

**Thursday 28<sup>th</sup> September 2017**

**LONDON FINANCE & INVESTMENT GROUP P.L.C.**

(“Lonfin”, “the Company” or “the Group”)

**Unaudited Preliminary Results for the year ended 30<sup>th</sup> June 2017**  
**Dividend Declaration**  
**Directorate Change**

London Finance & Investment Group P.L.C. (LSE: LFI, JSE: LNF), the investment company whose assets primarily consist of Strategic Investments and a General Portfolio, today announces its unaudited Preliminary Results for the year ended 30<sup>th</sup> June 2017, The Board’s Dividend Declaration and a Directorate Change.

**Strategy, Business Model and Investment Policy**

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

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

In pursuance of the Group’s Investing Policy, the Group’s net assets per share for 2017 increased by 7% over the previous year to 65.6p and net assets per share have increased 108% over the last five years. Shareholders’ dividends for 2017 have increased by 4.7% over the previous year and by 37.5% over the last five years.

**Results**

- Net assets have increased over the year by 7% from 61.4p per share to 65.6p per share
- Strategic Investments have decreased in value, over the year, by 14%, from £12,417,000 to £10,673,000 due to the sale of part of our investment in Finsbury Food Group Plc.
- Profit on sale of strategic investments - £1,861,700 (see below)
- Strategic investments are yielding 3.1% (2016 – 2.9%)
- The General Portfolio has increased, adjusting for investment purchases and sales, over the year, by 51% from £7,125,000 to £10,766,000
- Fair value movement is £2,199,000
- No significant increase in Group operating costs
- A final dividend of 0.55 per share is recommended, making a total of 1.1p per share for the year (2016 – 1.05p)

Of the £1,861,700 realised profit arising on the sale of strategic investments, £217,000 has been recognised in the current year ‘other comprehensive income’. The remaining profit has been recognised in prior years as net unrealised fair value gains and a transfer from unrealised to realised reserves has been made for this amount and is reflected in the Consolidated Statement of Changes in Shareholders Equity.

In February this year, when we released our unaudited Interim Results, we announced that the Board had decided to early adopt IFRS 9 with effect from the Interim accounting period. As a result, the comparative figures for the year ended 30<sup>th</sup> June 2016 in the Consolidated Statement of Total Comprehensive Income in these Accounts are restated. Accordingly, the Company

and its subsidiaries (“Group”) achieved an operating profit for the year, before interest, tax and changes to the fair value adjustments of investments of £275,000, compared to a restated operating profit for the previous year, before tax and changes to the fair value adjustments of investments, of £239,000. The Total Comprehensive Income for the year, comprising profit after tax and the other comprehensive income (the fair value adjustments, net of tax, of Strategic Investments) was £1,658,000 compared to £3,858,000 for the previous year. Basic earnings per share are 3.5p (2016- restated earnings per share of 5.4p) and headline earnings per share are 1.0p (2016 – restated headline earnings per share of 1.9p).

### **Strategic Investments**

Strategic Investments have reduced in value by £1,744,000 being the net proceeds of investment disposals of £2,438,000 and a fair value uplift in the remaining portfolio of investments of £476,000. The investment disposals gave rise to an historic cost profit of £1,862,000, of which £217,000 has been taken to the Consolidated Statement of Comprehensive Income in the year under review.

### **Western Selection P.L.C. (“Western”)**

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

On 26<sup>th</sup> September 2017, Western announced unaudited preliminary results showing a profit after tax of £850,000 for the year to 30<sup>th</sup> June 2017 (2016 – profit after tax, of £64,000). Earnings per share were 4.7p (2016 – earnings per share – 0.4p).

Western paid an interim dividend of 1.1p in March this year and proposes a final dividend of 1.1p making 2.2p for the year (2016 – 2.1p). Western’s net assets at market value at 30<sup>th</sup> June 2017 were £17,125,000 equivalent to 95p per share, an increase of 20% from 79p last year. Our share of the net assets of Western, including the value of Western’s investments at market value, was £7,500,000 (2016 - £6,227,000). The fair value for Western recorded in the Statement of Financial Position is the market value of £3,773,000 (2016 - £3,537,000). This represents 18% (2016 – 26%) of the net assets of the group.

Western’s objective is to generate growth in value for shareholders over the medium to long term and pay a progressive dividend. Western’s business model is to take sizeable minority stakes in relatively small companies usually before or as their shares are admitted to trading on one of the UK’s stock exchanges and have directors in common through which they can provide advice and support for these growing companies.

