

London Finance & Investment Group PLC
(Incorporated in England with registered number
201151)
LSE code: LFI
JSE code: LNF
ISIN: GB0002994001
("Lonfin", "the Company" or "the Group")

London Finance & Investment Group PLC

Final Summarised Audited Financial Results for the year ended 30 June 2023 and Final Dividend Declaration

London Finance & Investment Group PLC (LSE: LFI, JSE: LNF), the investment company whose assets primarily consist of Strategic Investments and a General Portfolio, today announces its audited final results for the year ended 30 June 2023 and the Final Dividend Declaration by the Board of directors of the Company (the "Board").

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 United Kingdom ("UK") quoted companies. These are balanced by the General Portfolio, which consists of a broad range of investments in major United States of America 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 set out in the Company's 2023 Annual Report which will be published shortly.

The Group's net assets per share for 2023 have increased 8.14% from the previous year to £18,640,000 and increased 1.2% over the last five years. Shareholders' total dividends for 2023 remains the same at 1.15p. Information on the Group's performance against the Board's key performance indicators (KPIs) is set out in the Strategic Report of the Company's 2023 Annual Report.

Results

- * Net assets have increased to 59.2p per share (2022 – 54.8p per share)
- * The sale of all 1,800,000 shares in Finsbury Food Group Plc for £1,325,000 has led to a decrease in value of the Strategic Investments, from £3,957,000 to £3,144,000.
- * The value of the General Portfolio has increased, including investment purchases and sales, over the year, by 10.2% from £14,055,000 to £15,496,000.
- * The unrealised fair value adjustment to the General Portfolio investments over the period has increased by £678,000.
- * No significant increase in Group operating costs
- * A final dividend of 0.60p per share is recommended, making a total of 1.15p per share for the year (2022 – 1.15p)

The Company and its subsidiaries ("Group") recorded an operating profit for the year, before interest, tax and changes to the fair value adjustments of investments of £761,000, compared to operating profit for the previous year, before tax and changes to the fair value adjustments of investments, of £180,000. The profit on disposal of strategic investments has led to Total Comprehensive profit for the year of £1,748,000 compared to Comprehensive loss of £1,440,000 for the previous year. Basic and headline earnings per share are 4.4p (2022- loss per share of 1.4p).

Strategic Investments

The value of the Strategic Investments has decreased by £813,000 due to the disposal of Finsbury Food Group Plc shares during the year and the market movements in the share prices.

Finsbury Food Group plc (“Finsbury”)

As of 8 September 2022, all the remaining 1,800,000 shares in Finsbury have been sold.

Western Selection PLC (“Western”)

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

Western’s preliminary results for the year to 30 June 2023 are expected to be announced at the end of October 2023, in line with the financial reporting requirements of its listing on the AQSE Growth Market.

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 and Edward Beale is a non-executive director of Western.

General Portfolio

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

At 30 June 2023, the number of holdings in the General Portfolio was 37 (2022 – 40). The value of the General Portfolio over the year has increased by £1,441,000 (2022 - increased by £1,974,000) from £14,055,000 to £15,496,000. This 10.2% increase includes investment purchases during the year of £4,258,000 and investment sales (including selling expenses) during the same period of £4,407,000.

The fair value of the General Portfolio investments, after adjusting for sales, has increased by 18.5% as at 30 June 2023.

Operations, Directors and Employees

All of our operations and those of Western, with the exception of investment selection, are outsourced to our subsidiary, City Group PLC (“City Group”). City Group also provides, 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 6 people.

Dividend

The Board recommends a final dividend of 0.60p (ZAR 13.98817 cents) per share, making a total of 1.15p (ZAR 26.81065 cents) per ordinary share for the year (2022 – 1.15p). Subject to shareholders’ approval at the Company’s Annual General Meeting (“AGM”) to be held on 28 November 2023, the dividend will be paid on 20 December 2023 to those shareholders on the register at the close of business on 8 December 2023. 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, 21 September 2023 being GBP1 = ZAR 23.31361.

JSE Disclosure Requirements

In respect of the normal gross cash dividend, and in terms of the South African Tax Act, the following dividend tax ruling only applies to those shareholders who are registered on the South African register on Friday, 8 December 2023.

