

Registered number: 00236976

## **J Leon & Company Limited**

Report And Financial Statements

*31 March 2020*

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COMPANIES HOUSE

Rees Pollock  
Chartered Accountants

**J Leon & Company Limited**

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**COMPANY INFORMATION**

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

**DIRECTORS' REPORT**  
**For the Year Ended 31 March 2020**

The directors present their report and the financial statements for the year ended 31 March 2020.

**Results and dividends**

The loss for the year, after taxation and minority interests, amounted to £5,425,479 (2019 -profit £2,789,982).

Dividends of £2,306,086 (2019 - £1,984,717) 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;
- 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 £483,866 (2019: £477,207).

**DIRECTORS' REPORT (CONTINUED)**  
**For the Year Ended 31 March 2020**

**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 28 October 2020 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'D. Howe', with a long horizontal stroke extending to the right.

**D. Howe**  
Secretary

**GROUP STRATEGIC REPORT**  
**For the Year Ended 31 March 2020**

**Business review**

The group continues to invest in a broad range of asset classes and has maintained its strategy of prudent commitment to selected direct transactions, private equity partnerships and other investment vehicles 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 strategy may also be affected by general market conditions such as credit availability, inflation rates and changes in national laws in the jurisdictions in which it invests. These factors may affect the volatility and liquidity of those securities. Investments in less developed countries, although a small minority of the group's activities, also exposes Leon to a range of potential political, economic and legal risks that might not exist in the shareholders' domicile. Management, however, judges that the diversified nature of the group's investment portfolio mitigates (as far as it is possible) systemic 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 28 October 2020 and signed on its behalf.



**P. W. Walker**  
Director

**INDEPENDENT AUDITORS' 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 2020, 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 notes to the financial statements, 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 2020 and of the Group's loss 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 Auditors' 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 Auditors' 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 AUDITORS' 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 Group 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.

**Auditors' 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 Auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**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 Auditors' 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.

J Leon & Company Limited

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

Philip Vipond (Senior statutory auditor)  
for and on behalf of  
**Rees Pollock**  
Chartered Accountants  
Statutory Auditor

35 New Bridge Street  
London  
EC4V 6BW

4 November 2020



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the Year Ended 31 March 2020

	Note	2020 £	2019 £
Turnover	3	3,650,426	4,117,031
Cost of sales		(387,962)	(296,713)
<b>Gross profit</b>		<b>3,262,464</b>	<b>3,820,318</b>
Administrative expenses		(4,555,816)	(4,292,212)
<b>Operating loss</b>	4	<b>(1,293,352)</b>	<b>(471,894)</b>
(Loss) on currency deposits		(18,398)	(168,611)
Share of (loss) of joint venture		(1,556,981)	(63,581)
Income from fixed assets investments		2,490,250	325,000
Fair value movement on investments and investment properties		(4,805,340)	3,614,097
Interest receivable and similar income		53,047	15,893
Interest payable and expenses		(105,639)	(11,041)
<b>(Loss)/profit before taxation</b>		<b>(5,236,413)</b>	<b>3,239,863</b>
Tax on (loss)/profit	7	1,766,165	(449,881)
<b>(Loss)/profit for the financial year</b>		<b>(3,470,248)</b>	<b>2,789,982</b>
<b>(Loss)/profit for the year attributable to:</b>			
Non-controlling interests		1,948,631	-
Owners of the parent Company		(5,418,879)	2,789,982

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated statement of comprehensive income.

