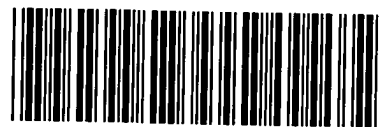


J Leon & Company Limited
Report And Financial Statements
31 March 2019

Rees Pollock
Chartered Accountants

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COMPANY INFORMATION

Directors	J. E. Eades T. L. Slowe V. R. Smith P. W. Walker A. P. Church J. L. Slowe J. Shenton
Company secretary	D. Howe
Registered number	00236976
Registered office	32 Hampstead High Street London NW3 1JQ
Independent auditors	Rees Pollock 35 New Bridge Street London EC4V 6BW
Solicitors	Hamkins Roxburghe House 273-287 Regent Street London W1B 2AD

DIRECTORS' REPORT
For the Year Ended 31 March 2019

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

Results and dividends

The profit for the year, after taxation, amounted to £2,789,982 (2018 - £2,870,757).

Dividends of £1,984,717 (2018 - £1,909,348) were paid during the year.

Directors

The directors who served during the year were:

J. E. Eades
T. L. Slowe
V. R. Smith
P. W. Walker
A. P. Church
J. L. Slowe
J. Shenton

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Charitable donations

During the year, the group made donations of £477,207 (2018: £502,042).

DIRECTORS' REPORT (CONTINUED)
For the Year Ended 31 March 2019

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Auditors

The auditors, Rees Pollock, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 2 December 2019 and signed on its behalf.

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line extending to the right.

D. Howe
Secretary

**GROUP STRATEGIC REPORT
For the Year Ended 31 March 2019**

Business review

The group maintains a diverse investment portfolio with property remaining the principal asset class. The group has maintained its strategy of prudent investment in selected direct transactions, private equity partnerships and hedge funds in the UK, Continental Europe, Asia and the USA.

Principal risks and uncertainties

The diversified nature of Leon's investment portfolio means that the group is exposed to economic, political and currency headwinds from a wide variety of geographies. The success of the group's investments may also be affected by general market conditions such as credit availability, inflation rates and changes in national laws in those jurisdictions. These factors may affect the volatility and liquidity of those securities. Investments in less developed countries also exposes the group to a range of potential political, economic and legal risks that might not exist in the shareholders' domicile. Management, however, judges that the ungeared and diversified nature of the group's investment portfolio mitigates any broad volatility and concentration risks.

Financial key performance indicators

The group's primary performance indicator is the growth it achieves in its portfolio's net asset value.

This report was approved by the board on 2 December 2019 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'P. W. Walker', written over a horizontal line.

P. W. Walker
Director

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
J LEON & COMPANY LIMITED**

Opinion

We have audited the financial statements of J Leon & Company Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2019, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group and Company Statement of Changes in Equity, the Group Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2019 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
J LEON & COMPANY LIMITED (CONTINUED)**

Opinion 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 Group 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 Group 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 Group and the parent 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 Directors' Responsibilities Statement on page 1, 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 Group's and the parent 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 Group or the parent 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
J LEON & COMPANY LIMITED (CONTINUED)**

Use of our 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.

Philip Vipond (senior statutory auditor)

for and on behalf of
Rees Pollock
Chartered Accountants
Statutory Auditor

35 New Bridge Street
London
EC4V 6BW

17 December 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31 March 2019

	Note	2019 £	2018 £
Turnover	3	4,117,031	4,019,120
Cost of sales		(296,713)	(443,662)
Gross profit		3,820,318	3,575,458
Administrative expenses		(4,292,212)	(4,152,710)
Operating loss	4	(471,894)	(577,252)
(Loss) on currency deposits		(168,611)	(147,614)
Share of (loss) of joint venture		(63,581)	(39,495)
Income from fixed assets investments		325,000	150,000
Fair value movement on investments and investment properties		3,614,097	2,544,259
Interest receivable and similar income		15,893	26,973
Interest payable and expenses		(11,041)	(58,651)
Profit before taxation		3,239,863	1,898,220
Tax on profit	7	(449,881)	972,537
Profit for the financial year		2,789,982	2,870,757
Profit for the year attributable to:			
Owners of the parent Company		2,789,982	2,870,757

There were no recognised gains and losses for 2019 or 2018 other than those included in the consolidated statement of comprehensive income.

