



LONDON FINANCE &
INVESTMENT GROUP P.L.C.



REPORT & ACCOUNTS

30TH JUNE

2007

LONDON FINANCE & INVESTMENT GROUP P.L.C.
(“Lonfin”)

Lonfin is a United Kingdom investment finance and management company. Its core portfolio centres on the larger growth companies in the FTSE 100 and Euro 500 indices. Additionally, Lonfin holds investments in United Kingdom listed companies where it has board representation. Lonfin is also the dominant shareholder in its associate Western Selection P.L.C., a strategic investment company. Western’s shares and warrants are admitted to trading on AIM, a market operated by the London Stock Exchange.

Lonfin’s shares are quoted in the official lists of the London and Johannesburg stock exchanges.

CITY GROUP P.L.C.

City Group, which is owned by Lonfin and Western, provides management, office and secretarial services to both companies and to other clients requiring a London presence, including companies in which Lonfin and Western hold investments.

THE CITY OF LONDON

- is astride the Greenwich Meridian as the centre of the world’s global markets.
- is the key financial centre of the world.
- is at one of the crossroads of capital for the world’s largest corporations.
- is an important nursery of capital for entrepreneurs.

Contents

	Page
Directors and Advisers	2
Results in Brief, Summary of Investments, Financial Calendar and Analysis of Shareholders	3
Directors' Report	4
Business Review and Key Performance Indicators	4
Composition of General Portfolio	10
Consolidated Income Statement	11
Consolidated Statement of Changes in Equity	12
Balance Sheets	13
Consolidated Cash Flow Statement	15
Notes to the Accounts	16
Corporate Governance	27
Statement of Directors' Responsibilities in Respect of the Accounts	30
Remuneration Report	31
Report of the Independent Auditors	34
Summary of Results	36
Notice of Annual General Meeting	37
Proxy Form	39d

London Finance & Investment Group P.L.C.

Directors

D.C. MARSHALL, *Chairman*, age 63

Mr. Marshall joined the board in 1971 and was appointed Chairman in 1984. He resides in South Africa, where he has extensive interests in listed trading, financial and property companies. He is the chairman of Western Selection P.L.C., an associate of London Finance & Investment Group. He is also chairman of Creston plc and is a non-executive director of Finsbury Food Group plc, Marylebone Warwick Balfour Group Plc and Northbridge Industrial Services PLC. He is the chief executive of Marshall Monteagle Holdings S.A., chairman of Halogen Holdings S.A. and a non-executive director of Conafex Holdings S.A.

F.W.A. LUCAS, PhD, *Non-executive*, age 39*†

Dr. Lucas was appointed a director in 1999. He is a mining geologist by profession and is the founding shareholder and a director of Loeb Aron & Company Ltd, an authorised and regulated investment and issuing house, which specialises in corporate finance and is a Member of the London Stock Exchange and of PLUS Markets.

J.H. MAXWELL, CA, CCMI, FRSA, *Non-executive*, age 62*

Mr. Maxwell, who is a Chartered Accountant, was appointed a director of the Company in 2003. He currently serves as a non-executive director of Homeserve PLC, Provident Financial PLC, Royal & Sun Alliance Insurance Group PLC, The Royal Automobile club Limited and The Motor Sports Association Limited.

J.M. ROBOTHAM, OBE, FCA, *Non-executive*, age 74†

Mr. Robotham joined the board in 1984. He is the non-executive chairman of Marshall Monteagle Holdings S.A. and a non-executive director of Halogen Holdings S.A. and Western Selection P.L.C. He is a chartered accountant and a member of the Securities Institute, associated with J.M. Finn & Co., who are stockbrokers to the Group.

*Member of the audit committee

†Member of nomination committee

Secretaries and Registered Office

United Kingdom

CITY GROUP P.L.C.
30 City Road,
London, EC1Y 2AG
Tel: 020 7448 8950
Fax: 020 7638 9426

www.city-group.com
E-mail: lonfin@city-group.com

Republic of South Africa

D.A. GREER
11 Sunbury Park,
La Lucia Ridge Office Estate
La Lucia 4051,
Durban
Tel: 031 566 7600

Registrars

CAPITA REGISTRARS
The Registry
34 Beckenham Road,
Beckenham,
Kent, BR3 4TU
Tel: 0870 162 3131

COMPUTERSHARE INVESTOR
SERVICES 2004 (PTY.) LIMITED
70 Marshall Street,
Johannesburg, 2001
(P.O. Box 61051, Marshalltown 2107)
Tel: 011 370 5000

Registered Number

201151

Results in Brief

Year ended 30th June	2007 £000	2006 £000
Profit attributable to members:	<u>489</u>	<u>303</u>
Dividend	1.10p	1.05p
Earnings per share	1.60p	1.06p

Summary of Investments

At 30th June	2007 £000	2006 £000
Strategic Investments at market value:		
Western Selection P.L.C.	3,490	2,997
Finsbury Food Group plc	9,320	4,340
Marylebone Warwick Balfour Group Plc	<u>5,495</u>	<u>5,910</u>
	18,305	13,247
General Equity Portfolio at market value	6,564	4,907
Tangible fixed assets	416	430
Cash, bank balances and deposits	87	171
Bank Loan	(1,247)	(1,650)
Other net liabilities	(346)	(47)
Deferred taxation	(3,164)	(1,363)
Minority interests	<u>(95)</u>	<u>(64)</u>
Net assets, including investments at market value	<u>20,520</u>	<u>15,631</u>
Net assets per share, including investments at market values	65.8p	52.1p

Financial Calendar

Annual General Meeting	11th October 2007
Dividend for 2007	Paid on 19th October 2007 to holders on 28th September 2007
Half-year results	Announced in February

Analysis of Shareholders

	Number	%	Total	%
0 - 500	1273	56.9	247,005	0.8
501 - 1,000	375	16.8	309,302	1.0
1,001 - 5,000	411	18.4	929,817	3.0
5,001 - 10,000	61	2.7	470,589	1.5
10,001 - 50,000	75	3.3	1,701,011	5.4
50,001 - 100,000	15	0.7	976,610	3.1
100,001 - 250,000	12	0.5	2,105,764	6.8
250,001 - 500,000	8	0.4	2,922,508	9.4
500,001 - 1,000,000	1	0.1	635,000	2.0
over 1,000,000	<u>5</u>	<u>0.2</u>	<u>20,902,394</u>	<u>67.0</u>
	<u>2236</u>	<u>100.0</u>	<u>31,200,000</u>	<u>100.0</u>

The current price of the Company's shares can be found on the share prices pages of the Financial Times, the Daily Telegraph and in the business section of the major South African newspapers.

Directors' Report

Business Review

London Finance is an investment company whose assets primarily consist of three Strategic Investments and a General Portfolio. Strategic Investments are significant investments in smaller UK quoted companies and these are balanced by a General Portfolio, which consists mainly of investments in major U.K. and European equities.

At 30th June 2007, the three Strategic Investments, in which we have board representation, were our associated company Western Selection P.L.C., Marylebone Warwick Balfour Group Plc and Finsbury Food Group plc. Detailed comments on our Strategic Investments are given below.

Our objective is to achieve capital growth in real terms over the medium term, while maintaining a progressive dividend policy.

Results

The Group made a profit before tax for the year of £765,000 (2006 – £309,000). Our operating profits have increased to £840,000 from £263,000 as a result of higher profits realised on sales of investments, particularly the disposal of one third of the Group holding in Marylebone Warwick Balfour, and increased fee income achieved by City Group, reduced by the costs of establishing an Employee Benefit Trust. Our profit after tax and minority interest was £489,000 (2006 – £303,000) giving earnings per share of 1.60p (2006 – 1.06p).

To reflect the improvement in the earnings and our progressive dividend policy, the Board has decided to increase the dividend for the year to 1.10p per share (2006 – 1.05p).

Our net assets per share, after provision for deferred taxation, have increased 26% to 66p at 30th June 2007 from 52p last year. Our Strategic Investments have increased in value by 41% and our General Portfolio by 19% after taking into account additions and disposals of investments. This compares with the increase in the FTSE 100 index of 13% and the FTSE Eurotop 300 index of 22% over the year.

Strategic Investments

Western Selection P.L.C. ("Western")

The Company owns 5,287,221 shares, being 41.23% of the issued share capital of Western, having purchased 74,721 shares for £47,821 during the year. On 10th September 2007, Western announced a profit before associates and exceptional items of £355,000 for its year to 30th June 2007 (2006 – £316,000). Including associates and after exceptional items and tax, earnings per share were 0.51p (2006 – 2.79p). The company announced a 4% increase in dividend to 2.55p (2006 – 2.45p). Western's net assets at market value were £12,783,000, equivalent to 100p per share, an 11% increase from 90p last year. The increase in value reflected in the performance of both its strategic investments and General Portfolio.

The market value of the Company's investment in Western at 30th June 2007 was £3,490,000 and the book value was £4,567,000. At market value this represents 17% of the net assets of Lonfin. The underlying value of the Company's investment in Western, valuing Western's investments at market value, was £5.27 million (2006 – £4.68 million).