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

Dividend dates:

Last date to trade (SA)	Tuesday, 5 December 2023
Shares trade ex-dividend (SA)	Wednesday, 6 December 2023
Shares trade ex-dividend (UK)	Thursday, 7 December 2023
Record date (UK and SA)	Friday, 8 December 2023
Pay date	Wednesday, 20 December 2023

Share certificates may not be de-materialised or re-materialised between Wednesday, 6 December 2023 and Friday, 8 December 2023, both days inclusive. Shares may not be transferred between the registers in London and South Africa during this period either.

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 13.98817 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 11.19054 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.

Outlook

The UK economy continues to adapt to the effects of Covid-19 and Brexit which have led to staff shortages across the UK and continued disruption to supply chains. The UK is now having to deal with new challenges. The effects of Russia's invasion of Ukraine and the subsequent war has significantly increased geopolitical risk and created considerable uncertainty in the UK and internationally. Supply chains have been disrupted further, interest rates and inflation are rising rapidly and the prospect of recession remains a major concern for the UK's new administration. Further volatility and turbulence in the markets, as interest rates continue to increase, can be expected. The last 12 months have been challenging, and will continue to be so, for the Group's investments. The Board is confident that the Group has a solid base of investments which can lead to further capital growth in the medium to long term.

Future Developments

The Group's development and its financial performance are dependent on the success of its Investment Strategy and the continued support of its shareholders. Against a background of challenging and uncertain times in the markets and the more recent concerns with the continuing war in Ukraine, energy supply and food shortages and the rising cost of living alongside increasing inflation, the Board continues to seek out investments which will generate growth in shareholder value. The Board also continues to monitor and enhance the quality of investments in the General Portfolio. The Board continues to pursue its current Investment Policy and has no plans to make any further changes to the policy in the near future. As at 30 June 2023, the Company held 37 investments in the General Portfolio.

The Company's 2023 Annual Report and Audited Financial Results will be finalised shortly and sent to shareholders.

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

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

For further information, please contact:

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David Marshall/Edward Beale)

Johannesburg Sponsor:
Questco Corporate Advisory: +27 11 011 9212

Consolidated Statement of Total Comprehensive Income

For the year ended 30 June

Operating Income	2023	2022
	£000	£000
Dividends receivable	586	652
Management service fees	352	327
Rental and other income	97	136
Profit/(Loss) on disposal of General portfolio investments	633	(111)
	<u>1,688</u>	<u>1,004</u>
Administrative expenses		
Investment operations	(495)	(394)
Management services	(411)	(430)
Total administrative expenses	<u>(906)</u>	<u>(824)</u>
Operating profit	762	180
Unrealised changes in the carrying value of General Portfolio investments	956	(508)
Interest payable	(7)	(6)
Profit/(Loss) before taxation	<u>1,711</u>	<u>(334)</u>
Income tax expense	(312)	(96)
Profit/(Loss) after taxation	<u>1,399</u>	<u>(430)</u>
Non-controlling interest	(16)	(12)
Profit/(Loss) attributable to shareholders	<u>1,383</u>	<u>(442)</u>
Other comprehensive income/(expense)		
<i>Items that will not be reclassified to profit or loss</i>		
Profit/(Loss) on disposal of Strategic investments	118	(398)
Unrealised changes in the carrying value of Strategic investments	393	(402)
Other taxation -		
Income tax on disposal of strategic investments	(146)	(198)
Total Other Comprehensive Income/(Loss) attributable to shareholders	<u>365</u>	<u>(998)</u>
Total Comprehensive Income/(Loss) attributable to owners of the parent	<u>1,748</u>	<u>(1,440)</u>
Reconciliation of headline earnings		
Basic and diluted earnings/(loss) per share	4.4p	(1.4)p
Adjustment for the unrealised changes in the carrying value of investments, net of tax	-	-
Headline earnings per share	<u>4.4p</u>	<u>(1.4)p</u>

