



The Investment
Company plc

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDING
30 JUNE 2024





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DIRECTORS AND ADVISERS

Directors

I.R. Dighé (Chairman)
D.A. Horner (appointed 26 July 2023)
T.M. Metcalfe
M.H.W. Perrin
M.J. Weeks (resigned 26 July 2023)

Advisers

Secretary, Administrator and Registered Office

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Custodian

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London ED2V 7AN

Broker

Singer Capital Markets Advisory LLP
One Bartholomew Lane
London EC2N 2AX

Independent Auditor

PKF Littlejohn LLP
Statutory Auditor
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Identification Codes

ISIN: GB0004658257
SEDOL: 0465825
Bloomberg: INV LN
LEI: 2138004PBWN5WM2XST62

STRATEGIC REPORT

Summary of Results

	At 30 June 2024	At 30 June 2023	Change %
Equity Shareholders' funds (£)	7,376,741	16,270,804	(54.66)
Number of ordinary shares in issue	1,837,205	4,772,049	(61.50)
Net asset value ("NAV") per ordinary share	401.52p	340.96p	17.76
Ordinary share price (mid)	353.00p	340.00p	3.82
Discount to NAV	12.08%	0.28%	(11.80)
	At 30 June 2024	At 30 June 2023	
Total return per ordinary share*	49.50p	15.49p	
Dividends paid per ordinary share	–	–	

* The total return per ordinary share is based on total income after taxation as detailed in the Consolidated Income Statement and in Note 6.



Investment Objective

At a General Meeting held on 26 June 2023, the members voted to amend the investment objective which is to maximise capital growth for Shareholders over the long-term by investing in high-quality, quoted, UK small and mid-cap companies.

Investment Policy

The Investment Company plc ("the Company") intends to fulfil its investment objective through investing in cash-generative quoted UK small and mid-cap companies that are expected to grow faster than the UK stock market as a whole over the long term and which can finance their own organic growth. The Company will primarily invest in equity securities of companies with shares admitted to listing on the Main Market, the AQSE or to trading on AIM with a market capitalisation of less than £250 million at the time of investment. The Company may also invest in companies with shares admitted to listing on the Main Market, the AQSE or to trading on AIM with a market capitalisation of £250 million or more at the time of investment for liquidity purposes. The Company will identify prospective companies through a formal quantitative and qualitative screening process which focuses on criteria such as the ability to convert a high proportion of profit into cash, sustainable margins, limited working capital intensity and a strong management team. Companies that successfully pass the screening process will form part of the Company's 'investable universe' of prospective companies.

The Company has not set any limits on sector weightings within the portfolio but its exposures to sectors and stocks will be reported to, and monitored by, the Board in order to ensure that adequate diversification is achieved. The Company will maintain a diversified portfolio of a minimum of 60 holdings in UK small and mid-cap companies.

The Company may also invest in cash, cash equivalents, near cash instruments and money market instruments.

The Company will apply the following restrictions on its investments:

- not more than 10% of the Company's gross assets at the time of investment will be invested in the securities of a single issuer;
- no investment will be made in companies that are not listed or traded on the Main Market, the AQSE or AIM at the time of investment, nor in any companies which have not applied for their shares to be admitted to listing or trading on these markets;
- no investment will be made in other listed or unlisted closed-ended investment funds or in any open-ended investment funds; and
- the Company will not invest directly in FTSE 100 companies (preference shares, loan stocks or notes, convertible securities or fixed interest securities or any similar securities convertible into shares), nor will it invest in the securities of other investment trusts or in unquoted companies. The Company may, on some occasions, hold such investments as a result of corporate actions by investee companies. If the Company holds shares in a company which enters the FTSE 100, it may not immediately divest of those shares but will do so when it considers appropriate, subject to market conditions.

The Company may hold assets acquired by the Company prior to the adoption of its investment policy for which there is no market and whose value the Company has written down to zero. The Company shall dispose of such assets as soon as is reasonably practicable.

No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution.

Chairman's Statement

Shareholders will be aware that at the beginning of this financial period, on 26 July 2023, Chelverton Asset Management were appointed as the Company's Investment Manager to oversee all aspects of the management of the Company's assets and were able to immediately introduce a new investment policy.

The results of their endeavours are set in their comprehensive Investment Manager's Report on pages 6 to 8. Your Board is delighted with their progress.

Performance for the 11 months ending 30 June 2024 is that the net asset value "NAV" has increased by 18.6% to 401.52p and the share price by 3.8% to 353.0p. The Company's performance over the year is in the Summary of Results table on page 3.

Board

As I reported last year, Michael Weeks resigned following the restructure of the Company in July 2023 and David Horner joined the Board as part of this re-organisation.

Outlook

Despite the many headwinds experienced in the UK domestic funds sector Chelverton's management of the assets has laid down a very credible track record from which to grow the size of the Company.

As market conditions ease the Board and the Investment Manager look forward to taking advantage of these opportunities in the not too distant future. We take this opportunity to thank all Shareholders for their support and loyalty to the Company.

I. R. Dighé

Chairman

18 September 2024

Investment Manager's Report

As Manager, we are now 11 months into running the Company's investment portfolio since the change of mandate and our appointment by the Board. By the end of the Company's interim period to 31 December 2023, we had exited all possible legacy holdings and invested just under three quarters of the proceeds in 57 small and mid-sized UK listed equities, in line with the new mandate. By the Company's year-end, the portfolio was 96% invested across 85 companies that met the new investment criteria.

It has been an extraordinary period from both a macro economic and political newsflow perspective. Initially, UK inflation proved much stickier than had been expected, putting a dampener on the market, especially at the small and mid-cap end, where the Company now invests. The conflict in the Middle East prompted another sell-off in small and mid-caps, as investors fought shy of what is perceived to be a riskier asset class. The latter part of calendar 2023 and the first half of 2024 saw a rapid decline in UK inflation, which was helpful for the UK equity market. Finally, the election of a Labour Government with a commanding majority in Parliament, post the Company's year-end, has barely caused the domestic equity market to blink.

From a performance perspective, having got off to a difficult start with small and mid-cap equities remaining out of favour, the portfolio then enjoyed a 10.9% NAV appreciation in the last two months of the first half to end December 2023, from its nadir in October, as inflation started to fall rapidly. This recovery carried on into the second half of the Company's financial year, until June 2024 when the portfolio gave up some of its gains after a strong run, as the market rebound paused for breath. Notwithstanding this modest setback, by the end of the period, the Company's NAV had risen 23.6% from its low point at the end of October 2023.

As we pointed out in the Interim Report, whilst the evidence points to small cap equity outperformance

over the long-term, this trend is punctuated by periods of often quite severe underperformance and de-rating during periods of economic stress, whether caused by inflation, conflicts or, as in 2007/8, a financial crisis. We have just come through one such period, driven by the first instance of high inflation seen this century, initially arising out of supply chain disruption caused by the pandemic, then exacerbated by the invasion of Ukraine, which led to a loss of consumer and business confidence. The Board's decision to change the Company's investment strategy to capital growth by investing in UK listed small and mid-cap equities presciently coincided with the turn in fortune for this oversold segment of the UK market.

The portfolio as it is now constructed very much represents the Manager's investment objective of generating long-term capital growth by investing in cash generative UK listed businesses, that can grow faster than the rest of the market through the business cycle and are able to fund their organic growth from their own cash generation, either because they are high margin or asset light and preferably a combination of both. This strategy has proved to be highly effective for the open-ended Chelverton UK Equity Growth Fund, which the Investment Team also manages. On top of these financial characteristics of self-funded growth, the Manager also looks for companies with good revenue visibility, characterised by subscription revenues for software or data provision, repeating revenues for essential goods and services or in the case of industrials, design wins for essential components into their end customer products, which are unlikely to be replaced. Finally, the Manager looks for companies with sustainable margins and sensible management teams. Whilst the funds were being invested, a substantial part of the Company's cash was invested in UK Treasury stock, to optimise allowable income rather than income arising from holding cash on deposit.

At the sector level, the investment strategy not surprisingly leads us to invest in Technology stocks (22.2% weighting in the portfolio at the year-end), given their often above average growth, high margins and recurring subscription revenues. The Company's largest software stocks include **Gamma Communications**, which provides software and systems for managing businesses communications networks on a subscription basis; **dotDigital**, an omnichannel marketing software platform business; **Celebrus Technologies**, software for real time data aggregation from multiple sources and subsequent analysis for marketing communications and fraud detection; **Auction Technologies**, the provision of online bidding services for auctioneers; and **Accesso Technology**, a leading global online ticketing software provider.

Another sector of note is Financials (11.6% of the portfolio). Here, as Managers, we prefer high margin, asset light financial service providers with sticky client relationships manifested in low customer churn such as **JTC**, the fund administration and back-office service provider for alternative funds and high net worth investors, and **Brooks MacDonald** and **Mattioli Woods**, the wealth managers. Other significant holdings include **Alpha Group International**, a fast growing tech-enabled provider of FX management to mid sized business customers and alternative banking services to Alternative Investment funds, both markets poorly served by the mainstream banks.

Media (11.5% weighting) comprises business subscription data providers like **Global Data** and **Pulsar**, an online consumer content provider, **LBG Media**, and marketing services companies like **Next Fifteen**, **YouGov** and **System1 Group**.

More recently with the prospect of an economic recovery, the Manager has been building up the Company's exposure to quality cyclicals. Here the Manager has built up the Company's Construction exposure (11.9% weighting), focusing on building

materials companies with good margins and strong market positions, rather than the more asset intensive builders or low margin contractors. Holdings include **SigmaRoc**, a leading European aggregates business; **Eurocell**, a manufacture and distributor in the UK of window and roofing components; **Volution**, a leading supplier of ventilation products in Europe and Australasia; and **Severfield**, the UK market leader in structural steel with a joint venture with an indigenous steel producer in the fast-growing Indian market.

In Consumer (11.7% of the portfolio) the Manager has invested in a mix of non-cyclical consumer staples like **Premier Foods**, owner of heritage brands like Mr Kipling, Ambrosia, Oxo, Batchelors and Angel Delight, and **Tate and Lyle**, the international food ingredients business. **Warpaint**, the cosmetics company, is an out and out growth stock. More recently, the Manager has built up the Company's exposure to more cyclical stocks, like **DFS**, Britain's largest furniture retailer; **Victorian Plumbing**, the online bathroom products business, which is rapidly growing market share, and finally **On the Beach**, the online tour operator, ahead of a potential pick-up in consumer spending arising from a return to real wage growth and a pick-up in housing transactions from depressed levels.

Finally, whilst less exposed to the domestic economy, after a low initial weighting the Manager has more recently built up the portfolio's Industrials exposure (11.3% weighting at the year-end) as overstocking caused by earlier post pandemic supply chain disruption, which has impacted industrial companies recent trading, starts to normalise. The Manager has recently added **Morgan Advanced Materials**, insulation materials and industrial consumables; **Spectris**, a leading global industrial and life science precision measuring and testing business and **TT Electronics**, electronic components and sub-assemblies, to its earlier holdings of **Vesuvius**, steel and foundry consumables, and **Bodycote**, industrial heat treatment.

Investment Manager's Report continued

As Manager, we believe we have been able to assemble a portfolio of UK small and mid-cap equities, that meet our investment criteria, at attractive valuations at a time when these companies have been out of favour with the market. Consequently, we feel the portfolio is well placed to generate long-term capital growth as the economy and investor sentiment improve. Our confidence in the valuations we have paid is borne out by the number of bids for UK listed companies we have seen from Private Equity and overseas trade buyers with three companies in the portfolio – **Mattioli Woods**, **Alpha Financial Markets Consulting** and **Tyman** – succumbing to agreed offers. Another holding, **Ascential**, has successfully de-merged and sold off two of its divisions generating significant shareholder returns, with the remaining business subject to an agreed bid from Informa post period end, whilst **Global Data** sold a minority interest in one of its divisions at a substantial premium to the underlying valuation for the whole group, coupled with the high number of share buy-backs being conducted by management teams, who feel their share prices are too low.

We enter the second half of calendar 2024 with a new government with a substantial majority, which should provide some much-needed political stability, after the recent merry-go-round of Chancellors and Prime Ministers. This political back-drop, coupled with the prospect of lower interest rates before too long, will help provide a more supportive back-drop for domestic equity investors. A manifesto commitment to increase UK pension fund investment in UK markets would be a welcome change from the steady disinvestment we've seen for many years, providing a real liquidity boost for the Company's small and mid-cap end of the market.

Chelverton Asset Management

18 September 2024

Portfolio and Assets

At 30 June 2024

Security	Holding	Fair Value £	% of total net assets
Restore	65,000	171,600	2.3
Clarkson	4,000	165,600	2.3
JTC	16,250	156,000	2.1
Alpha Group International	6,666	149,986	2.0
Sigmaroc	225,000	149,400	2.0
Global Data	67,750	147,017	2.0
Premier Foods	92,500	146,705	2.0
Gamma Communications	10,000	141,000	1.9
Bodycote	20,000	136,200	1.9
AJ Bell	35,000	132,650	1.8
Eurocell	100,000	129,000	1.8
dotdigital	137,500	127,188	1.7
Learning Technologies Group	150,000	126,751	1.7
Oxford Metrics	125,000	123,750	1.7
Tate & Lyle	20,000	119,600	1.6
Celebrus Technologies	51,333	119,093	1.6
Ebiquity	300,000	117,000	1.6
Volution Group	25,000	112,750	1.5
Auction Technology Group	22,500	112,726	1.5
Inchcape	15,000	111,600	1.5
Warpaint London	17,940	109,434	1.5
Accesso Technology Group	15,000	108,900	1.5
Advanced Medical Solutions Group	50,675	108,445	1.5
Severfield	140,000	106,120	1.4

Portfolio and Assets continued

At 30 June 2024

Security	Holding	Fair Value £	% of total net assets
Spectris	3,750	104,175	1.4
Vesuvius	22,500	103,838	1.4
LBG Media	95,000	100,700	1.4
Pulsar	111,378	99,126	1.3
Duke Capital Limited	325,000	99,125	1.3
Alpha Financial Markets	18,750	93,000	1.3
FDM Group (Holdings)	22,500	92,364	1.3
Balfour Beatty	25,000	91,250	1.2
Tyman	25,000	90,625	1.2
EnSilica	175,000	87,500	1.2
Eckoh	212,500	87,125	1.2
Epwin Group	100,000	86,000	1.2
On the Beach Group	62,500	85,750	1.2
TT Electronics	57,500	83,950	1.1
ISpatial	125,000	82,500	1.1
YouGov	20,000	81,200	1.1
Hostelworld	50,000	80,000	1.1
Trufin	100,000	80,000	1.1
Spectra Systems	36,250	79,750	1.1
Next 15 Group	10,000	79,700	1.1
Coats Group	100,000	79,100	1.1
Man Group	32,500	78,650	1.1
System1 Group	15,300	78,030	1.1
Morgan Advanced	25,000	77,250	1.1

Portfolio and Assets continued

At 30 June 2024

Security	Holding	Fair Value £	% of total net assets
Big Technologies	50,000	77,000	1.0
Aptitude Software Group	20,000	74,000	1.0
Adriatic Metals	35,000	70,875	1.0
Victorian Plumbing	75,000	69,600	0.9
XP Power Limited	4,694	69,283	0.9
Alfa Financial Software Holdings	36,000	66,816	0.9
Mattioli Woods	8,500	66,810	0.9
Zoo Digital	100,000	64,000	0.9
Wickes	47,500	63,175	0.9
Inspired	85,000	62,050	0.8
RWS Holdings	32,500	61,035	0.8
Macfarlane Group	50,000	59,250	0.8
Water Intelligence	14,500	58,725	0.8
Somero Enterprise Inc.	17,500	58,275	0.8
Aquis Exchange	12,500	58,250	0.8
Merit Group	70,000	58,100	0.8
Kooth	20,000	58,000	0.8
The Pebble Group	100,000	57,000	0.8
DFS Furniture	50,000	55,000	0.7
DP Poland	500,000	52,500	0.7
SDI Group	75,000	48,000	0.7
Microlise Group	35,000	47,250	0.6
PCI-PAL	75,893	46,295	0.6
Acuity RM	1,142,857	40,000	0.5

Portfolio and Assets continued

At 30 June 2024

Security	Holding	Fair Value £	% of total net assets
Brooks Macdonald	2,000	39,000	0.5
Alliance Pharma	100,000	38,900	0.5
Breedon Group	10,000	38,650	0.5
Getbusy	50,000	34,500	0.5
Seeing Machines	760,000	34,200	0.5
Dianomi	75,000	33,750	0.5
Gooch & Housego	7,000	33,040	0.4
Ascential	9,393	32,078	0.4
Diaceutics	25,000	30,750	0.4
Arecor Therapeutics	25,000	28,750	0.4
Concurrent Technology	25,000	25,500	0.3
Luceco	10,000	16,560	0.2
Invinity Energy Systems	71,739	13,630	0.2
PJSC Lukoil ADR (Rep 1 Ord RUB0.025)	9,500	-	0.0
Total equity investments		7,069,820	95.8
Cash		252,293	3.4
Other assets net of other liabilities		54,628	0.8
Total cash and other net current assets		306,921	4.2
Total net assets		7,376,741	100.0

Principal Risks and Risk Management

Principal Risks and Uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. A robust assessment of the principal risks to the Group and Company has been carried out, including those that would threaten its business model, future performance, solvency and liquidity.