On 16th July 2007 Western invited its shareholders to subscribe for warrants. The funds raised from this subscription and from the exercise of the warrants will be used to increase the assets under management, improving the ratio of assets invested to operating expenses.

The offer was structured to raise £872,000 in September 2007, assuming that all Warrants are issued. If all Warrants are exercised £1,693,000 will be raised in December 2007 and a further

£3,848,000 in the period 2008 – 2010. The offer was oversubscribed and closed on 17th August 2007. The Group took up all of its entitlement under the offer and was allocated 204,496 warrant units for its excess application. The £429,000 cost to the Group of this investment was financed under a specific new facility with the Group's bankers.

Mr. Marshall is the Chairman of Western and Mr. Robotham is a non-executive director. Western has strategic investments in Creston plc, Swallowfield plc, Northbridge Industrial Services plc and Industrial & Commercial Holdings PLC. An extract from Western's announcement of its strategic investments is set out below:

Creston plc

Creston is a marketing services group whose strategy is to grow within its sector both by organic growth and through selective acquisition to become a substantial, diversified international marketing services group. Creston made a further three acquisitions during its financial year, ICM in research, TMW in direct and digital marketing and PAN, in healthcare advertising and communications, being some of the larger UK groups in their sectors. The results for the year to 31st March 2007, show a profit after tax of £4,931,000 (2006 – £2,927,000), equivalent to earnings of 9.43p per share (2006 – 8.04p).

Western maintained its holding of 3,000,000 shares in Creston during the year which is 5.4% of Creston's issued share capital. The market value of the Company's holding in Creston on 30th June 2007 was £4,890,000 (2006 – £4,845,000), being 33% (2006 – 40%) of Western's net assets.

Mr. Marshall is the non-executive chairman of Creston.

Swallowfield plc

Swallowfield has a long history of developing and producing aerosol, cosmetic and toiletry products stretching back to 1950. As one of Europe's premier contract manufacturers of toiletries and cosmetics it offers an unrivalled breadth of product capabilities. Its skill in design, developing and producing gift packs and themed product ranges complements its production capability.

Swallowfield's latest published results were for the 28 weeks to 13th January 2007 and showed a profit of £255,000 (2006 – loss of 695,000 after reorganisation costs of £677,000).

Western owns 1,000,000 shares in Swallowfield which is 8.9% of the issued share capital. The market value of the Company's holding in Swallowfield on 30th June 2007 was £795,000 (2006 – £455,000), being 5% (2006 – 4%) of Western's net assets.

Northbridge Industrial Services PLC

Northbridge Industrial Services PLC announced profits of £731,000 for the year ended 31st December 2006 and declared a maiden dividend of 2p per share. Western maintained its holding of 1,500,000 shares in Northbridge, being 19.7% of the company. The value of the investment at 30th June 2007 was £2,768,000 (2006 – £1,598,000) being 19% of Western's assets (2006 – 13%).

Northbridge was formed for the purpose of acquiring companies that hire and sell specialist industrial equipment such as generators, load banks, pumps, air compressors, heaters and chillers. Northbridge is seeking to acquire specialist niche businesses to give it the potential for expansion into outsourcing providers, capable of supplying a non-cyclical customer base. Northbridge's first acquisition was Crestchic Limited, one of the largest electrical load bank equipment manufacturers in the world; selling and hiring to leading national and international customers.

Directors' Report (continued)

Industrial & Commercial Holdings PLC

ICH is a small unlisted PLC in which Western holds 29.9%. It owns land with potential to receive planning permission for housing at Milngavie, adjacent to Dougalston golf course, just north east of Glasgow. ICH is currently making representations for inclusion in the local authority's next five year plan, but it may take some time for the permission to be received. We are in discussion with the board of ICH to consider an acquisition of an active business. Mr Marshall and Mr. Robotham are directors of ICH.

Marylebone Warwick Balfour Group Plc ("MWB")

The Company accepted a tender offer for 1 million shares in MWB during the year, realising a profit of £1.2 million, and at 30th June 2007 holds its remaining 2 million shares representing 2.48% of MWB's issued share capital. The market value at 30th June 2007 was £5.5 million, compared with the book value of £1.7 million, and represents 27% of the net assets of Lonfin.

MWB is in the process of maturing and realising its assets for the benefit of all stakeholders through an orderly disposal programme, and appointed Bank of America to find a buyer for its Malmaison and Hotel du Vin property assets on 2 July 2007. Mr. Marshall is a non-executive director of MWB and the board constantly reviews the programme of disposal.

Finsbury Food Group plc ("Finsbury")

During the year we exercised the remaining holding of warrants, acquiring a further 3,000,000 shares in Finsbury at a cost of £900,000 to bring our holding to 8,000,000 shares, representing 15.66% of their share capital. The market value of our holding was £9.3 million on 30th June 2007 (cost - £1,893,000) and represents 45% of the net assets of Lonfin.

Finsbury Food's main subsidiary, Memory Lane Cakes in Cardiff, is a supplier of boxed ambient cakes to most of the UK's major supermarket chains, which include Asda, Morrisons, Sainsbury, Somerfield, Tesco and Waitrose. Ambient cakes are baked cakes that have not been frozen and are generally retailed at room temperature.

After acquiring three bakeries in Scotland last year Finsbury continued its expansion programme with the acquisition of the Lightbody Group in Hamilton, Scotland in February 2007. The results are ahead of expectations and many synergies are now being pursued within the substantially expanded group.

Mr. Marshall is a non-executive director of Finsbury.

General Portfolio

The investments comprising the General Portfolio at 30th June 2007 are listed on page 10. The General Portfolio has material interests in Oil, Natural Resources, Pharmaceuticals and Healthcare, Food and Beverages and Banking. These sectors accounted for 64% of the portfolio by value at 30th June 2007 (69% at 30th June 2006). We believe that the companies in these sectors in which we have invested have the potential to outperform the market in the medium to long term.

The number of holdings in the General Portfolio has decreased from 43 to 39. We have invested £694,000 (2006: £238,000) in this portfolio over the year and the average value of each holding has increased from £114,000 to £168,000.

We have a £2 million bank facility and at 30th June 2007 had drawn down £1,247,000. This leaves £753,000 available for further investment when the Board feels appropriate.

Outlook

In spite of the current volatility in the market, we believe that we will again be able to produce satisfactory results in the current year.

Operations & Employees

All of our operations and those of our associate, Western, except investment selection, are outsourced to our subsidiary, City Group P.L.C. City Group also provides company secretarial and head office finance services to a number of other U.K. and Luxembourg clients. City Group has responsibility for the identification of new strategic investments for the Group and the monitoring of existing strategic investments. Following shareholders' approval at the Annual General Meeting held on 29th September last year, we set up an HM Revenue & Customs Approved Share Option Scheme and an Unapproved Employee Benefit Scheme to incentivise, reward and retain the employees of City Group.

Dividend

The recommended dividend is 1.10p per share (2006 – 1.05p). Subject to member's approval, the dividend will be paid on 19th October 2007 to those members registered at the close of business on 28th September 2007. Shareholders on the South African register will receive their dividend in South African Rand converted from sterling at the closing rate of exchange on 12th September 2007.

Financial Instruments

The financial instruments of the Group, in addition to the investment portfolio, comprise borrowings to finance those investments and cash.

The main risks arising from the Group's financial instruments are interest rate risk and liquidity risk. The Board reviews and agrees policies, which have remained substantially unchanged for the year under review, for managing both of these risks. The policies are summarised below.

Interest Rate Risk – The Group finances its operations through a mixture of retained profits and bank borrowings, in pounds sterling. In anticipation of rising interest rates, we have fixed the cost of borrowing on £1.5 million of our £2 million facility at 5.15% for five years. The balance of drawings under the facility will be at a rate fluctuating with base rate.

Subsequent to the year end a new facility of £1.4million was arranged for two years to enable the Group to subscribe for, and exercise, the recently issued Western Selection warrants.

Liquidity Risk – The Group's policy is that its borrowings should be flexible and available over the medium term. The bank borrowings are by way of a loan facility of £2 million ending on 30th April 2013 and the facility arranged after the balance sheet date referred to above. The Group holds investments, most of which are listed on recognised stock exchanges. In normal markets these are, by their nature, liquid. However, there are long periods when the market may not be prepared to deal at realistic prices in unusually large blocks of certain shares and this particularly applies to our three Strategic Investment holdings. The company maintains a General Portfolio of investment holdings within normal market size and which have aggregate market values in excess of the borrowings at any point in time.

Trends in Key Performance Indicators

Key Performance Indicators ("KPIs") are the yardsticks against which the Board measures the performance of the Company. Our objectives are real growth over the long term in dividends and net assets per share and our KPIs reflect this bias.

	2007	2006	2005	2004
Net assets per share	65.85p	52.10p	44.38p	36.65p
Earnings per share	1.60p	1.06p	0.81p	0.74p
Dividend (net) per share	1.10p	1.05p	1.00p	0.90p

Directors' Report (continued)

Definition of KPIs used above

Net Assets per share – Net assets including investments at market value divided by the number of shares in issue at the year end.