Consolidated Statement of Financial Position

At 30 June

	2023 £000	2022 £000
Non-current Assets		
Property, Plant and Equipment	3	12
Right of use asset	17	81
Strategic investments at fair value through other comprehensive income	3,144	3,957
	<u>3,164</u>	<u>4,050</u>
Current Assets		
General portfolio investments at fair value through profit or loss	15,496	14,055
Trade and other receivables	100	109
Cash and cash equivalents	1,264	407
	<u>16,860</u>	<u>14,571</u>
Current Liabilities		
Overdraft	-	(66)
Trade and other payables	(151)	(171)
Lease liabilities	(33)	(75)
Current tax liabilities	(188)	(198)
	<u>(372)</u>	<u>(510)</u>
Net Current Assets	16,488	14,061
Non-current Liabilities		
Lease liabilities	-	(33)
Deferred tax liabilities	(1,012)	(843)
	<u>(1,012)</u>	<u>(876)</u>
Total Assets less Total Liabilities	<u>18,640</u>	<u>17,235</u>
Capital and Reserves		
Ordinary share capital	1,560	1,560
Share premium	2,320	2,320
Unrealised profits and losses on investments	225	11
Share of retained realised profits and losses of subsidiaries	4,906	5,331
Company's retained realised profits and losses	9,472	7,872
Capital and reserves attributable to owners	<u>18,483</u>	<u>17,094</u>
Non-controlling interests	157	141
Total Capital and Reserves	<u>18,640</u>	<u>17,235</u>

Approved and authorised by the Board
on 28 September 2023

Edward Beale
Director

Company Statement of Financial Position

At 30 June

	2023 £000	2022 £000
Non-current Assets		
Investments in Group companies	<u>89</u>	<u>89</u>
Current Assets		
General portfolio investments at fair value through profit or loss	15,496	14,055
Trade and other receivables	19	13
Cash and cash equivalents	<u>987</u>	<u>124</u>
	<u>16,502</u>	<u>14,192</u>
Current Liabilities		
Overdraft	-	(66)
Trade and other payables	(121)	(90)
Current tax liabilities	<u>(66)</u>	<u>-</u>
	<u>(187)</u>	<u>(156)</u>
Net Current Assets	<u>16,315</u>	<u>14,036</u>
Non-current Liabilities		
Deferred tax liabilities	<u>(1,012)</u>	<u>(843)</u>
	<u>(1,012)</u>	<u>(843)</u>
Total Assets less Total Liabilities	<u>15,392</u>	<u>13,282</u>
Capital and Reserves		
Ordinary share capital	1,560	1,560
Share premium	2,320	2,320
Unrealised profits and losses on investments	<u>2,040</u>	<u>1,530</u>
	<u>5,920</u>	<u>5,410</u>
Realised Profit and Loss		
Balance at 1 July	7,872	5,749
Net Profit for the period	1,959	2,482
Dividends paid	<u>(359)</u>	<u>(359)</u>
Balance at 30 June	<u>9,472</u>	<u>7,872</u>
Equity shareholders' funds	<u>15,392</u>	<u>13,282</u>
Total Comprehensive income	<u>2,469</u>	<u>1,002</u>

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

Approved and authorised by the Board
on 28 September 2023

Edward Beale

Director

London Finance & Investment Group PLC

Registered in England and Wales – Number 201151

Consolidated Statement of Cash Flows

For the year ended 30 June

	2023 £000	2022 £000
Cash flows from operating activities		
Profit/(Loss) before tax	1,711	(334)
<i>Adjustments for non-cash items -</i>		
Finance expense	7	6
Depreciation charges	9	10
Depreciation on right of use asset	64	64
Unrealised changes in the fair value of general portfolio investments	(679)	508
Realised gain on disposal of general portfolio investments	(911)	111
(Increase)/Decrease in trade and other receivables	8	17
Decrease in trade and other payables	(20)	(49)
Taxes paid	(300)	(59)
Net cash (outflow)/inflow from operating activities	<u>(111)</u>	<u>274</u>
Cash flows from investment activity		
Acquisition of general portfolio investments	(4,258)	(5,152)
Proceeds from disposal of general portfolio investments	4,407	2,559
Proceeds from disposal of strategic investments	1,325	3,445
Net cash inflow from investment activity	<u>1,474</u>	<u>852</u>
Cash flows from financing activities		
Net Interest paid	(1)	(5)
Interest paid on lease liabilities	(5)	(9)
Repayment of lease liabilities	(75)	(71)
Equity dividends paid	(359)	(359)
Net repayments of loan facilities	-	(650)
Net cash outflow from financing activities	<u>(440)</u>	<u>(1,094)</u>
Increase in cash and cash equivalents	923	32
Cash and cash equivalents at the beginning of the year	341	309
Net Cash and cash equivalents at end of the year	<u>1,264</u>	<u>341</u>
Cash and cash equivalents	1,264	407
Overdraft	-	(66)
Net Cash and cash equivalents	<u>1,264</u>	<u>341</u>