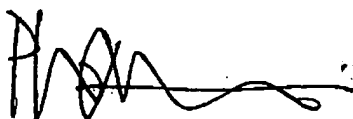
The notes on pages 14 to 30 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
As at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	9	57,963	127,361
Investments	11	144,205,213	128,494,130
Investment property	10	77,406,002	90,530,002
		<u>221,668,178</u>	<u>219,151,493</u>
Current assets			
Stocks	13	156,125	243,542
Debtors: amounts falling due within one year	14	1,951,489	1,587,442
Cash at bank and in hand		2,218,361	3,666,106
		<u>4,325,975</u>	<u>5,497,090</u>
Creditors: amounts falling due within one year	15	(6,092,462)	(5,730,919)
Net current liabilities		<u>(1,766,487)</u>	<u>(233,829)</u>
Total assets less current liabilities		<u>219,901,691</u>	<u>218,917,664</u>
Provisions for liabilities			
Deferred taxation	16	(2,547,737)	(2,368,975)
		<u>(2,547,737)</u>	<u>(2,368,975)</u>
Net assets		<u><u>217,353,954</u></u>	<u><u>216,548,689</u></u>
Capital and reserves			
Called up share capital	17	31,123	31,123
Capital redemption reserve	18	174,877	174,877
Profit and loss account	18	217,141,354	216,336,089
Equity attributable to owners of the parent Company		<u>217,347,354</u>	<u>216,542,089</u>
Non-controlling interests		6,600	6,600
		<u><u>217,353,954</u></u>	<u><u>216,548,689</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 December 2019.

P. W. Walker
Director



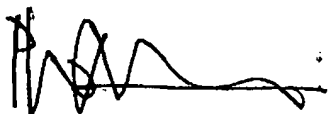
The notes on pages 14 to 30 form part of these financial statements.

COMPANY BALANCE SHEET
As at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	9	57,963	116,404
Investments	11	143,629,244	123,422,128
Investment property	10	28,645,000	31,920,000
		<u>172,332,207</u>	<u>155,458,532</u>
Current assets			
Debtors: amounts falling due within one year	14	23,130,123	24,800,825
Cash at bank and in hand		2,169,414	3,623,100
		<u>25,299,537</u>	<u>28,423,925</u>
Creditors: amounts falling due within one year	15	(56,264,261)	(49,746,107)
Net current liabilities		<u>(30,964,724)</u>	<u>(21,322,182)</u>
Total assets less current liabilities		<u>141,367,483</u>	<u>134,136,350</u>
Provisions for liabilities			
Deferred taxation	16	(4,626,532)	(3,360,155)
		<u>(4,626,532)</u>	<u>(3,360,155)</u>
Net assets		<u>136,740,951</u>	<u>130,776,195</u>
Capital and reserves			
Called up share capital	17	31,123	31,123
Capital redemption reserve	18	174,877	174,877
Profit and loss account brought forward		130,570,195	125,088,829
Profit for the year		7,949,473	7,390,714
Dividends		(1,984,717)	(1,909,348)
		<u>136,534,951</u>	<u>130,570,195</u>
Profit and loss account carried forward		<u>136,740,951</u>	<u>130,776,195</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 December 2019.

P. W. Walker
Director



The notes on pages 14 to 30 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 March 2019

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling Interests £	Total equity £
At 1 April 2018	31,123	174,877	216,336,089	216,542,089	6,600	216,548,689
Profit for the year	-	-	2,789,982	2,789,982	-	2,789,982
Total comprehensive Income for the year	-	-	2,789,982	2,789,982	-	2,789,982
Dividends: Equity capital	-	-	(1,984,717)	(1,984,717)	-	(1,984,717)
At 31 March 2019	31,123	174,877	217,141,354	217,347,354	6,600	217,353,954

The notes on pages 14 to 30 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 March 2018

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 April 2017	31,123	174,877	215,374,680	215,580,680	-	215,580,680
Profit for the year	-	-	2,870,757	2,870,757	-	2,870,757
Total comprehensive Income for the year	-	-	2,870,757	2,870,757	-	2,870,757
Dividends: Equity capital	-	-	(1,909,348)	(1,909,348)	-	(1,909,348)
Amounts due to Non- controlling interests	-	-	-	-	6,600	6,600
At 31 March 2018	31,123	174,877	216,336,089	216,542,089	6,600	216,548,689

The notes on pages 14 to 30 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 March 2019