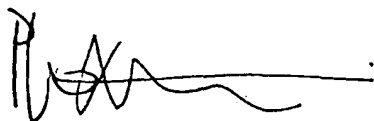
The notes on pages 14 to 30 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET**  
As at 31 March 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	9	64,553	57,963
Investments	11	145,371,630	144,205,213
Investment property	10	59,325,100	77,405,002
		<u>204,761,283</u>	<u>221,668,178</u>
<b>Current assets</b>			
Stocks	12	206,518	156,125
Debtors: amounts falling due within one year	13	1,330,127	1,951,489
Cash at bank and in hand		16,913,145	2,218,361
		<u>18,449,790</u>	<u>4,325,975</u>
Creditors: amounts falling due within one year	14	(11,002,408)	(6,092,462)
<b>Net current assets/(liabilities)</b>		<u>7,447,382</u>	<u>(1,766,487)</u>
<b>Total assets less current liabilities</b>		<u>212,208,665</u>	<u>219,901,691</u>
<b>Provisions for liabilities</b>			
Deferred taxation	15	(637,645)	(2,547,737)
		<u>(637,645)</u>	<u>(2,547,737)</u>
<b>Net assets</b>		<u><u>211,571,020</u></u>	<u><u>217,353,954</u></u>
<b>Capital and reserves</b>			
Called up share capital	16	31,123	31,123
Capital redemption reserve	17	174,877	174,877
Profit and loss account	17	209,409,789	217,141,354
<b>Equity attributable to owners of the parent Company</b>		<u>209,615,789</u>	<u>217,347,354</u>
Non-controlling interests		1,955,231	6,600
		<u><u>211,571,020</u></u>	<u><u>217,353,954</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 October 2020.

P. W. Walker  
Director



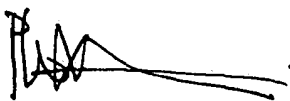
The notes on pages 14 to 30 form part of these financial statements.

**COMPANY BALANCE SHEET**  
**As at 31 March 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	9	64,553	57,963
Investments	11	152,075,497	143,629,244
Investment property	10	18,661,600	28,645,000
		<u>170,801,650</u>	<u>172,332,207</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	22,375,671	23,130,123
Cash at bank and in hand		16,596,082	2,169,414
		<u>38,971,753</u>	<u>25,299,537</u>
Creditors: amounts falling due within one year	14	(72,452,475)	(56,264,261)
<b>Net current liabilities</b>		<u>(33,480,722)</u>	<u>(30,964,724)</u>
<b>Total assets less current liabilities</b>		<u>137,320,928</u>	<u>141,367,483</u>
<b>Provisions for liabilities</b>			
Deferred taxation	15	(3,497,318)	(4,626,532)
		<u>(3,497,318)</u>	<u>(4,626,532)</u>
<b>Net assets</b>		<u><u>133,823,610</u></u>	<u><u>136,740,951</u></u>
<b>Capital and reserves</b>			
Called up share capital	16	31,123	31,123
Capital redemption reserve	17	174,877	174,877
Profit and loss account brought forward		136,534,951	130,570,195
Loss/(profit) for the year		(611,255)	7,949,473
Dividends		(2,306,086)	(1,984,717)
		<u>133,617,610</u>	<u>136,534,951</u>
<b>Profit and loss account carried forward</b>		<u><u>133,823,610</u></u>	<u><u>136,740,951</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 October 2020.

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 2020

	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 2019	31,123	174,877	217,141,354	217,347,354	6,600	217,353,954
Loss for the year	-	-	(5,425,479)	(5,425,479)	-	(5,425,479)
<b>Total comprehensive income for the year</b>	-	-	(5,425,479)	(5,425,479)	-	(5,425,479)
Dividends: Equity capital	-	-	(2,306,086)	(2,306,086)	-	(2,306,086)
Amounts due to Non- controlling interests	-	-	-	-	1,948,631	1,948,631
<b>At 31 March 2020</b>	<b>31,123</b>	<b>174,877</b>	<b>209,409,789</b>	<b>209,615,789</b>	<b>1,955,231</b>	<b>211,571,020</b>

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
<b>Total comprehensive income for the year</b>	-	-	2,789,982	2,789,982	-	2,789,982
Dividends: Equity capital	-	-	(1,984,717)	(1,984,717)	-	(1,984,717)
<b>At 31 March 2019</b>	<b>31,123</b>	<b>174,877</b>	<b>217,141,354</b>	<b>217,347,354</b>	<b>6,600</b>	<b>217,353,954</b>