These may or may not become associated companies. The aim is that these companies (“Core Holdings”) will grow to a stage at which Western’s support is no longer required and its stake can be sold over time into the relevant stock market. Companies that are targeted as Core Holdings will have an experienced management team, a credible business model and good prospects for growth.

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

David Marshall is the Chairman of Western and. Michael Robotham and Edward Beale are non-executive directors. Western’s main Core Holdings are Northbridge Industrial Services Plc, Swallowfield Plc, Bilby Plc and Tudor Rose International Limited.

An extract from Western’s announcement relating to its main Core Holdings is set out below:

#### **Core Holdings**

##### **Northbridge Industrial Services plc (“Northbridge”)**

Northbridge hires and sells specialist industrial equipment to a non-cyclical customer base. With offices or agents in the UK, USA, Dubai, Germany, Belgium, France, Australia, New

Zealand, Singapore, Brazil, Korea and Azerbaijan, Northbridge has a global customer base. This includes utility companies, the oil and gas sector, shipping, construction and the public sector. The product range includes loadbanks, transformers and oil tools. Further information about Northbridge is available on their website: [www.northbridgegroup.co.uk](http://www.northbridgegroup.co.uk)

Northbridge, which is admitted to trading on AIM, announced its results for the year ended 31<sup>st</sup> December 2016 on 25<sup>th</sup> April 2017 and recorded a loss after tax of £6,298,000 for the year. No dividend was recommended by Northbridge and no dividends were received by Western from Northbridge during the year.

Western holds 3,223,632 Northbridge shares which represents approximately 12.45% of Northbridge's issued share capital. The value of this investment at 30<sup>th</sup> June 2017 was £3,320,000 (2016 - £2,772,000) which represents approximately 19% (2016 - 19%) of Western's net assets.

David Marshall is a non-executive director of Northbridge.

### **Swallowfield plc ("Swallowfield")**

Swallowfield is a market leader in the development, formulation, manufacture and supply of cosmetics, toiletries and related household products for global brands and retailers operating in the cosmetics, personal care and household goods market. Further information about Swallowfield is available on their website: [www.swallowfield.com](http://www.swallowfield.com)

Swallowfield, which is admitted to trading on AIM, announced its annual results for the 52 weeks ended 24<sup>th</sup> June 2017 on 19<sup>th</sup> September 2017 and recorded a profit after tax of £2,572,000 compared to a profit after tax of £2,001,000 for the comparable period last year. Dividends of £66,900 were received from Swallowfield during the year (2016 – £52,000). A final dividend of 3.5p per share has been declared and, if approved, Western will receive a further £52,500 of income in December 2017.

Western sold 500,000 Swallowfield shares, realising a profit of £845,000, during the year. At the reporting date, being 30<sup>th</sup> June 2017, Western held 1,500,000 shares which was 8.90% of Swallowfield's issued share capital. The market value of our reduced holding in Swallowfield on 30<sup>th</sup> June 2017 had increased to £5,700,000 from the value of our holding at 30<sup>th</sup> June 2016 of £3,400,000. The value of this investment represents approximately 33% (2016 - 24%) of Western's net assets.

Edward Beale is a non-executive director of Swallowfield.

### **Bilby Plc ("Bilby")**

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

During the year Western invested £190,000 in acquiring 362,912 shares in Bilby. Western now holds 2,699,280 Bilby shares which represents approximately 6.8% of Bilby's issued share capital. The market value of this investment on 30<sup>th</sup> June 2017 was £1,917,000 which represents approximately 11% of Western's net assets.

Bilby, which is admitted to trading on AIM, announced its results for the year ended 31<sup>st</sup> March 2017 on 26<sup>th</sup> June 2017 showing a profit before tax and non-underlying items of £64,000 compared to a restated profit before tax and non-underlying items of £718,000 for the 14 month period ended 31<sup>st</sup> March 2016. Dividends of £53,000 were received from Bilby during the year (2016 - £58,000). Bilby announced a final dividend of 1.5p per share which was paid in July 2017 and which provided Western with further income of £40,500.

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

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

Western holds 441,090 A ordinary shares in Tudor Rose International which represents 49.5% of the issued ordinary shares in Tudor Rose International. In February 2017, Western subscribed for £1,000,000 redeemable preference shares in Tudor Rose International at a par value of 1p per share. These shares were subscribed for by converting Western’s previous loan to Tudor Rose International of £500,000 and paying a further £500,000. Subsequent to the year end, the Company has made available to Tudor Rose International a working capital facility of £500,000 bearing interest at the rate of 6% per annum and which has been fully draw down.

