

London Finance & Investment Group PLC

("Lonfin" or the "Company")

Unaudited Condensed Interim Financial statements for the six months ended 31 December 2024

The Company today announces its unaudited interim results for the six months ended 31 December 2024 (the "Interim Statement").

Introduction

Shareholders were advised in December of the Board's intention to send out a circular in January setting out the process for returning cash to shareholders. This process is taking longer than expected due to having to obtain clearance for the circular from both the FCA in the UK and the Johannesburg Stock Exchange in South Africa, and South African exchange control approval. We do not now expect to be able to send out the circular before the middle of February.

The process will have two stages: first a general meeting to approve the delisting of the Company's shares and the return of capital and then a High Court hearing to approve the capital reduction. Factoring in the notice period required for general meetings, and court timetables, the payout to shareholders will not happen before May.

The exact amount of the return of capital can only be finalised at the time of the High Court hearing, and is dependent on exchange rates when US Dollar denominated deposits mature, but is expected to be approximately 71p per share.

Results

Lonfin's net assets per share decreased by 0.3% to 71.4p at 31 December 2024 from 71.6p at 30 June 2024 as profits for the period were marginally less than the dividend paid to shareholders in the period.

We have sold all the General Portfolio Investments, realising a loss of £397,000 (compared to their market value at 30 June 2024), and remaining Strategic Investments, realising a loss of £111,000. As a consequence, dividend income has reduced to £165,000 from £241,000 last year. Cash balances arising from these sales have been held in short term, interest bearing, deposits in £ Sterling and US Dollars. Interest income of £355,000 and exchange gains of £482,000 were booked on those deposits in the period.

The profit before tax for the Company and its subsidiaries (the "Group") for the half year was £230,000 (2023: profit of £3,755,000), resulting in earnings per share after tax of 0.5p (2023: earnings per share 11.7p).

Strategic Investments

Western Selection PLC ("Western")

At 30 June 2024, the Group held 45,786 ordinary shares in Western, being 43.8% of the issued share capital of Western, with a carrying value of £36,000.

In August 2024 Western shareholders approved a final return of capital and a capital reduction. Western's issued share capital has reduced from 104,555 ordinary shares to one ordinary share which is owned by the Company. We received £93,000 from this capital reduction and the carrying value of this investment is now nil. Steps are now being taken to wind up Western.

Edward Beale and Warwick Marshall are non-executive directors of Western.

City Group Ltd (“City Group”)

City Group has for many years provided company secretarial and head office finance services to the Company and other quoted companies, many of them related parties. The cessation of trade by the Company makes City Group unviable. To ensure continuation of the provision of services by City Group, Marshall Monteagle plc, a major customer of City Group, and a related party due to common directors and shareholders, has acquired City Group for £90,000, a loss of £167,000. This related party sale which was approved by the independent directors of the Company, and the independent directors of Marshall Monteagle plc, takes into account the closure costs that would otherwise have been incurred and, in part, reverses the gain on acquisition of the minority interest of £83,000 recognised last year.

General Portfolio

All of the stocks in the General portfolio were sold in the period generating cash of £16,751,000, realising a loss of £397,000 compared to their market value at 30 June 2024, and a profit of £1,453,000 compared to their historic cost. The cash balances were invested in US Dollar and £ Sterling short term deposits generating interest income of £355,000 and exchange gains of £482,000 in the period. Deposits of £10,800,000 and US\$14,400,000 maturing in January 2025 were outstanding at 31 December 2024. The cash receivable on maturity of the US Dollar deposits will differ from their 31 December 2024 carrying value of £11,506,000 depending on exchange rates at their maturity dates.

Conclusion

The Board is working to return capital to shareholders as expeditiously as possible, while containing transaction costs. Shareholders will be kept fully informed.

28 January 2025

Statement of Directors' responsibility

The Directors confirm that, to the best of their knowledge:

- the unaudited interim results for the six months ended 31 December 2024, have been prepared in accordance with IAS 34, 'Interim financial reporting', as adopted by the UK; and
- the Interim Statement includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R of the Disclosure and Transparency Rules.

Neither this Interim Statement nor any future interim statements of the Company will be posted to shareholders.