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2018	31,123	174,877	130,570,195	130,776,195
Profit for the year	-	-	7,949,473	7,949,473
Total comprehensive Income for the year	-	-	7,949,473	7,949,473
Dividends: Equity capital	-	-	(1,984,717)	(1,984,717)
At 31 March 2019	31,123	174,877	136,534,951	136,740,951

The notes on pages 14 to 30 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 March 2018

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2017	31,123	174,877	125,088,829	125,294,829
Profit for the year	-	-	7,390,714	7,390,714
Total comprehensive Income for the year	-	-	7,390,714	7,390,714
Dividends: Equity capital	-	-	(1,909,348)	(1,909,348)
At 31 March 2018	31,123	174,877	130,570,195	130,776,195

The notes on pages 14 to 30 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended 31 March 2019

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	2,789,982	2,870,757
Adjustments for:		
Depreciation of tangible assets	71,064	71,656
(Loss) on disposal of tangible assets	-	(14,300)
Interest expense	11,041	58,651
Interest income	(15,893)	(26,973)
Taxation charge	449,881	(972,537)
Decrease/(increase) in stocks	87,417	(127,179)
(Increase)/decrease in debtors	(195,277)	425,045
Increase/(decrease) in creditors	50,131	(418,579)
Corporation tax (paid)	(416,014)	(322,305)
Loss on currency deposits	168,611	147,614
Share of profit of joint venture	63,581	39,495
Fair value movement on investments and investment properties	(3,614,097)	(2,544,257)
Dividends received	(325,000)	(150,000)
Net cash used from operating activities	(874,573)	(962,912)
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,666)	-
Sale of tangible fixed assets	-	31,508
Purchase of investment properties	(175,631)	-
Sale of investment properties	1,310,000	-
Sale of listed investments	-	7,000,000
Purchase of unlisted and other investments	(14,731,566)	(24,382,955)
Sale of unlisted and other investments	16,941,713	16,455,577
Cash paid to acquire subsidiary	(6,790,651)	-
Interest received	15,893	26,973
Dividends received	325,000	150,000
Cash acquired with purchase of subsidiary	10,287	-
Net cash generated/(used) from investing activities	(3,096,521)	(718,897)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
For the Year Ended 31 March 2019

	2019 £	2018 £
Cash flows from financing activities		
Repayment of other loans	(210,000)	(650,000)
Dividends paid	(1,984,717)	(1,909,348)
Interest paid	(11,041)	(58,651)
Net cash used in financing activities	<u>(2,205,758)</u>	<u>(2,617,999)</u>
Net (decrease) in cash and cash equivalents	<u>(6,176,852)</u>	<u>(4,299,808)</u>
Cash and cash equivalents at beginning of year	3,666,106	8,113,528
Foreign exchange (losses)	(168,611)	(147,614)
Cash and cash equivalents at the end of year	<u><u>(2,679,357)</u></u>	<u><u>3,666,106</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,218,361	3,666,106
Bank overdrafts	(4,897,718)	
	<u><u>(2,679,357)</u></u>	<u><u>3,666,106</u></u>

The notes on pages 14 to 30 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

1. Accounting policies

1.1 Basis of preparation of financial statements

J Leon & Company Limited ("the Company") is a private limited company incorporated in the United Kingdom. The Company's registered address is 32 Hampstead High Street, London, NW3 1JQ. The Company is an investment company.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 2).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

1.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquirer's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

The results of subsidiary undertakings that are held as part of an investment portfolio company are not consolidated.

1.3 Cash flow

The Parent Company, being a qualifying entity according to Section 1 of FRS 102, is exempt from the requirement to draw up a cash flow statement.

1.4 Revenue

Turnover is attributable to income from property rentals which is recognised on a straight line basis over the term of the lease and from the sale of harvested crops which is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured.

1.5 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Motor vehicles	- 3 to 4 years straight line
Fixtures and fittings	- 3 to 4 years straight line

1.6 Investment property

Investment property is carried at fair value determined annually by J. E Eades, a director of the company, and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the profit and loss account.

1.7 Fixed asset investments

(i) Subsidiary undertakings

Investments in consolidated subsidiaries are carried at cost less provision for impairment. Investments in subsidiaries held as part of an investment portfolio are treated in the same manner as other unlisted investments as set out below.

(ii) Joint venture undertakings

Investments in joint ventures are stated at the Group's share of net assets. The Group's share of the profits or losses of the joint venture is included in the profit and loss account using the equity accounting basis.

