

LONDON FINANCE & INVESTMENT GROUP PLC

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

Final Results for the year ended 30 June 2024 and Final Dividend Declaration

London Finance & Investment Group PLC. (LSE: LFI, JSE: LNF), the investment company whose assets primarily consist of a General Portfolio of global blue chip equity stocks, today announces its audited Final Results for the year ended 30 June 2024 and the Board’s Final Dividend Declaration.

Strategy, Business Model and Investment Policy

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

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

Further information on the Group’s Investment Policy can be found in the Directors’ Report in the Company’s 2024 Annual Report & Accounts.

The Group’s net assets for 2024 have increased from £18,640,000 for the previous year (restated) to £22,343,000 and have increased 41.5% over the last five years. Shareholders’ total dividends for 2024 will be 1.2p per share. Information on the Group’s performance against the Board’s key performance indicators (KPIs) is set out in the Strategic Report in the Company’s 2024 Annual Report & Accounts.

Results

- * Net assets per share have increased to 71.6p (2023 – 59.2p per share)
- * The restructuring of Western Selection, which is our only Strategic investment, resulted in a return of capital of £6,291,000 and a decrease in value of the Strategic Investments, from £3,144,000 to £36,858.
- * The value of the General Portfolio has decreased, including investment purchases and sales, over the year, by 9.4% from £15,496,000 to £14,032,000.
- * The unrealised fair value adjustment to the General Portfolio investments over the period has decreased by £1,925,000.
- * The decrease in Group operating costs is mainly a result of lower office costs
- * A final dividend of 0.60p per share is recommended, making a total of 1.2p per share for the year (2023 – 1.15p)

The Company and its subsidiaries (the “Group”) recorded an operating profit for the year, before interest, tax, profit on bargain purchase and changes to the fair value adjustments of investments of £3,830,000, compared to operating profit for the previous year, before tax and changes to the fair value adjustments of investments, of £762,000. Basic and headline earnings per share are 13.6p (2023 restated – 5.7p).

Western Selection Ltd (“Western”)

The Company’s remaining strategic investment has decided to cease operations and return capital to shareholders. As a consequence, in February 2024, we received £6,291,000 and subsequent to the year- end a further £92,000. To assist in this process, in June 2024, the Company acquired Western’s shareholding in City Group for £50,000, bringing ownership up to 100%, and Western’s shareholding in Industrial & Commercial Holdings plc for £50,000. The shareholding in Industrial & Commercial Holdings plc was subsequently sold in August 2024 for £50,000.

At 30 June 2024, the Group held 45,786 ordinary shares, being 43.8% of the issued share capital of Western.

Following the year-end, Western shareholders approved a final return of capital and a capital reduction. As a result, Western’s issued share capital has reduced from 104,555 ordinary shares to one ordinary share which is held by the Company’s subsidiary, Lonfin Investments Limited, Steps will now be taken to wind up Western.

Western did not pay an interim dividend this year and does not propose a final dividend (2023 – Nil).

General Portfolio

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

At 30 June 2024, the number of holdings in the General Portfolio was 31 (2023 – 37). The value of the General Portfolio over the year has decreased by £1,464,000 (2023 - increased by £1,441,000) from £15,496,000 to £14,032,000. This 9.4% decrease includes investment purchases during the year of £6,512,000 and investment sales (including selling expenses) during the same period of £8,891,000.

As at 30 June 2024, the fair value of the General Portfolio investments, after adjusting for sales, has decreased by 44.3%.

Directors, Operations and Employees

On 1 March 2024, it was announced that Mr. David Marshall had stepped down from his role as Chairman and retired from the Board.

David Marshall has been with the Company since 1971, and the Board wishes to express its profound gratitude to David for his contribution to and his stewardship of the Company throughout this period.

On 1 March 2024, it was also announced that Mr Warwick Marshall had been appointed as the new Chairman of the Company with effect from 29 February 2024.

All of the Group’s operations, with the exception of investment selection, are outsourced to our subsidiary, City Group PLC (“City Group”). City Group also provides office accommodation, company secretarial, finance and head office services to a number of other companies. City Group is responsible for the initial identification and appraisal of potential new strategic investments for the Company and the day-to-day monitoring of existing strategic investments and employs 5 people.

Dividend

The Board recommends a final dividend of 0.60p (ZAR 13.92988 cents) per share, making a total of 1.20p (ZAR 27.85976 cents) per ordinary share for the year (2023 – 1.15p). Subject to shareholders’ approval at the Company’s Annual General Meeting (“AGM”) to be held on 28 November 2024, the dividend will be paid on Wednesday, 18 December 2024 to those shareholders on the register at the close of business on Friday, 6 December 2024. Shareholders on the South African register will receive

their dividend in South African Rand converted from Pounds Sterling (“Sterling”) at the closing rate of exchange on Thursday, 19 September 2024 being GBP1= ZAR 23.21646.

