 30 June

|                                                               | 2019<br>£000  | 2018<br>£000  |
|---------------------------------------------------------------|---------------|---------------|
| <b>Non-current Assets</b>                                     |               |               |
| Property, Plant and Equipment                                 | 39            | 13            |
| Investments                                                   | 7,596         | 10,650        |
|                                                               | <u>7,635</u>  | <u>10,663</u> |
| <b>Current Assets</b>                                         |               |               |
| Listed investments                                            | 11,383        | 10,676        |
| Trade and other receivables                                   | 194           | 251           |
| Cash and cash equivalents                                     | 240           | 304           |
|                                                               | <u>11,817</u> | <u>11,231</u> |
| <b>Current Liabilities</b>                                    |               |               |
| Trade and other payables                                      | (279)         | (346)         |
| Borrowings                                                    | (400)         | (325)         |
|                                                               | <u>(679)</u>  | <u>(671)</u>  |
| <b>Net Current Assets</b>                                     | <u>11,138</u> | <u>10,560</u> |
| <b>Deferred Taxation</b>                                      | <u>(395)</u>  | <u>(722)</u>  |
| <b>Total Assets less Total Liabilities</b>                    | <u>18,378</u> | <u>20,501</u> |
| <b>Capital and Reserves</b>                                   |               |               |
| Ordinary share capital                                        | 1,560         | 1,560         |
| Share premium account                                         | 2,320         | 2,320         |
| Unrealised profits and losses on investments                  | 6,085         | 8,056         |
| Share of retained realised profits and losses of subsidiaries | 4,574         | 4,207         |
| Company's retained realised profits and losses                | <u>3,739</u>  | <u>4,253</u>  |

|                                             |               |        |
|---------------------------------------------|---------------|--------|
| Capital and reserves attributable to owners | <b>18,278</b> | 20,396 |
| Non-controlling interests                   | <b>100</b>    | 105    |
| <b>Total Capital and Reserves</b>           | <b>18,378</b> | 20,501 |

## Company Statement of Financial Position

At 30 June

|                                              | 2019<br>£000  | 2018<br>£000 |
|----------------------------------------------|---------------|--------------|
| <b>Non-current Assets</b>                    |               |              |
| Investments in Group companies               | <b>528</b>    | 902          |
| <b>Current Assets</b>                        |               |              |
| Listed investments                           | <b>11,383</b> | 10,676       |
| Trade and other receivables                  | <b>23</b>     | 36           |
| Cash and cash equivalents                    | <b>101</b>    | 99           |
|                                              | <b>11,507</b> | 10,811       |
| <b>Current Liabilities</b>                   |               |              |
| Trade and other payables                     | <b>(131)</b>  | (126)        |
| Borrowings                                   | <b>(400)</b>  | (325)        |
|                                              | <b>(531)</b>  | (451)        |
| <b>Net Current Assets</b>                    | <b>10,976</b> | 10,360       |
| <b>Deferred Taxation</b>                     | <b>(395)</b>  | (343)        |
| <b>Total Assets less Total Liabilities</b>   | <b>11,109</b> | 10,919       |
| <b>Capital and Reserves</b>                  |               |              |
| Ordinary share capital                       | <b>1,560</b>  | 1,560        |
| Share premium account                        | <b>2,320</b>  | 2,320        |
| Unrealised profits and losses on investments | <b>3,490</b>  | 2,786        |
|                                              | <b>7,370</b>  | 6,666        |
| <b>Realised Profit and Loss</b>              |               |              |
| Balance at 1 <sup>st</sup> July              | <b>4,253</b>  | 4,544        |
| Net (Loss)/Profit for the period             | <b>(154)</b>  | 52           |
| Dividends paid                               | <b>(360)</b>  | (343)        |
| Balance at 30 <sup>th</sup> June             | <b>3,739</b>  | 4,253        |
| <b>Equity shareholders' funds</b>            | <b>11,109</b> | 10,919       |

Under Section 408 of the Companies Act 2006, the Parent Company is exempt from the requirement to present its own income statement.

## Consolidated Statement of Cash Flows

For the year ended 30 June

|                                                     | 2019<br>£000 | 2018<br>£000 |
|-----------------------------------------------------|--------------|--------------|
| <b>Cash flows from operating activities</b>         |              |              |
| Profit before tax                                   | <b>1,007</b> | 175          |
| <i>Adjustments for non-cash -</i>                   |              |              |
| Finance expense                                     | <b>34</b>    | 14           |
| Depreciation charges                                | <b>13</b>    | 9            |
| Unrealised changes in the fair value of investments | <b>(756)</b> | 117          |
| Realised gain on disposal of investments            | <b>(7)</b>   | (26)         |