Earnings per share – Earnings for the year divided by the weighted average number of shares in issue over the year.

Dividends per share – Dividends declared for the year.

Directors

A list of the directors of the Company is shown on page 2. The interests of the directors, who have held office during the year in the shares and warrants to subscribe, were as follows:

	30th June 2007	30th June 2006
	Shares	Shares
D.C. Marshall – Beneficial	2,301,000	2,301,000
– Non-beneficial	10,589,693*	10,589,693*
F.W.A. Lucas †	65,000	65,000
J.M. Robotham – Beneficial	30,000	30,000
– Non-beneficial	6,761,693*	6,761,693*
J.H. Maxwell	65,000	65,000

* These holdings arise as the individuals concerned are trustees and/or directors of entities that hold shares in the Company. The non-beneficial interest of Mr. Robotham is part of the non-beneficial interest of Mr. Marshall.

† Of this figure Dr. Lucas owns 50,000 shares personally and 15,000 shares are owned by Loeb Aron & Company Ltd, of which Dr. Lucas is a director and shareholder.

Since the year end Mr. Robotham's non-beneficial interest has increased to 7,271,693 due to the removal from the South African register to the U.K. register of 310,000 shares into the entity of which he is a trustee. Otherwise, there have been no changes in directors' share interests between 1st July 2007 and the date of this report.

Mr. D.C. Marshall retires by rotation in accordance with the Articles of Association and, being eligible, offers himself for re-election.

Substantial Interests

In addition to the directors' shareholdings shown above, the Company has been notified under Section 211 of the Companies Act 1985 of the following interests in 3% or more of its shares:

	Shareholding	% interest
W.T. Lamb Holdings Limited	4,600,000	15.3
Philip J. Milton & Company PLC	1,320,238	4.4
Langtry Trust Company (Channel Islands) Limited	1,200,000	3.8

Income and Corporation Taxes Act 1988

The company is not a close company as defined in Section 414 of this Act.

Auditors

A resolution to re-appoint Steele Robertson Goddard as Auditors will be proposed at the Annual General Meeting in accordance with Section 385 of the Companies Act 1985.

The Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's Auditors for the purposes of their audit and to establish that the Auditors are aware of that information. The Directors are not aware of any relevant audit information of which the Auditors are unaware.

Payment of Suppliers

The Company does not follow any code or statement on payment practice, but the policy of the Company is to abide by such payment terms as are agreed with suppliers within the terms of supply. At the balance sheet date there were 82 days purchases outstanding (2006 – 52), calculated on the ratio of trade creditors to total purchases.

Special Business to be transacted at the Annual General Meeting

In addition to the ordinary business to be transacted at the Annual General Meeting of the Company referred to in resolutions 1 to 5 of the Notice of Meeting, the Directors propose certain special business as set out in Resolutions 6 to 8 for the purposes summarised below:

Resolution 6 – Authority to allot shares – Ordinary resolution

The Directors were given authority at the Annual General Meeting in October 2006 under the Companies Act 1985 (“the Act”) to allot shares up to the level of the authorised share capital. A resolution will be proposed, as an ordinary resolution, at the forthcoming Annual General Meeting, to renew the Directors authority to allot shares up to the level of the authorised share capital thereby giving them powers to conduct the business of the Company with appropriate flexibility. If passed, this resolution will grant the Directors power to allot authorised but unissued capital until 21st September 2011.

Resolution 7 – Pre-emption rights – Special resolution

Section 89 of the Act requires that, when Directors propose to allot shares for cash, they must first offer such shares to existing shareholders in proportion to their existing shareholdings, unless powers have previously been given to the directors under section 95 of the Act to disapply these provisions. The directors consider it desirable for shareholders to approve this disapplication until the next Annual General Meeting, in order to permit the allotment of shares for cash in limited circumstances to persons other than shareholders. This limited disapplication will be in respect of 1,560,000 shares equal to 5% of the issued share capital of the Company.

The Directors have no present intention of issuing any part of the unissued share capital and no issue will be made which would effectively alter the control of the Company without the approval of the shareholders in general meeting.

By Order of the Board

CITY GROUP P.L.C.
Secretaries

13th September 2007

Composition of General Portfolio at 30th June 2007

	£000	%
Heineken	234	3.57
British American Tobacco	221	3.36
Investor	202	3.07
L'Oreal	201	3.06
Lafarge	201	3.06
ING Groep	192	2.93
Credit Suisse Group	192	2.93
Anglo American	191	2.92
BHP Billiton	190	2.90
Imperial Tobacco Group	185	2.81
Rio Tinto	184	2.80
GlaxoSmithKline	183	2.78
Beiersdor	181	2.76
Carlsberg	181	2.76
UBS	180	2.74
Holcim	178	2.72
Reckitt Benckiser	178	2.72
BASF	177	2.69
Diageo	176	2.69
Koninklijke	172	2.62
Nestlé	171	2.60
Schindler-Holdings	168	2.56
Standard Chartered	163	2.48
Unilever	162	2.46
Pernod-Ricard	159	2.42
ABB	158	2.41
Royal Dutch Shell	156	2.38
Cadbury Schweppes	154	2.35
Total	154	2.35
BP	145	2.20
Johnson Matthey	144	2.19
LVMH Louis Vuitton Moet Hennessy	138	2.11
Richemont	135	2.05
Henkel	134	2.04
Associated British Foods	133	2.03
Roche Holdings	133	2.03
Others (less than 2%)	358	5.45
	<u>6,564</u>	<u>100.00</u>
Analysis by Currency	£000	%
Sterling	2,799	42.65
Euro	1,943	29.61
Sweden Kronor	202	3.07
Swiss Francs	1,439	21.91
Danish Krone	181	2.76
	<u>6,564</u>	<u>100.00</u>

Consolidated Income Statement

For the year ended 30th June

	Notes	2007 £000	2006 £000
Operating Income			
Investment operations	2	1,713	610
Management services	2	662	587
Administrative expenses			
Investment operations – normal	2-5	(344)	(350)
Management services – normal	2-5	(594)	(584)
Exceptional	2-5	(597)	–
Operating profit		840	263
Share of result of associated undertaking – normal		206	169
Share of result of associated undertaking – exceptional		(131)	–
Interest payable	6	(150)	(123)
Profit on ordinary activities before taxation		765	309
Tax on result of ordinary activities	7	(245)	(4)
Profit on ordinary activities after taxation		520	305
Equity minority interest		(31)	(2)
Profit for the financial year attributable to members of the holding company	8	489	303
Basic earnings per share	10	1.60p	1.06p
Headline earnings per share	10	3.97p	1.06p

All profits and losses are on continuing activities.

The notes on pages 16 to 26 form part of these accounts.

Consolidated Statement of Changes in Equity

	Ordinary share capital £000	Share premium account £000	Revaluation reserve £000	Fair value reserve £000	Retained earnings £000	Total £000
Year ended 30th June 2006						
Balances at 1st July 2005	1,310	1,095	330	1,907	6,992	11,634
Profit attributable to shareholders	-	-	-	-	303	303
Fair value adjustment on listed undertakings, net of profits realised during the year and reflected in the income statement	-	-	-	3,007	-	3,007
Total income and expense for the year	-	-	-	3,007	303	3,310
New shares issued	2	10	-	-	-	12
New shares issued in respect of warrants exercised	188	749	-	-	-	937
Dividends paid in respect of the previous year	-	-	-	-	(262)	(262)
Total transactions with shareholders for the year	190	759	-	-	(262)	687
Balances at 30th June 2006	1,500	1,854	330	4,914	7,033	15,631
Year ended 30th June 2007						
Balances at 1st July 2006	1,500	1,854	330	4,914	7,033	15,631
Profit attributable to shareholders	-	-	-	-	489	489
Fair value adjustment on listed undertakings, net of profits realised during the year and reflected in the income statement	-	-	-	4,181	-	4,181
Total income and expense for the period	-	-	-	4,181	489	4,670
New shares issued	60	474	-	-	-	534
Dividends paid in respect of the previous year	-	-	-	-	(315)	(315)
Total transactions with shareholders for the year	60	474	-	-	(315)	219
Balances at 30th June 2007	1,560	2,328	330	9,095	7,207	20,520

The notes on pages 16 to 26 form part of these accounts.