The current economic environment and the conflicts in Ukraine and the Middle East, continue to have an effect on both global and domestic economies. These events are all being closely monitored by the Board as is their potential impact on the Company.

The Group's principal risks are set out below. An explanation of how these have been mitigated or managed is also provided, where appropriate. The key business risks affecting the Group are:

	RISK	MITIGATION
BUSINESS RISK	The profitability, market positioning and outlook for companies in which the Company is invested may decline or fail to make expected progress. This may be because of internal factors at the investee company or external factors such as competitive pressures, economic downturns or political events.	The Company looks to invest in businesses that can demonstrate resilient characteristics and a shared philosophy around long term creation of value.
CONCENTRATION RISK	The Company has too much exposure to one stock or sector.	Investments in any one company shall not exceed 10% of the Company's gross assets at the time of acquisition.
MONETARY RISK	The widespread implications of monetary policies, which include inflationary pressures, pose a risk to the real value of the Company's assets.	The Company looks to own a portfolio of assets that possess an enduring real value whether from the value of the underlying assets in an investment, or in the investee's ability to create an enduring profit stream.
OPERATIONAL RISK	The Company is reliant on service providers including, ISCA Administration Services Limited as Administrator and Company Secretary, and Fiske plc as Custodian. Failure of the internal control systems of these parties could result in losses to the Company.	The Board formally reviews the Company's service providers on an annual basis.

There are other risks that are becoming more prominent but are not yet considered key risks.

Principal Risks and Risk Management continued

Global conflict

The conflicts in Ukraine and the Middle East have had a significant impact, inter alia, on inflation and, in conjunction with affairs in China, an impact on supply chains and globalisation. Investee companies will vary as to the impact on them and their ability to adapt.

Inflationary pressure

Inflation has reduced in the last 12 months and the Bank of England has recently reduced interest rates.

In addition, there are other risks that may materially impact the Company, however, the likelihood thereof is considered small.

Foreign currency risk

Under the previous investment policy in operation at the beginning of the year, the Company was invested in stocks in overseas markets dominated in foreign currencies thus increasing the foreign currency risk. However, with the change in investment policy described above, as the portfolio moved to UK stocks this risk was removed.

Regulatory risk

The Company operates in an evolving regulatory environment and faces a number of regulatory risks. A breach of sections 1158/1159 of the Corporation Tax Act 2010 would result in the Company being subject to capital gains tax on portfolio investments. Breaches of other regulations, including the Companies Act 2006, the United Kingdom Listing Authority ("UKLA") Listing Rules, the UKLA Disclosure Guidance and Transparency Rules, or the Alternative Investment Fund Managers' Directive, could lead to a detrimental outcome. Breaches of controls by service providers to the Company could also lead to reputational damage or loss. The Board monitors compliance with regulations, with reports from the Administrator.

Discount volatility

The Company's shares may trade at a price which represents a discount to its underlying NAV.

Market price risk

The Board monitors the prices of financial instruments held by the Company on a regular basis. In addition, it is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce risks arising from investment decisions and investment valuations. The Board actively monitors market prices throughout the year and meets regularly in order to review investment strategy. All of the equity investments held by the Company are listed on a recognised Stock Exchange.

Liquidity risk

The Company's assets mainly comprise readily realisable quoted securities that can be sold to meet funding commitments if necessary.

Credit risk

The failure of a counterparty to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss. Normal delivery versus payment practice and a review of counterparties and custodians by the Board mean that this is not a significant risk.

Interest rate risk

This is not considered to be a direct risk to the Company other than through its effect on investee companies.

Section 172(i) Statement

Section 172(i) of the Companies Act 2006, requires Directors to take into consideration the interests of stakeholders in their decision making. The Directors continue to have regard to the interests of, and the impact of the firm's activities on, the various stakeholders in the firm and to consider what is most likely to promote the success of the Company for its members in the long term.

The Board considers the following:

- the likely consequences of any decisions in the long-term;
- the need to foster the Company's business relationships with service suppliers;
- the impact of the Company's operations on the community and environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between Shareholders of the Company.

Whilst the importance of giving due consideration to our stakeholders is not new, S172 requires that the Board elaborates how it discharges its duties in this respect. We have categorised our key stakeholders into two groups. Where appropriate, each group is considered to include both current and potential stakeholders:

- Shareholders.
- Investment Manager, Administrator and other service providers.

Shareholders

Our Shareholders are of course the owners of the Company and we need to act fairly as between members of the Company.

During the previous year the Board considered the size of the Company and after consultation with Shareholders made the following proposals to Shareholders:

1. To offer existing Shareholders an exit from the Company via a Tender Offer.
2. To announce an Offer for Subscription to enable new Shareholders to subscribe for new shares in the Company.
3. To change the Investment Objective and Policy.
4. To appoint Chelverton Asset Management as Investment Manager.
5. To cancel the share premium account and capital redemption reserve.

The proposals were approved by Shareholders at a General Meeting on 26 June 2023 and enacted during the year.

We have a regular dialogue with our key Shareholders – but all are welcome to be in communication. All Shareholders are encouraged to attend our Annual General Meeting.

Investment Manager

As part of the changes as stated above, Chelverton Asset Management were appointed as Investment Manager on 26 July 2023. Details of the Investment Management Agreement are given in Note 3 on page 57.

Administrator and other service providers

The Board seeks to maintain constructive liaison with its service providers so as to optimise the way in which the Company's needs are met.

ISCA Administration Services acted as Company Secretary and Administrator during the year and worked with the Directors to ensure the Company continued to operate efficiently.

The Strategic Report has been approved by the Board of Directors.

On behalf of the Board

I. R. Dighé

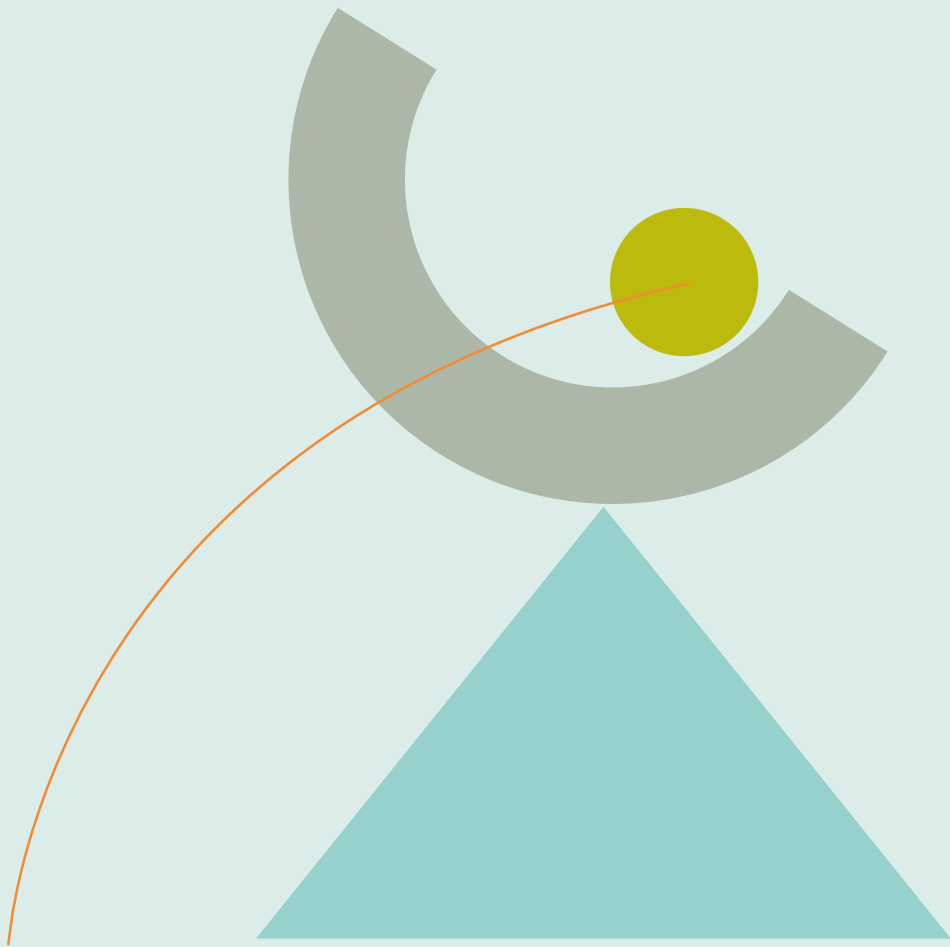
Chairman

18 September 2024

Environmental, Social and Governance ("ESG") Report

As signatories to the United Nations-supported Principles of Responsible Investing ("PRI") and UK Stewardship Code, the Investment Manager integrates material ESG issues into their investment process and stewardship. Whilst we do not pursue a sustainability objective as part of the investment mandate the Investment Manager considers company ESG management an investment quality indicator, relevant to the maintenance of competitive advantage. We review ESG issues as part of our qualitative review of any prospective holding. On initial investment decisions, we rely on the support of our ESG team where we have any material ESG concerns, or if the company sits within a sector that is subject to high ESG risk with reference to recognised material ESG risk maps. We then engage the ESG team throughout the life of the holding, both as part of conviction building where we have concerns, and ahead of company meetings where there might be noted concerns. From an engagement perspective, our aim is to support the development of more sustainable business practice in the face of rising systemic risks, such

as climate change and resource depletion. Our aim is to protect and enhance investment returns for our clients over the long term in the face of these evolving ESG risks. We seek to work collaboratively with committed holding to support the adoption of relevant ESG management targets and improved ESG reporting. We send an annual letter to all committed holdings outlining our ESG management and reporting expectations and asking for the completion of a proprietary ESG questionnaire where we require further information. This proprietary information is used to supplement information provided by 3rd party ESG data providers, which we use for contextual purposes only, and it informs subsequent company engagements. We monitor company progress in relation to a range of relevant issues, including the diversity of the leadership team and wider workforce, the adoption of a credible carbon emissions reduction strategy, adherence to an environmental policy that includes biodiversity considerations where this is most appropriate, and the responsible adoption and use of new technologies.



DIRECTORS' REPORT

The Directors present their report and audited financial statements for the year ended 30 June 2024.

The Company

The Company is an investment company within the meaning of Section 833 of the Companies Act 2006 and has been granted approval from HM Revenue & Customs ("HMRC") as an investment trust under sections 1158 and 1159 of the Corporation Tax Act 2010 and will continue to be treated as an investment trust company, subject to continuing to meet the conditions for approval. During the year, the Company had a premium listing on the London Stock Exchange. Subsequent to the year end, this category has been changed to an ESCC listing. The Company's principal activity is portfolio investment.

The Directors are of the opinion that the Company has conducted its affairs for the year ended 30 June 2024 so as to be able to continue to qualify as an investment trust.

The Company's status as an investment trust allows it to obtain an exemption from paying taxes on the profits made from the sale of its investments and all other net capital gains.

As an investment company, managed and marketed in the UK, the Company is an Alternative Investment Fund ("AIF") under the provisions of the Alternative Investment Fund Manager's Directive ("AIFMD"). The Company was registered by the FCA as a Small Registered UK Alternative Investment Fund Manager ("AIFM") with effect from 29 March 2018.

The Company owned Abport Limited, an investment dealing company, and New Centurion Trust Limited ("NCT"), which was placed into members' voluntary liquidation on 29 May 2024 (the "Subsidiaries"). The Company and its wholly owned Subsidiaries together comprise a group (the "Group").

Investment Policy

The Company's Investment Policy is set out on page 4.

Performance

Details of the Company's performance during the financial year are provided in the Chairman's Statement on page 5 and the financial statements on pages 46 to 68.

Key Performance Indicators ("KPIs")

The Board reviews performance by reference to a number of KPIs and considers that the most relevant KPIs are those that communicate the financial performance and strength of the Group as a whole. The Board monitors the following KPIs:

NAV performance: The NAV per ordinary share at 30 June 2024 was 401.52p per share (2023: 340.96p). The total return of the NAV was 17.76% (2023: 1.39%).

Discount of share price in relation to NAV: Over the year to 30 June 2024, the Company's share price moved from trading at a discount of 0.28% to a discount of 12.08%.

Ongoing Charges Ratio: The Ongoing Charges Ratio for the year to 30 June 2024 amounted to 2.00% (2023: 2.39%).

Going Concern

In accordance with the Financial Reporting Council's guidance on going concern, the Directors have undertaken a review of the Company's ability to continue as a going concern.

The Directors believe that the Company is well placed to manage its business risks and that the assets of the Company consist mainly of securities which are readily realisable. The Directors are of the opinion that

the Company has adequate resources to continue in operational existence for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the financial statements. In arriving at this conclusion, the Directors have considered the liquidity of the portfolio and reviewed cash flow forecasts showing the ability of the Company to meet obligations as they fall due for a period of at least 12 months from the date that these financial statements were approved.

In addition, the Directors have regard to ongoing investor interest in the sustainability of the Company's business model and in the continuation of the Company, specifically being interested in feedback from meetings and conversations with Shareholders.

In addition to considering the principal risks on pages 13 and 14 and the financial position of the Company as described above, the Board has also considered the following further factors:

- the Investment Manager continues to adopt a long-term view when making investments;
- regulation will not increase to a level that makes the running of the Company uneconomical; and
- the performance of the Company will be satisfactory and should performance be less than the Board deem acceptable it has the powers to take appropriate action.

Viability Statement

Over the Company's life it has experienced a number of significant social and economic events impacting world history. The level of inflation, interest rates and the conflicts in Ukraine and the Middle East are the latest events impacting not just this Company but all commercial entities. The change in the investment objective and policy and the decision as supported by Shareholders during the previous year demonstrates the viability of the Company as a vehicle for delivering investment performance to Shareholders. The Board's analysis is based on the performance and progress of the Company and its investment portfolio, an assessment

of current and future risks, the appropriateness of the investment strategy and review of the financial position of the Company, and operating expenses over the next two years. In addition, consultation with key Shareholders as to their perspectives is a key consideration.

The Directors also consider viability in the context of the Company being a going concern and it being appropriate that the accounts are prepared on such a basis. This is elaborated in Note 1 to the financial statements.

Future Prospects

The future of the Company is dependent upon the success of the investment strategy. The outlook for the Company is discussed in the Chairman's Statement on page 5.

Board Diversity

When recruiting a new Director, the Board's policy is to appoint individuals on merit matched against the skill requirements identified by the Board. The changes to the Board during the reporting period were driven from the re-structuring undertaken and voted on by Shareholders including David Horner joining the Board as a representative of the newly appointed Investment Manager.

The Board believes diversity is important in bringing an appropriate range of skills, knowledge and experience to the Board and gives this consideration when recruiting new Directors. The Board is required to disclose their compliance in relation to the targets on board diversity set out under paragraph 9.8.6R (9) of the Listing Rules which are as follows:

1. at least 40% of the individuals on the Board of Directors are women;
2. at least one of the senior positions on the Board of Directors is held by a woman; and
3. at least one individual on the Board of Directors is from a minority ethnic background.

The table below sets out the composition of the Board at the year-end based on the prescribed criteria.