|                                                               |              |             |
|---------------------------------------------------------------|--------------|-------------|
| Decrease/(Increase)in trade and other receivables             | 58           | (32)        |
| (Decrease)/Increase in trade and other payables               | (83)         | 96          |
| Taxes paid                                                    | (44)         | (230)       |
| <b>Net cash inflow from operating activities</b>              | <b>222</b>   | <b>123</b>  |
| <b>Cash flows from investment activity</b>                    |              |             |
| Acquisition of property, plant and equipment                  | (39)         | (8)         |
| Acquisition of current investments                            | (611)        | (699)       |
| Disposal of current investment                                | 667          | 698         |
| <b>Net cash inflow/(outflow) from investment activity</b>     | <b>17</b>    | <b>(9)</b>  |
| <b>Cash flows from financing</b>                              |              |             |
| Interest paid                                                 | (18)         | (14)        |
| Equity dividends paid                                         | (360)        | (343)       |
| Net drawdown of loan facilities                               | 75           | 325         |
| <b>Net cash outflow from financing</b>                        | <b>(303)</b> | <b>(32)</b> |
| <b>(Decrease)/Increase in cash and cash equivalents</b>       | <b>(64)</b>  | <b>82</b>   |
| <b>Cash and cash equivalents at the beginning of the year</b> | <b>304</b>   | <b>222</b>  |
| <b>Cash and cash equivalents at end of the year</b>           | <b>240</b>   | <b>304</b>  |

## Company Statement of Cash Flows

For the year ended 30 June

|                                                                | 2019<br>£000 | 2018<br>£000 |
|----------------------------------------------------------------|--------------|--------------|
| <b>Cash flows from operating activities</b>                    |              |              |
| Profit/(Loss) before tax                                       | 644          | (197)        |
| <i>Adjustments for non-cash and non-operating activities -</i> |              |              |
| Finance expense                                                | 35           | 14           |
| Unrealised changes in the fair value of investments            | (756)        | 117          |
| Realised gain on disposal of investments                       | (7)          | (26)         |
| Decrease/(Increase) in trade and other receivables             | 13           | (10)         |
| (Decrease)/Increase in trade and other payables                | (11)         | 8            |
| Overseas Taxes paid                                            | (43)         | (44)         |
| <b>Net cash outflow from operating activities</b>              | <b>(125)</b> | <b>(138)</b> |
| <b>Cash flows from investment activity</b>                     |              |              |
| Acquisition of investments                                     | (611)        | (699)        |
| Disposal of investments                                        | 667          | 698          |
| <b>Net cash inflow/(outflow) from investment activity</b>      | <b>56</b>    | <b>(1)</b>   |
| <b>Cash flows from financing</b>                               |              |              |
| Interest paid                                                  | (18)         | (14)         |
| Equity dividends paid                                          | (360)        | (343)        |
| Decrease in loan to subsidiary                                 | 374          | 169          |
| Net drawdown of loan facilities                                | 75           | 325          |
| <b>Net cash inflow from financing</b>                          | <b>71</b>    | <b>137</b>   |
| <b>Increase/(Decrease) in cash and cash equivalents</b>        | <b>2</b>     | <b>(2)</b>   |
| <b>Cash and cash equivalents at the beginning of the year</b>  | <b>99</b>    | <b>101</b>   |
| <b>Cash and cash equivalents at end of the year</b>            | <b>101</b>   | <b>99</b>    |

## Consolidated Statement of Changes in Shareholders' Equity

|                                                         | Ordinary<br>Share<br>Capital | Share<br>Premium<br>Account | Unrealised<br>profits and<br>losses on<br>Investments | Share of<br>Retained<br>realised<br>profits and<br>losses of<br>Subsidiaries | Company's<br>retained<br>realised<br>profits and<br>losses | Total   | Non-<br>Controlling<br>Interests | Total<br>Equity |
|---------------------------------------------------------|------------------------------|-----------------------------|-------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------|---------|----------------------------------|-----------------|
|                                                         | £000                         | £000                        | £000                                                  | £000                                                                         | £000                                                       | £000    | £000                             | £000            |
| <b>Year ended 30 June 2018</b>                          |                              |                             |                                                       |                                                                              |                                                            |         |                                  |                 |
| Balances at 1 July 2017                                 | 1,560                        | 2,320                       | 8,265                                                 | 3,794                                                                        | 4,544                                                      | 20,483  | 97                               | 20,580          |
| Profit for the Year                                     | -                            | -                           | (228)                                                 | 363                                                                          | 52                                                         | 187     | 8                                | 195             |
| Other Comprehensive Income                              | -                            | -                           | 19                                                    | 50                                                                           | -                                                          | 69      | -                                | 69              |
| Total comprehensive income                              | -                            | -                           | (209)                                                 | 413                                                                          | 52                                                         | 256     | 8                                | 264             |
| Dividends paid and total transactions with shareholders | -                            | -                           | -                                                     | -                                                                            | (343)                                                      | (343)   | -                                | (343)           |
| Balances at 30 June 2018                                | 1,560                        | 2,320                       | 8,056                                                 | 4,207                                                                        | 4,253                                                      | 20,396  | 105                              | 20,501          |
| <b>Year ended 30 June 2019</b>                          |                              |                             |                                                       |                                                                              |                                                            |         |                                  |                 |
| Balances at 1 July 2018                                 | 1,560                        | 2,320                       | 8,056                                                 | 4,207                                                                        | 4,253                                                      | 20,396  | 105                              | 20,501          |
| Profit/(loss) for the Year                              | -                            | -                           | 704                                                   | 367                                                                          | (154)                                                      | 917     | (5)                              | 912             |
| Other Comprehensive Income                              | -                            | -                           | (2,675)                                               | -                                                                            | -                                                          | (2,675) | -                                | (2,675)         |
| Total comprehensive income                              | -                            | -                           | (1,971)                                               | 367                                                                          | (154)                                                      | (1,768) | (5)                              | (1,773)         |
| Dividends paid and total transactions with shareholders | -                            | -                           | -                                                     | -                                                                            | (360)                                                      | (360)   | -                                | (360)           |
| Balances at 30 June 2019                                | 1,560                        | 2,320                       | 6,085                                                 | 4,574                                                                        | 3,739                                                      | 18,268  | 100                              | 18,378          |

