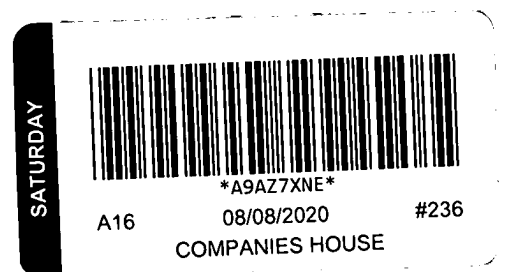


Registration number: 00922992

Lockfold Communications Limited

Annual Report and Unaudited Financial Statements

Year Ended 31 December 2019



Lockfold Communications Limited

Company Information

Chairman R S Broadhurst CVO CBE FRICS

Directors R S Broadhurst CVO CBE FRICS
R F Norris
G Spinks
D R W Harrison

Company secretary T M West

Registered office 22 Chancery Lane
London
WC2A 1LS

Lockfold Communications Limited

Director's Report

Year Ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors of the company

The directors who held office during the year were as follows:

R S Broadhurst CVO CBE FRICS - Chairman

R F Norris

G Spinks (appointed 1 January 2019)

D R W Harrison

Principal activity

The principal activity of the company is the holding of listed and unlisted investments.

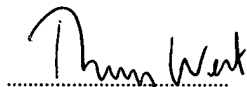
Director's liabilities

During the year, directors' and officers' liability insurance was provided to the directors. No claim was made under this provision.

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 5 May 2020 and signed on its behalf by:



T M West
Company secretary

Lockfold Communications Limited

Profit and Loss Account

Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover		-	-
Administrative expenses		(156,575)	(276,471)
Foreign exchange (losses)/gains		(1,331)	109,477
Gain/(loss) on revaluation of financial assets at fair value through profit or loss	5	14,234,929	(9,823,522)
Loss on derivative instruments at fair value through profit or loss		-	(694,154)
Profit on disposal of fixed asset investments		452,987	174,032
Income from fixed asset investments		<u>4,312,138</u>	<u>3,638,668</u>
Operating profit/(loss)		18,842,148	(6,871,970)
Other interest receivable and similar income		<u>51,472</u>	<u>37,973</u>
Profit/(loss) before tax		18,893,620	(6,833,997)
Taxation		<u>(2,521,191)</u>	<u>1,431,888</u>
Profit/(loss) for the financial year		<u>16,372,429</u>	<u>(5,402,109)</u>

The notes on pages 5 to 9 form an integral part of these financial statements.

Lockfold Communications Limited**(Registration number: 00922992)****Balance Sheet as at 31 December 2019**

	Note	2019 £	2018 £
Fixed assets			
Other financial assets	5	173,075,267	150,164,245
Current assets			
Debtors	6	838,798	722,619
Cash at bank and in hand		<u>8,405,059</u>	<u>8,920,410</u>
		9,243,857	9,643,029
Creditors: Amounts falling due within one year	7	<u>(24,969,077)</u>	<u>(21,335,248)</u>
Net current liabilities		<u>(15,725,220)</u>	<u>(11,692,219)</u>
Total assets less current liabilities		157,350,047	138,472,026
Provisions for liabilities	4	<u>(5,491,588)</u>	<u>(2,985,997)</u>
Net assets		<u>151,858,459</u>	<u>135,486,029</u>
Capital and reserves			
Called up share capital		888,165	888,165
Capital redemption reserve		30,000	30,000
Profit and loss account		<u>150,940,294</u>	<u>134,567,864</u>
Total equity		<u>151,858,459</u>	<u>135,486,029</u>

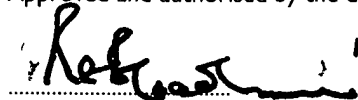
For the financial year ending 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the director on 5 May 2020 and signed on its behalf by:



R S Broadhurst CVO CBE FRICS

Chairman

The notes on pages 5 to 9 form an integral part of these financial statements.

Lockfold Communications Limited

Notes to the Financial Statements

Year Ended 31 December 2019

1 General information

The company is a private company limited by share capital incorporated in England.