Gender Identity	Number of Board members	Percentage of the Board	Number of senior positions on the Board
Men	4	100%	2
Women	-	0%	-

Ethnic Background	Number of Board members	Percentage of the Board	Number of senior positions on the Board
White British or other White (including minority -white groups)	4	100%	2
Mixed/Multiple Ethnic Groups	-	-	-
Asian/Asian British	-	-	-
Black/African	-	-	-
Other ethnic group including Arab	-	-	-
Not specified/prefer not to say	-	-	-

The Board notes that it does not currently meet the targets for women or ethnic diversity in the Board's current composition. When making appointments in the future the Board will continue to operate an open-minded approach to recruitment without restrictions against any perceived group or individual. The Board will take into consideration the diversity targets set by Listing Rule 9.8.6R (9) when making future appointments, however due to the size of the Board meeting a target of 40% of Directors being women with one being a senior Board position, and one individual being from a minority ethnic background may not be reached in the immediate future.

The Company does not have any employees other than Directors and, as a result, the Board does not consider it necessary to establish means for employee engagement with the Board as required by the latest version of the UK Corporate Governance Code.

Environmental, Human Rights, Employee, Social and Community Issues

The Board consists entirely of Non-Executive Directors and during the year the Company had no employees. The Company has no direct impact on the community or the environment, and as such has no environmental, human rights, social or community policies. In carrying out its investment activities and in relationships with suppliers, the Company aims to conduct itself responsibly, ethically and fairly.

Environmental, Social and Governance ("ESG") factors are considered as part of the commercial evaluation of investee companies.

The Investment Manager's ESG process is shown on page 16.

Modern Slavery Act

As an investment vehicle that does not provide goods or services in the normal course of business, nor does it have, apart from the Directors, any employees, the Directors consider that the Company is not required to make a slavery or human trafficking statement under the Modern Slavery Act 2015.

Criminal Finances Act 2017 and Bribery Act 2010

The Company has zero tolerance towards the criminal facilitation of tax evasion and a policy of zero tolerance in relation to bribery and corruption both in its own actions and those of its third party advisors and service providers.

Greenhouse Gas Emissions

As an investment company with its activities outsourced to third parties or managed by the Non-Executive Directors, the Company's own direct environmental impact is minimal. The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. Furthermore, the Company and Group considers itself to be a low energy user under the Streamlined Energy & Carbon Reporting regulations and therefore is not required to disclose energy and carbon information.

Directors

Ian Dighé (Chairman) was appointed to the Board on 6 July 2018. He has significant listed company experience, particularly in the investment banking, corporate broking, asset management and closed end funds sectors. He was a co-founder of Bridgewell Group plc and was Chairman of Miton Group plc from February 2011, overseeing the successful refinancing and subsequent growth of the group. He retired from the Miton board in December 2017. He is Chairman of Seneca Growth Capital VCT plc and Pennant International Group plc, an Independent non-Executive director of Edelweiss Holdings plc, and a director of a number of private companies, and charities.

Tim Metcalfe was appointed to the Board on 6 July 2018. He is an experienced corporate adviser, having spent 30 years in a variety of City roles including with Robert Fleming & Co., N M Rothschild, Westhouse Securities, and Northland Capital Partners. He was Joint CEO of Zeus Capital, prior to being the co-founder, in 2015, of IFC Advisory, an investor relations and financial PR adviser to small and mid-cap companies. He is a non-executive director of Spiritus Mundi plc and non-executive chairman of Nichols Cars Limited.

Martin Perrin (Audit Committee Chairman) was appointed to the Board in June 2013. He is a non-executive director of Fiske plc. He is a Chartered Accountant and Chartered Fellow of the Securities Institute and has wide international experience of operations and finance in both regulated financial services firms and in technology companies in industry.

David Horner was appointed to the Board on 26 July 2023. He qualified as a chartered accountant and has considerable experience of analysing and working with smaller companies. In 2013 he resigned his membership of The Institute of Chartered Accountants in England and Wales, as his career is now fully involved in fund management. He founded Chelverton Asset Management Limited, Macaulay Capital plc and is Chairman and major shareholder of CEPS plc.

Details of the interests of the Directors in the share capital of the Company are set out in the Directors' Remuneration Report on page 34.

In accordance with the policy adopted by the Board, all Directors will stand for election at the forthcoming AGM. Further details of the independence of the Board and Board tenure is provided in the Corporate Governance Statement.

The Board has considered the position of the Directors as part of the evaluation process and believes that it would be in the Company's best interests for each of them to be proposed for election or re-election at the forthcoming AGM, given their material level of contribution and commitment to the role.

As a non-executive Director of Fiske plc, Mr Perrin is deemed to be interested in the Company's past management agreement and current custody agreement. Mr Horner, by virtue of being Managing Director of Chelverton Asset Management, the Company's Investment Manager from 26 July 2023, is deemed to be interested in the Investment Management Agreement. There were no other contracts subsisting during the year under review or up to the date of this report in which a Director of the Company is or was materially interested and which is or was significant in relation to the Company's business.

Directors' and Officers' Liability Insurance

Directors' and Officers' liability insurance cover was in place throughout the financial year and as at the date of this report. The Company's Articles of Association provide, subject to the provisions of UK legislation, that the Directors may be indemnified out of the assets of the Company in respect of liabilities they may sustain or incur in connection with their appointment.

Conflicts of Interest

The Companies Act 2006 provides that a director must avoid a situation where they could have, a direct or indirect interest that conflicts, or could perceptibly conflict with the Company's interests. The Company's Articles of Association permit the Board to consider and, if appropriate, to authorise situations where a Director has an interest that conflicts, or might possibly conflict, with the Company. The Board has a formal system in place at each board meeting for the Directors

to declare situations for authorisation by those Directors not involved in the situation. Any situations considered and any authorisations subsequently given are appropriately recorded. Any Director who is considered conflicted might be asked to leave the meeting or remain but not participate in the discussion and abstain from voting or influencing a decision or course of action. All Directors acknowledge that any decision they take as a Directors of the Company must be taken to promote the success of the Company.

The Board believes that the system it has in place for reporting, considering and recording situations where a Director has an interest that conflicts such as Mr Perrin's and Mr Horner's appointments as discussed on page 26, or might possibly conflict, with the Company operated effectively during the year under review.

Capital Structure

As at 30 June 2024, the Company's issued share capital consisted of 5,584,878 ordinary shares of 50p each of which 3,747,673 are held in Treasury. The total of shares in circulation is 1,837,205.

The above figure of 1,837,205 may be used by Shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest, or a change to their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules.

In addition, there are 1,717,565 fixed rate preference shares of 50p in issue, all of which are held by New Centurion Trust Limited a wholly owned subsidiary of the Company, now in liquidation. The fixed rate preference shares are non-voting, are entitled to receive a cumulative dividend of 0.01p per share per annum, and are entitled to receive their nominal value, 50p, on a distribution of assets or winding up. Preference shares are disclosed as equity in accordance with IAS 32.

At any general meeting of the Company, holders of ordinary shares are entitled to one vote on a show of hands and on a poll, to one vote for every share held. During the year under review the Company did not repurchase any ordinary shares in the market, issue any

ordinary shares or sell ordinary shares from treasury. The Company held 3,747,673 shares in treasury as at 30 June 2024.

At the General Meeting on 26 June 2023, Shareholders gave approval to proposals that included a Tender Offer to buy back shares and an Issue to raise new capital. As announced on 18 July 2023, 3,980,664 ordinary shares were validly tendered pursuant to the Tender Offer, constituting 83.4% of the existing issued share capital. All validly tendered ordinary shares were accepted in full, with 3,747,673 ordinary shares repurchased by the Company and 232,991 ordinary shares sold to Incoming Shareholders pursuant to the Matched Bargain Facility.

In addition, on 26 July 2023 the Company issued 812,829 new ordinary shares ("new ordinary shares") in connection with the Offer for Subscription and Intermediaries Offer.

Substantial Shareholdings

As at 30 June 2024, the Company had been notified of the following notifiable interests in its voting rights:

	Number of ordinary shares	% of voting rights
Mr J. Baker	287,042	15.62
Chelverton Asset Management	90,000	4.90

Controlling Party

The Director's consider that there is no controlling party.

Change of Control

The Directors are not aware of any agreements between Shareholders that may result in restrictions on the transfer of securities or voting rights. The Directors are not aware of any other restrictions on the transfer of shares in the Company other than certain restrictions that may from time to time be imposed by laws and regulations. There are no agreements to which the Company is party that might affect its control following a successful takeover bid.

Requirements of the FCA Listing Rules

FCA Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross-reference table indicating where the information is set out. The Directors confirm that the only disclosures required in relation to FCA Listing Rule 9.8.4, is that as a Non-Executive Director of Fiske, Mr Perrin is deemed to have an interest in the Company's Custody Agreement and Mr Horner, as Managing Director of Chelverton Asset Management, is deemed to have an interest in the Investment Management Agreement. There were no other contracts subsisting during the year to which the Company was a party and in which a Director of the Company is or was materially interested; or between the Company and a controlling shareholder.

Articles of Association

Under section 21 of the Companies Act 2006 the Company's Articles of Association can only be amended by special resolution at a general meeting of the Shareholders. The Articles of Association were amended at the General Meeting on 26 June 2023 and became effective on 26 July 2023.

Annual General Meeting

The Company's AGM will be held at the offices of Chelverton Asset Management Limited, Ground Floor Office, Basildon House, 7 Moorgate, London EC2R 6AF on Thursday 31 October 2024 at 10.00 am. The Notice of Meeting is set out on pages 71 to 73.

Shareholders are encouraged to submit their proxy votes ahead of the meeting to ensure that their votes count towards deciding each resolution. Appointing the Chair of the meeting rather than a named person will ensure that the vote will count. The business of this year's AGM consists of 16 resolutions.

Ordinary Business

Resolutions 1 to 9 are the normal resolutions concerning the approval of the Report and Accounts and the re-election of Directors and are self explanatory. Resolution 3 being to approve the Remuneration Policy,

which the Company is required to put to a Shareholder vote every three years, and was last voted on in 2021. There have been no changes to the Policy since this was last voted on by Shareholders.

Authority to allot shares and to allot and sell shares on a non-pre-emptive basis

Resolutions 10 and 11: seek authority to issue shares and to disapply pre-emption rights

The Board wishes to have the authority to issue ordinary shares from time to time and may only allot shares for cash if authorised to do so by Shareholders in a General Meeting.

Accordingly, an ordinary resolution to authorise the Directors to allot ordinary shares up to an aggregate nominal amount of £183,720 equal to 20% of the Company's issued ordinary share capital, excluding shares held in Treasury, at the date of this Notice, will be proposed as Resolution 10.

In addition, Resolution 11 is being proposed as a special resolution to authorise the Directors to disapply the pre-emption rights of existing Shareholders in relation to the issue of ordinary shares under Resolution 10 and to sell ordinary shares from Treasury up to a maximum nominal amount of £183,720 equal to 20% of the Company's issued share capital, excluding shares held in Treasury, as at the date of the Notice of AGM.

The Directors intend to issue ordinary shares, subject to any applicable regulatory requirements, when it is in the best interests of Shareholders to do so at a price at or above the prevailing Net Asset Value per ordinary share. These Resolutions are separate and are not linked to the authority sought by Resolutions 13 and 14 below.

These authorities, if approved, will expire at the Annual General Meeting of the Company to be held in 2025.

Purchase of Own Shares

Resolution 12: Authority to purchase shares

Resolution 12, a special resolution, will renew the Company's authority to make market purchases of up to 14.99% of its issued ordinary shares, excluding shares

held in Treasury, either for cancellation or placing into treasury at the determination of the Directors. Purchases of ordinary shares will be made within guidelines established from time to time by the Board. Any purchase of ordinary shares would be made only out of the available cash resources of the Company.

The Directors would use this authority to address any significant imbalance between the supply and demand for the Company's ordinary shares and to manage the discount to NAV at which the ordinary shares trade. Ordinary shares will be repurchased only at prices below the NAV per ordinary share, which should have the effect of increasing the NAV per ordinary share for remaining Shareholders. This authority will expire at the AGM to be held in 2025 when a resolution to renew the authority will be proposed.

Special Business

The Board are proposing four items of Special Business that are not generally, items recurring at every AGM. Resolutions 13 and 14 are seeking the authority from Shareholders to issue approximately 5 million new ordinary shares of 50 pence each, by way of one or more offers to both existing and new investors. Following the General Meeting in 2023, and the change of Investment Policy, the Company undertook a tender and offer to repurchase and issue new shares. Having built a new portfolio of stocks in accordance with the new Investment Policy the Company continues to assess its opportunities to increase scale through the issue of new shares to investors. Full details of any such offers are expected to be announced in due course.

Resolutions 13 and 14 seek authority to issue up to £2,500,000 in nominal value of new ordinary shares in pursuit of the Board's intention to grow the Company through one or more offers. The authorities sought in these Resolutions are separate and in addition to those sought in Resolutions 10 and 11 above.

Accordingly, an ordinary resolution to authorise the Directors to allot ordinary shares up to an aggregate nominal amount of £2,500,000 equating to

approximately to 272% of the Company's issued ordinary share capital, excluding shares held in Treasury, at the date of this Notice, will be proposed as Resolution 13.

In addition, Resolution 14 is being proposed as a special resolution to authorise the Directors to disapply the pre-emption rights of existing Shareholders in relation to the issue of ordinary shares under Resolution 13 and to sell ordinary shares from treasury up to a maximum nominal amount of £2,500,000 equating to approximately 272% of the Company's issued share capital, excluding shares held in Treasury, as at the date of the Notice of AGM.

The Directors intend to issue, or sell from Treasury, ordinary shares, subject to any applicable regulatory requirements, when it is in the best interests of Shareholders to do so at a price at or above the prevailing Net Asset Value. Full details of any such offers are expected to be announced when the Directors consider it to be in the interests of the Company to implement such offers. These Resolutions are separate and are not linked to the authority sought by Resolutions 11 and 12 above. A Resolution to sub-divide the current shares ordinary shares is also being sought. Any changes to the nominal value of the shares in issue would change the number of shares being issued but not the total nominal value of the shares issued.

These authorities, if approved, will expire at the Annual General Meeting of the Company to be held in 2026.

Resolution 15:

Sub division of Ordinary Shares – Ordinary Resolution

At the General Meeting held on 26 June 2023 Shareholders approved a resolution to sub-divide the shares. This authority was not used at the time of the tender offer, and the Board is now seeking to renew this authority. The proposal is for the Company to sub-divide the Ordinary Shares with a nominal value of £0.50 each into ordinary shares with a nominal value of £0.10 each. Such sub-division is designed to improve the liquidity of the Ordinary Shares and lower the variation in daily price movements.

If the resolution is passed, the Company will notify Shareholders by RNS as to when the sub-division of the Ordinary Shares is proposed to take effect. The Company will issue new share certificates to all Shareholders for the number of shares held at the new nominal value.

Notice Period for General Meetings

Resolution 16: Authority for a 14 day notice period

Resolution 16, a special resolution, will give the Directors the ability to convene General Meetings, other than annual general meetings, on a minimum of 14 clear days' notice. The minimum notice period for annual general meetings will remain at 21 clear days. The approval will be effective until the Company's AGM to be held in 2025, at which it is intended renewal will be sought. The Directors will only call a General Meeting on 14 days' notice where they consider it to be in the interests of Shareholders to do so and the relevant matter is required to be dealt with expeditiously.

Continuation

The Company's Articles provide that an ordinary resolution be put to Shareholders at the Annual General Meeting, proposing that the Company continues in existence as a closed-ended investment company, every 5 years. At the General Meeting held on 26 June 2023, Shareholders approved the amendment of the Articles of Association in respect to the continuation vote, the next such vote will be at the Annual General Meeting in 2028 and every fifth general meeting thereafter.

Recommendation

The Directors consider that all the resolutions to be proposed at the AGM are likely to promote the success of the Company and are in the best interests of the Company and its Shareholders as a whole. The Directors unanimously recommend that Shareholders vote in favour of each resolution, as they intend to do in respect of their own beneficial holdings.

Post balance sheet events

Full details of the post balance sheet events are given in Note 19 on page 68.

Reappointment of Auditors

PKF Littlejohn LLP, the independent external Auditor of the Company, were appointed in 2018. Resolutions to reappoint PKF Littlejohn LLP as the Company's Auditor, and to authorise the Audit Committee to determine their remuneration will be proposed at the forthcoming AGM.