Consolidated Balance Sheet

at 30th June

	Notes	2007 £000	2006 £000
Non-current Assets			
Tangible assets	11	416	430
Investments	13(a)	<u>18,305</u>	<u>13,247</u>
		<u>18,721</u>	<u>13,677</u>
Current Assets			
Listed investments	13(b)	6,564	4,907
Accounts receivable	14	184	196
Bank balance and deposits		<u>87</u>	<u>171</u>
		6,835	5,274
Current Liabilities			
Accounts payable: falling due within one year	15	<u>(1,777)</u>	<u>(1,893)</u>
Net Current Assets		<u>5,058</u>	<u>3,381</u>
Total Assets less Current Liabilities		<u>23,779</u>	<u>17,058</u>
Deferred taxation	16	<u>(3,164)</u>	<u>(1,363)</u>
Total Assets less Current Liabilities		<u>20,615</u>	<u>15,695</u>
Capital and Reserves			
Called up share capital	17	1,560	1,500
Share premium account		2,328	1,854
Reserves		9,425	5,244
Profit and loss account	9	<u>7,207</u>	<u>7,033</u>
Equity shareholders' funds		<u>20,520</u>	<u>15,631</u>
Minority equity interests		<u>95</u>	<u>64</u>
		<u>20,615</u>	<u>15,695</u>

Approved and authorised by the Board on 13th September 2007.

D.C. MARSHALL *Director*

The notes on pages 16 to 26 form part of these accounts.

Company Balance Sheet

at 30th June

	Notes	2007 £000	2006 £000
Non-current Assets			
Tangible assets	11	407	417
Investments in Group companies	12	<u>6,449</u>	<u>6,614</u>
		<u>6,856</u>	<u>7,031</u>
Current Assets			
Listed investments	13(b)	6,564	4,907
Accounts receivable	14	22	27
Bank balance and deposits		<u>33</u>	<u>145</u>
		<u>6,619</u>	<u>5,079</u>
Current Liabilities			
Accounts payable: falling due within one year	15	<u>(1,516)</u>	<u>(1,815)</u>
Net Current Assets		<u>5,103</u>	<u>3,264</u>
Total Assets less Current Liabilities		<u>11,959</u>	<u>10,295</u>
Deferred Taxation	16	<u>(379)</u>	<u>(90)</u>
		<u>11,580</u>	<u>10,205</u>
Capital and Reserves			
Called up share capital	17	1,560	1,500
Share premium account	18	2,328	1,854
Reserves	18	2,187	1,548
Profit and loss account	9	<u>5,505</u>	<u>5,303</u>
Equity shareholders' funds		<u>11,580</u>	<u>10,205</u>

Approved and authorised by the Board on 13th September 2007.

D.C. MARSHALL *Director*

The notes on pages 16 to 26 form part of these accounts.

Consolidated Cash Flow Statement

For the year ended 30th June

	Notes	2007 £000	2006 £000
Cash outflow on operating activities			
Cash absorbed by operations, including General Portfolio investments	20	(1,311)	(140)
Dividends receivable		380	281
Interest paid		(100)	(95)
Interest received		12	20
Taxation paid		(13)	(4)
Net cash (absorbed)/generated by operations		(1,032)	62
Investing activities			
Purchase of tangible fixed assets		–	(12)
Proceeds on sale of non-current asset investments		2,080	–
Non-current asset investments – purchased		(948)	(664)
Net cash inflow/(outflow) from investment activities		1,132	(676)
Financing			
Share capital issued		534	949
Equity dividend paid		(315)	(262)
Net repayment of loan facility	21	(403)	50
Net cash (outflow)/inflow from financing		(184)	737
(Decrease)/Increase in cash	21	(84)	123

The notes on pages 16 to 26 form part of these accounts.

Notes to the Accounts

For the year ended 30th June 2007

1. Accounting Policies

- (i) 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 Acts 1985 applicable to companies reporting under IFRS. The accounts are prepared on the historical cost basis, except for certain assets and liabilities which are measured at fair value, in accordance with IFRS.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if applicable. The most significant techniques for estimation are described in the accounting policies below. These policies have been applied consistently to all of the years presented, unless otherwise stated.

At the date of authorisation of these financial statements the IASB and the International Financial Reporting Interpretations Committee (IFRIC) have issued the following standards and interpretations to be applied to financial statements with periods commencing on or after the following dates

IAS	Effective 1st January 2007:
IAS 1	Presentation of Financial Statements – Financial Instruments, deriving from IFRS7.
IFRS 7	Financial Instruments : Disclosures
IFRS 8	Operating Segments (not endorsed by the EU at present)
	Effective 1st January 2009:
IAS 23	(Amendment) Borrowing Costs
IFRIC	None of which have been endorsed by the EU at present
	Effective 1st January 2008:
IFRIC 12	Service Concession Arrangements
IFRIC 14	The Limit on Defined Benefit Asset, Minimum Funding Requirements and their Interaction
	Effective 1st July 2008:
IFRIC 13	Customer Loyalty Programmes

The Directors do not anticipate that the adoption of these, where applicable, would have a material impact on the Company's financial statements in the period of initial application.

- (ii) These consolidated accounts include the results of the subsidiaries (all of which are companies) for the year to 30th June 2007. Results of subsidiaries are included from their effective date of acquisition to their effective dates of disposal. The minority interests are wholly attributable to equity interests in subsidiaries. Under Section 230(4) of the Companies Act, the Company is exempt from the requirement to present its own income statement.
- (iii) The consolidated accounts include the group share of the undistributed profits of its associated companies ("equity accounting"). Results of associates are included from their effective date of acquisition to their effective dates of disposal.

1. Accounting Policies (continued)

- (iv) Dividends receivable are taken to the credit of the income statement in respect of listed shares when the shares are quoted ex dividend, and in respect of unlisted shares when the dividend is declared.
- (v) All borrowing costs are recognised in the income statement in the period in which they are incurred.
- (vi) Depreciation is provided on fixed assets so as to write them off over their estimated useful lives. Computer and electronic equipment expenditure of less than £2,500 is written off in the year of acquisition. The annual rates of depreciation are
 - Leasehold property 2% straight line
 - Equipment 25% straight line
- (vii) Financial assets are classified by category, depending on the purpose for which the asset was acquired. The company's accounting policy is as follows :
 - a) Available-for-sale: Non-derivative financial assets are classified as available-for-sale and comprise the company's strategic and general portfolio investments. They are carried at fair value (based on market value) with changes in fair value recognised directly in equity and recycled through the income statement on disposal. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss in value is removed from equity and recognised in the income statement.
 - b) Unquoted investments. These are stated at cost net of impairment provisions because fair value can not be readily determined approximation to their fair values. Reviews for indications of permanent impairment are carried out at least annually.
 - c) Provision is made where the market value of current asset investments is below cost. Fixed and current asset investments are included in the balance sheet at fair value, being market value of listed investments and the directors' valuation of unquoted investments. Changes in unrealised gains arising between book values and fair values are recognised in equity and reported in the Statements Changes in Equity on page 11. On the disposal of an investment the amount recognised in equity is transferred to the income statement.
- (viii) The charge for taxation is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income (primarily franked dividend income) and expense that are never taxable or deductible and items which are taxable or deductible in other years.

Deferred taxation is provided on the full liability method, at tax rates that are expected to apply, for timing differences arising between the treatment of certain items for taxation and accounting purposes. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted. Taxation charges or recoveries are recognised in the income statement, or directly to equity when related to items recognised directly to equity.
- (ix) The Group makes pension contributions to the pension schemes of certain employees which are money purchase schemes and to which it has no responsibility for unfunded liabilities.

Share based payments, to persons other than employees are charged to the income statement at fair value at the date of payment.
- (x) Exceptional items are disclosed where they are material items which derive from events or transactions that fall within ordinary activities and which need to be disclosed by virtue of their size or incidence to give a true and fair view.

Notes to the Accounts (continued)

For the year ended 30th June 2007

1. Accounting Policies (continued)

- (xi) Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction. Foreign currency assets and liabilities at the year-end are translated at year-end exchange rates.

2. Operating profit – Segmental Analysis

	Investment Operations		Management Services	
	2007 £000	2006 £000	2007 £000	2006 £000
Dividends – Listed investments	252	179	–	–
Interest receivable	8	3	2	17
Rental and other income	27	27	46	41
Profits on sales of investments, including provisions	1,426	401	–	–
Management services fees	–	–	614	529
Operating income	1,713	610	662	587
Administration expenses – normal	(344)	(350)	(594)	(584)
Administration expenses – exceptional cost of Employee Benefit Trust	(550)	–	(5)	–
Administration expenses – exceptional re termination of a consultancy agreement	(42)	–	–	–
Operating profit	777	260	63	3

All revenues are derived from operations within the United Kingdom. Consequently no separate geographical segment information is provided.

3. Administration Expenses

Administrative expenses include:

Depreciation	14	13
Auditors' remuneration – audit services	17	17
– non-audit services	3	2
Directors' emoluments as set out in Note 4	48	48
Staff costs as set out in Note 5	578	510

4. Directors' Emoluments and Related Party Disclosures

The Director's emoluments are detailed in the Remuneration Report on pages 31 to 33.

Related Party Disclosures

London Finance & Investment Group P.L.C. and its wholly owned subsidiary (“Lonfin”), holds 41.23% of its associate Western Selection P.L.C. (“Western”) of which Mr. Marshall and Mr. Robotham are directors. Mr. Marshall and Mr. Robotham's shareholdings in Lonfin are set out in the accompanying director's report.