Company Statement of Cash Flows

	2023 £000	2022 £000
Cash flows from operating activities		
Profit before tax	2,780	1,098
<i>Adjustments for non-cash items -</i>		
Net finance expense/(income)	2	(3)
Unrealised changes in the fair value of general portfolio investments	(679)	508
(Gain)/loss on disposal of general portfolio investments	(911)	111
Decrease in trade and other receivables	1	4
Decrease/(Increase) in trade and other payables	25	(6)
Overseas Taxes paid	(77)	(59)
Net cash inflow from operating activities	<u>1,141</u>	<u>1,653</u>
Cash flows from investment activity		
Acquisition of general portfolio investments	(4,258)	(5,152)
Proceeds from disposal of general portfolio investments	4,407	2,559
Net cash inflow/(outflow) from investment activity	<u>149</u>	<u>(2,593)</u>
Cash flows from financing activities		
Net interest paid	(2)	(6)
Equity dividends paid	(359)	(359)
Decrease in loan to subsidiary	-	1,990
Net repayment of loan facilities	-	(650)
Net cash (outflow)/inflow from financing activities	<u>(361)</u>	<u>975</u>
Increase in cash and cash equivalents	929	35
Cash and cash equivalents at the beginning of the year	<u>58</u>	<u>23</u>
Net Cash and cash equivalents at end of the year	<u>987</u>	<u>58</u>
Cash and cash equivalents	987	124
Overdraft	<u>-</u>	<u>(66)</u>
Net Cash and cash equivalents	<u>987</u>	<u>58</u>

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 2023								
Balances at 1 July 2022	1,560	2,320	11	5,331	7,872	17,094	141	17,235
Profit for the Year	-	-	510	(1,086)	1,959	1,383	16	1,399
Other Comprehensive Income	-	-	(296)	661	-	365	-	365
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
Year ended 30 June 2022								
Balances at 1 July 2021	1,560	2,320	4,530	4,734	5,749	18,893	129	19,022
Profit for the Year	-	-	(1,480)	(1,444)	2,482	(442)	12	(430)
Other Comprehensive Income	-	-	(3,039)	2,041	-	(998)	-	(998)
Total comprehensive income	-	-	(4,519)	597	2,482	(1,440)	12	(1,428)
Dividends paid and total transactions with shareholders	-	-	-	-	(359)	(359)	-	(359)
Balances at 30 June 2022	1,560	2,320	11	5,331	7,872	17,094	141	17,235

Company Statement of Changes in Shareholders' Equity

	Ordinary Share Capital	Share Premium Account	Unrealised profits and losses on Investments	Realised profits and losses	Equity Total
	£000	£000	£000	£000	£000
Year ended 30 June 2023					
Balances at 1 July 2022	1,560	2,320	1,530	7,872	13,282
Profit for the Year and total comprehensive income	-	-	510	1,959	2,469
Dividends paid and total transactions with shareholders	-	-	-	(359)	(359)
Balances at 30 June 2023	1,560	2,320	2,040	9,472	15,392
Year ended 30 June 2022					
Balances at 1 July 2021	1,560	2,320	3,010	5,749	12,639
Profit for the Year and total comprehensive income	-	-	(1,480)	2,482	1,002
Dividends paid and total transactions with shareholders	-	-	-	(359)	(359)
Balances at 30 June 2022	1,560	2,320	1,530	7,872	13,282

Notes:

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 £1,383,000 (2022 – a loss of £442,00) 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 £1,383,000 (2022 – a loss of £442,000) and on 31,207,479 shares issued plus 80,000 share options granted in 2016.

1. Net assets per share

The net assets per share are calculated taking investments at fair value and on 31,207,479 shares (2022 – 31,207,479) being the weighted average of the number of shares in issue during the year.

2. Financial information

The financial information in this preliminary announcement does not constitute the Company's statutory accounts for the year ended 30 June 2023 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 2023 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.

3. 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.