Auditor Information

In accordance with the requirement and definitions under section 418 of the Companies Act 2006, each of the Directors at the date of approval of this report confirms that:

- so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

The Directors' Report was approved by the Board on 18 September 2024.

On behalf of the Board

I. R. Dighé

Chairman

18 September 2024

Corporate Governance Statement

The Corporate Governance Statement forms part of the Directors' Report.

Statement of Compliance

The Directors have adopted the Association of Investment Companies ("AIC") Code published in February 2019 for the financial year ended 30 June 2024. The AIC Code addresses the principles and provisions set out in the UK Corporate Governance Code ("the UK Code") as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide as outlined above, will provide the most appropriate information to Shareholders.

The AIC Code was endorsed in February 2019 by the Financial Reporting Council ("FRC") which has confirmed that in complying with the AIC Code, the Company will meet its obligations in relation to the UK Code. The AIC Code is available online at: www.theaic.co.uk. A copy of the UK Code can be found at: www.frc.org.uk.

This statement has been compiled in accordance with the FCA's Disclosure and Transparency Rule ("DTR") 7.2 on Corporate Governance Statements.

The Board considers that the Company has complied fully with the AIC Code and the relevant provisions of the UK Code, except as set out below.

The Company does not employ a chief executive, nor any executive Directors. The systems and procedures of the Administrator and other service providers, and the annual statutory audit as well as the size of the Company's operations, gives the Board confidence that an internal audit function is not appropriate. The Company is therefore not reporting further in respect of these areas.

The Board has further considered the principles of the UK Code and believes that the Company has complied with the provisions thereof for the year under review, except as outlined above.

The Board of Directors

Throughout the year the Board consisted of four non-executive Directors.

Michael Weeks resigned as a Director on 26 July 2023 and David Horner was appointed on the same day.

Mr Perrin, who is a non-executive Director of Fiske plc, is considered to be independent by the Board. Fiske plc were until 4 November 2020 the investment manager and remain as the Company's custodian. David Horner is not considered to be independent by the Board due to him being the Managing Director of the Company's Investment Manager, appointed on that date.

The Board is responsible for all matters of direction and control of the Company and Group, including its investment policy, strategy and delivery. The Directors review at regular meetings the Company's investments and all other important issues to ensure that control is maintained over the Company and Group's affairs.

The Chairman, Mr I. R. Dighé, is considered to be independent and has no conflicting relationships. He considers himself to have sufficient time to commit to the Company's affairs.

The AIC Code recommends that the Board should appoint one of its independent non-executive directors to be the Senior Independent Director. Mr Metcalfe is the Company's Senior Independent Director.

The Board has formalised the arrangements under which Directors, in the furtherance of their duties, may take independent professional advice.

The Directors each have a service contract, copies of which are available on request from the Secretary. Mr Perrin is approaching his thirteenth year as Chairman of the Audit Committee, his independence is reviewed on an annual basis and the Board is committed to reviewing his continuing appointment at an appropriate time.

The appointment of a new Director would be on the basis of a candidate's merits and the skills/experience identified by the Board as being desirable to complement those of the existing Directors. The Company's diversity policy, is set out on pages 19 and 20, but diversity is just one of the factors that would be taken into account when making a new appointment.

Board Operation

The Directors meet at regular Board meetings usually once a quarter, with additional meetings arranged as necessary. Further discussions were held by the Directors throughout the year. During the year ended 30 June 2024, the number of formal Board and Committee meetings attended by each Director who served during the year was as follows:

	Board Meetings		Audit Committee Meetings	
	Number entitled to attend	Number attended	Number entitled to attend	Number attended
Ian Dighé	5	5	1	1
David Horner (appointed 26 July 2023)	5	5	n/a	n/a
Tim Metcalfe	5	5	1	1
Martin Perrin	5	5	1	1
Michael Weeks (resigned 26 July 2023)	0	0	1	1

Performance Evaluation

An annual evaluation for the year ended 30 June 2024 has been carried out. This took the form of a formal questionnaire by the Directors as to the effectiveness of the Board, the chairmanship and its Committees and how the Company can better serve Shareholders.

There were no significant actions arising from the evaluation process and it was agreed that the current composition of the Board and its Committees was appropriate and that the Board and its Committees were functioning effectively.

Tenure

In terms of overall length of tenure, the AIC Code does not make specific restrictions on tenure for Directors. Some market commentators have expressed opinions that considerable length of service (which has generally been defined as a limit of 9 years) may lead to the compromise of a Director's independence. The Board does not believe that a Director should be appointed for a finite period. The AIC Code does recommend that it should have a policy on tenure of its Chairman. The Board has noted that there is no requirement under the AIC Code for its Chairman to stand down after nine years however, it has adopted a nine-year maximum tenure policy for its Chairman.

Re-election of Directors

All Directors shall seek annual re-election by the Shareholders at the Company's Annual General Meeting ("AGM").

The Chairman and the Senior independent Director have subsequently undertaken a review and assessment of the effectiveness of the revised structure in delivering the new Investment Policy and meeting the Board's obligations to Shareholders. This review undertaken through meetings and discussion with each individual Director has concluded that each Director, and the Board and its Committees, are working well and no weaknesses have been identified requiring a revision to the Board. The Board has considered the election and re-election of each individual Director and recommends their election and re-election on the basis of their skills, knowledge and continued contribution.

Board Responsibilities

The Board is responsible for the determination and implementation of the Company's investment policy and strategy and has overall responsibility for the Company's activities. The Board's main roles are to create value for Shareholders, to provide leadership to the Company and to approve the Company's strategic objectives. The Board has adopted a schedule of matters reserved for its decision and specific responsibilities that includes: reviewing the Company's investments, asset allocation, gearing policy, cash management, investment outlook and revenue forecasts.

The Company's day-to-day administrative functions have been subcontracted to a number of service providers, each engaged under separate legal agreements.

At each Board meeting the Directors follow a formal agenda, which is circulated in advance by the Company Secretary. The Company Secretary and Administrator regularly provide financial information, together with briefing notes and papers in relation to changes in the Company's economic and financial environment, statutory and regulatory changes and corporate governance best practice.

Committees of the Board

The Company has appointed an Audit Committee to monitor specific operations, further details are provided in the Audit Committee Report on pages 30 and 31. Given the size of the Board, it is not felt appropriate to have a separate Management Engagement, Nomination or Remuneration Committee. The functions that would be normally carried out by these Committees are dealt with by the full Board.

When the Board undertakes any function as a Management Engagement Committee, Mr Horner abstains from the meeting and any decisions reached relating to Chelverton Asset Management Limited, and likewise Mr Perrin relating to Fiske plc.

During the year, the Audit Committee was comprised of all of the Directors of the Company, excluding Mr Horner, and was chaired by Mr Perrin. Given the size of the Board, it was deemed proportionate and practical for all the other Directors to sit on the Audit Committee. Mr Perrin FCA, is a chartered accountant with a wide experience of operations and finance in industry. The Board is satisfied that Mr Perrin has recent and relevant financial experience in the sector the Company operates to guide the Committee in its deliberations.

Internal Control Review

The Directors are responsible for the Group's risk management and systems of internal control, for the reliability of the financial reporting process and for reviewing their effectiveness.

Throughout the year under review and up to the date of this Annual Report, there has been an ongoing process for identifying, evaluating and managing the principal risks faced by the Group, which accords with guidance supplied by the FRC on risk management, internal control and related financial and business reporting. This is reviewed on a regular basis by the Board. The internal control systems are designed to ensure that proper accounting records are maintained, that the financial information on which business decisions are made and which are issued for publication is reliable and that the assets of the Group are safeguarded. The risk management process and Group systems of

internal control are designed to manage rather than eliminate the risk of failure to achieve the Group's objectives. It should be recognised that such systems can only provide reasonable, not absolute, assurance against material misstatement or loss.

The Directors have carried out a robust review of the effectiveness of the systems of internal control as they have operated during the year and up to the date of approval of the Annual Report and Financial Statements. The internal control systems in place are considered to be effective as there were no matters arising from this review that required further investigation and no significant failings or weaknesses were identified.

Risk assessment and a review of internal controls is undertaken regularly in the context of the Company's overall investment objective. The Board, through the Audit Committee, has identified risk management controls in four key areas: corporate strategy; published information and compliance with laws and regulations; relationships with service providers; and investment and business activities. In arriving at its judgement, the Board has considered the Company's operations in light of the following factors:

- the nature and extent of risks which it regards as acceptable for the Company to bear within its overall business objective;
- the threat of such risks becoming reality;
- the Company's ability to reduce the incidence and impact of risk on its performance; and
- the cost to the Company and benefits related to the Company and third parties operating the relevant controls.

Most functions for the day-to-day management of the Company are sub-contracted to third party service providers, and the Directors therefore obtain regular assurances and information from these suppliers regarding their internal systems and controls.

Internal Audit

As the Company's investment management is carried out by the Board and the administration and custodial activities are carried out by third party service providers the Board does not consider it necessary to have an internal audit function. The Board reviews financial information produced by the Administrator on a regular basis.

Relations with Shareholders

Communication with Shareholders is given a high priority by the Board. All Shareholders are encouraged to vote at the AGM. Shareholders that wish to communicate directly with the Board or to lodge a question in advance of the AGM should contact the Company Secretary at the address on page 2 or contact the Board via email to info@theinvestmentcompanyplc.co.uk.

The Annual and Half-Yearly Reports of the Group are prepared by the Board to present a full, fair, balanced and understandable review of the Group's performance, business model and strategy. Copies of these are released to the London Stock Exchange. The Annual Report is dispatched to Shareholders by mail and is also available from the Secretary or at <https://theinvestmentcompanyplc.co.uk>.

The Board maintains regular dialogue with representatives of the Company's largest Shareholders throughout the year. The Board is mindful of feedback received from Shareholders.

Disclosure Guidance and Transparency Rules ("DGTR")

Other information required to be disclosed pursuant to the DGTR has been placed in the Directors' Report because it is information which refers to events that have taken place during the course of the year.

On behalf of the Board

I. R. Dighé

Chairman

18 September 2024

AUDIT COMMITTEE REPORT

Role of the Audit Committee

The primary responsibilities of the Audit Committee (the “Committee”) are:

- to monitor the integrity of the financial statements of the Group, and review the financial reporting process and the accounting policies of the Group;
- to present a fair balance and understandable assessment of the Group’s Annual Report and Financial Statements;
- to keep under review the effectiveness of the Group’s internal control environment and risk management systems;
- to review annually the need for the Group to have its own internal audit function;
- to make recommendations to the Board in relation to the re-appointment or removal of the external Auditor and to approve its remuneration and terms of engagement;
- to review the effectiveness of the audit process;
- to develop and implement a policy on the supply of non-audit services by the Auditor; and
- to review and monitor the Auditor’s independence and objectivity.

Matters considered in the year

The Committee met once during the financial year to consider the financial statements and to review the internal control systems.

The Audit Committee has:

- reviewed the need for the Group to have its own internal audit function;

- reviewed the internal controls and risk management systems of the Company and those of its third party service providers;
- reviewed and, where appropriate, updated the Company’s risk register;
- agreed the audit plan with the Auditor, including the principal areas of focus;
- received and discussed with the Auditor its report on the results of the audit; and
- reviewed the Group’s financial statements.

The principal issues identified by the Committee were the valuation and ownership of the investment portfolio, in particular the unquoted holdings and revenue recognition. The Board relies on the Administrator to use correct listed prices and seeks comfort in the testing of this process through the internal control statements. This was discussed with the Administrator and Auditor at the conclusion of the audit of the financial statements.

The Committee assesses annually whether it is appropriate to prepare the Group’s financial statements on a going concern basis. The Board’s conclusions are set out in Note 1 of the financial statements.

The Committee considers the internal control system of the Company and its third party service providers. There were no significant matters of concern identified in the Committee’s review of the internal controls of the Company and its third party service providers.

Following consideration of the above, and its detailed review, the Committee was of the opinion that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary to assess the Group’s position and performance, business model and strategy and advised the Board accordingly.

Auditor

The Audit Committee will, in accordance with the terms of reference of the Committee, continue to consider the need to put the audit out to tender, the Auditor's performance, its fees and independence, along with matters raised during each audit.

Audit Fees

An audit fee of £50,000 has been agreed in respect of the audit for the year ended 30 June 2024. Of this amount, £45,820 relates to the Audit of the Company and £4,180 in respect of the subsidiary companies.

Audit services

The Committee reviews the need for non-audit services and authorises such on a case by case basis, having consideration to the cost-effectiveness of the services and the independence and objectivity of the Auditor. No non-audit services were provided to the Group in the year under review.

Appointment of the Auditor

The Committee conducted a review of PKF Littlejohn LLP's independence and audit process effectiveness as part of its review of the financial reporting for the year ended 30 June 2024. In considering the effectiveness, the Committee reviewed the audit plan in July 2024, discussing the materiality level and identification of key financial reporting risks. The Committee also considered the execution of the audit against the plan, as well as the Auditor's reporting to the Committee in respect of the financial statements. Based on this, the Committee were satisfied that the quality of the external audit process had been good with appropriate focus and challenge on the key audit risks.

The Committee advises the Board on the appointment of the external auditor and determines the Auditor's remuneration. It keeps under review the cost

effectiveness and also the independence and objectivity of the external auditor. The Committee was satisfied that the objectivity and independence of the auditor was not impaired during the year.

This is the sixth year in which PKF Littlejohn LLP has conducted the audit. As a Public Interest Entity listed on the London Stock Exchange the Company is subject to mandatory auditor rotation requirements. The Company will be required to put the external audit out to tender at least every ten years and change the Auditor at least every twenty years. Under the legislation the Company will be required to put the audit out to tender, at the latest, following the 2028 year end. The auditor is required to rotate partners every five years.

The current audit partner for the Company, Ian Cowan, is in his sixth year in this role. Due to significant changes in the capital structure and the investment objective and policy voted on by Shareholders in a meeting on 26 June 2023, the Audit Committee requested that Ian Cowan be appointed for an additional year.

M. H. W. Perrin (FCA)

Chairman, Audit Committee

18 September 2024

DIRECTORS' REMUNERATION REPORT

The Board has prepared this report in accordance with the requirements of the Large and Medium Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. An ordinary resolution for the approval of the Remuneration Report will be put to Shareholders at the forthcoming AGM. The law requires the Company's Auditor to audit certain disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in the Independent Auditor's Report on pages 38 to 45.

Annual Statement from the Chairman

The Directors' Remuneration Report for the year ended 30 June 2024 is set out below.

Given the size of the Board, it is not considered appropriate for the Company to have a separate Remuneration Committee and the functions of this Committee are carried out by the Board as a whole. Each Director of the Company takes no part in discussions concerning their own remuneration.

Remuneration Policy

The Board's policy is that the remuneration of non-executive Directors should reflect the experience of the Board as a whole, and is determined with reference to comparable financial organisations and appointments.

The Directors' fees are determined within the limits set out in the Company's Articles of Association, not to exceed a maximum aggregate amount of £250,000 per annum. In addition, Directors may be paid extra remuneration for the performance of service which in the opinion of the Director is beyond the ordinary and usual duties of a Director. Under the Company's Articles of Association, if any Director performs or agrees to perform services (including services as a member of any committee(s)) which in the opinion of the Directors are beyond the ordinary and usual duties of a Director, the Director may (unless otherwise expressly resolved by the Company in general meeting) be paid such extra remuneration by way of salary or otherwise, as the Directors may determine, which shall be charged as part of the Company's ordinary working expenses. However, as the Directors do not receive performance

related pay, any additional remuneration would not be based on a percentage of profits.

Directors have not been paid bonuses, pension benefits, share options, long-term incentive schemes or other performance-related benefits or compensation for loss of office. Director's fees will be reviewed in the future, within the context of growing the assets of the Company, and will be subject to Shareholder approval.

Fees for any new Director appointed will be on the above basis. Any views expressed by Shareholders on the fees being paid to Directors would be taken into consideration by the Board.

The terms of appointment provide that Directors shall retire and be subject to annual re-election at each Annual General Meeting of the Company in accordance with the Articles of Association of the Company. Compensation will not be paid upon early termination of appointment.

A resolution to approve the Remuneration Policy will be put to Shareholders at the AGM.

Shareholder views of remuneration policy

The formal views of unconnected Shareholders have not been sought in the preparation of this policy.