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 2020

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2019	31,123	174,877	136,534,951	136,740,951
Loss for the year	-	-	(611,255)	(611,255)
<b>Total comprehensive income for the year</b>	-	-	(611,255)	(611,255)
Dividends: Equity capital	-	-	(2,306,086)	(2,306,086)
<b>At 31 March 2020</b>	<b>31,123</b>	<b>174,877</b>	<b>133,617,610</b>	<b>133,823,610</b>

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
<b>Total comprehensive income for the year</b>	-	-	7,949,473	7,949,473
Dividends: Equity capital	-	-	(1,984,717)	(1,984,717)
<b>At 31 March 2019</b>	<b>31,123</b>	<b>174,877</b>	<b>136,534,951</b>	<b>136,740,951</b>

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the Year Ended 31 March 2020

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(3,470,248)	2,789,982
<b>Adjustments for:</b>		
Depreciation of tangible assets	63,208	71,064
Loss on disposal of tangible assets	(15,851)	-
Interest expense	105,639	11,041
Interest income	(53,047)	(15,893)
Taxation charge	(1,766,165)	449,881
(Increase)/decrease in stocks	(50,393)	87,417
Decrease/(increase) in debtors	113,401	(195,277)
(Decrease)/increase in creditors	(81,344)	50,131
Corporation tax received/(paid)	275,137	(416,014)
Loss on currency deposits	18,398	168,611
Share of profit of joint venture	1,556,981	63,581
Fair value movement on investments and investment properties	4,723,656	(3,614,097)
Dividends received	(2,490,250)	(325,000)
<b>Net cash generated from operating activities</b>	<u>(1,070,878)</u>	<u>(874,573)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(74,780)	(1,666)
Sale of tangible fixed assets	20,833	-
Purchase of investment properties	(211,700)	(175,531)
Sale of investment properties	3,085,000	1,310,000
Purchase of unlisted and other investments	(15,751,228)	(14,731,566)
Sale of unlisted and other investments	23,482,081	16,941,713
Cash paid to acquire subsidiary	-	(6,790,651)
Interest received	53,047	15,893
Dividends received	2,490,250	325,000
Cash acquired with purchase of subsidiary	-	10,287
<b>Net cash from investing activities</b>	<u>13,093,503</u>	<u>(3,096,521)</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
For the Year Ended 31 March 2020

	2020 £	2019 £
<b>Cash flows from financing activities</b>		
Repayment of other loans	-	(210,000)
Dividends paid	(2,306,086)	(1,984,717)
Interest paid	(105,639)	(11,041)
<b>Net cash used in financing activities</b>	<b>(2,411,725)</b>	<b>(2,205,758)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>9,610,900</b>	<b>(6,176,852)</b>
Cash and cash equivalents at beginning of year	(2,679,357)	3,666,106
Foreign exchange (losses)	(18,398)	(168,611)
<b>Cash and cash equivalents at the end of year</b>	<b>6,913,145</b>	<b>(2,679,357)</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	16,913,145	2,218,361
Bank overdrafts	(10,000,000)	(4,897,718)
	<b>6,913,145</b>	<b>(2,679,357)</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2020**

**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 acquiree'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 Going concern**

The Group's main focus is on investment activities and as such it maintains high levels of assets and capital well in excess of its liabilities and commitments. The Group has continued to operate throughout the disruption caused by COVID-19, making use of remote working technology when necessary. In view of the above, the directors do not consider there to be any significant risks as to the Group's ability to operate as a going concern for the foreseeable future and consequently the going concern basis has been adopted in the preparation of these accounts.