(iii) Listed investments

Listed investments are carried at fair value. Gains and losses on the revaluation of listed investments are recognised directly in the profit and loss account. Fair value of these investments are measured by reference to quoted market prices.

(iv) Unlisted investments

Unlisted investments predominantly comprise the Group's investments in private equity and hedge funds. These assets which are not consolidated subsidiaries, associates or joint ventures are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments whose fair values cannot be measured reliably are measured at cost less impairment.

(v) Loan investments

Loan investments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

1. Accounting policies (continued)

1.8 Stocks - biological assets

Biological assets are carried at fair value. For unharvested biological assets this is considered to equate to cost less accumulated impairment losses.

1.9 Other financial instruments

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from related parties and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Liabilities are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current.

1.10 Foreign currency translation

The Group's functional and presentational currency is the pound sterling.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

1.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

1. Accounting policies (continued)

1.12 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

1.13 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

As detailed in Note 1.6, investment properties are carried at fair value determined annually by J E Eades, a director of the Company, and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location, or condition of the specific asset. As such there is a degree of judgement and estimation uncertainty in this policy.

The Group's unlisted investments are predominately in private equity and hedge funds. As detailed in note 1.7 these are measured at fair value. The directors measure fair value based on statements provided by the private equity and hedge fund manager and other relevant market conditions. As such there is a degree of judgement and estimation uncertainty in this policy.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

3. Turnover

Turnover shown in the profit and loss account represents the value of rents receivable and the sale of harvested crops. All turnover arose within the United Kingdom.

4. Operating loss

The operating loss is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	70,901	71,656
Auditors' remuneration	49,000	65,000
Auditors' remuneration - non-audit	27,000	12,000
Other operating lease rentals	160,687	154,464
	<u> </u>	<u> </u>

5. Employees

Staff costs, including directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	2,339,094	2,119,746
Social security costs	284,950	263,172
Cost of defined contribution scheme	138,325	121,795
	<u> </u>	<u> </u>
	<u>2,760,369</u>	<u>2,504,713</u>

The average monthly number of employees, including the directors, during the year was 11 (2018: 11).

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

6. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	2,096,879	1,893,855
Company contributions to defined contribution pension schemes	98,394	90,205
	<u>2,195,273</u>	<u>1,984,060</u>

The Directors of the company are considered to be the only key management personnel.

During the year retirement benefits were accruing to 3 directors (2018 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £444,066 (2018 - £427,438).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2018 - £NIL).

7. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	271,119	710,559
Adjustments in respect of previous periods	-	(396,239)
Total current tax	<u>271,119</u>	<u>314,320</u>
Deferred tax		
Origination and reversal of timing differences	178,762	(1,286,857)
Total deferred tax	<u>178,762</u>	<u>(1,286,857)</u>
Tax (credit) on ordinary activities	<u>449,881</u>	<u>(972,537)</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2018-19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>3,239,863</u>	<u>1,898,220</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	615,574	360,662
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	7,079	8,897
Capital allowances for year in excess of depreciation	(13,704)	-
Adjustments to tax charge in respect of prior periods	-	(396,239)
Other timing differences leading to an increase (decrease) in taxation	(20,123)	-
Non-taxable income	(61,760)	(28,500)
Other differences leading to an increase (decrease) in the tax charge	(77,196)	(917,357)
Total tax charge for the year	<u>449,881</u>	<u>(972,537)</u>

8. Dividends

	2019 £	2018 £
Equity dividend paid	<u>1,984,717</u>	<u>1,909,348</u>
	<u>1,984,717</u>	<u>1,909,348</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

9. Tangible fixed assets

Group

	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation			
At 1 April 2018	304,297	345,856	650,153
Additions		1,666	1,666
At 31 March 2019	304,297	347,522	651,819
Depreciation			
At 1 April 2018	187,362	336,430	522,792
Charge for the year	67,419	3,645	71,064
At 31 March 2019	254,781	339,075	593,856
Net book value			
At 31 March 2019	49,516	8,447	57,963
At 31 March 2018	116,935	10,426	127,361

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

9. Tangible fixed assets (continued)

Company

	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation			
At 1 April 2018	266,009	340,802	606,811
Additions	-	1,666	1,666
At 31 March 2019	266,009	342,468	608,477
Depreciation			
At 1 April 2018	158,646	331,761	490,407
Charge for the year	57,847	2,260	60,107
At 31 March 2019	216,493	334,021	550,514
Net book value			
At 31 March 2019	49,516	8,447	57,963
At 31 March 2018	107,363	9,041	116,404