Tudor Rose International, which is a private company, has a 31<sup>st</sup> December year end, generated trading profits before tax in the year to 30<sup>th</sup> June 2017 of £63,100. Turnover in the period was £17,145,000 (2016 - £18,542,000). Western’s share of a profit after tax for the twelve months to 30<sup>th</sup> June 2017 was £49,550 (2016 – £35,000) and the fair value of the investment at 30<sup>th</sup> June 2017 was £1,647,000 (2016 - £1,290,000) being 10% (2016 – 9 %) of Western’s net assets.

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

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

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

During the year, Lonfin disposed of 2,000,000 shares in Finsbury for £2,438,000, realising an historic cost profit of £1,861,700. At 30<sup>th</sup> June 2017, Lonfin held 6,000,000 Finsbury shares, representing approximately 4.6% of Finsbury’s issued share capital. The market value of the holding was £6,900,000 as at 30<sup>th</sup> June 2017 (cost - £1,724,000) and represents approximately 34% (2016 – 46%) of Lonfin’s net assets.

On 18<sup>th</sup> September 2017, Finsbury announced audited profits on continuing operations after tax and minority interests of £12,958,000 for the 52 weeks ended 1<sup>st</sup> July 2017 (2016 - £12,754,000).

Finsbury paid an interim dividend of 1.0p and has recommended to its shareholders a final dividend of 2.0p per share, making 3.0p for the year (2016 – 2.8p). The final dividend, if approved, will be paid in December and will provide the Company with further income of £120,000.

Edward Beale was a non-executive director of Finsbury up until 23<sup>rd</sup> November 2016.

## General Portfolio

The investments comprising the General Portfolio at 30<sup>th</sup> June 2017 are listed below.

### Composition of General Portfolio At 30<sup>th</sup> June 2017

	£000	%
British American Tobacco	513	4.8
Investor	503	4.7
Phillip Morris International Inc	460	4.3
Schindler	459	4.3
Henkel	437	4.1
Unilever	419	3.9
Nestle	405	3.8
Heineken Holding	404	3.6
HSBC Holding	391	3.6
Diageo	386	3.6
LVMH Moet Hennessey	383	3.6
Reckitt Benckiser Group	381	3.5
Pernod Ricard	356	3.3
3M Co	353	3.3
Danone	347	3.2
Kimberley Clark Corp	338	3.1
L'Oreal	338	3.1
ABB Zurich	338	3.1
Linde	335	3.1
Givaudan	324	3.0
United Technologies Corp	319	3.0
Anheuser Busch Inbev	317	2.9
Chevron Corp	313	2.9
Exxon Mobil Corp	311	2.9
Brown Forman (B)	308	2.9
Imperial Brands	307	2.9
Procter & Gamble Co	303	2.8
BASF	299	2.8
Becton Dickinson & Co	210	2.0
Compagnie Financiere Richemont	209	1.9
	<b>10,766</b>	<b>100.0</b>
<b>Analysis by currency</b>	<b>£000</b>	<b>%</b>
Euro	3,215	29.8
Sterling	2,398	22.3
US Dollar	2,915	27.1
Swiss Franc	1,735	16.1
Swedish Kroner	503	4.7
	<b>10,766</b>	<b>100.0</b>

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

At 30<sup>th</sup> June 2017, the number of holdings in the General Portfolio was 30 (2016 – 26). We have increased the amount invested in the General Portfolio over the year by £2,767,000 (2016 - decreased by £20,000).

The opening value of our General Portfolio investments at 30<sup>th</sup> June 2016 was £7,124,863 which compared with a cost of such investments at the same date of £3,285,706. After investment purchases (including purchase costs) during the year of £2,854,593 and investment sales (including selling expenses) during the same period of £206,560, the value of the General Portfolio investments as at 30<sup>th</sup> June 2017 had increased by 51% to £10,765,695.

### **Directorate Change**

Michael Robotham, a non-executive director, will be retiring from the Board of Lonfin at the Company's forthcoming Annual General Meeting ("AGM") to be held on 5<sup>th</sup> December 2017.

For itself and on behalf of the shareholders, the Board would like to thank Michael for his considerable dedication and service to the Company.