JSE Disclosure Requirements

In respect of the normal gross cash dividend, and in terms of the South African Tax Act, the following dividend tax ruling only applies to those shareholders who are registered on the South African register on Friday, 6 December 2024.

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

Dividend dates:

Last date to trade (SA)	Tuesday, 3 December 2024
Shares trade ex-dividend (SA)	Wednesday, 4 December 2024
Shares trade ex-dividend (UK)	Thursday, 5 December 2024
Record date (UK and SA)	Friday, 6 December 2024
Pay date	Wednesday, 18 December 2024

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 a dividend withholding tax will be withheld from the gross final dividend amount of ZAR 13.92988 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 ZAR 11.14390 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 Proprietary Limited, Tel: +27 11 370 5000.

Share certificates may not be de-materialised or re-materialised between Wednesday 4 December 2024 and Friday 6 December 2024, both days inclusive. Shares may not be transferred between the registers in London and South Africa during this period either.

Outlook

Early in 2022, Russia invaded Ukraine and, at the date of this report, the war between Russia and Ukraine shows no sign of abating.

The staunch defence put up by the Ukrainians has been remarkable. Casualties are estimated by the United Kingdom's Ministry of Defence to total in the hundreds of thousands.

Extensive dis-investment by Western companies from Russia coupled to sanctions levied by many nations, including the United Kingdom, on Russia have led to economic dislocations worldwide and also significant derivative effects have been felt in the energy markets.

On 7 October 2023, the world saw horrific terrorist attacks by Hamas, the government of Gaza, on Israel. These attacks and those of Hezbollah, another Islamist militia in Lebanon, as well as those of the Houthis in Yemen on commercial shipping in the Red Sea and on Israel, has led to severely heightened global tensions. Iran has carried out combined mass ballistic missile, drone and rocket

attacks on Israel and these have been, to date, repulsed by a coalition of countries including the United Kingdom.

The conflicts between Hamas, Hezbollah and the Houthis - all proxies of Iran - versus Israel shows no sign of abating either and there is no way of determining at this stage how potentially maximalist positions can be ameliorated downwards. It is hard to negotiate with terrorists no doubt and especially so when moral clarity is subjected to the fogs of war.

Chinese data also points to a diminution in the historical growth rates previously achieved and a polarised election campaign with no clear front runner in the world's only true superpower - the United States - adds political uncertainty to the global mix.

In this context, respected commentators the world over give a myriad of differing views on the effect these global issues have on equities, bonds and other investments.

Future Developments

The Group's development and its financial performance are dependent on the success of its Investment Strategy and the continued support of its shareholders. The cost of being a listed company continues to rise inexorably, and the Board is reviewing methods of achieving a step change in size in order that costs become more proportionate to the size of the business and/or to make savings wherever possible in the general and administrative costs burden. audit costs have risen at rates that exceed inflation by a large quantum and so the frictional costs of merely being listed erode, to a degree, the advantages of common purpose in a listing – for the smaller company. The Board continues to seek out investments which will generate growth in shareholder value. Innovations in medicine especially in pharmacology continue to be made and can result in spectacular outperformances. Similar outperformances in some technology and software stocks are also increasingly in evidence and the global nature of these behemoth successful companies has also given them specific size advantages that further lead to productivity and synergistic effects of some magnitude. The Board continues to pursue its current Investment Policy and will advise shareholders of any proposed changes.

26 September 2024

The Company's 2024 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:

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Consolidated Statement of Total Comprehensive Income

For the year ended 30 June

Operating Income	2024 £000	Restated* 2023 £000
Dividends receivable	614	586
Management service fees	361	352
Rental and other income	138	97
Profit on disposal of General portfolio investments	403	633
Profit on disposal of Western Selection	<u>3,183</u>	<u>-</u>
	4,699	1,668
Administrative expenses		
Investment operations	(425)	(495)
Management services	<u>(444)</u>	<u>(411)</u>
Total administrative expenses	(869)	(906)
Operating profit	3,830	762
Unrealised changes in the carrying value of General Portfolio investments	512	956
Unrealised changes in the carrying value of Western Selection	1	393
Profit on bargain purchase	83	-
Interest payable	<u>6</u>	<u>(7)</u>
Profit before taxation	4,432	2,104
Income tax expense	<u>(222)</u>	<u>(312)</u>
Profit after taxation	4,210	1,792
Non-controlling interest	<u>24</u>	<u>(16)</u>
Profit attributable to shareholders	4,234	1,776
Other comprehensive income/(expense)		
<i>Items that will not be reclassified to profit or loss</i>		
Profit on disposal of Strategic investments	-	118
Unrealised changes in the carrying value of Strategic investments	-	-
Other taxation -		
Income tax on disposal of strategic investments	<u>-</u>	<u>(146)</u>
Total Other Comprehensive (Loss)/Income attributable to shareholders	<u>-</u>	<u>(28)</u>
Total Comprehensive Income attributable to owners of the parent	4,234	1,748
Reconciliation of headline earnings		
Basic and diluted earnings per share	13.6p	5.7p
Adjustment for the unrealised changes in the carrying value of investments, net of tax	<u>-</u>	<u>-</u>
Headline earnings per share	13.6p	5.7p