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

10. Investment property

Group

	Freehold investment property £	Long term leasehold investment property £	Total £
Valuation			
At 1 April 2018	89,630,002	900,000	90,530,002
Additions at cost	175,531	-	175,531
Disposals	(1,310,000)	-	(1,310,000)
Surplus on revaluation	(11,990,531)	-	(11,990,531)
At 31 March 2019	76,505,002	900,000	77,405,002

Investment properties were valued on an open market existing use basis at 31 March 2019 by J E Eades, a director of the company. Such properties are not depreciated. The depreciation which would otherwise have been charged would not be material.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2019 £	2018 £
Freehold	70,668,515	71,692,435
Long leasehold	589,349	589,349
	71,247,864	72,281,784

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

10. Investment property (continued)

Company

	Freehold investment property £	Long term leasehold investment property £	Total £
Valuation			
At 1 April 2018	31,020,000	900,000	31,920,000
Surplus on revaluation	(3,275,000)	-	(3,275,000)
At 31 March 2019	27,745,000	900,000	28,645,000

Investment properties were valued on an open market existing use basis at 31 March 2019 by J E Eades, a director of the company. Such properties are not depreciated. The depreciation which would otherwise have been charged would not be material.

If the investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2019 £	2018 £
Freehold	18,841,727	18,841,727
Long leasehold	589,349	589,349
	18,252,378	18,252,378

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

11. Fixed asset investments

Group

	Listed investments £	Unlisted investments £	Loan investments £	Investment in joint ventures £	Total £
Fair value					
At 1 April 2018	37,782,188	84,754,263	856,830	5,100,849	128,494,130
Additions	-	17,089,866	-	-	17,089,866
Disposals	-	(16,941,713)	-	-	(16,941,713)
Revaluations	3,484,374	12,998,968	(856,830)	-	15,626,512
Share of profit/(loss)	-	-	-	(63,581)	(63,581)
At 31 March 2019	41,266,562	97,901,383	-	5,037,268	144,205,213

Unlisted investments

Unlisted investments are comprised of a mixture of debt, equity instruments and commodities.

Company

	Investments in subsidiary companies £	Listed investments £	Unlisted investments £	Loan investments £	Investment in joint ventures £	Total £
Fair value						
At 1 April 2018	10,770,329	37,782,188	74,012,281	856,830	500	123,422,128
Additions	6,790,750	-	14,731,566	-	-	21,522,316
Disposals	-	-	(16,941,713)	-	-	(16,941,713)
Revaluations	637,869	3,484,374	12,361,100	(856,830)	-	15,626,513
At 31 March 2019	18,198,948	41,266,562	84,163,234	-	500	143,629,244

Unlisted investments

Unlisted investments are comprised of a mixture of debt, equity instruments and commodities.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

12. Subsidiary undertakings

The following were subsidiary undertakings of the Company which are all consolidated into these group accounts unless otherwise detailed below. All subsidiaries have a year end of 31 March 2019.

Name	Principal activity	Class of shares	Holding
Lydford Estates Limited	Property investment	Ordinary	100%
Hampstead Residential Limited	Property investment	Ordinary	100%
Comhill Estates Limited	Property development	Ordinary	100%
Church Street Liverpool Limited	Property investment	Ordinary	100%
IKM Network Communications Limited *	Network engineering services	Ordinary	100%
Leon Farms Limited	Property investment	Ordinary	100%
JLC Tigerco Limited	Holding company	Ordinary	70%
J Leon Trading Limited	Venture capital	Ordinary	100%

All subsidiary undertakings were incorporated in the United Kingdom.

* denotes indirectly held subsidiaries classified as investment portfolio companies and therefore not consolidated in these group accounts.

The aggregate of share capital and reserves and profit/(loss) for subsidiary companies held directly for the year ended 31 March 2019 was:

	Aggregate of share capital and reserves £	Profit/(Loss) £
Lydford Estates Limited	65,339,642	(3,860,287)
Hampstead Residential Limited	2,933,474	(303,757)
Church Street Liverpool Limited	6,623,627	(958,552)
Leon Farms Limited	(4,313,059)	(1,371,363)
JLC Tigerco Limited	11,265,918	524,036
J Leon Trading Limited	6,823,903	130,679

IKM Network Communications Limited reports a profit after tax of £356,696 in relation to the year to 31 March 2019 and net assets of £412,037. Financial statements for this entity are filed at Companies House.