The Interim Statement is available as follows:

- on the Company's website at www.city-group.com/london-finance-investment-group-plc/; and
- by writing to City Group PLC, the Company Secretary, at Suite 1.01, Central Court, 25 Southampton Buildings, London, WC2A 1AL.

This announcement contains information that was previously classified as inside information for the purposes of the UK Market Abuse Regulation. Upon the publication of this announcement, this information is considered to be in the public domain.

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

For further information, please contact:

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JSE Sponsor to the Company:

Questco Corporate Advisory Proprietary Limited

Condensed Consolidated Statement of Total Comprehensive Income

	Notes	Half year ended 31 December		Year Ended 30 June 2024
		2024	2023 Restated	
		£000	£000	£000
Operating Income				
Dividends receivable		165	241	614
Management service fees		111	192	361
Other income		837	25	138
(Loss)/Profit on disposal of Strategic Investments		(111)	-	3,183
(Loss)/Profit on disposal of General Portfolio Investments	7	(397)	52	403
		<u>605</u>	<u>510</u>	<u>4,699</u>
Administrative expenses				
Investment operations		(197)	(187)	(425)
Management services		(178)	(205)	(444)
Total administrative expenses		<u>(375)</u>	<u>(392)</u>	<u>(869)</u>
Operating profit				
		<u>230</u>	<u>118</u>	<u>3,830</u>
Unrealised changes in the carrying value of Strategic Investments		-	3,183	84
Unrealised changes in the carrying value of General Portfolio investments	7	-	453	512
Net interest income		-	1	6
		<u>230</u>	<u>3,755</u>	<u>4,432</u>
Profit before taxation		230	3,755	4,432
Tax expense		(71)	(110)	(222)
		<u>159</u>	<u>3,645</u>	<u>4,210</u>
Profit after taxation		159	3,645	4,210
Non-controlling interest		-	(6)	24
Profit attributable to shareholders		159	<u>3,639</u>	<u>4,234</u>
Total comprehensive income attributable to shareholders				
		<u>159</u>	<u>3,639</u>	<u>4,234</u>
Basic, Diluted and Headline earnings per share				
		<u>0.5p</u>	<u>11.7p</u>	<u>13.6p</u>
Interim dividend				
		-	0.60p	0.55p
Final dividend				
		-	-	0.60p
Total in respect of the period				
		<u>-</u>	<u>0.60p</u>	<u>1.15p</u>

Condensed Consolidated Statement of Changes in Shareholders' Equity

	Ordinary Share Capital	Share Premium Account	Unrealised Profits and Losses on Investments	Share of Retained profits and losses of Subsidiaries	Retained Realised Profits & Losses	Total	Non- Controlling Interests	Total Equity
	£000	£000	£000	£000	£000	£000	£000	£000
Period ended 31 Dec 2024								
Balances at 1 July 2024	1,560	2,320	1,850	160	16,453	22,343	-	22,343
Profit for the Period	-	-	(1,850)	(160)	2,169	159	-	159
Other Comprehensive Income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	(1,850)	(160)	2,169	159	-	159
Issue of share capital	4	26	-	-	-	30	-	30
Dividends paid to shareholders	-	-	-	-	(187)	(187)	-	(187)
Balances at 31 Dec 2024	1,564	2,346	-	-	18,435	22,345	-	22,345

	Ordinary Share Capital	Share Premium Account	Unrealised Profits and Losses on Investments	Share of Retained profits and losses of Subsidiaries	Retained Realised Profits & Losses	Total	Non- Controlling Interests	Total Equity
	£000	£000	£000	£000	£000	£000	£000	£000
Period ended 31 Dec 2023								
Balances at 1 July 2023	1,560	2,320	225	4,906	9,472	18,483	157	18,640
Profit for the Period	-	-	1	1	454	456	6	462
Other Comprehensive Income	-	-	3,183	-	-	3,183	-	3,183
Total comprehensive income	-	-	3,184	1	454	3,639	6	3,645
Dividends paid and total transactions with shareholders	-	-	-	-	(187)	(187)	-	(187)
Balances at 31 Dec 2023	1,560	2,320	3,409	4,907	9,739	21,935	163	22,098

