

Lonfin Investments Limited

Report and Accounts

Year ended 30 June 2018

Company No: 2110725



Lonfin Investments Limited

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Strategic Report

Lonfin Investments Limited ('Lonfin' or the 'Company') is an investment holding company and a wholly owned subsidiary of London Finance & Investment Group P.L.C., a UK investment finance and management company whose shares are admitted to the premium listing segment of the Official List of the Financial Conduct Authority and traded on the London Stock Exchange. Lonfin's objective is to achieve capital growth in real terms over the medium term. We are operating in difficult times. Stock markets are volatile. The Company is not immune to these external factors, but the Company is supported by its parent, which has reserves in excess of £10 million.

The Company holds Strategic Investments in two companies, registered and operating in the UK - Western Selection P.L.C. ("Western") and Finsbury Food Group PLC ("Finsbury"). The value of these investments at 30th June 2018 was £3,930,000 and £6,720,000 respectively.

Investments

Western

Western is an investment finance and management company, whose shares are admitted to trading on the NEX Exchange Growth Market.

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

On 26th September 2018, Western announced unaudited preliminary results showing a profit after tax of £784,000 for its year to 30th June 2018 (2017 – profit after tax of £850,000). Earnings per share were 4.4p (2017 – 4.7p).

Western paid an interim dividend of 1.1p in March this year and proposes a final dividend of 1.15p making 2.25p for the year (2017 – 2.2p). The final dividend, if approved, will be paid in December 2018 and will provide the Company with further income of £90,400. Western's net assets at market value as at 30th June 2018 were £17,342,000, equivalent to 96p per share, an increase of 1% from 95p last year.

The Company's share of the net assets of Western, including the value of Western's investments at market value, was £7,595,796 (2017 - £7,500,750). The fair value for Western recorded in the Statement of Financial Position is the market value of £3,930,000 (2017 - £3,773,000).

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

At 30th June 2018, Lonfin held 6,000,000 Finsbury shares, representing 4.6% of Finsbury's issued share capital. The market value of the holding was £6,720,000 as at 30th June 2018 (cost - £1,724,000).

On 17th September 2018, Finsbury announced audited adjusted profits on continuing operations after tax and minority interests of £13,508,000 for the 52 weeks ended 30th June 2018 (2017 – adjusted profits £12,958,000).

Finsbury paid an interim dividend of 1.1p in April 2018 and has recommended to its shareholders a final dividend of 2.2p per share, making 3.3p for the year (2017 – 3p). The final dividend, if approved, will be paid in December 2018 and will provide the Company with further income of £132,000.

Results

Total comprehensive Income, after fair value adjustments reflecting a decrease in value of Finsbury of £180,000 and an increase in the value of Western of £157,210, and taxation, for the year was £423,406, compared to £895,374 for the previous year.

Strategic Report (continued)

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. Comments on the movement of these indicators over the year are detailed above.

	2018	2017
Net assets per share	£77,751	£73,517
Increase in net assets per share over the year	5.8%	13.9%
Dividend income	£358,931	£341,201
Increase/(Decrease) in dividend income	5.2%	(8.5%)

Definition of KPIs used above:

Net Assets per share - Net assets including investments at market value at their most recent valuation divided by the number of shares in issue at the year end

Dividend income - Dividends receivable for the year.

Business Environment, Financial Instruments & Risks

The financial instruments of the Company, in addition to its investments, comprise borrowings to finance those investments.

As an investment company, the principal market risks arise from the Company's financial instruments, and are:

Stock market volatility and economic uncertainty

The Company's investment performance will be affected by general economic and market conditions. Although the Company cannot predict the level of growth in the global economy, as with most businesses, it believes a period of weak market growth will have an adverse effect on its investments. Volatility relating to the Company's investments, including movements in interest rates and returns from equity and other investments will impact upon the value of the Company's investment portfolio. The risk is increased by the Brexit process.