Notwithstanding the loss to the Board of Lloyd Marshall, who passed away last November, and Michael Robotham, after he has retired at the AGM, the Board is satisfied that it has, for the time being, a sufficient spread of skills, experience and support to operate the Company.

### **Operations and Employees**

All of our operations and those of Western, except investment selection, are outsourced to our subsidiary, City Group PLC ("City Group"). City Group also provides office accommodation, company secretarial and head office finance services to a number of other companies. City Group has responsibility for the initial identification and appraisal of potential new strategic investments for the Company and the day to day monitoring of existing strategic investments and employs 8 people.

### **Significant Events since the end of the financial year**

On 30<sup>th</sup> August 2017, a new relationship agreement between the Company and Coutts & Co was signed in relation to the Company's existing credit revolving facility. This extended the available facilities to 30<sup>th</sup> September 2022 and set an interest rate of 2.75% per annum above the bank's base rate (3% as at 30<sup>th</sup> August 2017).

On 20<sup>th</sup> September 2017, Western made available to Tudor Rose International a working capital facility of £500,000 bearing interest at a rate of 6% per annum which has been fully drawn down.

### **Dividend**

The Board recommends a final dividend of 0.55p per share, making a total of 1.1p per ordinary share for the year (2016 – 1.05p). Subject to shareholders' approval at the Company's AGM to be held on 5<sup>th</sup> December 2017, the dividend will be paid on 15<sup>th</sup> December 2017 to those shareholders on the register at the close of business on 24<sup>th</sup> November 2017. Shareholders on the South African register will receive their dividend in South African rand converted from sterling at the closing rate of exchange on 19<sup>th</sup> September 2017 being GBP1= ZAR 18.0089.

In respect of the normal gross cash dividend, and in terms of the South African Tax Act, the following dividend tax ruling only applies to those shareholders who are registered on the South African register on Friday 15<sup>th</sup> September 2017. All other shareholders are exempt.

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

Dividend dates:

Last date to trade (SA)	Tuesday, 21 <sup>st</sup> November 2017
Shares trade ex-dividend (SA)	Wednesday, 22 <sup>nd</sup> November 2017
Shares trade ex-dividend (UK)	Thursday, 23 <sup>rd</sup> November 2017
Record date (UK and SA)	Friday, 24 <sup>th</sup> November 2017
Pay date	Friday, 15 <sup>th</sup> December 2017

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

Shareholders registered on the South African register are advised that the dividend withholding tax will be withheld from the gross final dividend amount of 9.90489 SA cents per share at a rate of 20% unless a shareholder qualifies for an exemption; shareholders registered on the South African register who do not qualify for an exemption will therefore receive a net dividend of 7.92392 SA cents per share. The dividend withholding tax and the information contained in this paragraph is only of direct application to shareholders registered on the South African register, who should direct any questions about the application of the dividend withholding tax to Computershare Investor Services (Pty) Limited, Tel: +27 11 370 5000.

Share certificates may not be de-materialised or re-materialised between Wednesday, 22<sup>nd</sup> November 2017 and Friday, 24<sup>th</sup> November 2017, both days inclusive. Shares may not be transferred between the registers in London and South Africa during this period either.

## Outlook

We believe our mix of Strategic Investments and a General Portfolio gives us every chance of outperforming the broader market in the medium to long term notwithstanding any short term volatility in markets, currencies and commodities.

## Future Developments

The future development of the Group is dependent on the success of the Group's Investment Strategy in the light of economic and equity market developments and the continued support of its Shareholders. The Board will maintain the current Investment Policy for the foreseeable future and has no plans to change the policy.

28<sup>th</sup> September 2017

The annual report and accounts will be finalised shortly and sent to shareholders.

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

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

For further information, please contact:

**London Finance & Investment Group P.L.C.:** 020 7796 9060  
(*David Marshall/Edward Beale*)

Johannesburg Sponsor:  
**Sasfin Capital** (a division of Sasfin Bank Limited)