Lonfin and/or Western hold shares in Marylebone Warwick Balfour Group Plc, Finsbury Food Group plc, Creston plc and Northbridge PLC. Mr. Marshall is a director of Marylebone Warwick Balfour Group Plc, Creston plc, Finsbury Food Group plc and Northbridge Industrial Services PLC.

4. Directors' Emoluments and Related Party Disclosures (continued)

Mr. Marshall is a director and Mr. Robotham is the chairman of Marshall Monteagle Holdings S.A., and both are shareholders in Monteagle, which in turn is a substantial shareholder in Conafex Holdings S.A. and Halogen Holdings S.A. Mr. Marshall is chairman of Halogen and a director of Conafex and Mr. Robotham is a director of Halogen. Monteagle pays an annual rental of £27,000 (2006 – £27,000) in respect of a leasehold property owned by Lonfin. These companies are all registered in Luxembourg and operate internationally.

Lonfin and Western own City Group P.L.C. in the ratio 51.43% and 48.57% respectively. City Group P.L.C. provides offices and secretarial and administrative services to various companies in the United Kingdom and abroad which are either associated with Lonfin and Western and/or Mr. Marshall and Mr. Robotham, including all of the above companies. The various secretarial and accounting fees received by City Group P.L.C. from those companies, their associates and subsidiaries, total £587,000 (2006 – £509,000) for the year under review. At the balance sheet date the aggregate balance due in respect of fees invoiced was £205,000 (2006 – £115,000) and advance fees paid were nil (2006 – £1,000). Settlement is within normal credit terms.

Mr. Robotham is an associate of J.M. Finn & Co., who are the Company's stockbrokers. As an associate, Mr. Robotham receives 32% of the commission on transactions introduced by him. During the year the Company paid £5,800 (2006 – £8,800) commission to J.M. Finn & Co.

Other than as disclosed above no director was interested in any contract between the directors, the company and any other related party that subsisted during or at the end of the financial year.

5. Staff Costs

Staff costs, excluding those relating to the Directors shown in the Remuneration Report on pages 31 to 33:

	2007	2006
	£000	£000
Salaries	520	461
Social security costs	58	49
	<u>578</u>	<u>510</u>
The average weekly number of staff employed, including directors, was:	<u>15</u>	<u>15</u>

6. Interest payable

Bank interest	100	96
Share of associated undertaking's interest payable	50	27
	<u>150</u>	<u>123</u>

Notes to the Accounts (continued)

For the year ended 30th June 2007

7. Taxation

	2007 £000	2006 £000
The tax charge for the year comprises:		
Corporation tax	(233)	–
Deferred taxation	–	–
Tax on overseas investment income	(12)	(4)
Share of associated undertaking's taxation	–	–
	<u>(245)</u>	<u>(4)</u>
The tax assessed for the year is lower than the standard rate of corporation tax in the UK.		
The differences are explained below:		
Profit on ordinary activities before taxation	<u>765</u>	<u>309</u>
Taxation at 30%	(229)	(93)
Effects of:		
Non taxable and franked income	114	76
Other rates of taxes	13	(3)
Depreciation in excess of capital allowances	–	(2)
Loss (carried forward)/utilised	(139)	19
Permanent differences	(4)	(1)
Tax charge for the year	<u>(245)</u>	<u>(4)</u>

All of the tax charge for the year is tax deducted from the dividends of overseas companies. Dividends received from U.K. companies are recognised in the income statement net of their associated tax credit.

8. Profit attributable to members of the holding company

Dealt with in the accounts of:		
The holding company	517	258
The subsidiary undertakings	74	8
Western as an associated undertaking	(102)	37
	<u>489</u>	<u>303</u>

9. Statement of retained profit

Balance at beginning of year		
Company	5,303	5,307
Subsidiary undertakings	1,754	1,746
Associated undertakings	(24)	(61)
Balance previously reported	7,033	6,992
Dividend paid during year	(315)	(262)
Profit for the year	489	303
Balance at end of year	<u>7,207</u>	<u>7,033</u>
Company	5,505	5,303
Subsidiary undertakings	1,828	1,754
Associated undertakings	(126)	(24)
	<u>7,207</u>	<u>7,033</u>

10. Earnings per share

Earnings per share are based on the profit on ordinary activities after taxation and minority interests and on 30,631,233 (2006 – 28,672,672) shares being the weighted average of number of shares in issue during the year. There were no warrants or options outstanding at the balance sheet date and therefore no dilution of earnings.

1.60p **1.06p**

Headline earnings per share are based on the profit on ordinary activities after taxation and minority interests before exceptional items and on 30,631,233 (2006 – 28,672,672) shares being the weighted average of number of shares in issue during the year.

3.97p **1.06p**

11. Tangible assets

	Long Leasehold Residential Property £000	Office Equipment £000	Total £000
At Valuation – 1st July 2006	500	–	500
At cost – 1st July 2006	–	205	205
Disposals	–	(158)	(158)
Additions	–	–	–
30th June 2007	<u>500</u>	<u>47</u>	<u>547</u>
Depreciation			
Balance – 1st July 2006	83	192	275
Charges for the year	10	4	14
Disposals	–	(158)	(158)
30th June 2007	<u>93</u>	<u>38</u>	<u>131</u>
Net book amount 30th June 2007	<u>407</u>	<u>9</u>	<u>416</u>
Net book amount 30th June 2006	<u>417</u>	<u>13</u>	<u>430</u>

The group has adopted the transitional provisions of IFRS 15, under the cost model option, such that it will retain the valuation of the long leasehold property under UK GAAP. There will therefore be no future revaluations incorporated in the accounts. The other fixed assets are held by a subsidiary company.

12. Investment in group companies

Operating subsidiaries, incorporated and operating in England and consolidated in these financial statements.

	Percentage of equity	2007	2006	Principal activities
Held by the Company – at cost			£000	
City Group P.L.C.	51.4	89	89	Management services
Lonfin Investments Ltd	100	–	–	Investment holding
– Loan to subsidiary		<u>6,360</u>	<u>6,525</u>	
		<u>6,449</u>	<u>6,614</u>	

Notes to the Accounts (continued)

For the year ended 30th June 2007

13. Investments

(a) held as non-current assets

	Group	
	2007	2006
	£000	£000
<i>(i) Listed associated undertaking</i>		
<i>Brought forward –</i>		
Shares at cost	4,816	4,298
Fair value adjustment	(150)	(150)
Shares of post acquisition losses	(23)	(62)
	<u>4,643</u>	<u>4,086</u>
Addition during year	48	518
Share of retained results for the year	(102)	39
Book value	4,589	4,643
Fair value adjustment – unrealised losses	(1,099)	(1,646)
Fair value – market value	<u>3,490</u>	<u>2,997</u>
<i>(ii) Other listed investments</i>		
At cost, 1st July 2005	3,515	3,369
Additions during the year	900	146
Disposals during the year	(841)	–
Book value	3,574	3,515
Fair value adjustment – unrealised gains	11,241	6,735
Fair value – market value	<u>14,815</u>	<u>10,250</u>
Total at 30th June 2007	<u>18,305</u>	<u>13,247</u>

(b) Held as current assets

	Company and Group	
<i>(i) Listed investments</i>		
At cost	4,477	3,795
Reduction in value	–	(46)
Book value	4,477	3,749
Fair value adjustment – unrealised gains	2,087	1,158
Fair value – market value	<u>6,564</u>	<u>4,907</u>

The company's wholly owned subsidiary, Lonfin Investments Limited, owns 8,000,000 shares in Finsbury Food Group Plc ("Finsbury Food"), having converted 3,000,000 warrants during the year representing, 15.66% (2006 – 21.66%) of the issued share capital of that company. The investment was not accounted for as an associated company in previous years because the disposition of the other shareholdings did not give a significant influence.

(c) Associated undertaking

Western Selection P.L.C., the associated undertaking, is a strategic investment company traded on AIM and incorporated and operating in Great Britain with a financial year end of 30th June 2007

At 30th June 2007 it had 12,855,221 ordinary shares of 40p each in issue, of which 41.23% are owned by the Company's wholly owned subsidiary, Lonfin Investments Limited.

Group share of Western:

Operating profit	65	169
Fixed asset investments	6,119	5,096
Current assets	9	17
Liabilities due within one year	858	694

14. Accounts receivable

	Group		Company	
	2007 £000	2006 £000	2007 £000	2006 £000
Trade debtors	115	130	-	-
Other debtors	21	-	10	-
Prepayments and accrued income	48	66	12	27
	<u>184</u>	<u>196</u>	<u>22</u>	<u>27</u>

15. Accounts payable – amounts falling due within one year

Bank loan	1,247	1,650	1,247	1,650
Group companies	-	-	203	100
Corporation tax	231	-	-	-
Other taxes	36	38	2	2
Other creditors	34	56	34	35
Trade creditors	72	61	6	8
Accruals	157	88	24	20
	<u>1,777</u>	<u>1,893</u>	<u>1,516</u>	<u>1,815</u>

The Company's loan facility is secured by a charge over part of the Company's General Portfolio of listed investments.