Condensed Consolidated Statement of Financial Position

	Notes	31 December 2024	31 December 2023 Restated	30 June 2024
		£000	£000	£000
Non-current assets				
Property, plant and equipment		-	3	3
Strategic Investments at fair value through profit or loss	6	-	6,328	37
		<u>-</u>	<u>6,331</u>	<u>40</u>
Current assets				
Listed investments at fair value through profit or loss	6,7	-	16,736	14,032
Investments held for sale		-	-	50
Trade and other receivables		18	198	59
Accrued interest income on term cash deposits		183	-	-
Cash and cash equivalents		22,401	211	9,460
		<u>22,602</u>	<u>16,864</u>	<u>23,601</u>
Current liabilities				
Trade and other payables falling due within one year		(105)	(97)	(149)
Corporation tax liability		(152)	(263)	(581)
		<u>(257)</u>	<u>(360)</u>	<u>(730)</u>
Net Current Assets		<u>22,345</u>	<u>16,785</u>	<u>22,871</u>
Non-current liabilities				
Deferred taxation		-	(1,018)	(568)
Total Assets less Total Liabilities		<u>22,345</u>	<u>22,098</u>	<u>22,343</u>
Capital and Reserves				
Called up share capital		1,564	1,560	1,560
Share premium account		2,346	2,320	2,320
Unrealised profits and losses on investments		-	3,409	1,850
Share of retained profits and losses of subsidiaries		-	4,907	160
Company's retained realised profits and losses		18,435	9,739	16,453
Total Capital and Reserves attributable to owners		<u>22,345</u>	<u>21,935</u>	<u>22,343</u>
Non-controlling equity interest		-	163	-
		<u>22,345</u>	<u>22,098</u>	<u>22,343</u>
Net assets per share		71.4p	70.3p	71.6p
Number of shares in issue		31,287,479	31,207,479	31,207,479

Condensed Consolidated Statement of Cash Flows

	Half year ended 31 December		Year ended 30 June
	2024	2023	2024
		Restated	
	£000	£000	£000
Cash flows from operating activities			
Profit before tax	230	3,755	4,432
Adjustments for non-cash items-			
Net finance (income)/expense	(355)	(1)	(6)
Depreciation charges	3	4	4
Depreciation on right of use of asset	-	11	11
Profit on early lease termination	-	(15)	(12)
Unrealised changes in the fair value of General Portfolio investments	-	(7)	1,925
Loss/(Profit) on sales of General Portfolio investments	397	(509)	(4,207)
Changes in the fair value of Western Selection	(56)	(3,183)	(1,816)
Loss/(profit) on disposal/acquisition of City Group	167	-	(83)
(Increase)/Decrease in trade and other receivables	(242)	(98)	42
Increase/(Decrease) in trade and other payables	40	(54)	(2)
Taxes paid	(1,068)	(28)	(272)
Net cash outflow from operating activities	(884)	(125)	16
Cash flows from investment activity			
Acquisition of general portfolio investments	(3,054)	(2,979)	(6,512)
Acquisition of other assets	-	(4)	(104)
Proceeds from disposal of current investments	16,689	2,256	8,891
Net (outflow)/inflow from disposal of strategic investments	(8)	-	6,291
Net cash inflow/(outflow) from investment activity	13,627	(727)	8,566
Cash flows from financing			
Net Interest received	355	1	6
Exercise of share options	30	-	-
Repayment of lease liabilities	-	(15)	(15)
Equity dividends paid	(187)	(187)	(374)
Net cash inflow/(outflow) from financing	198	(229)	(383)
Increase/(Decrease) in cash and cash equivalents	12,941	(1,053)	8,196
Cash and cash equivalents at the beginning of the period/year	9,460	1,264	1,264
Cash and cash equivalents at end of the period	22,401	211	9,460

Notes to the condensed financial statements

Basis of preparation

This condensed interim financial report has been prepared in accordance with the accounting policies contained in the Company's 2024 Annual Report and Accounts. This condensed interim financial report complies with the UK-adopted IAS 34 'Interim financial reporting'. The financial information contained in this report has not been audited or reviewed by the Company's auditors.