## Consolidated Statement of Total Comprehensive Income

For the year ended 30<sup>th</sup> June

	2017 £000	Restated 2016 £000
<b>Operating Income</b>		
Dividends received	608	550
Rental and other income	109	82
Profits on sales of investments	3	4
Management service fees	296	252
	<u>1,016</u>	<u>888</u>
Administrative expenses		
Investment operations	(352)	(346)
Management services	(389)	(303)
Total administrative expenses	<u>(741)</u>	<u>(649)</u>
Operating profit	275	239
Unrealised changes in the carrying value of General Portfolio investments	989	1,379
Interest payable	(33)	(16)
Profit before taxation	<u>1,231</u>	<u>1,602</u>
Tax expense	(121)	106
Profit after taxation	<u>1,110</u>	<u>1,708</u>
Non-controlling interest	(7)	(15)
Profit attributable to shareholders	<u>1,103</u>	<u>1,693</u>
<b>Other comprehensive income/(expense)</b>		
Unrealised changes in the carrying value of Strategic investments	477	2,323
Profit on sale of investments	217	385
Other taxation -		
Deferred tax	99	(543)
Corporation tax	(238)	-
Total Other Comprehensive Income	<u>555</u>	<u>2,165</u>
Total Comprehensive Income attributable to owners of the parent	<u>1,658</u>	<u>3,858</u>
<b>Reconciliation of headline earnings</b>		
Basic and diluted earnings per share	3.5p	5.4p
Adjustment for the unrealised changes in the carrying value of investments, net of tax	(2.5)p	(3.5)p
Headline earnings per share	<u>1.0p</u>	<u>1.9p</u>

## Consolidated Statement of Financial Position

At 30<sup>th</sup> June

	2017 £000	2016 £000
<b>Non-current Assets</b>		
Property, Plant and Equipment	14	22
Investments	<u>10,673</u>	<u>12,417</u>
	<b>10,687</b>	<b>12,439</b>
<b>Current Assets</b>		
Listed investments	10,766	7,125
Trade and other receivables	220	272
Cash at bank	<u>222</u>	<u>588</u>
	<b>11,208</b>	<b>7,985</b>
<b>Current Liabilities</b>		
Trade and other payables after tax	<u>(486)</u>	<u>(316)</u>
<b>Net Current Assets</b>	<b>10,722</b>	<b>7,669</b>
<b>Deferred Taxation</b>	<u>(829)</u>	<u>(850)</u>
<b>Total Assets less Current Liabilities</b>	<b>20,580</b>	<b>19,258</b>
<b>Capital and Reserves</b>		
Called up share capital	1,560	1,560
Share premium account	2,320	2,320
Unrealised profits and losses on investments	8,265	8,539
Share of retained realised profits and losses of subsidiaries	3,794	1,821
Company's retained realised profits and losses	<u>4,544</u>	<u>4,928</u>
Capital and reserves attributable to owners	<b>20,483</b>	<b>19,168</b>
Non-controlling equity interests	<u>97</u>	<u>90</u>
<b>Total Capital and Reserves</b>	<b>20,580</b>	<b>19,258</b>

# Company Statement of Financial Position

At 30<sup>th</sup> June

	2017 £000	2016 £000
<b>Non-current Assets</b>		
Investments in Group companies	1,071	3,847
<b>Current Assets</b>		
Listed investments	10,766	7,125
Trade and other receivables	26	27
Cash and cash equivalents	101	451
	<u>10,893</u>	<u>7,603</u>
<b>Current Liabilities</b>		
Trade and other payables: falling due within the year	(117)	(93)
<b>Net Current Assets</b>	<u>10,776</u>	<u>7,510</u>
<b>Deferred Taxation</b>	<u>(408)</u>	<u>(330)</u>
<b>Total Assets less Current Liabilities</b>	<u>11,439</u>	<u>11,027</u>
<b>Capital and Reserves</b>		
Called up share capital	1,560	1,560
Share premium account	2,320	2,320
Unrealised profits and losses on investments	3,015	2,219
	<u>6,895</u>	<u>6,099</u>
<b>Realised Profit and Loss</b>		
Balance at 1 <sup>st</sup> July	4,928	5,412
Net Loss for the period	(41)	(172)
Dividends paid	(343)	(312)
Balance at 30 <sup>th</sup> June	<u>4,544</u>	<u>4,928</u>
<b>Equity shareholders' funds</b>	<u>11,439</u>	<u>11,027</u>