16. Deferred taxation

The Group has a potential deferred tax liability on the excess arising on the revaluation of leasehold property and on unrealised gains on investments which are reflected directly in equity. The liability is stated net of potential relief which would then become available, as set out below :

Balance at 1st July	1,363	176	90	-
Liability on increase in unrealised gains - charged to equity	1,801	1,187	289	90
Balance at 30th June	<u>3,164</u>	<u>1,363</u>	<u>379</u>	<u>90</u>

The main components of deferred tax assets and liabilities are as follows:

Deferred tax assets				
Losses	41	507	-	263
Unrelieved ACT	-	10	-	-
	<u>41</u>	<u>517</u>	<u>-</u>	<u>263</u>
Deferred tax liabilities				
Unrealised gains on investments	3,199	1,874	373	347
Property revaluation surplus	6	6	6	6
	<u>3,205</u>	<u>1,880</u>	<u>379</u>	<u>353</u>

17. Share Capital

		2007 £000	2006 £000
		Company and Group	
Authorised: 35,000,000 (2006 – 35,000,000) Ordinary shares of 5p each		<u>1,750</u>	<u>1,750</u>
Allotted, issued and fully paid shares of 5p each			
30,000,000	At 1st July 2006	1,500	1,310
-	Warrants exercised during the year	-	188
1,200,000	New shares issued during the year	60	2
<u>31,200,000</u>	At 30th June 2007	<u>1,560</u>	<u>1,500</u>

There are no outstanding options.

Notes to the Accounts (continued)

For the year ended 30th June 2007

18. Company Statement of Changes in Shareholders' Equity

	Ordinary share capital £000	Share premium account £000	Revaluation reserve £000	Fair value reserve £000	Retained earnings £000	Total £000
Year ended 30th June 2006						
Balances at 1st July 2005	1,310	1,095	330	881	5,307	8,923
Profit attributable to shareholders	-	-	-	-	258	258
Fair value adjustment on listed undertakings, net of profits realised during the year and reflected in the income statement	-	-	-	337	-	337
Total income and expense for the year	-	-	-	337	258	595
New shares issued	2	10	-	-	-	12
New shares issued in respect of warrants exercised	188	749	-	-	-	937
Dividends paid in respect of the previous year	-	-	-	-	(262)	(262)
Total transactions with shareholders for the year	190	759	-	-	(262)	687
Balances at 30th June 2006	1,500	1,854	330	1,218	5,303	10,205
Year ended 30th June 2007						
Balances at 1st July 2006	1,500	1,854	330	1,218	5,303	10,205
Profit attributable to shareholders	-	-	-	-	517	517
Fair value adjustment on listed undertakings, net of profits realised during the year and reflected in the income statement	-	-	-	639	-	639
Total income and expense for the period	-	-	-	639	517	1,156
New shares issued	60	474	-	-	-	534
Dividends paid in respect of the previous year	-	-	-	-	(315)	(315)
Total transactions with shareholders for the year	60	474	-	-	(315)	219
Balances at 30th June 2007	1,560	2,328	330	1,857	5,505	11,580

19. Pension Schemes

The Group makes pension contribution to the pension schemes of certain employees which are money purchase schemes and for which it has no responsibility for unfunded liabilities.

20. Reconciliation of consolidated profit before tax to net cash flow from operating activities

	Group	
	2007	2006
	£000	£000
Profit before tax	765	309
Profit on sale of non-current asset investment	(1,239)	–
Interest receivable	(12)	(20)
Interest paid	100	96
Share of associate	(75)	(169)
Share of interest paid by associate	50	27
Dividends receivable	(253)	(179)
Depreciation charges	14	13
(Increase)/Decreasing debtors	12	(15)
Increase in creditors	56	13
Increase in current asset investments	(729)	(215)
Net cash outflow from operating activities	(1,311)	(140)

21. Reconciliation of consolidated net cash flow to movement in net debt

	At start of year £000	Cash flow £000	At end of year £000
2006/2007			
Cash at bank	171	(84)	87
Bank loan	(1,650)	403	(1,247)
	<u>(1,479)</u>	<u>319</u>	<u>(1,160)</u>
2005/2006			
Cash at bank	48	123	171
Bank loan	(1,600)	(50)	(1,650)
	<u>(1,552)</u>	<u>73</u>	<u>(1,479)</u>

22. Operating leases

The Group has an operating lease commitment in respect of an office property in the range two to five years, entered into on 12th July 2005. The minimum amount payable in the next twelve months is £43,875. The Company has guaranteed the obligations under this lease.

23. Financial Instruments

The Business Review on pages 4 to 7 provides an explanation of the role that financial instruments have had during the year in creating or changing the risks the Group faces in its activities. The explanation summarises the objectives and policies for holding or issuing financial instruments and similar contracts, and the strategies for achieving their objectives that have been followed during the year.

Interest Rate Profile

The Group's principal financial assets are its investment portfolios. The investment portfolios consist of equity investments, for which an interest rate profile is not relevant.

Borrowings represent a Sterling loan under a £2 million facility. The first £1.5 million of any borrowings are at a fixed rate of 5.15% and any balance at a variable interest rate fluctuating with base rate.

Notes to the Accounts (continued)

For the year ended 30th June 2007

23. Financial Instruments (continued)

Currency Exposures

The table below shows the Group's currency exposures. Such exposures comprise the monetary assets, at fair values, that are not traded in Sterling.

	2007 £000	2006 £000
Currency		
Euro	1,943	1,438
Swiss franc	1,439	885
Danish kroner	181	119
Swedish kroner	202	–
	<u>3,765</u>	<u>2,442</u>

Borrowing Facilities

The company has a loan facility of £2,000,000. At 30 June 2007, the company had drawn down £1,247,000 of this facility.

In addition the company negotiated a further facility of £1,405,000 on 26th June 2007 at base rate plus one percent to assist in the acquisition of further investment in Western. This facility is secured on the Company's general portfolio and one of the Group's strategic investments. None of this facility had been drawn at the balance sheet date.

Fair values

The fair value of the Investment Portfolio is determined by the prices available from the markets on which the instruments involved are traded. The differences between book value and market value are disclosed in Note 13 to these financial statements.

24. Post Balance Sheet Event

As referred to in note 23, the company had negotiated a further facility to assist in the acquisition of new investment into the Group's strategic investments.

The Group utilised part of the above facility after the balance sheet date to acquire 1,261,940 Warrant Units at 34p under Western Selection PLC's offer to shareholders. The warrants are exercisable in December 2007 and in the period 2008-2010 and the funding requirements would be met under the above facility.

Corporate Governance

Corporate Governance is the process by which companies are controlled and directed. The UK Listing Authority has issued the Combined Code (the Code) that provides UK listed companies with principles and detailed provisions on what constitutes best practice in Corporate Governance. Directors are required to report to shareholders on how the Company applies the principles and confirm that the Company complies with the Code's provisions or explain why it does not.

The JSE requires that companies report on their compliance with Code of Corporate Practices and Conduct contained in the King Report on Corporate Governance. The Board has reviewed the matter and recorded that in so far as those matters contained in the King report are of concern to the company, in complying with the Combined Code, it is satisfied that the Group complies with the requirements of the King Report.

Composition of the Board

The Board comprises the Chairman, David Marshall, Senior Independent Non-executive director, John Maxwell, Michael Robotham, and Frank Lucas. John Maxwell and Frank Lucas are considered to be independent. Brief biographies of all directors are set out on page 2 of the accounts.

Responsibility for the process of appointment of directors rests with the Board acting on the recommendations of the Nomination Committee. The removal of directors is a Board decision. The Board reviews the need for succession planning on a regular basis.

The Company's Articles of Association require that all new directors seek election to the Board at the next Annual General Meeting after their appointment. In addition, all directors are required to stand down after three year terms and submit themselves for re-election.

As a long term investment company it is appropriate for directors to serve on the board for more than a single term, subject to continuing satisfactory performance. Given the small size of the board this results in infrequent changes to the composition of the Board.

Workings of the Board

The Board are collectively responsible to shareholders for the success of the Group. Entrepreneurial leadership is provided by capitalising on the skills and experience of the investment committee allied to the strategic vision and expertise of other Board members.

The Board operates through three committees, the Investment Committee comprising David Marshall and Michael Robotham, the Nomination Committee comprising Michael Robotham and Frank Lucas, and the Audit Committee comprising Frank Lucas and John Maxwell. All decisions not specifically delegated to a Committee are reserved for the Board. There is no Remuneration Committee as there are no executive directors. The remuneration of directors is limited by the Company's Articles of Association and set out in detail in the statutory accounts. The remuneration of the executive directors and employees of the Company's subsidiary, City Group P.L.C., is determined by the board of City Group, which includes Mr. Marshall and Mr. Robotham.

Committee meetings are held independently of Board meetings and invitations to attend are extended by the committee chairman to other directors, the group's advisers and management as appropriate.

As an investment company, there is no Chief Executive. The Chairman is responsible for the effective performance of the Board through control of the Board's agenda and running of its meetings. The Chairman organises opportunities for directors to spend time with each other on an informal basis to improve communication and relations between directors.