*Correction of error, see note 3

Consolidated Statement of Financial Position

	30 Jun 2024 £000	Restated* 30 Jun 2023 £000	Restated* 1 Jul 2022 £000
Non-current Assets			
Property, Plant and Equipment	3	3	12
Right of use asset	-	17	81
Strategic investments at fair value though profit or loss	37	3,144	2,751
Strategic investments at fair value though other comprehensive income	-	-	1,206
	<u>40</u>	<u>3,164</u>	<u>4,050</u>
Current Assets			
General portfolio investments at fair value through profit or loss	14,032	15,496	14,055
Investment held for sale	50	-	-
Trade and other receivables	59	100	109
Cash and cash equivalents	9,460	1,264	407
	<u>23,601</u>	<u>16,860</u>	<u>14,571</u>
Current Liabilities			
Overdraft	-	-	(66)
Trade and other payables	(149)	(151)	(171)
Lease liabilities	-	(33)	(75)
Current tax liabilities	(581)	(188)	(198)
	<u>(730)</u>	<u>(372)</u>	<u>(510)</u>
Net Current Assets	22,871	16,488	14,061
Non-current Liabilities			
Lease liabilities	-	-	(33)
Deferred tax liabilities	(568)	(1,012)	(843)
	<u>(568)</u>	<u>(1,012)</u>	<u>(876)</u>
Total Assets less Total Liabilities	<u>22,343</u>	<u>18,640</u>	<u>17,235</u>
Capital and Reserves			
Ordinary share capital	1,560	1,560	1,560
Share premium	2,320	2,320	2,320
Unrealised profits and losses on investments	1,850	225	11
Share of retained realised profits and losses of subsidiaries	160	4,906	5,331
Company's retained realised profits and losses	16,453	9,472	7,872
Capital and reserves attributable to owners	22,343	18,483	17,094
Non-controlling interests	-	157	141
Total Capital and Reserves	<u>22,343</u>	<u>18,640</u>	<u>17,235</u>

*Correction of error, see note 3

Consolidated Statement of Cash Flows

For the year ended 30 June

	2024	Restated*
	£000	2023 £000
Cash flows from operating activities		
Profit before tax	4,432	2,104
<i>Adjustments for non-cash items -</i>		
Finance expense	(6)	7
Depreciation charges	4	9
Depreciation on right of use asset	11	64
Unrealised changes in the fair value of general portfolio investments	1,925	(679)
Unrealised changes in the fair value of Western Selection	(1,816)	(393)
Realised gain on disposal of investments	(4,207)	(911)
Gain on bargain purchase	(83)	-
Lease termination adjustment	(12)	-
Decrease in trade and other receivables	42	8
Decrease in trade and other payables	(2)	(20)
Taxes paid	(272)	(300)
Net cash (outflow)/inflow from operating activities	<u>16</u>	<u>(111)</u>
Cash flows from investment activity		
Acquisition of general portfolio investments	(6,512)	(4,258)
Acquisition of Minority Interest in subsidiary	(50)	-
Acquisition of other investments – held for sale	(50)	-
Proceeds from disposal of general portfolio investments	8,891	4,407
Proceeds from disposal of strategic investments	6,291	1,325
Acquisition of equipment	(4)	-
Net cash inflow from investment activity	<u>8,566</u>	<u>1,474</u>
Cash flows from financing activities		
Net Interest received/(paid)	6	(1)
Interest paid on lease liabilities	-	(5)
Repayment of lease liabilities	(15)	(75)
Equity dividends paid	(374)	(359)
Net cash outflow from financing activities	<u>(383)</u>	<u>(440)</u>
Increase in cash and cash equivalents	8,196	923
Cash and cash equivalents at the beginning of the year	<u>1,264</u>	<u>341</u>
Net Cash and cash equivalents at end of the year	<u>9,460</u>	<u>1,264</u>