Possible volatility of share prices of investments

A number of factors outside the control of the Company may impact the share price performance of its investments. Such factors could include investor sentiment, local and international stock market conditions, divergence of results from analysts' expectations, changes in earnings estimates by analysts and changes in political and economic sentiment. Exchange rate movements will contribute to the volatility of prices of foreign stocks.

Brexit

The UK is experiencing unprecedented political and economic uncertainty as well as indications of slowing economic growth as a result of the UK's decision to leave the EU and the protracted Brexit negotiation process. Until the nature of the UK's future relationship with the EU becomes clear and depending on the terms of that relationship the ability of UK businesses to plan for the future will be affected.

Dividend income

The ability of the companies, that we invest in, to pay dividends to shareholders depends upon their profitability, cash flow and the extent to which, as a matter of law, they have sufficient distributable reserves from which any proposed dividends may be paid and the willingness of the boards of such companies to pay. There can be no guarantee that the companies we invest in will be able to sustain their dividend policies in the future.

Ability to make strategic investments

There are limited opportunities for the Company to make strategic investments and therefore there is no guarantee that the Company will be able to do so at a price the Directors believes will represent fair value.

Lonfin Investments Limited

Liquidity of equity investments in strategic investments

Strategic investments may be made in the equity of "small cap" companies, both listed and unlisted. There is a risk that due to the low level of liquidity in the equity of these strategic investments the Company may not be able to realise its investment, either at all, or at a price the Company believes reflects fair value.

The depth and overlap of experience of Directors means that there is no key-man dependency. The policies of the Board, for managing risks associated with its financial instruments, have remained substantially unchanged for the year under review. In addition, the Company is exposed to investment risk arising from the selection of investments which it mitigates by drawing on the investment experience of its Directors.

The Board do not consider that there is any further information relating to environmental matters, employees, social, community and human rights issues that it is necessary to report for an understanding of the development, performance or position of the Company's business.

Dividend

No interim dividend was declared nor paid in the year (2017- Nil).

17th October 2018

By order of the Board



CITY GROUP PLC
Company Secretary

Directors' Report

Lonfin Investments Limited (the "Company") is a company incorporated in England & Wales. The directors submit their report together with the audited financial statements for the year ended 30th June 2018. Details about the Company's parent undertaking is set out in note 10.

Directors

The directors who served during the year were: -

E.J. Beale

D.C. Marshall

J.M. Robotham, OBE, FCA (*resigned 1st March 2018*) *

The Articles of Association do not require the directors to retire by rotation. No directors' fees were paid during the year.

* Mr J.M. Robotham died on 16th April 2018.

Future developments and post balance sheet events

The directors are not aware of any proposed changes in the Company's business or any post balance sheet events which require provision or disclosure in the financial statements.

Going Concern

Based on the level of expected investment income combined with the ability to realise its share portfolio the directors believe that the Company is a going concern.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report, the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Lonfin Investments Limited

Provision of Information to the Auditors

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 are unaware.

Registered Office:
6 Middle Street,
London, EC1A 7JA

17th October 2018

By order of the Board



Edward Beale
Director

Report of the Independent Auditors

TO THE MEMBERS OF LONFIN INVESTMENTS LIMITED

We have audited the financial statements of Lonfin Investments Limited (the “company”) for the year ended 30th June 2018, which comprise the Statement of Total Comprehensive Income, the Statement of Changes in Shareholders’ Equity, the Statement of Financial Position, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company’s affairs as at 30th June 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Lonfin Investments Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.


In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to 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 members as a body, for our audit work, for this report, or for the opinions we have formed.