**1.4 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.



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2020**

**1. Accounting policies (continued)**

**1.5 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.

**1.6 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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.

The estimated useful lives range as follows:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**1.7 Investment property**

Investment property is carried at fair value determined annually by external valuers 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 profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2020**

**1. Accounting policies (continued)**

**1.8 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.

**1.9 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.

**1.10 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2020**

**1. Accounting policies (continued)**

**1.10 Other financial instruments (continued)**

**(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.

**1.11 Foreign currency translation**

**Functional and presentation currency**

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

**Transactions and balances**

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.

**1.12 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.

**1.13 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 profit or loss 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2020**

**1. Accounting policies (continued)**

**1.14 Current and deferred taxation**

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 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 1.8 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.

The emergence of COVID-19 in early 2020 had a material impact on valuations across many asset classes as at 31 March 2020. At that time there was a very high level of uncertainty as to how the widespread effects would impact asset values in the future. There was particular uncertainty in relation to property and in relation to unlisted equities which the Group has exposure to through its investment in private equity funds. These factors mean that the level of estimation uncertainty around asset values as at 31 March 2020 is considered to be significantly greater than it has been at previous year end dates. Since 31 March 2020 asset values have remained volatile as the COVID-19 crisis has unfolded.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2020**

**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:

	2020	2019
	£	£
Depreciation of tangible fixed assets	63,208	70,901
Auditors' remuneration	49,000	49,000
Auditors' remuneration - non-audit	27,000	27,000
Other operating lease rentals	163,820	160,687
	<u>163,820</u>	<u>160,687</u>

**5. Employees**

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

	2020	2019
	£	£
Wages and salaries	2,278,657	2,339,094
Social security costs	296,444	284,950
Cost of defined contribution scheme	141,467	136,325
	<u>2,716,568</u>	<u>2,760,369</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 2020

**6. Directors' remuneration**

	2020 £	2019 £
Directors' emoluments	1,686,276	2,096,879
Company contributions to defined contribution pension schemes	102,639	98,394
	<u>1,788,915</u>	<u>2,195,273</u>

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

During the year retirement benefits were accruing to 3 directors (2019 -3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £458,727 (2019 -£444,066).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2019 -£NIL).

**7. Taxation**

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	143,927	271,119
<b>Total current tax</b>	<u>143,927</u>	<u>271,119</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(1,910,092)	178,762
<b>Total deferred tax</b>	<u>(1,910,092)</u>	<u>178,762</u>
<b>Tax (credit) on ordinary activities</b>	<u>(1,766,165)</u>	<u>449,881</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2020

**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% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	<u>(5,236,413)</u>	<u>3,239,863</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 -19%)	(994,918)	615,574
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	16,705	7,079
Capital allowances for year in excess of depreciation	(19,827)	(13,704)
Adjustments to tax charge in respect of prior periods	(543,532)	-
Other timing differences leading to an increase (decrease) in taxation	128,670	(20,123)
Non-taxable income	(470,893)	(61,750)
Other differences leading to an increase (decrease) in the tax charge	117,630	(77,195)
<b>Total tax charge for the year</b>	<u><u>(1,766,165)</u></u>	<u><u>449,881</u></u>

**8. Dividends**

	2020 £	2019 £
Equity dividend paid	2,306,086	1,984,717
	<u><u>2,306,086</u></u>	<u><u>1,984,717</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2020

**9. Tangible fixed assets**

**Group**

	Motor vehicles £	Fixtures & fittings £	Total £
<b>Cost or valuation</b>			
At 1 April 2019	304,297	347,359	651,656
Additions	74,780	-	74,780
Disposals	(59,789)	-	(59,789)
At 31 March 2020	319,288	347,359	666,647
<b>Depreciation</b>			
At 1 April 2019	254,781	338,912	593,693
Charge for the year on owned assets	61,096	2,112	63,208
Disposals	(54,807)	-	(54,807)
At 31 March 2020	261,070	341,024	602,094
<b>Net book value</b>			
At 31 March 2020	58,218	6,335	64,553
At 31 March 2019	49,516	8,447	57,963