Corporate Governance (continued)

A representative of the Company Secretaries attends all Board meetings to record proceedings and is available at any time to advise on any corporate governance issues that arise. The Company Secretary is also responsible to the Chairman for the efficient organisation of Board and Committee meetings including circulation of papers in advance of meetings. Management reports including cash movements, portfolio movements and valuations are regularly circulated to all directors for review.

The Board met on six occasions during the year following a formal agenda. It met two further times by telephone for ad-hoc reasons (allotment of shares and approval of bank facility). Attendance at board meetings during the year is shown in the following table:

	No. of meetings in year	D.C. Marshall	F.W.A. Lucas	J.H. Maxwell	J.M. Robotham
Board (scheduled)	6	6	5	5	6
Board (ad hoc)	2	2	2	2	2
Audit Committee	1	–	1	–	1

The Nomination and Remuneration Committees did not meet during the year as there was no requirement for them to meet.

The Group's strategic aim is to generate growth in shareholder value in real terms over the long term through a mix of investments and utilising a prudent level of bank borrowing. The investment mix and level of gearing are reviewed at each Board meeting. All major investment decisions are taken by the Board. The Investment Committee has delegated authority within certain limits for the management of the General Portfolio between Board meetings.

The Board, through review of the management reports, scrutinises the performance of the company against the objective of real growth in shareholder value over the long term.

The directors are required to bring to the Board's attention any interest that they may have on matters under discussion, and may then be excluded from some or all deliberation on those matters, as is deemed appropriate in the circumstances.

New directors receive an induction programme and all directors are encouraged to maintain personal continuing professional education programmes.

The Board is aware of the requirement in the revised Combined Code of Corporate Governance to evaluate its own performance and that of its committees and individual directors. During 2007 the Board will decide upon the most appropriate manner of undertaking this exercise and will adopt an appropriate process to achieve this.

Audit Committee

The board, through its audit committee, annually reviews all material internal controls, including financial, operational and compliance controls, and risk management systems. As a result of this review, procedures are adopted which mitigate those risks which have not been specifically accepted under the Group's investment policy. The responsibility on a day to day basis for maintaining a sound system of internal controls rests with the executive directors of City Group P.L.C. which provides day to day administration and accounting services to the Group.

There is a well-established system of internal controls set within a framework of clearly defined structures and accountabilities with well understood policies and procedures; supported by training, budgeting, reporting and review procedures. The Group has defined guidelines for

investment appraisal, having regard to yield and capital growth. Board decisions are implemented on a day to day basis by the subsidiary company, City Group P.L.C. The framework for internal financial control established in that company has been reviewed by the Board and is regarded as effective. The reporting and review procedures provide routine assurance to the Board as to the adequacy and effectiveness of internal controls. The Board recognise that it is not possible to divide some functions as would be the case in larger organisations and accepts that close supervision is necessary. The directors have considered the need for an internal audit function and do not believe that one is appropriate because monitoring processes are applied to give reasonable assurance to the Board that the systems of internal control are functioning as intended.

An annual self-assessment of risk is performed which identifies the areas in which the Group is most exposed to risk, considered the financial implications and assessed the adequacy and effectiveness of their control. The Board has discussed the results of this review and the directors can therefore confirm that they have reviewed the effectiveness of the company's system of internal control.

The Board maintains an appropriate relationship with the Group's auditors through the Audit Committee. The auditors do not provide any non-audit services other than limited advice on taxation matters.

Nomination Committee

The Board has formed a Nomination Committee which has been charged with nominating suitable candidates for the Board to consider recommending to the shareholders for appointment as Directors of the Company. Changes to the composition of the board are not anticipated to occur on a frequent basis. Whenever a change is anticipated, a job description for the role will be agreed by the Nomination Committee, taking into account the expertise available to the Group from the other members of the Board and the need to acquire any specific capabilities. The Nomination Committee will then undertake whatever process is most appropriate for the identification of suitable candidates and their assessment, taking into account any other commitments they might have. Appointments will be made on merit against objective criteria.

Going Concern

The directors, after making enquiries, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis in preparing the accounts.

Shareholder Communications

The Board strives to present a balanced and understandable assessment of the Company's position and prospects in all interim and other price-sensitive public reports and in reports to regulators as well as in the information required to be presented by statutory requirements. The Chairman welcomes comments on the quality of reports and any areas for improvement.

Shareholder communication centres primarily on the publication of annual and interim accounts and occasional press releases and trading updates. The Chairman is available for discussions with shareholders throughout the year and particularly at the time of results announcements. John Maxwell, the senior independent non-executive director is also always available should anyone wish to draw any matters to his attention.

The Annual General Meeting provides a forum for discussion by Shareholders with the Board. Shareholders are encouraged to attend the AGM and to participate in proceedings by asking questions during the formal part of the meeting, voting on the resolutions put to the meeting and providing Board members with their views in informal discussions after the meeting.

Statement of Directors' Responsibilities in Respect of the Accounts

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group and for the profit or loss of the Group for that year. In preparing those financial statements, the directors are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable accounting standards have been followed, subject to any material departures that are disclosed and explained in the financial statements;
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors should be made aware.

Remuneration Report

This report has been prepared in accordance with the Directors' Remuneration Report Regulations and also meets the relevant requirements of the Listing Rules of the Financial Services Authority. A resolution to approve the report will be proposed at the Annual General Meeting of the Company at which the financial statements will be approved.

All members of the Board in attendance at the Annual General Meeting will be available to answer shareholders' questions about directors' remuneration.

Unaudited Information

Remuneration Committee

The Company has no Remuneration Committee because, given the size of the Group, it is not considered appropriate to form a separate remuneration committee of the Board. The remuneration payable to the executive directors and employees of the Company's subsidiary, City Group P.L.C., is considered by the board of City Group, which includes Mr. D.C. Marshall and Mr. J.M. Robotham.

Remuneration Policy

The Company's remuneration policy is as set out in Articles of Association and applies to both executive and non-executive directors. Briefly, it limits the remuneration of directors to £10,000 and allows for higher payments to be made to the Executive Chairman.

Employee Benefit Schemes

Following shareholder approval at last year's AGM, the Board allocated 1,200,000 shares, equivalent to 4% of the issued share capital, to an Approved Share Option Scheme and an Unapproved Employee Benefit Scheme to be used to incentivise, reward and retain key employees of the Group. These shares will not be used to reward current directors of the Company.

Approved Share Option Scheme

The Board established an Approved Share Option Scheme and allocated shares, subject to the maximum number of shares for both schemes referred to above, to incentivise, reward and retain the employees of the Group.

The initial beneficiaries are full time employees and directors of the Company's subsidiary City Group. Performance conditions are attached to options granted which include targets for growth in shareholder value.

Audited Information

Directors' Remuneration

The remuneration of the directors during the year comprised:

	Directors' fees £	2007 Other benefits £	Total £	2006 Total £
Executive Chairman				
Mr. D.C. Marshall	15,000	Nil	15,000	15,000
Non-executive directors				
Mr. J.H. Maxwell	7,500	Nil	7,500	7,500
Dr. F.W.A. Lucas	7,500	Nil	7,500	7,500
Mr. J.M. Robotham	17,500	Nil	17,500	17,500

* Mr. Marshall ceded his fees of £15,000 (2006 – £15,000) for the year to an overseas company which supplies his services and in which none of the directors are beneficially interested. The Chairman received no other payment or benefits from the Company.

† Dr Lucas ceded his fees of £7,500 (2006 – £7,500) to his primary employer.

♣ Of this sum, £7,500 (2006 – £7,500) relates to Mr. Robotham's fees paid by the Company and the balance is in respect of fees received from the subsidiary, City Group P.L.C.

Each Director is required to retire by rotation every three years in accordance with the Articles of Association and re-appointment is not automatic.

The Company does not pay bonus payments to any director.

Share Options

The Company does not have a share option scheme and, accordingly, none of the directors have any options over shares of the Company.

Long Term Incentives

The Company will consider these in the light of changing legislation, but has no plans to adopt long-term incentives, other than the Approved Share Option Scheme and Unapproved Employee Benefit Scheme referred to above.

Pensions

There are no Company contributions payable to the executive or non-executive directors in respect of pensions.

On behalf of the Board

DAVID MARSHALL
Chairman

13th September 2007

Report of the Independent Auditors

TO THE MEMBERS OF LONDON FINANCE & INVESTMENT GROUP P.L.C.

Financial Statements

We have audited the group and parent company financial statements (the “financial statements”) of London Finance & Investment Group PLC for the year ended 30th June 2007 which comprise the Consolidated Income Statement, The Statement of Changes in Shareholder Equity, the Consolidated Balance Sheet, the Company Balance Sheet and the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors’ Remuneration Report that is described as being audited.

This Report is made solely to the Company’s members as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company’s members those matters that we are required to state them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described on page 30 the Company’s directors are responsible for the preparation of the annual report, the Directors’ remuneration report and the financial statements in accordance with applicable law and International Financial reporting Standards (IFRSs) as adopted by the European Union (EU).