Employees

The Company does not have any employees and, therefore no Chief Executive Officer. Accordingly, the disclosures required under paragraphs 18(2), 19, 38 and 39 of Schedule 8 of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 are not required.

Directors' Emoluments for the Year (audited information)

The Directors who served in the year received the following total emoluments:

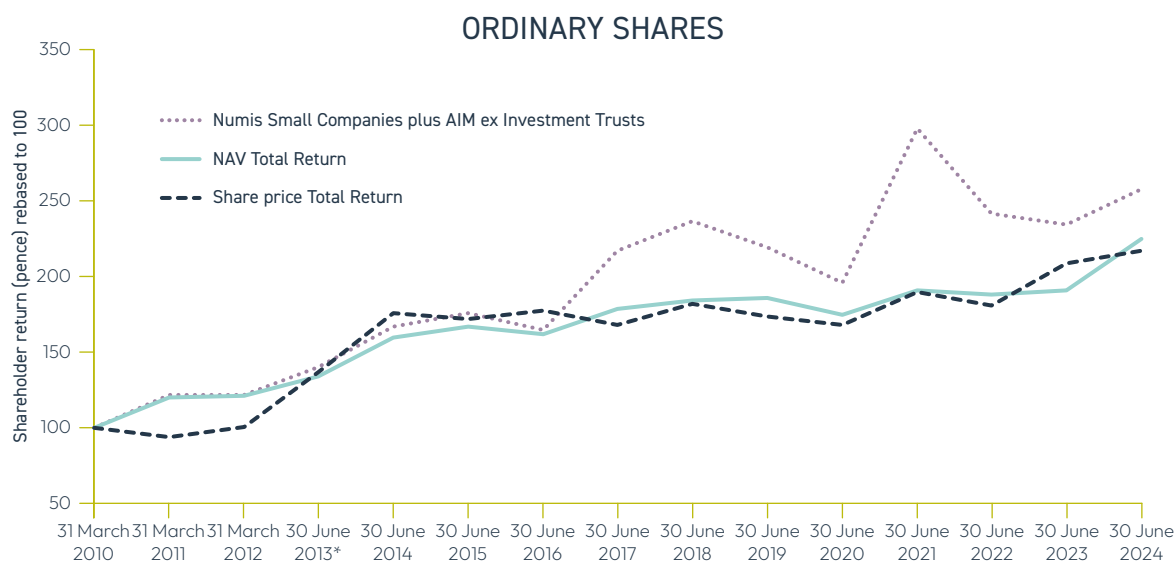
	Year ended 30 June 2024		Year ended 30 June 2023	
	Fees £	Total £	Fees £	Total £
Ian Dighé	20,000	20,000	20,000	20,000
David Horner (appointed 26 July 2023)	-	-	-	-
Tim Metcalfe	20,000	20,000	20,000	20,000
Martin Perrin	20,000	20,000	20,000	20,000
Michael Weeks (resigned 26 July 2023)	1,667	1,667	20,000	20,000
Tom Cleverley (resigned 28 October 2022)	-	-	6,667	6,667
	61,667	61,667	86,667	86,667

Michael Weeks resigned from the Board on 26 July 2023 and David Horner was appointed on the same day. Mr Horner has waived his right to receive fees. Directors emoluments for the year to 30 June 2025 are expected to be £20,000 each for Mr Dighé, Mr Metcalfe and Mr Perrin.

Company Performance

The Company does not have a specific benchmark against which performance is measured. The graph below compares the total return (assuming all dividends are reinvested) to holders of ordinary shares compared to the total shareholder return of the Numis Small Companies plus AIM ex Investment Trusts.

The Company has had several different investment objectives and policies which makes any long-term comparison to an index difficult, however, the Numis Small Companies plus AIM ex Investment Trusts is the closest broad index against which to measure the Company's recent performance.



*15 months to 30 June 2013.

Relative Importance of Spend on Pay

The table below shows the proportion of the Company's income spent on pay.

	2024 £	2023 £	2023/2024 Change %	2022 £	2022/2023 Change %	2021 £	2021/2022 Change %
Dividends paid to Ordinary Shareholders in the year	-	-	-	-	-	143,161	(100.0)%
Directors' fees	61,667	86,667	(28.8)	100,000	(13.3)	86,292	15.9

Directors' Beneficial and Family Interests

The interests of the current Directors and their families in the voting rights of the Company are set out below:

	As at 30 June 2024 No. of ordinary shares	As at 30 June 2023 No. of ordinary shares
Ian Dighé	37,996	30,820
David Horner (appointed 26 July 2023)	28,704	-
Tim Metcalfe*	47,505	47,505
Martin Perrin*	36,000	21,695
Michael Weeks	-	32,000

* Together with their connected persons.

There were no changes in these holdings up to the date of this Report.

Voting at Annual General Meeting

In accordance with the requirement of the Companies Act 2006 Shareholder approval for the Remuneration Report will be sought at the 2024 AGM.

An ordinary resolution adopting the Remuneration Report was approved at the AGM held on 7 November 2023. The votes cast by proxy were as follows:

Directors' Remuneration Report	Number of votes	% of votes cast
For and discretionary	226,658	99.00
Against	2,296	1.00
Total votes cast	228,954	100.00
Number of votes withheld	-	

Voting on the Remuneration Policy at the AGM held on 27 October 2021 was as follows:

Directors' Remuneration Policy	Number of votes	% of votes cast
For and discretionary	1,697,560	83.32
Against	339,744	16.68
Total votes cast	2,037,304	100.00
Number of votes withheld	1,266,909	

Approval

The Directors' Remuneration Report was approved by the Board on 18 September 2024.

On behalf of the Board

I. R. Dighé
Chairman

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing this Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Group and Company financial statements in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006. Additionally, the Financial Conduct Authority's Disclosure Guidance and Transparency Rules require the Directors to prepare the Group financial statements in accordance with UK adopted international accounting standards. 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 Group and Company and of the profit or loss of the Group and Company for that period.

In preparing those financial statements, the Directors are required to:


- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK adopted international accounting standards, in conformity with the requirements of the Companies Act 2006 and, for the Group, UK adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- 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 Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations, and for ensuring that the Annual Report includes information required by the Listing Rules of the Financial Conduct Authority.

The financial statements are available on the Company's website at <https://theinvestmentcompanyplc.co.uk>. The Directors are also responsible for the maintenance and integrity of the Company's website. Visitors to the website need to be aware that legislation in the United Kingdom covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.



We confirm that to the best of our knowledge:

- the Group and Company financial statements, which have been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and, for the Group, UK adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group and Company;
- the Annual Report includes a fair review of the development and performance of the business and the position of the Group and Company together with a description of the principal risks and uncertainties faced by the Group and Company; and
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the position and performance, business model and strategy of the Group and Company.

On behalf of the Board

I. R. Dighé
Chairman

18 September 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Opinion

We have audited the Financial Statements of The Investment Company Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2024 which comprise the Consolidated Income Statement, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statements and notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the Parent Company Financial Statements, as applied in accordance with the provisions of the Companies Act 2006.

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 30 June 2024 and of the Group's profit for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company Financial Statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the Financial Statements 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 and Parent Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, 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

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate. Our evaluation of the Directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- challenging management's key inputs and assumptions in modelling future financial performance and cashflow requirements, including consideration of the key changes arising from adapting the new investment objective and ensuring any relevant investment commitments are reflected therein;
- assessing liquidity and the ability of management to trade in the investment portfolio, which underpins the ability to meet the future obligations and operational expenditure as required;
- checking the mathematical accuracy of the forecast used to model future financial performance and cashflow requirements;
- assessing the mitigating factors available to management including their ability to generate cash

from the investment portfolio, should it be deemed necessary, and the liquidity of the portfolio; and

- assessing the appropriateness of the going concern disclosures included with the Financial Statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast

significant doubt on the Group's or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the Financial Statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate, on the Financial Statements as a whole.

Based on our professional judgement, we determined materiality for the Financial Statements as follows:

	Group	Parent Company
Overall materiality	£228,000 (2023: £337,000)	£228,000 (2023: £336,000)
Performance materiality	£159,600 (2023: £235,900)	£159,600 (2023: £235,200)
Triviality	£11,400 (2023: £16,850)	£11,400 (2023: £16,800)
Basis for determining materiality	3% (2023: 2%) of gross assets	

Rationale for the benchmark applied We have set our overall materiality at 3% of gross assets as the carrying value of the investments is a key driver of shareholder value and a key performance indicator used by management and forms more than 90% of gross assets. The basis of materiality has been consistently applied in the current and previous year.

Performance materiality represents amounts set by the Auditor at less than the overall materiality to reduce the probability that the aggregate of uncorrected and undetected misstatements exceeds the overall materiality. In setting this we consider the overall control environment and our experience from previous audits which has indicated a low number of corrected and uncorrected misstatements. Based on these factors we have set performance materiality at 70% (2023: 70%) of our overall materiality.

In addition to the above, we determined a specific materiality in our audit of the Consolidated and Parent Company Income Statement as follows:

	Group	Parent Company
Overall materiality	£19,000 (2023: £20,000)	£18,000 (2023: £18,000)
Performance materiality	£13,300 (2023: £14,000)	£12,600 (2023: £12,600)
Triviality	£950 (2023: £1,000)	£900 (2023: £900)
Basis for determining materiality	5% (2023: 5%) of other expenses	
Rationale for the benchmark applied	<p>We consider expenses to be a stable metric for Income Statement materiality and have applied this method consistently in the current and previous year. Cost control is a key focus of the Group, and hence this is deemed to be a suitable performance indicator to use for determining materiality.</p> <p>For the reasons noted above, performance materiality has been set at 70% (2023: 70%) of the overall materiality.</p>	

We set materiality for each component of the Group at a lower level of materiality, dependent on the size and our assessment of the risk of material misstatement of that component. This was consistent between the Balance Sheet and Income Statement. For Abport Limited, overall materiality was set at £10,000 (2023: £10,000). We further applied performance materiality thresholds of 70% (2023: 70%) for the component materiality.

We have agreed with the Audit Committee that we would report to the Committee individual audit differences in excess of the trivial thresholds outlined above, as well as differences below these thresholds that, in our view, warranted reporting on quantitative grounds.

We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the Financial Statements.

Our approach to the audit

In designing our audit, we determined materiality and assessed the risk of material misstatement in the Financial Statements. In particular, we looked at areas involving significant accounting estimates and judgements by the Directors and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

The Group's only significant and material component was the Parent Company and this was subject to a full scope audit by a team with relevant sector experience undertaken from our office based in London. The components identified as not significant and not material were subject to review procedures undertaken by the same audit team.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

Valuation and ownership of investments (notes 1 and 8)

The Group holds investments with a carrying value of £7,069,820 as at 30 June 2024. The Group's investments comprise of listed holdings and are valued using the appropriate level of the fair value hierarchy as per IFRS 13 *Fair Value Measurement*.

All investments are classified as Level 1 in the fair value hierarchy, valued using quoted prices in active markets. However, the risk of misstatement remains due to:

- potential errors in pricing data;
- possible inactive markets for some small-cap stocks; and
- risk of management override in the valuation process.

Furthermore, there is a risk that the Group does not hold the legal title to the investments. As above, investments are a highly significant component of the Balance Sheet and therefore if the investments were not rightfully owned, this would have a material impact on the Financial Statements. Therefore, this is determined to be a key audit matter.

How our scope addressed this matter

Our work in this area included:

- testing the portfolio of listed investment valuations to closing bid prices published by an independent pricing source;
- agreeing the listed investments held at the year end to the custody report received directly from the custodian Fiske plc;
- testing a sample of investment additions and disposals and corroborating to supporting documentation including recalculating any realised gains/losses on disposal to ensure individual investment purchases and disposals, including any resulting gains and losses, are accurately recorded; and
- performing a reconciliation of the investment holdings, verifying that the correct classification has been applied to each holding and that the fair value hierarchy disclosure is presented in accordance with IFRS 13.

Based on the work performed, we are satisfied that the Group and Parent Company's valuation of the investments held is appropriate, and that the Group and Parent Company hold legal title to the investments.

Other information

The other information comprises the information included in the Annual Report, other than the Financial Statements and our Auditor's Report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the Group and Parent Company 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. 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 course of 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 this gives rise to a material misstatement in the Financial Statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and their 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.

Corporate governance statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's and Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the Financial Statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 19;
- Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 19;
- Directors' statement on whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities set out on page 19;
- Directors' statement that they consider the Annual Report and the Financial Statements, taken as a whole, to be fair, balanced and understandable set out on pages 36 and 37;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 28 and 29;
- the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 28 and 29; and
- the section describing the work of the audit committee set out on pages 30 and 31.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the Group and Parent Company 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 Group and Parent Company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the Group and Parent Company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect of the Financial Statements. We obtained our understanding in this regard through discussions with management, industry research, and the application of our cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the Group and Parent Company in this regard to be those arising from the Financial Conduct Authority (FCA) Rules, UKLA Listing Rules, Disclosure Guidance and Transparency Rules, the principles of the UK Corporate Governance Code applied by the AIC Code of Corporate Governance (the AIC Code), the AIC Statement of Recommended Practice Financial Statements of Investment Trust Companies and Venture Capital Trusts issued in July 2022 ("AIC SORP") to the extent that this is consistent with IFRS, Companies Act 2006, Alternative Investment Fund Managers' Directive and UK tax legislation including qualification as an investment trust under section 1158 of the Corporation Tax Act 2010.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Group and Parent Company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes of

those charged with governance review of legal and regulatory correspondence and reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

- We also identified the risks of material misstatement of the Financial Statements due to fraud. We considered, in addition to the non-rebuttable presumption of risk of fraud arising from management override of controls, the risk of fraud related to revenue recognition, the posting of unusual journals and the manipulation of the Group's alternative performance profit measures and other key performance indicators to meet externally communicated targets. To address the risk of fraud related to revenue recognition, our audit work included, but was not limited to:
 - evaluating the appropriateness of the information systems and effectiveness of the design and implementation of the related controls;
 - substantively testing the income recognised in the Financial Statements, including deferred and accrued income balances recognised as at the year-end;
 - tracing a sample of dividend income received to bank statements and dividend declarations issued by the companies in which the investments are held;
 - performing a review of the revenue recognition accounting policy for compliance with IFRS 15, to the extent relevant given the nature of the Group's activities, along with the AIC SORP;
 - for a sample of unrealised investments gains, tracing to verified supporting calculations and in the case of listed investments, agreeing the price increases to stock exchanges websites; and

- reviewing post-year end receipts to ensure completeness of income recorded in the accounting period.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that were deemed unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the Financial Statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the Financial Statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Other matters which we are required to address

We were appointed by the Audit Committee on 29 November 2018 to audit the Financial Statements for the period ended 30 June 2019 and subsequent financial periods. Our total uninterrupted period of engagement is six years, covering the periods ended 30 June 2019 to 30 June 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

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.

Ian Cowan (Senior Statutory Auditor)

For and on behalf of PKF Littlejohn LLP

Statutory Auditor
15 Westferry Circus
Canary Wharf
London E14 4HD

18 September 2024

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2024

	Notes	Year ended 30 June 2024			Year ended 30 June 2023		
		Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Gains on investments at fair value through profit or loss	8	-	886,415	886,415	-	876,505	876,505
Exchange (losses)/gains on capital items		-	(10,484)	(10,484)	-	798	798
Investment income	2	210,040	118,536	328,576	303,475	-	303,475
Investment management fee	3	-	-	-	-	-	-
Other expenses	4	(188,232)	-	(188,232)	(396,562)	-	(396,562)
Return/(loss) before taxation		21,808	994,467	1,016,275	(93,087)	877,303	784,216
Taxation	5	(3,629)	-	(3,629)	(45,020)	-	(45,020)
Total income/ (loss) after taxation		18,179	994,467	1,012,646	(138,107)	877,303	739,196
		Revenue pence	Capital pence	Total pence	Revenue pence	Capital pence	Total pence
Return/(loss) on total income after taxation per 50p ordinary share – basic & diluted	6	0.89	48.61	49.50	(2.89)	18.38	15.49

The total column of this statement is the Income Statement of the Group prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The supplementary revenue and capital columns are prepared in accordance with the Statement of Recommended Practice (“AIC SORP”) issued in July 2022 by the Association of Investment Companies.

The Group did not have any income or expense that was not included in total income for the year. Accordingly, total income is also total comprehensive income for the year, as defined by IAS 1 (revised) and no separate Statement of Comprehensive Income has been presented.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the year.