**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2020

**9. Tangible fixed assets (continued)**

**Company**

	Motor vehicles £	Fixtures & fittings £	Total £
<b>Cost or valuation</b>			
At 1 April 2019	266,009	342,468	608,477
Additions	74,780	-	74,780
Disposals	(59,789)	-	(59,789)
At 31 March 2020	281,000	342,468	623,468
<b>Depreciation</b>			
At 1 April 2019	216,493	334,021	550,514
Charge for the year on owned assets	61,096	2,112	63,208
Disposals	(54,807)	-	(54,807)
At 31 March 2020	222,782	336,133	558,915
<b>Net book value</b>			
At 31 March 2020	58,218	6,335	64,553
At 31 March 2019	49,516	8,447	57,963

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2020

**10. Investment property**

**Group**

	Freehold investment property £	Long term leasehold investment property £	Total £
<b>Valuation</b>			
At 1 April 2019	76,505,002	900,000	77,405,002
Additions at cost	211,700	-	211,700
Disposals	(3,085,000)	-	(3,085,000)
Surplus on revaluation	(15,206,602)	-	(15,206,602)
<b>At 31 March 2020</b>	<b>58,425,100</b>	<b>900,000</b>	<b>59,325,100</b>

Investment properties were valued on an open market existing use basis at 31 March 2020 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:

	2020 £	2019 £
Freehold	65,698,449	70,658,515
Long leasehold	589,349	589,349
	<b>66,287,798</b>	<b>71,247,864</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2020

**10. Investment property (continued)**

**Company**

	Freehold investment property £	Long term leasehold investment property £	Total £
<b>Valuation</b>			
At 1 April 2019	27,745,000	900,000	28,645,000
Disposals	(935,000)	-	(935,000)
Surplus on revaluation	(9,048,400)	-	(9,048,400)
<b>At 31 March 2020</b>	<b>17,761,600</b>	<b>900,000</b>	<b>18,661,600</b>

Investment properties were valued on an open market existing use basis at 31 March 2020 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:

	2020 £	2019 £
Freehold	17,203,714	18,841,727
Long leasehold	589,349	589,349
	<b>17,793,063</b>	<b>19,431,076</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2020

**11. Fixed asset investments**

**Group**

	Listed investments £	Unlisted investments £	Investment in joint ventures £	Total £
<b>Fair value</b>				
At 1 April 2019	41,266,562	97,901,383	5,037,268	144,205,213
Additions	-	15,751,228	-	15,751,228
Disposals	-	(23,482,081)	-	(23,482,081)
Revaluations	421,538	10,032,713	-	10,454,251
Share of profit/(loss)	-	-	(1,556,981)	(1,556,981)
At 31 March 2020	<u>41,688,100</u>	<u>100,203,243</u>	<u>3,480,287</u>	<u>145,371,630</u>

**Unlisted investments**

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

**Company**

	Investments in subsidiary companies £	Listed investments £	Unlisted investments £	Investment in joint ventures £	Total £
<b>Fair value</b>					
At 1 April 2019	18,198,948	41,266,562	84,163,234	500	143,629,244
Additions	-	-	15,437,308	-	15,437,308
Disposals	-	-	(16,465,917)	-	(16,465,917)
Revaluations	3,924,532	421,538	5,128,792	-	9,474,862
At 31 March 2020	<u>22,123,480</u>	<u>41,688,100</u>	<u>88,263,417</u>	<u>500</u>	<u>152,075,497</u>

**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 2020

**11. Fixed asset investments (continued)**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Lydford Estates Limited	Property investment	Ordinary	100%
Hampstead Residential Limited	Property investment	Ordinary	100%
Cornhill 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%

The aggregate of the share capital and reserves as at 31 March 2020 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Lydford Estates Limited	62,000,112	(3,339,530)
Hampstead Residential Limited	3,147,765	214,291
Church Street Liverpool Limited	4,654,083	(1,969,544)
Leon Farms Limited	4,101,513	211,547
JLC Tigerco Limited	17,252,718	5,986,800
J Leon Trading Limited	8,342,940	1,519,037
	-	-
	-	-