Our responsibility is to audit the financial statements and the part of the Directors’ remuneration report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and, as regards the Group financial statements, Article 4 of the IAS Regulation. We also report to you whether, in our opinion, the information given in the Directors’ Report is consistent with the financial statements. In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations required for our audit, or if the information specified by law regarding Directors’ remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement set out on pages 27 to 29 reflects the Company’s compliance with the nine provisions of the 2003 FRC Code specified for our review by the Listing rules of the Financial Services Authority and we report if it does not. We are not required to consider whether the Board’s statements on internal control cover all risks and controls, or to form an opinion on the effectiveness of the Group’s corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Results in Brief, the Chairman’s Review, the Directors’ Report, the Corporate Governance Statement, the Summary of Results and the General Equity Portfolio. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the

part of the Directors' remuneration report to be audited. It also includes assessment of significant estimates and judgements made by the Directors in the preparation of the financial statements, and whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors' remuneration report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' remuneration report to be audited.

Opinion

In our opinion:

The group financial statements give a true and fair view, in accordance with IFRS's as adopted by the EU, of the state of the group's affairs as at 30th June 2007 and of the Group's profit and cash flow for the year then ended;

The parent company financial statements give a true and fair view, in accordance with the IFRS's as adopted by the EU as applied in accordance with the provisions of the Companies Act 1985, of the state of the Company's affairs at 30th June 2007.

The financial statements and the part of the Directors' remuneration report to be audited have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation; and

The information given in the Directors' report is consistent with the financial statements.

STEELE ROBERTSON GODDARD
Chartered Accountants
Registered Auditors

28 Ely Place,
LONDON EC1N 6AA
13th September 2007

Summary of Results

For the five years ended 30th June 2007

	2007 £000	2006 £000	2005 £000	2004 £000	2003 £000
Consolidated Income statement					
Operating income					
Dividends, interest and other income	949	796	708	715	670
Surplus on investments	1,426	401	365	225	164
Operating expenses	(938)	(934)	(845)	(799)	(782)
Exceptional expenses	(597)	-	-	-	-
Interest payable	(150)	(123)	(116)	(72)	(63)
Group income/(loss) before tax	690	140	112	69	(11)
Taxation	(245)	(4)	(12)	(9)	(10)
Group income after tax	445	136	100	60	(21)
Share of profits of associates	75	169	90	139	124
Minorities	(31)	(2)	22	(9)	(10)
Earnings attributable to shareholders	489	303	212	190	93
Consolidated Balance Sheet					
Issued share capital	1,560	1,500	1,310	1,295	1,281
Share premium and other reserves	11,753	7,099	3,332	1,186	409
Income statement	7,207	7,032	6,992	7,013	7,041
Shareholders' funds (all equity)	20,520	15,631	11,634	9,494	8,731
Minority interests	95	64	61	82	73
	20,615	15,695	11,695	9,576	8,804
Disposition of Capital					
Fixed Assets	18,721	13,677	9,207	7,017	6,629
Current assets					
Listed investments	6,564	4,907	4,265	3,679	2,938
Other current assets	184	196	178	272	167
Cash and deposits	87	171	48	30	28
	6,835	5,274	4,491	3,981	3,133
Liabilities and deferred tax	(4,941)	(3,256)	(2,003)	(1,422)	(958)
	20,615	15,695	11,695	9,576	8,804
Net assets per share	65.8p	52.1p	44.4p	36.6p	34.1p
Earnings per share – before exceptional expenses	3.97p	1.06p	0.81p	0.74p	0.36p
– after exceptional expenses	1.60p	1.06p	0.81p	0.74p	0.36p
Dividend (net) per share	1.10p	1.05p	1.00p	0.90p	0.85p

The comparative figures have been restated from a UK GAAP basis to the IFRS basis adopted for the first time in 2006. Shareholders' funds now reflect the market value of investments less the potential taxation which would arise, and the recognition of proposed dividends in the year following that for which they were declared, when a legal liability to pay was established.

Notice of Annual General Meeting

NOTICE is hereby given that the ANNUAL GENERAL MEETING of London Finance & Investment Group P.L.C. will be held at Armoury House, City Road, London, EC1Y 2BQ on Thursday 11th October 2007 at 10.30 a.m. for the following purposes:

1. To receive the Directors' Report and Accounts for the year ended 30th June 2007.
2. To receive and adopt the Remuneration Report for the year ended 30th June 2007.
3. To declare a dividend.
4. To re-elect Mr. D.C. Marshall a director.
5. To re-appoint the auditors Steele Robertson Goddard and to authorise the Directors to fix their remuneration.

Special Business

6. To consider and, if thought fit, pass the following Resolution which will be proposed as an Ordinary Resolution:-

“THAT the Board be and is hereby generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985) up to an aggregate nominal amount of £190,000 provided that this authority will expire on 10th October 2012, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Board may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.”

7. To consider and, if thought fit, pass the following Resolution which will be proposed as a Special Resolution:

“THAT

- (a) in accordance with Section 95(1) of the Companies Act 1985 the Directors be and are hereby given power to allot securities pursuant to the authority conferred by the Ordinary Resolution numbered 6 passed at the Annual General Meeting held on 11th October 2007, as and when the same becomes effective as if sub-section (1) of Section 89 of the Companies Act 1985 did not apply to any such allotment, provided that:

- (i) the power hereby conferred shall be limited;

- (aa) to the allotment of equity securities in connection with or pursuant to an offer by way of rights to the holders of Shares of 5p each in the capital of the Company and other persons entitled to participate therein in proportion (as nearly as may be) to such holders' holdings of such shares (or, as appropriate, to the numbers of such shares which such other persons are for those purposes deemed to hold) subject only to such exclusions or other arrangements as the Directors may feel necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or the requirements of any recognised regulatory body in any territory; and

- (bb) to the allotment (otherwise than pursuant to sub-paragraph (i) (aa) of this proviso) of equity securities up to an aggregate nominal amount of £78,000 representing 5% of the issued share capital:

London Finance & Investment Group P.L.C. _____

- (ii) the power hereby granted shall expire on the date of the next Annual General Meeting of the Company after the passing of this Resolution or on 10th January 2009 if earlier:
- (b) the said power shall allow and enable the Directors to make an offer or agreement before the expiry of that power which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the said power had not expired:
- (c) words and expressions defined in or for the purposes of Part IV of the Companies Act 1985 shall bear the same meaning herein”

30 City Road,
London EC1Y 2AG.

13th September 2006

By Order of the Board,

CITY GROUP P.L.C.
Secretaries

Notes A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and, on a poll, to vote on his behalf.

A proxy need not be a member of the company.

A form of proxy is enclosed. To be valid it should be completed and returned so as to reach the registrars not less than 48 hours before the time fixed for the meeting. Completion of a form of proxy does not preclude a member from subsequently attending and voting in person.

The register of directors' shareholdings will be available for inspection by members at the registered office of the company during usual business hours on any weekday (public holidays excepted), from the date of this notice until the date of the annual general meeting and at the place of the meeting, from 9.15 a.m. until the conclusion thereof.

Change of Address Members are requested to advise the United Kingdom Registrars, Capita Registrars, or the South African Registrars, Computershare Investor Services 2004 (Pty.) Limited of any change of address.

Form of Proxy

I/we

being (a) member(s) of the above-named company hereby appoint the chairman of the meeting, failing whom

.....
 as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 11th October and at any adjournment thereof.

I/We hereby authorise and instruct my/our proxy to vote as indicated below on the resolutions to be proposed at such meeting. Unless otherwise directed the proxy will vote or abstain from voting as he thinks fit.

RESOLUTIONS	For	Against	Abstain
1. To adopt the reports and accounts.			
2. To adopt the Remuneration Report.			
3. To declare a dividend.			
4. To re-elect Mr D.C. Marshall a director.			
5. To appoint the auditors and to authorise the Directors to fix their remuneration.			
SPECIAL BUSINESS			
6. Ordinary Resolution To authorise the directors to allot securities.			
7. Special Resolution To authorise the directors to allot securities (subject to limitation) as if pre-emption rights did not apply.			

Dated2007 Signature.....

NOTES

- (i) This proxy must be lodged at the offices of the U.K. registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, U.K., or the South African registrars, Computershare Investor Services 2004 (Pty) Limited, 70 Diagonal Street, Johannesburg 2001, (P.O. Box 61051, Marshalltown 2107) South Africa not later than 48 hours before the time of the meeting, together if appropriate with the power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority.
- (ii) In the case of a corporation this proxy should be given under its Common Seal or, if none, should be signed by the attorney or officer duly authorised.
- (iii) In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority is determined by the order in which the names stand in the Register of Shareholders in respect of joint holdings.
- (iv) If it is desired to appoint as proxy any person other than the chairman of the meeting, the name and address of such person should be inserted in the relevant place, reference to the chairman deleted, and the alteration initialled.
- (v) A proxy need not be a shareholder.