Ian Cowan (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

17th October 2018

Lonfin Investments Limited

Statement of Total Comprehensive Income

Year ended 30 th June	Notes	2018 £	2017 £
Dividends	2	358,931	341,201
Administrative expenses	3	(5,175)	(2,150)
Profit before taxation		353,756	339,051
Tax expense	4	-	-
Profit after taxation		353,756	339,051
Other comprehensive income			
Unrealised changes in the carrying value of investments		(22,790)	476,929
Realised profit on disposal		-	216,635
Deferred tax on the above	5	42,000	99,059
Other taxation – current year	4	50,440	(236,300)
Total other comprehensive income		69,650	556,323
Total comprehensive income attributable to shareholders		423,406	895,374

All profits and losses are on continuing activities.

Statement of Changes in Shareholders' Equity

	Share capital £	Unrealised profits £	Retained earnings £	Total £
Year ended 30th June 2017				
Balances at 1 st July 2016	100	4,638,533	1,817,735	6,456,368
Profit for the year	-	-	339,051	339,051
Other comprehensive income	-	575,988	(19,665)	556,323
Total comprehensive income for the year	-	575,988	319,386	895,374
Transfer from Unrealised profits to Retained earnings	-	(1,645,114)	1,645,114	-
Balances at 30 th June 2017	100	3,569,407	3,782,235	7,351,742
Year ended 30th June 2018				
Balances at 1 st July 2017	100	3,569,407	3,782,235	7,351,742
Profit for the year	-	-	353,756	353,756
Other comprehensive income	-	19,210	50,440	69,650
Total comprehensive income for the year	-	19,210	404,196	423,406
Balances at 30 th June 2018	100	3,588,617	4,186,431	7,775,148

The notes on pages 11 to 15 form part of these accounts

Lonfin Investments Limited

Statement of Financial Position

as at 30th June

Company No: 2110725

	Notes	2018 £	2017 £
Non-current Assets			
Investments	6	10,650,257	10,673,047
Current Liabilities			
Trade and other payables	7	(2,000)	(1,500)
Current tax liabilities	4	-	(236,300)
Total current liabilities		(2,000)	(237,800)
Non-current Liabilities			
Parent undertaking	8	(2,494,168)	(2,662,564)
Deferred taxation	5	(378,941)	(420,941)
Total net assets		7,775,148	7,351,742
Capital and Reserves			
Issued share capital	9	100	100
Unrealised profits and losses on investments		3,588,617	3,569,407
Retained earnings		4,186,431	3,782,235
Equity Shareholders funds		7,775,148	7,351,742

The financial statements were approved and authorised for issue by the board of Directors on 17th October 2018, and were signed on its behalf by:



Edward Beale
Director

The notes on pages 11 to 15 form part of these accounts

Lonfin Investments Limited

Statement of Cash Flows

Year ended 30 th June	Notes	2018 £	2017 £
Cash flows from operating activities			
Profit before taxation		353,756	339,051
Increase in trade and other payables	7	500	-
Dividends receivable		(358,931)	(341,201)
Taxation paid		(185,860)	-
Net cash absorbed by operating activities		(190,535)	(2,150)
Cash flows from investing activities			
Dividends received	2	358,931	341,201
Proceeds from disposal of non-current investments	6	-	2,437,749
Net cash generated by investing activities		358,931	2,778,950
Cash flows from financing activities			
Decrease in advances from parent company	8	(168,396)	(2,776,800)
Net cash generated by financing activities		(168,396)	(2,776,800)
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at start of year		-	-
Cash and cash equivalents at end of year		-	-

The notes on pages 11 to 15 form part of these accounts.

Notes to the accounts

1. Accounting Policies

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

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.