IKM Network Communications Limited reports a profit after tax of £381,807 in relation to the year to 31 March 2020 and net assets of £793,044. 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 loss after tax of £3,113,961 in relation to the year to 31 March 2020 and net assets of £6,960,576. Financial statements for this entity are filed at Companies House.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2020

**12. Stocks**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Raw materials and unharvested biological assets	63,616	85,405	-	-
Finished goods and harvested biological assets	142,902	70,720	-	-
	<b>206,518</b>	<b>156,125</b>	<b>-</b>	<b>-</b>

**13. Debtors**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Trade debtors	441,466	406,751	194,065	60,268
Amounts owed by group undertakings	-	-	21,738,685	21,938,117
Other debtors	240,451	310,586	215,410	306,507
Prepayments and accrued income	585,031	640,917	164,332	231,996
Corporation tax overpaid	63,179	593,235	63,179	593,235
	<b>1,330,127</b>	<b>1,951,489</b>	<b>22,375,671</b>	<b>23,130,123</b>

**14. Creditors: Amounts falling due within one year**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Bank overdrafts	10,000,000	4,897,718	10,000,000	4,897,718
Trade creditors	101,257	129,832	46,568	111,610
Amounts owed to group undertakings	-	-	61,960,197	50,867,806
Corporation tax	77,704	188,696	-	-
Other taxation and social security	109,395	113,423	61,064	56,163
Other creditors	230,969	179,223	145,614	78,238
Accruals and deferred income	483,083	583,570	239,032	252,726
	<b>11,002,408</b>	<b>6,092,462</b>	<b>72,452,475</b>	<b>56,264,261</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2020

**15. Deferred taxation**

**Group**

	2020 £	2019 £
At beginning of year	(2,547,737)	(2,368,975)
Credited to profit or loss	1,910,092	(178,762)
<b>At end of year</b>	<b>(637,645)</b>	<b>(2,547,737)</b>

**Company**

	2020 £	2019 £
At beginning of year	(4,626,532)	(3,360,155)
Credited to profit or loss	1,129,214	(1,266,377)
<b>At end of year</b>	<b>(3,497,318)</b>	<b>(4,626,532)</b>

The provision for deferred taxation is made up as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Deferred tax asset in relation to investments and investment properties	6,882,768	4,636,239	4,023,095	2,908,159
Deferred tax liability in relation to investments and investment properties	(7,520,413)	(7,183,976)	(7,520,413)	(7,534,691)
	<b>(637,645)</b>	<b>(2,547,737)</b>	<b>(3,497,318)</b>	<b>(4,626,532)</b>

**16. Share capital**

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
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
	<b>31,123</b>	<b>31,123</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2020

**17. Capital commitments**

At the end of the year, the group had contracted to invest funds totalling £2.0 million, US \$46.2 million, €10.9 million and Yen 99.0 million into various venture capital funds (2019: £4.1 million, US \$51.7 million, €3.8 million and Yen 121.6 million).

**18. Operating lease arrangements**

At 31 March 2020 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 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Not later than 1 year	2,723,288	3,172,296	1,452,530	-
Later than 1 year and not later than 5 years	6,941,677	10,217,630	3,902,564	5,435,411
Later than 5 years	1,265,075	4,893,867	267,295	1,049,637
	<u>10,930,040</u>	<u>18,283,793</u>	<u>5,622,389</u>	<u>6,485,048</u>

**19. Analysis of net debt**

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	2,218,361	14,694,784	16,913,145
Bank overdrafts	(4,897,718)	4,897,718	-
Short term loan facility	-	(10,000,000)	(10,000,000)
	<u>(2,679,357)</u>	<u>9,592,502</u>	<u>6,913,145</u>

**20. 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.

**21. Controlling party**

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