## Company Statement of Changes in Shareholders' Equity

|                                                           | Ordinary<br>Share<br>Capital | Share<br>Premium<br>Account | Unrealised<br>profits and<br>losses on<br>Investments | Realised<br>profits and<br>losses | Equity<br>Total |
|-----------------------------------------------------------|------------------------------|-----------------------------|-------------------------------------------------------|-----------------------------------|-----------------|
|                                                           | £000                         | £000                        | £000                                                  | £000                              | £000            |
| <b>Year ended 30 June 2018</b>                            |                              |                             |                                                       |                                   |                 |
| Balances at 1 July 2017                                   | 1,560                        | 2,320                       | 3,015                                                 | 4,544                             | 11,439          |
| Profit/(loss) for the Year and total comprehensive income | -                            | -                           | (229)                                                 | 52                                | (177)           |
| Dividends paid and total transactions with shareholders   | -                            | -                           | -                                                     | (343)                             | (343)           |
| Balances at 30 June 2018                                  | <u>1,560</u>                 | <u>2,320</u>                | <u>2,786</u>                                          | <u>4,253</u>                      | <u>10,919</u>   |
| <b>Year ended 30<sup>h</sup> June 2019</b>                |                              |                             |                                                       |                                   |                 |
| Balances at 1 July 2018                                   | 1,560                        | 2,320                       | 2,786                                                 | 4,253                             | 10,919          |
| Profit/(loss) for the Year and total comprehensive income | -                            | -                           | 704                                                   | (154)                             | 550             |
| Dividends paid and total transactions with shareholders   | -                            | -                           | -                                                     | (360)                             | (360)           |
| Balances at 30 June 2019                                  | <u>1,560</u>                 | <u>2,320</u>                | <u>3,490</u>                                          | <u>3,739</u>                      | <u>11,109</u>   |

### Notes:

#### 1. Basic earnings per share and Headline earnings per share

Basic earnings per share are based on the profit attributable to the shareholders after tax and non-controlling interests of £917,000 (2018 - £187,000) and on 31,207,479 shares (2018 – 31,207,479) being the weighted average of the number of shares in issue during the year.

#### Headline earnings are required to be disclosed by the JSE.

Headline earnings per share are based on the profit attributable to the shareholders after tax and non-controlling interests, before unrealised changes in the fair value of investments net of tax, of £212,000 (2018 - £240,000) and on 31,207,479 (2018 – 31,207,479) shares being the weighted average of the number of shares in issue during the year.  
The adjustments for the unrealised changes in the carrying value of investments, net of tax, are £704,000 (2018 - £53,000).

#### 2. Net assets per share

The net assets per share are calculated taking investments at fair value and on 31,207,479 shares (2018 – 31,207,479) being the weighted average of the number of shares in issue during the year.

### **3. Financial information**

The financial information in this preliminary announcement does not constitute the Company's statutory accounts for the year ended 30<sup>th</sup> June 2019.

The accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The accounts are prepared on the historical cost bases, except for certain assets and liabilities which are measured at fair value, in accordance with IFRS. The audited accounts for the Group for the year ended 30<sup>th</sup> June 2018 were reported on with an unqualified audit report and did not contain an emphasis of matter paragraph or any statement under section 498 of the Companies Act 2006 and have been delivered to the Registrar of Companies.

### **4. Copies of this Announcement**

Copies of this announcement are held at the Company's registered office, 1 Ely Place, London, EC1N 6RY (tel. 020 7796 9060) and are available for a period of 14 days from the date of this announcement.

United Kingdom  
1 October 2019

Sponsor: Sasfin Capital (a member of the Sasfin Group)