The information contained in this interim financial report does not constitute statutory accounts within the meaning of the Companies Act 2006. The statutory accounts of the Company and its subsidiaries (the "Group") for the year ended 30 June 2024 have been reported on by the Company's auditors and have been delivered to the Registrar of Companies. The report of the auditors was unqualified.

New standards and interpretations

A number of new standards and amendments to standards and interpretations are effective for financial periods beginning after 1 January 2024 and have not been applied in preparing these condensed interim consolidated financial statements. None of these are expected to have a significant effect on the financial statements of the Group.

Estimates and judgements

When preparing the condensed interim consolidated financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. The judgements, estimates and assumptions applied in the condensed interim consolidated financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2024.

Earnings per share

Earnings per share are based on the profit on ordinary activities after taxation and non-controlling interests of £165,000 (2023: £3,639,000) and on 31,207,479 shares (2023: 31,207,479 shares) being the weighted average of number of shares in issue during the period. Options over 80,000 shares were exercised on 18 December 2024.

Reconciliation of headline earnings

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 of £165,000 (2023: £3,639,000) and on 31,207,479 shares (2023: 31,207,479 shares) being the weighted average of number of shares in issue during the period.

Going Concern

After making enquiries, the Board is satisfied that the Group will be able to operate for the foreseeable future. For this reason, the Board considers it appropriate for the Group to adopt the going concern basis in preparing its financial statements.

Principal risks and uncertainties

The principal risks and uncertainties which could impact the Group's long-term performance and its performance over the remaining six months of the financial year include the following:

- Costs associated with the return of capital to shareholders;
- Exchange rates; and
- Interest rates.

Reconciliation of net cash flow to movement in net debt

	At start of Period £000	Cash Flow £000	Non-cash Movement £000	At end of Period £000
Half year ended				
31 December 2024				
Cash at bank	9,460	12,941	-	22,401
Net cash and cash equivalents	9,460	12,941	-	22,401
31 December 2023				
Cash at bank	1,264	(1,053)	-	211
Lease liability	(33)	15	18	-
Net cash and cash equivalents	1,231	(1,020)	18	211
30 June 2024				
Cash at bank	1,264	8,196	-	9,460
Lease liability	(33)	15	18	-
Net cash and cash equivalents	1,231	8,211	18	9,460

Financial Instruments

Financial assets and liabilities are classified in their entirety into one of the three levels of the fair value hierarchy determined on the basis of the lowest input that is significant to the fair value measurement.

Listed prices (unadjusted) in active markets for identical assets or liabilities – Level 1.

Values other than listed prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) – Level 2.

Values for the asset or liability that are not based on observable market data (that is unobservable inputs) – Level 3.

The categories of financial instruments used by the Group are:

	Fair Value Hierarchy Level	Half year ended 31 December 2024 £000	2023 £000	Year ended 30 June 2024 £000
Financial assets				
<i>At fair value through profit or loss</i>				
Non-current investments (strategic investments)	2	-	6,328	-
Non-current investments (strategic investments)	3	-	-	37
<i>At fair value through profit or loss</i>				
Current asset investments (listed investments)	1	-	16,736	14,032
<i>Loans and receivables at amortised costs</i>				
Trade and other receivables (excluding non-financial assets)	n/a	-	180	44
Cash at bank	n/a	22,401	211	9,460
Financial liabilities				
<i>At amortised costs</i>				
Trade and other payables	n/a	(102)	(97)	(149)

Listed General portfolio investments at fair value through profit and loss

	Half year ended 31 December		Year ended 30 June
	2024	2023	2024
	£000	£000	£000
Cost	12,182	11,154	11,154
Opening unrealised gains	1,850	4,342	4,342
Balance brought forward	14,032	15,496	15,496
Purchases	3,054	2,979	6,512
Sales proceeds	(16,689)	(2,256)	(8,891)
Realised gain on disposal	1,453	509	2,840
Net unrealised gains transferred to realised gain on disposal	(1,850)	(445)	(2,437)
Unrealised fair value gains in the period	-	453	512
Balance carried forward	-	16,736	14,032