Principal Joint Ventures

The Company has a 50% share in the ordinary share capital of Lionside Limited, a company incorporated in the United Kingdom and whose principal activity is Property Investment.

Lionside Limited reports a profit after tax of £522,839 in relation to the year to 31 March 2019 and net assets of £10,074,537. Financial statements for this entity are filed at Companies House.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019
13. Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Raw materials and unharvested biological assets	85,405	84,755	-	-
Finished goods and harvested biological assets	70,720	158,787	-	-
	156,125	243,542	-	-

14. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	406,751	413,395	60,268	86,236
Amounts owed by group undertakings	-	-	21,938,117	23,847,046
Other debtors	310,586	355,981	306,507	332,806
Prepayments and accrued income	640,917	415,317	231,996	131,988
Corporation tax overpaid	593,235	402,749	593,235	402,749
	1,951,489	1,587,442	23,130,123	24,800,825

15. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank overdrafts	4,897,718	-	4,897,718	-
Other loans	-	4,631,897	-	4,631,897
Trade creditors	129,832	44,500	111,610	1,483
Amounts owed to group undertakings	-	-	50,867,806	44,687,776
Corporation tax	188,696	143,105	-	-
Other taxation and social security	113,423	139,485	56,163	79,197
Other creditors	179,223	167,667	78,238	80,130
Deferred income	583,570	604,265	252,726	265,624
	6,092,462	5,730,919	56,264,261	49,746,107

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

16. Deferred taxation

Group

	2019 £	2018 £
At beginning of year	(2,368,975)	(3,655,832)
Credited to profit or loss	(178,762)	1,286,857
At end of year	(2,547,737)	(2,368,975)

Company

	2019 £	2018 £
At beginning of year	(3,360,155)	(4,293,392)
Credited to profit or loss	(1,266,377)	933,237
At end of year	(4,626,532)	(3,360,155)

The provision for deferred taxation is made up as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Deferred tax asset in relation to investments and investment properties	4,636,239	3,041,003	2,908,159	2,377,739
Deferred tax liability in relation to investments and investment properties	(7,183,976)	(5,409,978)	(7,534,691)	(5,737,894)
	(2,547,737)	(2,368,975)	(4,626,532)	(3,360,155)

17. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1,379 Ordinary shares of £1.00 each	1,379	1,379
23,744 A Ordinary shares of £1.00 each	23,744	23,744
6,000 B Ordinary shares of £1.00 each	6,000	6,000
	31,123	31,123

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

18. Capital commitments

At the end of the year, the group had contracted to invest funds totalling £4.1 million, US \$51.7 million, €3.8 million and Yen 121.6 million into various venture capital funds (2018: £3.9 million, US \$45.3 million, €5.0 million and Yen 37.6 million).

19. Business combinations

On 22 March 2019 the Group acquired 100% of the share capital of J Leon Trading Ltd.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

	Book value £	Fair value £
Investments	2,358,299	2,358,299
	<u>2,358,299</u>	<u>2,358,299</u>
Debtors	4,422,065	4,422,065
Cash at bank and in hand	10,287	10,287
Total net assets	<u><u>6,790,651</u></u>	<u><u>6,790,651</u></u>
Total purchase consideration		<u><u>6,790,651</u></u>
Consideration		
		£
Cash		6,790,651
Total purchase consideration		<u><u>6,790,651</u></u>
Cash outflow on acquisition		
		£
Purchase consideration settled in cash, as above		6,790,651
		<u>6,790,651</u>
Net cash outflow on acquisition		<u><u>6,790,651</u></u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

20. Operating lease arrangements

At 31 March 2019 the Group and the Company had contracted with tenants to receive the following future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Not later than 1 year	3,172,296	2,996,567	1,632,024	1,592,124
Later than 1 year and not later than 5 years	10,217,630	10,180,353	5,435,411	5,532,890
Later than 5 years	4,893,867	6,838,912	1,049,637	2,096,812
	<u>18,283,793</u>	<u>20,015,832</u>	<u>8,117,072</u>	<u>9,221,826</u>

21. Related party transactions

The group has taken advantage of the exemption provided by Section 33 of FRS 102 from disclosing any transactions or balances between group entities in these consolidated financial statements.

Some of the directors of the Company are also shareholders and have received dividends during the year in proportion to their shareholding.

22. Controlling party

In the opinion of the directors there is no ultimate controlling party.