- (i) 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.
- (ii) The Company early adopted IFRS 9 "Financial Instruments" in the Company's financial year ending 30th June 2017. Under IFRS 9, the Company has elected to classify its long term Strategic Investments as financial instruments which are held at fair value with unrealised changes in value taken directly to Other Comprehensive Income. Strategic investments are quoted investments, and their fair value continues to be calculated using quoted bid prices.
 - a) Financial assets are classified by category, depending on the purpose for which the asset was acquired. The company's financial assets comprise Investments in a strategic portfolio, they are held at fair value through Other Comprehensive Income and accumulated under unrealised profits and losses on investments reserve. They are valued at quoted market prices. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the unrealised profits and losses on investments reserve is reclassified to retained earnings.
 - b) The financial liabilities of the Company comprise trade and other payables and parent undertaking loan. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method. The carrying amounts approximate to their fair value. The loan is initially recognised at fair value, net of transaction costs incurred. The loan is interest free with no fixed term. Any trading balances due to the Company from the parent company are considered payments of the loan and reduce its value.
 - c) Dividends receivable are taken to the credit of the statement of total comprehensive income, in respect of listed shares, when the shares are quoted ex-dividend and, in respect of unlisted shares, when the dividend is declared.
 - d) The charge for taxation is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Total Comprehensive Income. 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 temporary 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 probable 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.

- e) For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise cash in hand and short-term deposits held with banks.

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- f) New standards, amendments and interpretations adopted by the Company - No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1st July 2017 have had a material impact on the company.
- g) New standards, amendments and interpretations not yet adopted - A number of new standards and amendments to standards and interpretations, including IFRS 15 *Revenue from contracts with customers* and IFRS 16 *Leases* are effective for financial periods beginning after 1st January 2018 and 1st January 2019 respectively, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

There are no other IFRSs or IFRS IC interpretations that are not yet effective that would be expected to have a material impact on the Company.

2. Operating profit – Segmental Analysis

Investment Operations	2018	2017
	£	£
Dividends – Investment operations	358,931	341,201
Administration expense – normal	(5,175)	(2,150)
Operating profit	353,756	339,051

All revenues are derived from Investment operations within the UK. Consequently, no separate geographical segment information is provided.

3. Administrative Expenses

	2018	2017
	£	£
Administration expenses includes:		
Auditors' remuneration - audit work	4,500	1,500

4. Tax Expense

The charge for taxation differs from that resulting by applying the standard rate of Corporation Tax in the United Kingdom and is explained below: -

	2018	2017
	£	£
Profit ordinary activities before taxation	353,756	339,051
Taxation at 19% (2017 – 19.75%)	67,214	66,963
Effects of: -		
Non-taxable franked investment income	(68,197)	(66,963)
Losses carried forward/(utilised)	983	-
Tax credited	-	-
Other tax		
Deferred tax	(42,000)	(99,059)
Corporation tax	(50,440)	236,300
Other tax impacting other comprehensive income	(92,440)	137,241

At the year-end corporation tax of £Nil (2017: £236,300) was outstanding.

Lonfin Investments Limited

Notes to the accounts (continued)

5. Deferred taxation

The Company has provided £378,941 in respect of potential taxation on unrealised investment gains (2017 - £420,941).

	2018 £	2017 £
Balance at 1 st July	420,941	520,000
Other Comprehensive Income	(42,000)	(99,059)
Balance at 30 th June	378,941	420,941

6. Investments

	Strategic Holdings Western Selection £	Finsbury Food Group £	Total £
Cost at 1st July 2016	6,159,153	2,299,550	8,458,703
Opening unrealised gains/(losses)	(2,621,921)	6,580,450	3,958,529
Opening valuation as at 1st July 2016	3,537,232	8,880,000	12,417,232
<i>Movements in the year</i>			
Sales - proceeds	-	(2,437,749)	(2,437,749)
Realised gain on sale	-	1,861,749	1,861,749
Net unrealised gains transferred to realised on disposal	-	(1,645,114)	(1,645,114)
Net unrealised fair value gains in the year	235,815	241,114	476,929
Closing valuation at 30th June 2017	3,773,047	6,900,000	10,673,047
Cost at 1st July 2017	6,159,153	1,723,550	7,882,703
Opening unrealised gain/(losses)	(2,386,106)	5,176,450	2,790,344
Opening valuation as at 1st July 2017	3,773,047	6,900,000	10,673,047
<i>Movements in the year</i>			
Unrealised fair value gains/(losses) in the year	157,210	(180,000)	(22,790)
Closing valuation at 30th June 2018	3,930,257	6,720,000	10,650,257
Cost at 30th June 2018	6,159,153	1,723,550	7,882,703
Unrealised gains/(losses) at 30 th June 2018	(2,228,896)	4,996,450	2,767,554
Closing valuation at 30th June 2018	3,930,257	6,720,000	10,650,257