The address of its registered office is:

22 Chancery Lane

London

WC2A 1LS

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 Section 1A ("FRS 102 1A") 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' as issued in September 2015.

Basis of preparation

The financial statements have been prepared under the historical cost convention.

The presentational currency of these financial statements is sterling, rounded to the nearest £1.

Going concern

The impact of the COVID-19 pandemic (coronavirus) on the ability of the company to continue as a going concern has been assessed by the directors. Since the outbreak, the company has experienced a significant fall in the value of their listed and unlisted investments as a result of the volatility in investment markets, and it is expected that the epidemic may impact to some extent on investment income receivable in future periods.

Due to the nature of the pandemic, it is not certain how long these conditions will continue to affect the company. As at the date of approval of these financial statements, and taking into consideration the latest information published by the UK Government concerning the pandemic, the directors have prepared the financial statements on the going concern basis.

In assessing whether the going concern basis is appropriate, the directors have considered the considerable cash and liquid investments held by the company, which they consider to be easily sufficient to meet ongoing liabilities. The financial statements do not include any adjustments that would be necessary if the going concern basis was not appropriate.

Revenue recognition

The company does not have any turnover. Distributions of income from listed and unlisted investments are credited to the profit and loss account on a receivable basis.

Franked investment income is shown net of imputed tax credits.

Lockfold Communications Limited

Notes to the Financial Statements

Year Ended 31 December 2019

Foreign currency transactions and balances

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Lockfold Communications Limited

Notes to the Financial Statements

Year Ended 31 December 2019

Financial instruments

Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as an interest expense in the profit and loss account.

Recognition and measurement

Financial assets include listed and unlisted investments. These investments are initially recognised at cost, and are remeasured at fair value with any gains or losses taken to the profit and loss account.

For listed investments, fair value is measured as the market value at the close of business. For unlisted investments, fair value is measured based on underlying valuations provided by the investment administrators, where reliable.

Derivative instruments are taken out to manage exposure to investments denominated in foreign currency contracts and equity future contracts.

Derivative instruments are initially recognised at cost and measured at fair value, and gains or losses are taken to the profit and loss account.

Debt instruments are initially capitalised at fair value and subsequently held at amortised cost using the effective interest rate method.

3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 0 (2018 - 0).

4 Taxation

Deferred tax

Deferred tax assets and liabilities

	Liability £
2019	
Unrealised gains on financial assets	<u>5,496,741</u>

Lockfold Communications Limited

Notes to the Financial Statements

Year Ended 31 December 2019

	Liability £
2018	
Unrealised gains on financial assets	<u>2,985,997</u>

5 Other financial assets

	£
Valuation	
At 1 January 2019	150,164,245
Additions	12,240,332
Disposals	(3,564,239)
Fair value adjustments	<u>14,234,929</u>
At 31 December 2019	<u>173,075,267</u>
Carrying amount	
At 31 December 2019	<u>173,075,267</u>

The historic cost of the non-current other financial asset investments is £132,708,248 (2018 - £123,633,556).

6 Debtors

	2019 £	2018 £
Other debtors	358,320	326,541
Corporation tax asset	<u>480,478</u>	<u>396,078</u>
	<u>838,798</u>	<u>722,619</u>

7 Creditors

	2019 £	2018 £
Due within one year		
Amounts owed to related parties	24,914,150	21,283,886
Accrued expenses	<u>54,927</u>	<u>51,362</u>
	<u>24,969,077</u>	<u>21,335,248</u>

Amounts owed to related parties

Amounts owed to related parties are unsecured, interest-free and repayable on demand.

Lockfold Communications Limited

Notes to the Financial Statements

Year Ended 31 December 2019

8 Financial commitments, guarantees and contingencies

The total amount of financial commitments not included in the balance sheet is £2,836,048 (2018 - £4,640,545).

9 Parent and ultimate parent undertaking

The company's immediate parent is Sableknight Limited, incorporated in United Kingdom.

The most senior parent entity producing publicly available financial statements is Sableknight Limited. These financial statements are available upon request from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The address of Sableknight Limited is:
22 Chancery Lane
London
WC2A 1LS