The notes on pages 52 to 68 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Ordinary share capital £	Share premium £	Capital redemption reserve £	Special reserve £	Capital reserve £	Revenue reserve £	Total £
Balance at 1 July 2023	2,386,025	4,453,903	2,408,820	-	8,545,911	(1,523,855)	16,270,804
Total comprehensive income							
Net return for the year	-	-	-	-	994,467	18,179	1,012,646
Transactions with Shareholders recorded directly to equity							
Cancellation of share premium account and capital redemption reserve	-	(4,453,903)	(2,408,820)	6,862,723	-	-	-
Share issue	406,414	2,425,325	-	-	-	-	2,831,739
Cost of shares purchased under Tender Offer and held in Treasury	-	-	-	(6,862,723)	(5,795,417)	-	(12,658,140)
Ordinary dividends	-	-	-	-	-	1,927	1,927
Tender Offer costs	-	-	-	-	(82,235)	-	(82,235)
Balance at 30 June 2024	<u>2,792,439</u>	<u>2,425,325</u>	<u>-</u>	<u>-</u>	<u>3,662,726</u>	<u>(1,503,749)</u>	<u>7,376,741</u>
Balance at 1 July 2022	2,386,025	4,453,903	2,408,820	-	8,185,191	(1,385,748)	16,048,191
Total comprehensive income							
Net return/(loss) for the year	-	-	-	-	877,303	(138,107)	739,196
Transactions with Shareholders recorded directly to equity							
Tender Offer costs	-	-	-	-	(516,583)	-	(516,583)
Balance at 30 June 2023	<u>2,386,025</u>	<u>4,453,903</u>	<u>2,408,820</u>	<u>-</u>	<u>8,545,911</u>	<u>(1,523,855)</u>	<u>16,270,804</u>

The notes on pages 52 to 68 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Ordinary share capital £	Preference share capital £	Share premium £	Capital redemption reserve £	Special reserve £	Capital reserve £	Revenue reserve £	Total £
Balance at 1 July 2023	2,386,025	858,783	4,453,903	2,408,820	-	5,450,799	1,003,304	16,561,634
Total comprehensive income								
Net return for the year	-	-	-	-	-	1,562,294	27,453	1,589,747
Transactions with Shareholders recorded directly to equity								
Cancellation of share premium account and capital redemption reserve	-	-	(4,453,903)	(2,408,820)	6,862,723	-	-	-
Share issue	406,414	-	2,425,325	-	-	-	-	2,831,739
Cost of shares purchased under Tender Offer and held in Treasury	-	-	-	-	(6,862,723)	(5,795,417)	-	(12,658,140)
Tender Offer costs	-	-	-	-	-	(82,235)	-	(82,235)
Ordinary dividends	-	-	-	-	-	-	1,927	1,927
Preference share dividends paid	-	-	-	-	-	-	(172)	(172)
Balance at 30 June 2024	2,792,439	858,783	2,425,325	-	-	1,135,441	1,032,512	8,244,500
Balance at 1 July 2022	2,386,025	858,783	4,453,903	2,408,820	-	5,626,497	1,128,452	16,862,480
Total comprehensive income								
Net return/(loss) for the year	-	-	-	-	-	340,885	(124,976)	215,909
Transactions with Shareholders recorded directly to equity								
Tender Offer costs	-	-	-	-	-	(516,583)	-	(516,583)
Preference share dividends paid	-	-	-	-	-	-	(172)	(172)
Balance at 30 June 2023	2,386,025	858,783	4,453,903	2,408,820	-	5,450,799	1,003,304	16,561,634

The notes on pages 52 to 68 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

At 30 June 2024

	Notes	30 June 2024 £	30 June 2023 £
Non-current assets			
Investments held at fair value through profit or loss	8	7,069,820	8,564,470
Current assets			
Trade and other receivables	11	264,926	25,068
Cash and cash equivalents		252,293	8,282,426
		<u>517,219</u>	<u>8,307,494</u>
Current liabilities			
Trade and other payables	12	(210,298)	(601,160)
		<u>(210,298)</u>	<u>(601,160)</u>
Net current assets		<u>306,921</u>	<u>7,706,334</u>
Net assets		<u>7,376,741</u>	<u>16,270,804</u>
Capital and reserves			
Ordinary share capital	13	2,792,439	2,386,025
Share premium		2,425,325	4,453,903
Capital redemption reserve		-	2,408,820
Special reserve		-	-
Capital reserve		3,662,726	8,545,911
Revenue reserve		(1,503,749)	(1,523,855)
Shareholders' funds		<u>7,376,741</u>	<u>16,270,804</u>
NAV per 50p ordinary share	15	<u>401.52p</u>	<u>340.96p</u>

These financial statements were approved by the Board on 18 September 2024 and were signed on its behalf by:

I. R. Dighé

Chairman

Company Number: 0004205

The notes on pages 52 to 68 form part of these financial statements.

COMPANY BALANCE SHEET

At 30 June 2024

	Notes	30 June 2024 £	30 June 2023 £
Non-current assets			
Investments held at fair value through profit or loss	8	7,069,820	8,564,470
Investment in subsidiaries	9	807,496	326,277
		<u>7,877,316</u>	<u>8,890,747</u>
Current assets			
Trade and other receivables	11	318,775	80,759
Cash and cash equivalents		251,625	8,281,759
		<u>570,400</u>	<u>8,362,518</u>
Current liabilities			
Trade and other payables	12	(203,216)	(691,631)
		<u>(203,216)</u>	<u>(691,631)</u>
Net current assets		<u>367,184</u>	<u>7,670,887</u>
Net assets		<u>8,244,500</u>	<u>16,561,634</u>
Capital and reserves			
Ordinary share capital	13	2,792,439	2,386,025
Preference share capital	14	858,783	858,783
Share premium		2,425,325	4,453,903
Capital redemption reserve		-	2,408,820
Special reserve		-	-
Capital reserve		1,135,441	5,450,799
Revenue reserve		1,032,512	1,003,304
Shareholders' funds		<u>8,244,500</u>	<u>16,561,634</u>

As permitted by section 408 of the Companies Act 2006, the Company has not presented its own Income Statement. The amount of the Company's return for the financial year dealt with in the financial statements of the Group is a gain after tax of £1,589,747 (2023: gain of £215,909).

These financial statements were approved by the Board on 18 September 2024 and were signed on its behalf by:

I. R. Dighé
Chairman

Company Number: 0004205

The notes on pages 52 to 68 form part of these financial statements.

CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS

For the year ended 30 June 2024

	Notes	Group		Company	
		30 June 2024 £	30 June 2023 £	30 June 2024 £	30 June 2023 £
Cash flows used in operating activities					
Income received from investments		269,318	303,114	269,318	303,114
Interest received		50,708	6,451	50,706	6,451
Overseas taxation paid		(4,475)	(46,539)	(4,475)	(46,539)
Investment management fees paid		-	-	-	-
Other cash payments		(352,286)	(382,266)	(339,205)	(370,586)
Net cash used in operating activities		(36,735)	(119,240)	(23,656)	(107,560)
Cash flows used in financing activities					
Proceeds from Share Issue		3,618,690	-	3,618,690	-
Funding of Tender Offer		(13,445,091)	-	(13,445,091)	-
Tender Offer expenses paid		(539,075)	(35,000)	(539,075)	(35,000)
Net cash used in financing activities		(10,365,476)	(35,000)	(10,365,476)	(35,000)
Cash flows generated from investing activities					
Purchase of investments	8	(9,459,505)	(3,412,011)	(9,459,505)	(3,412,011)
Sale of investments	8	11,831,583	11,174,206	11,831,583	11,173,539
Loans to subsidiaries		-	-	(13,080)	3,049
Net cash generated from investing activities		2,372,078	7,762,195	2,358,998	7,764,577
Net (decrease)/increase in cash and cash equivalents		(8,030,133)	7,607,955	(8,030,134)	7,622,017
Reconciliation of net cash flow to movement in net cash					
(Decrease)/increase in cash		(8,030,133)	7,607,955	(8,030,134)	7,622,017
Exchange rate movements		-	(4,121)	-	(4,121)
(Decrease)/increase in net cash		(8,030,133)	7,603,834	(8,030,134)	7,617,896
Net cash at start of period		8,282,426	678,592	8,281,759	663,863
Net cash at end of period		252,293	8,282,426	251,625	8,281,759
Analysis of net cash					
Cash and cash equivalents		252,293	8,282,426	251,625	8,281,759
		252,293	8,282,426	251,625	8,281,759

The notes on pages 52 to 68 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

1. Accounting Policies

Basis of Preparation

The Company is a public limited company limited by shares and incorporated and registered in England and Wales. The Company has been approved as an investment trust within the meaning of sections 1158/1159 of the Corporation Tax Act 2010. The Company's registered office is The Office Suite, Den House, Den Promenade, Teignmouth TQ14 8SY.

The Group's consolidated financial statements for the year ended 30 June 2024, which comprise the audited results of the Company and its wholly owned subsidiaries, Abport Limited and New Centurion Trust Limited (until the date of liquidation) (together referred to as the "Group"), have been prepared in accordance with UK adopted international accounting standards and in accordance with the requirements of the Companies Act 2006. The annual financial statements have also been prepared in accordance with the AIC Statement of Recommended Practice issued in July 2022 ("AIC SORP"), except to any extent where it is not consistent with the requirements of UK IFRS.

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and capital nature have been prepared alongside the Income Statement.

The financial statements are presented in Pounds Sterling, which is the Group's functional currency as the UK is the primary environment in which it operates.

Going Concern

The Directors have made an assessment of the Group's ability to continue as a going concern. This has included a review of the Group's financial position in respect of its cash flows and investment commitments (of which there are none of significance), the working arrangements of key service providers, the continued eligibility to be approved as an investment trust company, the impact of the current economic environment and the conflicts in Ukraine and the Middle East. In addition, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

The Directors are satisfied that the Group has sufficient resources to continue in business for the foreseeable future being a period of at least 12 months from the date that these financial statements were approved. Therefore, the financial statements have been prepared on the going concern basis.

Basis of Consolidation

IFRS 10 stipulates that subsidiaries of Investment Entities are not consolidated. The Investment Company meets all three characteristics of an Investment Entity as described, however, it is envisaged that one of the subsidiaries will be a dealing subsidiary and, therefore consolidated financial statements are presented for the Group. The financial statements of the subsidiaries are prepared for the same reporting year as the parent Company, using consistent accounting policies. All inter-company balances and transactions, including unrealised profits arising from them are eliminated.

Segmental Reporting

The Directors are of the opinion that the Group is engaged in a single segment of business, being investment business. During the year, the Group invested in companies listed in the UK.

1. Accounting Policies continued

Accounting Developments

The following, relevant accounting standards and their amendments were in issue at the year end but will not be in effect until after this financial year.

International Accounting Standards	Effective date*
IAS 1 (Amendments) Presentation of Financial Statements regarding classification of liabilities as Current or Non-current	1 January 2024
IAS 1 (Amendments) Classification of liabilities as Current or Non-current – Deferral of effective date	1 January 2024
IAS 7 (Amendments) Statement of Cash Flows	1 January 2024
IFRS 7 (Amendments) Financial Instruments: Disclosures: Supplier Finance Arrangements	1 January 2024
IAS 21 (Amendments) Lack of Exchangeability	1 January 2025

* Years beginning on or after

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group or Company in future periods.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts in the Balance Sheet, the Consolidated Income Statement and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. These are reviewed on an ongoing basis. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future period if the revision affects both current and future periods.

The investment portfolio is valued by reference to quoted prices. However, the Board assesses the portfolio for any investments which it considers the value has fallen permanently below cost. Any such loss is treated as a permanent impairment and as a realised loss, even though the investment is still held.

There were no other significant accounting estimates or significant judgements in the current or previous year.

1. Accounting Policies continued

Investments

As the Group's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth, Investments are classified at fair value through profit or loss on initial recognition in accordance with IFRS 9. The portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy, and information about the portfolio is provided internally on that basis to the Group's Board of Directors.

Investments are measured initially, and at subsequent reporting dates, at fair value, and derecognised at trade date where a purchase or sale is under a contract whose terms require delivery within the time-frame of the relevant market. For quoted investments this is deemed to be bid market prices or closing prices.

Changes in fair value of investments and realised gains and losses on disposal are recognised in the Consolidated Income Statement as capital items. The holdings of the investment in subsidiaries are stated at cost less any provision for impairment in value. All investments for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy in Note 8.

Foreign Currency

Transactions denominated in foreign currencies are converted to Pounds Sterling at the actual exchange rate as at the date of the transaction. Items that are denominated in foreign currencies at the year-end are reported at the rate of exchange at the Balance Sheet date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the capital reserve or the revenue account depending on whether the gain or loss is of a capital or revenue nature.

Cash and Cash Equivalents

Cash comprises cash at bank and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

Current Assets

Current assets are initially recognised at cost and subsequently measured at amortised cost and balances revalued for exchange rate movement. Current assets comprise debtors, prepayments and cash and are subject to review for impairment at least at each reporting date.

Current Liabilities

Current liabilities are initially recognised at cost and subsequently measured at amortised cost and balances revalued for exchange rate movement. Current liabilities comprise accruals and other creditors and are subject to review for impairment at least at each reporting date.

1. Accounting Policies continued

Income

Dividends receivable on quoted equity shares are taken to revenue or capital depending on the nature of the dividend, on an ex-dividend basis. Special dividends are considered individually to ascertain the reason behind the payment and determine whether they are treated as revenue or capital. Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established. Fixed returns on non-equity shares are recognised on a time-apportioned basis.

Dividends from overseas companies are shown gross of any non-recoverable withholding taxes which are disclosed separately in the Consolidated Income Statement.

Dividend income will only be recognised when there is reasonable certainty that the issuer has the ability to make the return.

Expenses and Finance Costs

All expenses and finance costs are accounted for on an accruals basis.

Taxation

The tax expense represents the sum of the tax currently payable. The tax payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Consolidated Income Statement because it excludes items that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates applicable at the Balance Sheet date.

No taxation liability arises on gains from sales of fixed asset investments by the Group by virtue of its investment trust status. However, the net revenue (excluding UK dividend income) accruing to the Group is liable to corporation tax at the prevailing rates.

Dividends Payable to Shareholders

Dividends to Shareholders are recognised as a liability in the period in which they are paid or approved in general meetings and are taken to the Statement of Changes in Equity. Dividends declared and approved by the Company after the Balance Sheet date are not recognised as a liability of the Company at the Balance Sheet date.

Share Capital

Issued share capital consists of ordinary shares with voting rights and issued preference shares which are non-voting. The issued preference shares, owned in their entirety by New Centurion Trust Limited, a wholly-owned subsidiary of the Company, are entitled to receive a cumulative dividend of 0.01p per share per annum, and are entitled to receive their nominal value, 50p, on a distribution of assets or a winding up.

1. Accounting Policies continued

Share Premium

The share premium account represents the accumulated premium paid for shares issued in previous periods above their nominal value less issue expenses. This is a reserve forming part of non-distributable reserves. The following items are taken to this reserve:

- costs associated with the issue of equity; and
- premium on the issue of shares.

Capital Redemption Reserve

The reserve represents the nominal value of the shares bought back and cancelled. This reserve is not distributable.

Capital Reserve

Capital expenses, gains or losses on realisation of investments held at fair value through profit or loss and changes in fair value of investments are transferred to the capital reserve.

The following are taken to this reserve:

- gains and losses on the disposal of investments;
- net movement arising from changes in the fair value of investments held and subsidiaries classified as at “fair value through profit or loss”;
- exchange differences and appropriate costs of a capital nature;
- dividends receivable of a capital nature;
- expenses together with the related taxation effect, allocated to this reserve in accordance with the above policies; and
- the cost of the Tender Offer.

Realised gains on investments less expenses, provisions and unrealised gains may be considered by the Board for distribution. The unrealised gains are not distributable.

Revenue Reserves

The net revenue for the year is transferred to the revenue reserve and any dividends paid are deducted from the revenue reserve.

The revenue reserve represents the surplus accumulated profits and is distributable.

Special Reserve

The special reserve was created by a Court Order on 18 July 2023. The cost of share buybacks and any dividend distributions can be made from this reserve.