Western Selection P.L.C. ("Western") is a subsidiary undertaking of the Company's holding company, London Finance & Investment Group P.L.C., its shares are traded on the NEX Exchange Growth Market and is incorporated and operates in the UK with a financial year end of 30 June.

At 30th June 2018 and 30th June 2017, Western had 17,949,872 ordinary shares of 40p each in issue, of which 43.8% are owned by the Company.

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.

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Notes to the accounts (continued)

6. Investments (continued)

Extracts from Western's results are as follows: -	2018	2017
	£000	£000
Profit after tax	784	850
Non-current assets	17,571	18,323
Current assets	843	118
Liabilities within one year	(97)	(91)
Net current assets	746	27
Liabilities due over one year	(1,225)	(1,225)
Capital	7,180	7,180
Reserves		
Share Premium account	2,654	2,654
Capital Reserve account	3	3
Net asset value per share	96p	95p
Value of investment in Western at Net asset value per share	7,467	7,467
Middle market price per share on 30 th June	52.0p	48.0p
Value of investment in Western at market value	3,930	3,773

7. Trade and Other Payables

	2018	2017
	£	£
Accruals	2,000	1,500
	2,000	1,500

8. Parent undertaking loan

Balance at 1 st July	2,662,564	5,439,364
Decrease during the year	(168,396)	(2,776,800)
Balance at 30th June	2,494,168	2,662,564

The loan is interest free and has as the principal trigger for its repayment the realisation of the strategic investments which it is funding. At the balance sheet date, the directors do not anticipate a realisation of the strategic investments in whole or part with a period of at least 12 months.

9. Share Capital

Ordinary shares of £1 each	100	100
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10. Parent Undertaking

The ultimate holding company is London Finance & Investment Group P.L.C., a company incorporated in England.

London Finance & Investment Group P.L.C. is the parent undertaking of the group of which Lonfin Investments Limited is a member and for which group accounts are drawn up. Copies of these group accounts have been delivered to the Registrar of Companies and are available from the Company.

11. Related Party Disclosures

The Company has investments in Western and Finsbury Food Group Plc ("Finsbury"). Western is a 43.8% subsidiary of the Company. Mr D.C. Marshall and Mr E.J. Beale were directors of Western at 30th June 2018 and continue as directors of Western. Mr J.M Robotham resigned from the Board of Western on 6th December 2017 and died on 16th April 2018.

London Finance & Investment Group P.L.C., the Company's parent company, owns 51.43% and Western owns 48.57% of City Group P.L.C. ("City Group"). Mr. J.M. Robotham, Mr D.C. Marshall and Mr E.J. Beale were directors of City Group, which provides office, administration and company secretarial services to the Company and Western, at 30th June 2017 and all, save for Mr J.M. Robotham, continue as directors of City Group.

12. Financial Instruments

The directors set out below an explanation of the role that financial instruments have had during the year in creating or changing the risks the Company 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. The Company monitors its performance against these objectives on a continuous basis and through regular reports of the cash position.

The categories of financial instruments used by the Company to achieve its objectives as set out in the

Directors' Report are:

	2018 £	2017 £
Financial assets		
Investments	10,650,257	10,673,047
Financial liabilities		
Trade and other payables	2,000	1,500

Liquidity Risk – The Company 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 Western and Finsbury. The Company monitors its exposure to liquidity risk and is supported by its shareholders when any temporary shortfalls in liquidity arises.

Interest Rate Risk – The Investments are an equity instrument and consequently the Company does not have a material exposure to interest rate risk.