Registered in England and Wales – Number 201151

## Consolidated Statement of Cash Flows

For the year ended 30<sup>th</sup> June

	2017 £000	Restated 2016 £000
<b>Cash flows from operating activities</b>		
Profit before tax	1,231	1,602
Adjustments for non-cash -		
Finance expense	33	16
Depreciation charges	8	9
Unrealised changes in the fair value of investments	(989)	(1,379)
Decrease/(Increase)in trade and other receivables	52	(55)
(Decrease)/Increase in trade and other payables	(66)	96
Overseas Taxes paid	(45)	(28)
<b>Net cash inflow from operating activities</b>	<u>224</u>	<u>261</u>
<b>Cash flows from investment activity</b>		
(Increase)/Decrease in current asset investments	(2,652)	56
Disposal of investment	2,438	1,984
<b>Net cash inflow/(outflow) from investment activity</b>	<u>(214)</u>	<u>2,040</u>
<b>Cash flows from financing</b>		
Interest paid	(33)	(16)
Equity dividends paid	(343)	(312)
Net drawdown/(repayment) of loan facilities	-	(1,500)
<b>Net cash outflow from financing</b>	<u>(376)</u>	<u>(1,828)</u>
<b>(Decrease)/Increase in cash and cash equivalents</b>	<b>(366)</b>	<b>473</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>588</b>	<b>115</b>
<b>Cash and cash equivalents at end of the year</b>	<b><u>222</u></b>	<b><u>588</u></b>

## Consolidated Statement of Changes in Shareholders' Equity

	Ordinary Share Capital	Share Premium Account	Restated Unrealised Profits on Investments	Restated Share of Undistributed Results of Subsidiaries	Restated Retained Realised Profits & Losses	Restated Total	Non- Controlling Interests	Total Equity
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Year ended 30<sup>th</sup> June 2016</b>								
Balances at 1 <sup>st</sup> July 2015	1,560	2,320	6,304	26	5,412	15,622	75	15,697
Profit for the Year	-	-	1,180	685	(172)	1,693	15	1,708
Other Comprehensive Income/(Expense)	-	-	1,055	1,110	-	2,165	-	2,165
Total comprehensive income	-	-	2,235	1,795	(172)	3,858	15	3,873
Dividends paid and total transactions with shareholders	-	-	-	-	(312)	(312)	-	(312)
Balances at 30 <sup>th</sup> June 2016	<u>1,560</u>	<u>2,320</u>	<u>8,539</u>	<u>1,821</u>	<u>4,928</u>	<u>19,168</u>	<u>90</u>	<u>19,258</u>
<b>Year ended 30<sup>th</sup> June 2017</b>								
Balances at 1 <sup>st</sup> July 2016	1,560	2,320	8,539	1,821	4,928	19,168	90	19,258
Profit for the Year	-	-	913	231	(41)	1,103	7	1,110
Other Comprehensive Income/(Expense)	-	-	(1,187)	1,742	-	555	-	555
Total comprehensive income	-	-	(274)	1,973	(41)	1,658	7	1,665
Dividends paid and total transactions with shareholders	-	-	-	-	(343)	(343)	-	(343)
Balances at 30 <sup>th</sup> June 2017	<u>1,560</u>	<u>2,320</u>	<u>8,265</u>	<u>3,794</u>	<u>4,544</u>	<u>20,483</u>	<u>97</u>	<u>20,580</u>

Notes:

1. Basic earnings per share and Headline earnings per share

Basic earnings per share, based on the profit attributable to the shareholders after tax and non-controlling interests of £1,103,000 (2016 restated - £1,693,000) and on 31,207,479 shares (2016 – 31,207,479) being the weighted average of the number of shares in issue during the year.

Headline earnings are required to be disclosed by the JSE. Headline earnings per share are based on the profit attributable to the shareholders after tax and non-controlling interests, before unrealised changes in the fair value of investments net of tax, of £309,000 (2016 - £589,000) and on 31,207,479 (2016 – 31,207,479) shares being the weighted average of the number of shares in issue during the year.

The adjustments for the unrealised changes in the carrying value of investments, net of tax of £(794,000) and 2016 restated £(1,104,000)

2. Net assets per share

The net assets per share are calculated taking investments at fair value and on 31,207,479 shares (2016 – 31,207,479) being the weighted average of the number of shares in issue during the year.

3. The financial information in this preliminary announcement of audited group results does not constitute the company's statutory accounts for the years ended 30<sup>th</sup> June 2017 or 30<sup>th</sup> June 2016 but is derived from those accounts. The accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The accounts are prepared on the historical cost bases, except for certain assets and liabilities which are measured at fair value, in accordance with IFRS and comply with IAS 34. The audited accounts for the group for the year ended 30<sup>th</sup> June 2016 were reported on with an unqualified audit report and have been delivered to the Registrar of Companies.

Copies of this notification are held at the Company's office, 6 Middle Street, London, EC1A 7JA (tel. 020 7796 9060) and are available for a period of 14 days from the date of this announcement.