*Correction of error, see note 3

Consolidated Statement of Changes in Shareholders' Equity

	Ordinary Share Capital	Share Premium Account	Unrealised profits and losses on Investments	Share of retained realised profits and losses of Subsidiaries	Company's retained realised profits and losses	Total	Non- Controlling Interests	Total Equity
	£000	£000	£000	£000	£000	£000	£000	£000
Year ended 30 June 2024								
Balances at 1 July 2023	1,560	2,320	225	4,906	9,472	18,483	157	18,640
Profit for the Year	-	-	1,625	(4,746)	7,355	4,234	(24)	4,210
Total comprehensive income	-	-	1,625	(4,746)	7,355	4,234	(24)	4,210
Acquisition of Non-Controlling Interest	-	-	-	-	-	-	(133)	(133)
Dividends paid and total transactions with shareholders	-	-	-	-	(374)	(374)	-	(374)
Balances at 30 June 2024	1,560	2,320	1,850	160	16,453	22,343	-	22,343
Year ended 30 June 2023								
Restated*								
Balances at 1 July 2022	1,560	2,320	11	5,331	7,872	17,094	141	17,235
Profit for the Year	-	-	903	(1,086)	1,959	1,776	16	1,792
Other Comprehensive Income	-	-	(689)	661	-	(28)	-	(28)
Total comprehensive income	-	-	214	(425)	1,959	1,748	16	1,764
Dividends paid and total transactions with shareholders	-	-	-	-	(359)	(359)	-	(359)
Balances at 30 June 2023	1,560	2,320	225	4,906	9,472	18,483	157	18,640

*Correction of error, see note 3

Notes:

1. Reconciliation of basic and headline (loss)/earnings

Basic and headline (loss)/earnings per share, based on the profit attributable to the shareholders after tax and non-controlling interests of £4,234,000 (2023 (Restated) – a profit of £1,776,000) and on 31,207,479 shares issued.

Diluted (loss)/earnings per share, based on the profit attributable to the shareholders after tax and non-controlling interests of £4,234,000 (2023 (Restated) – a profit of £1,776,000) and on 31,207,479 shares issued plus 80,000 share options granted in 2016.

2. Net assets per share

The net assets per share are calculated taking investments at fair value and on 31,207,479 shares (2023 – 31,207,479) being the weighted average of the number of shares in issue during the year.

3. Change of accounting policy and Correction of error

The Group previously accounted for its investment in Western Selection Ltd as held at fair value through Other Comprehensive Income, as elected by the company. The unrealised gains and losses were accumulated under the unrealised investment reserve and on disposal, the cumulative gain or loss in the investments reserve was reclassified to retained earnings.

Following a review, the Group has reconsidered its accounting treatment. This treatment was incorrect as the investment in Western is not consolidated because of the IFRS 10 investment entity exemption. Any investment not consolidated under the IFRS 10 investment exemption is required to be held at fair value through profit or loss.

The error has been corrected by restating the affected financial statements for the prior periods as follows:

There has been no effect on the Statement of financial position.

Statement of Total comprehensive income (extract)

Operating Income	2023	Profit Increase/ (Decrease)	2023 Restated
	£000	£000	£000
Unrealised changes in the carrying value of Western Selection	-	393	393
Profit before taxation	1,711	393	2,104
Income tax expense	(312)	-	(312)
Profit after taxation	1,399	393	1,792
Non-controlling interest	(16)	-	(16)
Profit attributable to shareholders	<u>1,383</u>	<u>393</u>	<u>1,776</u>
Other comprehensive income/(expense)			
<i>Items that will not be reclassified to profit or loss</i>			
Profit on disposal of Strategic investments	118	-	118

Unrealised changes in the carrying value of Strategic investments	393	(393)	-
Other taxation - Income tax on disposal of strategic investments	(146)	-	(146)
Total Other Comprehensive (Loss)/Income attributable to shareholders	365	(393)	(28)
Total Comprehensive Income attributable to owners of the parent	1,748	-	1,748

4. Financial information

The financial information in this preliminary announcement does not constitute the Company's statutory accounts for the year ended 30 June 2024 within the meaning of Section 435 of the Companies Act 2006.

The consolidated financial statements of the London Finance & Investment Group PLC have been prepared in accordance with UK-adopted international accounting standards ('UK-adopted IAS') and with Companies Act 2006.

The accounts have been prepared in accordance with UK-adopted IAS and with the requirements of the Companies Act 2006.

The accounts are prepared on the historical cost bases, except for certain assets and liabilities which are measured at fair value, in accordance with UK-adopted IAS. The audited accounts for the Group for the year ended 30 June 2024 were reported on with an unqualified audit report and did not contain an emphasis of matter paragraph or any statement under section 498 of the Companies Act 2006 and have been delivered to the Registrar of Companies.

5. Copies of this Announcement

Copies of this announcement are held at the Company's registered office, Central Court, Suite 1.01, 25 Southampton Buildings, London WC2A 1AL (tel. 020 3709 8740) and are available for a period of 14 days from the date of this announcement.