2. Income

	Year ended 30 June 2024			Year ended 30 June 2023		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Income from investments:						
UK dividends	122,596	118,536	241,132	52,082	-	52,082
Unfranked dividend income (including scrip dividends)	13,548	-	13,548	244,942	-	244,942
UK fixed interest	23,188	-	23,188	-	-	-
	<u>159,332</u>	<u>118,536</u>	<u>277,868</u>	<u>297,024</u>	<u>-</u>	<u>297,024</u>
Other income						
Bank deposit and other interest	50,708	-	50,708	6,451	-	6,451
Total income	<u>210,040</u>	<u>118,536</u>	<u>328,576</u>	<u>303,475</u>	<u>-</u>	<u>303,475</u>

3. Investment Management Fee

	Year ended 30 June 2024 £	Year ended 30 June 2023 £
Investment management fee	<u>-</u>	<u>-</u>

Following completion of the Tender Offer, on 26 July 2023 Chelverton Asset Management was appointed as Investment Manager.

The Investment Manager is entitled to an annual fee of 0.75% of the Net Asset Value. To the extent that the ongoing charges ratio exceeds 2% the Investment Manager has waived the management fee and shall instead make a contribution to the Company to ensure that the ongoing charges ratio does not exceed 2%. An amount of £189,476 is available to offset against future investment management fees.

4. Other Expenses

	Year ended 30 June 2024 £	Year ended 30 June 2023 £
Administration and secretarial services	85,000	85,000
Auditor's remuneration for:		
– audit of the Group's financial statements	50,000	46,300
Directors' remuneration (see Note 18)	61,667	86,667
Investment Manager's contribution to expenses (see Note 3)	(189,476)	–
Other expenses	181,041	178,595
Total expenses	188,232	396,562

The audit of the Group's financial statements includes the cost of the audit of Abport Limited of £4,180 (2023: £3,800) and New Centurion Trust Limited £nil (2023: £3,800), which are charged to the subsidiaries.

The Directors were the Group and Company's only employees in the current and comparative period.

5. Taxation

	Year ended 30 June 2024			Year ended 30 June 2023		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Current Taxation	-	-	-	-	-	-
Overseas taxation suffered	3,629	-	3,629	45,020	-	45,020
	<u>3,629</u>	<u>-</u>	<u>3,629</u>	<u>45,020</u>	<u>-</u>	<u>45,020</u>

The current tax charge for the year differs from the standard rate of corporation tax in the UK of 25.0%. The differences are explained below:

	Year ended 30 June 2024			Year ended 30 June 2023		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Return on ordinary activities	21,808	994,467	1,016,275	(93,087)	877,303	784,216
Tax at UK Corporation tax rate of 25.0% (2023: 20.5%)	5,452	248,617	254,069	(19,083)	179,847	160,764
Effects of:						
UK dividends that are not taxable	(30,649)	(29,634)	(60,283)	(10,677)	-	(10,677)
Overseas dividends that are not taxable	-	-	-	(11,172)	-	(11,172)
Non-taxable investment (gains)	-	(218,983)	(218,983)	-	(179,847)	(179,847)
Overseas taxation suffered	3,629	-	3,629	45,020	-	45,020
Unrelieved expenses	25,197	-	25,197	40,932	-	40,932
Actual current tax charged to the revenue account	<u>3,629</u>	<u>-</u>	<u>3,629</u>	<u>45,020</u>	<u>-</u>	<u>45,020</u>

Factors that may affect future tax charges

The Company has excess management expenses of £2,623,987 (2023: £2,523,199). It is unlikely that the Company will generate sufficient taxable income in the future to use these expenses to reduce future tax charges and therefore no deferred tax asset has been recognised.

Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments because the Company meets (and intends to continue for the foreseeable future to meet) the conditions for approval as an investment trust company under HMRC rules.

6. Return per Ordinary Share

Returns per share are based on the weighted average number of shares in issue during the year. Normal and diluted returns per share are the same as there are no dilutive elements on share capital.

	Year ended 30 June 2024			Year ended 30 June 2023		
	Revenue	Capital	Total	Revenue	Capital	Total
Return/(loss) after taxation attributable to ordinary Shareholders (£)	18,179	994,467	1,012,646	(138,107)	877,303	739,196
Weighted average number of ordinary shares in issue (excluding shares held in Treasury)			2,045,691			4,772,049
Return/(loss) per ordinary share basic and diluted (pence)	0.89	48.61	49.50	(2.89)	18.38	15.49

7. Dividends per Ordinary Share

Amounts recognised as distributions to equity holders in the year.

	Year ended 30 June 2024 £	Year ended 30 June 2023 £
Unclaimed dividends in respect of prior periods clawed back after 12 years	1,927	-
Total	1,927	-

No dividend will be declared in respect of the year under review.

8. Investments

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Investments held at fair value through profit or loss				
Opening book cost	8,123,670	15,087,359	8,177,670	15,107,651
Opening net investment holding gains	440,800	357,884	386,800	336,968
Opening valuation	8,564,470	15,445,243	8,564,470	15,444,619
Movements in the year:				
Purchases at cost	9,504,441	3,439,089	9,504,441	3,439,089
Sales proceeds	(11,885,506)	(11,196,367)	(11,885,503)	(11,195,700)
Realised gains on sales	544,141	793,589	490,138	826,631
Unrealised gains in the year	342,274	82,916	396,274	49,831
Closing valuation	7,069,820	8,564,470	7,069,820	8,564,470
Being:				
Book cost	6,286,746	8,123,670	6,286,746	8,177,670
Net investment holding gains	783,074	440,800	783,074	386,800
	7,069,820	8,564,470	7,069,820	8,564,470

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Summary of capital gains				
Realised gains on sales	544,141	793,589	490,138	826,631
Unrealised gains in the year	342,274	82,916	396,274	49,831
	886,415	876,505	886,412	876,462

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Transaction costs				
Costs on purchases	32,920	5,734	32,920	5,734
Costs on sales	39,595	21,680	39,595	21,592
	72,515	27,414	72,515	27,326

8. Investments continued

Reconciliation of cash movements in investment transactions

The difference between the purchases in Note 8 of £9,504,441 and that shown in the Cash Flow Statement on page 51 is £44,936 which is represented by outstanding trades of £44,936.

The difference between the sales proceeds in Note 8 of £11,885,506 and that shown in the Cash Flow Statement on page 51 is £53,923 which is represented by an exchange loss of £10,484 and outstanding trades of £43,439.

Fair Value Hierarchy

Fair value is the amount at which an asset could be sold in an ordinary transaction between market participants at the measurement date, other than a forced or liquidation sale. The Group measures fair values using the following hierarchy that reflects the significance of the inputs used in making the measurements.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices, unadjusted in active markets for identical assets and liabilities.

Level 2 – valued by reference to valuation techniques using observable inputs for the asset or liability other than quoted prices included in Level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data for the asset or liability.

The table below sets out the fair value measurement of financial instruments as at 30 June 2024, by the level in the fair value hierarchy into which the fair value measurement is categorised.

Group At 30 June 2024	Level 1 £	Level 2 £	Level 3 £	Total £
Financial assets at fair value through profit or loss:				
Equities	7,069,820	–	–	7,069,820
	<u>7,069,820</u>	<u>–</u>	<u>–</u>	<u>7,069,820</u>

Group At 30 June 2023	Level 1 £	Level 2 £	Level 3 £	Total £
Financial assets at fair value through profit or loss:				
Equities	5,975,907	–	–	5,975,907
Exchange traded commodities	2,588,563	–	–	2,588,563
	<u>8,564,470</u>	<u>–</u>	<u>–</u>	<u>8,564,470</u>

There were no transfers between levels during the current or prior year.

The valuation techniques used by the Group are set out in the Accounting Policies in Note 1.

8. Investments continued

Valuation process for Level 2 investments

Investments classified within level 2 are valued by reference to quoted prices but not being actively traded have been treated as level 2.

Valuation process for Level 3 investments

Investments classified within Level 3 comprise those valued by reference to an indicative price list of an independent third party broker, but the said price list is not sufficiently definitive or observable/publicly available, so as to meet the criteria for a level 2 categorisation.

9. Investment in Subsidiaries

	Company 30 June 2024 £	Company 30 June 2023 £
At cost	5,410,552	5,410,552
Provision for diminution in value	<u>(4,603,056)</u>	<u>(5,084,275)</u>
Net value	<u>807,496</u>	<u>326,277</u>

At 30 June 2024, the Company held interests in the following subsidiary companies:

	Country of Incorporation	% share of capital held	% share of voting rights	Nature of business
Abport Limited	England	100%	100%	Investment dealing company
New Centurion Trust	England	100%	100%	Investment dealing company (in liquidation)

The registered office of the Subsidiaries is the same as that of the Company.

On 29 May 2024, New Centurion Trust Limited was placed into members' voluntary liquidation. This subsidiary is a dormant legacy holding which the Directors have determined to have no further useful purpose.

10. Substantial Share Interests

The Company has no notified interests in 3% or more of the voting rights of any companies at 30 June 2024 (30 June 2023: nil).

11. Trade and Other Receivables

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Amounts due from subsidiaries	-	-	53,849	55,690
Dividends receivable	14,495	5,944	14,495	5,944
Taxation recoverable	-	639	-	639
Trade receivables	43,439	-	43,439	-
Other receivables	206,992	18,485	206,992	18,486
	264,926	25,068	318,775	80,759

The carrying amount of such receivables approximates to their fair value. Trade and other receivables are not past due at 30 June 2024.

12. Trade and Other Payables

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Preference dividends payable to the Company's wholly owned subsidiary	-	-	-	1,721
Amounts due to subsidiaries	-	-	-	101,533
Trade payables	44,936	-	44,936	-
Other accruals	165,362	601,160	158,280	588,377
	210,298	601,160	203,216	691,631

13. Ordinary Share Capital

	Group and Company 2024		Group and Company 2023	
	Number	£	Number	£
Issued allotted and fully paid:				
Ordinary shares of 50p each	5,584,878	2,792,439	4,772,049	2,386,025

As announced on 18 July 2023, 3,980,664 ordinary shares were validly tendered pursuant to the Tender Offer, constituting 83.4% of the existing issued share capital. All validly tendered ordinary shares were accepted in full, with 3,747,673 ordinary shares repurchased by the Company and 232,991 ordinary shares sold to Incoming Shareholders pursuant to the Matched Bargain Facility. Tender Offer costs totalling £598,818 were incurred as part of this offer. An amount of £516,583 was incurred at 30 June 2023 and a further £82,235 incurred during the year.

13. Ordinary Share Capital continued

In addition, on 26 July 2023 the Company issued 812,829 new ordinary shares in connection with the Offer for Subscription and Intermediaries Offer.

Following Admission, and completion of the Tender Offer, the Company's total issued share capital comprises of 5,584,878 ordinary shares. The Company holds all 3,747,673 ordinary shares that were repurchased pursuant to the Tender Offer in Treasury. Therefore, the total number of shares with voting rights in the Company is 1,837,205.

The above figure of 1,837,205 may be used by Shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest, or a change to their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules.

The ordinary shares entitle the holders to receive all ordinary dividends and all remaining assets on a winding up, after the fixed rate preference shares have been satisfied in full.

At the year end, the Company held 3,747,673 ordinary shares in Treasury (2023: None).

14. Issued Preference Share Capital

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Issued preference share of 50p each	-	-	858,783	858,783

The 1,717,565 fixed rate preference shares are non-voting, entitled to receive a cumulative dividend of 0.01p per share per annum, and are entitled to receive their nominal value of 50p, on a distribution of assets or a winding up. The whole of the issue is held by New Centurion Trust Limited, a wholly owned subsidiary of the Company. New Centurion Trust was placed into members' voluntary liquidation on 29 May 2024.

The Directors do not consider the fair values of the issued preference share capital to be significantly different from the carrying values.

15. Net Asset Value per Ordinary Share

The NAV per ordinary share is calculated as follows:

	2024 £	2023 £
Net Assets	7,376,741	16,270,804
Ordinary shares in issue (excluding Treasury shares)	1,837,205	4,772,049
NAV per ordinary share	401.52p	340.96p

The underlying investments of the wholly owned subsidiary New Centurion Trust Limited comprise issued preference share capital in the Company, as discussed in Note 14 and, being effectively eliminated on consolidation, the valuation thereof does not impact the NAV attributable to ordinary Shareholders.

16. Financial Instruments and Associated Risks

Investment Objective and Policy

At a General Meeting held on 26 June 2023, the members voted to amend the Investment Objective to: maximise capital growth for Shareholders over the long-term by investing in high-quality, quoted, UK small and mid-cap companies.

Risks

The Group's financial risk management can be found in the Strategic Report on pages 13 and 14.

The Group's financial instruments comprise securities, cash balances, receivables and payables. They are classified in the following categories:

- those to be measured subsequently at fair value through profit or loss; and
- those to be measured at amortised cost.

The financial assets held at amortised cost include trade and other receivables, cash and cash equivalents.

The main risks identified arising from the Group's financial instruments are:

- (a) market price risk, including currency risk, interest rate risk and other price risk;
- (b) liquidity risk; and
- (c) credit risk.

The Board reviews and agrees policies for managing each of these risks, which are summarised below.

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments used in the Group's business. It represents the potential loss the Group might suffer through holding market positions by way of price movements, interest rate movements and exchange rate movements. The Board assesses the exposure to market price risk when making each investment decision and monitor these risks on the whole of the investment portfolio on an ongoing basis.

Currency risk

In the early part of the year, the Group's total return and net assets were affected by currency translation movements as a significant proportion of the Company's assets were denominated in currencies other than Sterling, which is the Group's functional currency. It was not the Group's policy to hedge this currency risk. Under the new investment policy, voted for on 26 June 2023, the Company invests in UK companies only, hence this risk has little direct impact going forward.

16. Financial Instruments and Associated Risks continued

Interest rate risk

The Group's financial assets and liabilities, include cash, equity shares, preference shares and fixed interest stocks. As the majority of the Group's financial assets and liabilities are non-interest bearing the direct exposure to interest rates is not material.

The impact of movements would not significantly affect the net assets attributable to ordinary Shareholders or the total profit.

Other price risk

Other price risk arises from changes in market prices other than those arising from currency risk or interest rate risk.

The Board manages the risks inherent in the investment portfolio by maintaining a spread of investments across different sectors and monitoring market prices throughout the year. The Board meets regularly in order to review investment performance and its investment strategy.

Liquidity risk

This is the risk that the Group will encounter difficulty in meeting its obligations associated with financial liabilities. All liabilities are due within one year.

The Group invests in a spread of investments which are traded on recognised stock markets and which can be readily realised for cash. At the year end, 3.4% of the portfolio was held in cash.

Credit risk

The Group does not have any significant exposure to credit risk arising from one individual party. Credit risk is spread across a number of counterparties, each having an immaterial effect on the Group's cash flows should a default happen. The Group assesses its debtors from time to time to ensure they are neither past due or impaired.

The maximum exposure of financial assets to credit risk at the Balance Sheet date was as follows:

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Financial assets neither past due or impaired				
Trade and other receivables	264,926	25,068	318,775	80,759
Cash and cash equivalents	252,293	8,282,426	251,625	8,281,759
	<u>517,219</u>	<u>8,307,494</u>	<u>570,400</u>	<u>8,362,518</u>

Sensitivity Analysis

At the year end, the Board believes that the Group's assets are mainly exposed to market price risk. A fall of 20% in the value of the equity shares would reduce the assets of the Company by 1,413,964 or 77.0 pence per share. An increase of 20% in the value of the equity shares would increase assets by an equal amount.

17. Capital Management Policies

Capital is managed so as to maximise the return to Shareholders while maintaining a capital base to allow the Group to operate effectively. Capital is managed on a consolidated basis and to ensure that the Group will be able to continue as a going concern.

In order to maintain or adjust the capital structure, the Group may pay dividends to Shareholders, return capital to Shareholders, issue new shares or sell securities to reduce debt.

The Group had no debt during the years to 30 June 2024 or 30 June 2023.

18. Related Party Transactions

Fiske plc, a company in which Mr Perrin is a non-executive director, is the Company's custodian. An amount of £6,449 (2023: £7,248) was paid to Fiske plc pursuant to the custody agreement and, as at the year end, £nil (2023: £1,228) was payable to Fiske plc.

Key Management Personnel

At the year end, the Board consisted of four non-executive Directors all of whom, with the exception of Mr Horner, who is Managing Director of Chelverton Asset Management, the Company's Investment Manager, are considered to be independent by the Board. Mr Dighé holds a directorship within Edelweiss Holdings plc ("Edelweiss"), who were significant Shareholders in the Company in the previous year. For the year ended 30 June 2024, the Directors, including the Chairman but excluding David Horner, received an annual fee of £20,000. Further information can be found within the Directors' Remuneration Report on page 33.

Michael Weeks resigned from the Board on 26 July 2023 and David Horner was appointed as a non-executive Director. Mr Horner is the Managing Director of the Investment Manager. Mr Horner has waived his right to receive fees. Further information regarding waived investment management fees can be found in Note 3 on page 57.

The Directors did not receive any other form of remuneration and at the year end, there were no outstanding fees payable to Directors (2023: £nil).

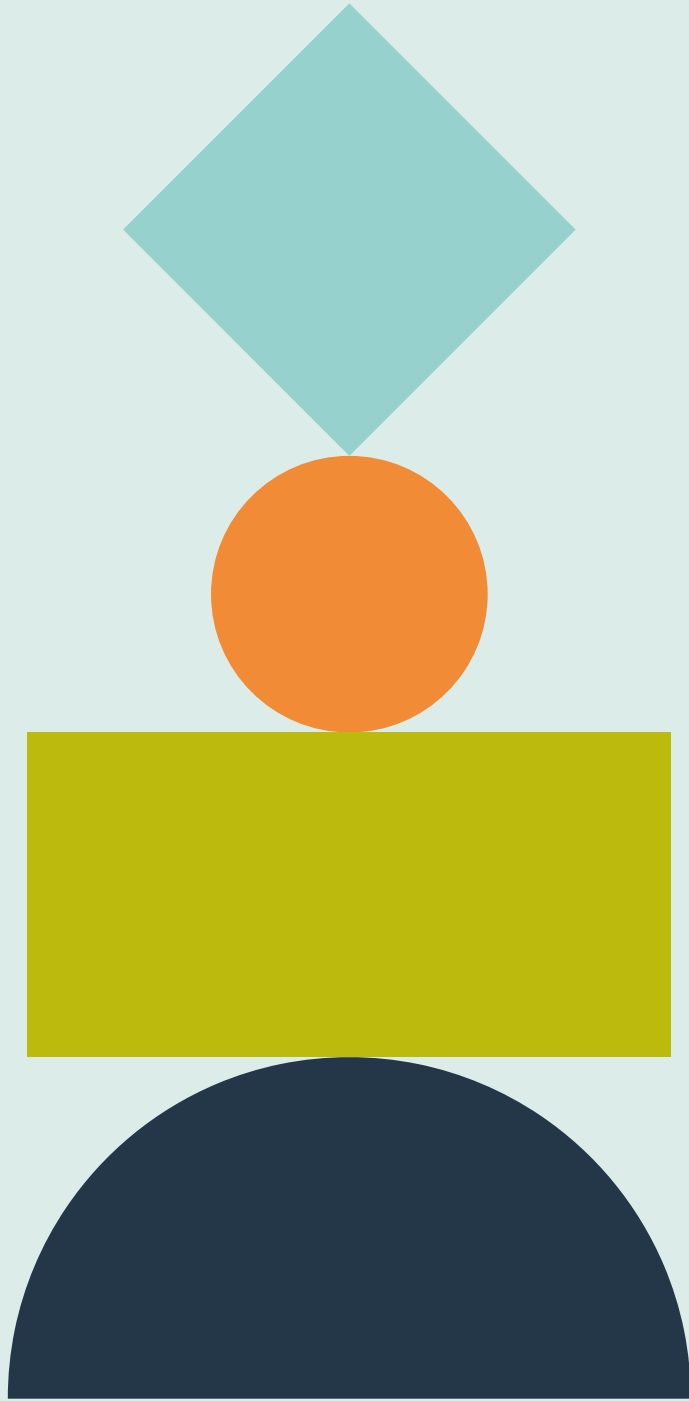
There were no other related party transactions during the current or previous year.

19. Post Balance Sheet Events

The preference shares of the Parent Company will be repaid to NCT via a Scheme of Arrangement at a date still to be finalised.

20. Ultimate controlling party

The Directors consider there is no overall controlling party.



SHAREHOLDER INFORMATION

Fraud Warning

Fraudsters use persuasive and high-pressure tactics to lure investors into scams and we are aware of entities from time to time purporting to be The Investment Company plc. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment. While high profits are promised, if you buy or sell shares in this way you will probably lose your money. Detailed advice on how to avoid and report potential investment scams is available on the FCA website: www.fca.org.uk/scamsmart.

The Company has also been made aware of attempts to issue documentation in the Company's name which is not legitimate. Anyone wishing to verify the authenticity of any documentation should contact the Company Secretary on 01392 487056 or tic@iscaadmin.co.uk.

The Company has also been made aware of a website purporting to be the Company's website which is not legitimate. Anyone wishing to verify the authenticity of the website should contact the Company Secretary on 01392 487056 or tic@iscaadmin.co.uk.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 158th Annual General Meeting of the Company will be held at the offices of Chelverton Asset Management Limited, Ground Floor Office, Basildon House, 7 Moorgate, London EC2R 6AF on Thursday 31 October 2024 at 10.00 am to consider and, if thought fit, pass the following resolutions, of which numbers 1 to 10, 13 and 15 will be proposed as ordinary resolutions and numbers 11, 12, 14 and 16 as special resolutions.

Ordinary Business

Resolution 1 – Ordinary Resolution

To receive and adopt the Strategic Report, Reports of the Directors and Auditor and the audited financial statements for the year ended 30 June 2024.

Resolution 2 – Ordinary Resolution

To receive and approve the Directors' Remuneration Report.

Resolution 3 – Ordinary Resolution

To approve the Company's Remuneration Policy as set out on page 32 of the Annual Report and Accounts for the year ended 30 June 2024.

Resolution 4 – Ordinary Resolution

To re-elect I.R. Dighé as a Director of the Company.

Resolution 5 – Ordinary Resolution

To re-elect D.A. Horner as a Director of the Company.

Resolution 6 – Ordinary Resolution

To re-elect T.M. Metcalfe as a Director of the Company.

Resolution 7 – Ordinary Resolution

To re-elect M. H. W. Perrin as a Director of the Company.

Resolution 8 – Ordinary Resolution

To re-appoint PKF Littlejohn LLP as Auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next meeting at which financial statements are laid before the Company.

Resolution 9 – Ordinary Resolution

To authorise the Directors to determine the remuneration of the Auditor.

Resolution 10 – Ordinary Resolution

THAT, in substitution for any existing authorities, the Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 ("the Act") to exercise all the powers of the Company to allot ordinary shares of 50 pence each in the capital of the Company ("ordinary shares") up to an aggregate nominal amount of £183,720 (being 20% of the issued ordinary share capital, excluding Treasury shares, of

the Company at the date of this Notice), during the period commencing on the date of the passing of this Resolution and expiring at the conclusion of the Annual General Meeting of the Company to be held in 2025 (unless previously renewed, varied or revoked by the Company in general meeting) (the “Section 551 period”), but so that the Company may, at any time prior to the expiry of the Section 551 period, make offers or agreements which would or might require ordinary shares to be allotted after the expiry of the Section 551 period and the Directors may allot ordinary shares in pursuance of such offers or agreements as if the authority had not expired.

Resolution 11 – Special Resolution

THAT, in substitution for any existing authorities, and subject to the passing of Resolution 10, the Directors be and they are hereby empowered, in accordance with Sections 570 and 573 of the Act, to allot ordinary shares for cash pursuant to the authority conferred on the Directors by Resolution 10 above, and to sell ordinary shares from Treasury for cash as if Section 561(1) of the Act did not apply to any such allotment or sale, up to an aggregate nominal amount of £183,720 (being 20% of the issued ordinary share capital, excluding Treasury shares, of the Company at the date of this Notice), such power to expire at the conclusion of the Annual General Meeting of the Company to be held in 2025 (unless previously renewed, varied or revoked by the Company in general meeting) save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require ordinary shares to be allotted or sold after the expiry of such power and the Directors may allot or sell ordinary shares in pursuance of such an offer or agreement as if such power had not expired.

Resolution 12 – Special Resolution

THAT, the Company is hereby generally and unconditionally authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of ordinary shares of 50p each in the capital of the Company (“ordinary shares”) provided that:

- (a) the maximum aggregate number of ordinary shares authorised to be purchased is such a number thereof being 14.99% of the ordinary shares in issue, excluding shares held in Treasury at the date of the passing of this Resolution;
- (b) the minimum price which may be paid for each ordinary share is 50p, or nominal value;
- (c) the maximum price which may be paid for each ordinary share shall not be more than the higher of: (i) an amount equal to 105% of the average of the middle market quotations of ordinary shares taken from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the contract of purchase is made; and (ii) the higher of the price of the last independent trade in the ordinary shares and the highest then current independent bid for the ordinary shares on the London Stock Exchange;
- (d) this authority will (unless previously renewed, varied or revoked by the Company in general meeting) expire at the conclusion of the Annual General Meeting of the Company to be held in 2025;
- (e) the Company may make a contract of purchase for ordinary shares under this authority before this authority expires which will or may be executed wholly or partly after its expiration; and
- (f) any ordinary shares bought back under the authority hereby granted may, at the discretion of the Directors, be cancelled or held in Treasury and if held in Treasury may be resold from Treasury or cancelled at the discretion of the Directors.

Special Business

Resolution 13 – Ordinary Resolution (to permit one or more offers up to 5 million shares)

THAT, in substitution for any existing authorities, and in addition to the authority sought in Resolution 10, the Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (“the Act”) to exercise all the powers of the Company to allot ordinary shares of 50 pence each in the capital of the Company (“ordinary shares”) up to an aggregate nominal amount of £2,500,000 (being approximately 272% of the issued ordinary share capital, excluding Treasury shares, of the Company at the date of this Notice), during the period commencing on the date of the passing of this Resolution and expiring at the conclusion of the Annual General Meeting of the Company to be held in 2026 (unless previously renewed, varied or revoked by the Company in general meeting) (the “Section 551 period”), but so that the Company may, at any time prior to the expiry of the Section 551 period, make offers or agreements which would or might require ordinary shares to be allotted after the expiry of the Section 551 period and the Directors may allot ordinary shares in pursuance of such offers or agreements as if the authority had not expired.

Resolution 14 – Special Resolution (to permit one or more offers up to 5 million shares)

THAT, in substitution for any existing authorities, subject to the passing of Resolution 13, and in addition to the authority sought in Resolution 11, the Directors be and they are hereby empowered, in accordance with Sections 570 and 573 of the Act, to allot ordinary shares for cash pursuant to the authority conferred on the Directors by Resolution 13 above, and to sell ordinary shares from Treasury for cash as if Section 561(1) of the Act did not apply to any such allotment or sale, up to an aggregate nominal amount of £2,500,000 (being approximately 272% of the issued ordinary share capital, excluding Treasury shares, of the Company at the date of this Notice), such power to expire at the conclusion of the Annual General Meeting of the Company to be held in 2026 (unless previously renewed, varied or revoked by the Company in general meeting) save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require ordinary shares to be allotted or sold after the expiry of such power and the Directors may allot or sell ordinary shares in pursuance of such an offer or agreement as if such power had not expired.

Resolution 15 – Ordinary Resolution

THAT, in accordance with section 618 of the Companies Act 2006, each of the ordinary shares of £0.50 each in the capital of the Company as at the date of this resolution (the “Existing Ordinary Shares”) which are credited as fully paid be sub-divided into 5 ordinary shares of £0.10 each in the capital of the Company, such shares having the same rights and being subject to the same restrictions (save as to nominal value) as each of the Existing Ordinary Shares.

Resolution 16 – Special Resolution

THAT, a General Meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

By order of the Board.

ISCA Administration Services Limited

The Office Suite
Den House
Den Promenade
Teignmouth TQ14 8SY

18 September 2024

NOTES

Right to appoint a proxy

1. A member entitled to attend and vote at this meeting may appoint one or more persons as his/her proxy to attend, speak and vote on his/her behalf at the meeting. A proxy does not need to be a member of the Company. A member may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.
2. A proxy form which may be used to make such appointment and give proxy directions accompanies this notice. If you do not receive a proxy form and believe that you should have one, or if you require additional proxy forms in order to appoint more than one proxy, please contact the Registrar on +44 (0) 371 384 2030. If calling from outside of the UK, please ensure the country code is used. The helpline is open Monday to Friday 8.30am to 5.30pm, excluding public holidays in England and Wales.

Procedure for appointing a proxy

3. To be valid, the proxy form, together with any power of attorney or other authority under which it is signed or a notarially certified copy thereof, should be lodged at the office of the Company's Registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA and must be received by post or (during normal business hours only) by hand at Equiniti Limited, Aspect House, Spencer Road, Lancing West Sussex no later than 48 hours (excluding non-working days) before the time of the meeting or any adjournment thereof.
4. The return of a completed proxy form will not preclude a member from attending the Annual General Meeting and voting in person if he or she wishes to do so. The termination of the authority of a person to act as proxy must be notified to the Company in writing.

Nominated persons

5. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.
6. The statement of the rights of members in relation to the appointment of proxies in Notes 1 and 3 above does not apply to Nominated Persons. The rights described in those notes can only be exercised by members of the Company.

Record date and entitlement to vote

7. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), members must be entered on the Company's register of members at 18:30 on 29 October 2024 (or, in the event of any adjournment, 48 hours before the time of the adjourned meeting). Changes to the register of members after the relevant deadline will be disregarded in determining the right of any person to attend and vote at the meeting. Only holders of ordinary shares are entitled to attend and vote at the Annual General Meeting.

8. As at 17 September 2024, (the business day prior to the publication of this notice), the Company's issued share capital amounted to 5,584,878 ordinary shares of which 3,747,673 are held in Treasury and carry no vote. The total of shares in circulation is 1,837,205 ordinary shares carrying one vote each. The total voting rights in the Company as at 17 September 2024 were 1,837,205 votes.

Members' rights

9. In accordance with Section 319A of the Companies Act 2006, the Company must cause any question relating to the business being dealt with at the meeting put by a member attending the meeting to be answered. No such answer need be given if:
- (a) to do so would:
 - (i) interfere unduly with the preparation for the meeting, or
 - (ii) involve the disclosure of confidential information;
 - (b) the answer has already been given on a website in the form of an answer to a question; or
 - (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
10. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
11. Members should note that it is possible that, pursuant to requests made by members of the Company under Section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Companies Act 2006. The Company may not require the members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.
12. Members satisfying the thresholds in Section 338 of the Companies Act 2006 may require the Company to give, to members of the Company entitled to receive notice of the Annual General Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the Annual General Meeting. A resolution may properly be moved at the Annual General Meeting unless: (i) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (ii) it is defamatory of any person; or (iii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given, must be authenticated by the person(s) making it and must be received by the Company not later than six weeks before the date of the Annual General Meeting.
13. Members satisfying the thresholds in Section 338A of the Companies Act 2006 may request the Company to include in the business to be dealt with at the Annual General Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Annual General Meeting. A matter may properly be included in the business at the Annual General Meeting unless (i) it is defamatory of any person or (ii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than six weeks before the date of the Annual General Meeting.

Electronic Proxy Appointment through CREST

14. CREST members who wish to appoint a proxy or proxies, or amend an instruction to a previously appointed proxy, through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held at 10.00am on 31 October 2024 and any adjournment(s) thereof, by using the procedures described in the CREST manual (available via www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited (Euroclear)'s specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it relates to the appointment of a proxy or to an instruction to a previously appointed proxy, must be transmitted so as to be received by the issuer's agent (ID: RA19) by no later than 10.00am on 29 October 2024.

For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) is/are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Documents

15. The Annual Report incorporating this Notice of Annual General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the dates of this Notice will be available on the Company's website, <https://theinvestmentcompanyplc.co.uk>.
16. A copy of the Directors' service contracts will be available for inspection at the registered office of the Company during usual business hours on any weekday (except weekends and public holidays) until the date of the meeting and at the place of the meeting for a period of fifteen minutes prior to and during the meeting.

Registered in England and Wales No. 0004205



**The Investment
Company plc**

FOUNDED 1868

REGISTERED NO. 4205
ENGLAND AND WALES