

21 June 2024

Worsley Investors Limited

(the "Company")

Annual Report for the period ended 31 March 2024

The Company is pleased to announce the release of its annual report and audited consolidated financial statements for the period ended 31 March 2024 (the "**Annual Report**"). A copy of the Annual Report will be posted to shareholders and will be available to view on the Company's website.

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For further information, please contact:

Worsley Associates LLP (Investment Advisor)

Blake Nixon

Tel: +44 (0) 203 873 2288

Shore Capital (Financial Adviser and Broker)

Anita Ghanekar / Harry Davies-Ball

Tel: +44 (0) 20 74080 4090

Sanne Fund Services (Guernsey) Limited (Administrator and Secretary)

Chris Bougourd / Matt Falla

Tel: +44 (0) 20 3530 3109

LEI: 213800AF85VEZMDMF931

Performance Summary

	31 March 2024	31 March 2023	% Change
Net Asset Value ("NAV") per share	43.45p	43.92p	-1.07%
Share price ¹	24.80p	28.00p	-11.43%
Share price discount to NAV	42.92%	36.25%	

	Year ended 31 March 2024	Year ended 31 March 2023
Earnings per share ²	0.08p	3.06p
NAV Total Return ³	-1.07%	10.05%
Share price Total Return ⁴		
- Worsley Investors Limited	-11.43%	1.08%
- FTSE All Share Index	8.43%	2.92%

Worsley Associates LLP ("Worsley Associates") was appointed on 31 May 2019 as Investment Advisor (the "Investment Advisor") to Worsley Investors Limited (the "Company"). The Company's Investment Objective and Policy are set out below. **Past performance is not a guide to future performance.**

¹ Mid-market share price (source: Shore Capital and Corporate Limited).

² Earnings per share based on the net profits for the year of £60,030 million (31 March 2023: £1,031 million) and the weighted

– Earnings per share based on the net profit for the year of £0.030 million (31 March 2023: £1.031 million) and the weighted average number of Ordinary Shares in issue during the year of 33,740,929 (31 March 2023: 33,740,929).

³ On a *pro forma* basis which includes adjustments to add back any prior NAV reductions from share redemptions. NAV Total Return is a measure showing how the NAV per share has performed over a period of time, taking into account both capital returns and any dividends paid to shareholders.

⁴ A measure showing how the share price has performed over a period of time, taking into account both capital returns and any dividends paid to shareholders.

Source: Worsley Associates LLP and Shore Capital and Corporate Limited.

Chairman's Statement

The Full Year to 31 March 2024 was one in which some degree of patience was needed. The Company's NAV net return was broadly stable, with NAV per share being down 1.07% over the year. For context, the wider market in the smaller British companies as represented by the FTSE AIM UK 50 index, was down 8.62% over the same period. The investment trust heavy FTSE Small Capitalisation Index, in comparison, had a total return of 7.09%. Our overall figure is the net result of three elements. The return on the opening capital invested in our equity portfolio was some 2.3%. The other key contributor, our Italian cinema, which had been marked down in the first half by €300,000 and a much smaller €50,000 in the second half, generated a gross income of well in excess of €1 million before management and structural expenses, including Italian taxation, the net effect of all of which was a positive return of 3.0% on opening book value, although almost the entirety of this was absorbed by an adverse foreign exchange movement. The remaining component is central expenses, which detracted by circa 3% of opening Net Assets.

Against this backdrop, our share price drifted downwards by 11.43% on a mid-price basis to 24.80p with the consequence that our share price to NAV discount widened significantly to 42.92% at the year end.

When presenting our September Half Year results to September, released in December, I observed that we were close to the peak of this interest rate cycle and that funding costs in certain sectors were already beginning to fall. During the first quarter of 2024, the final quarter of our reporting period, while the conviction strengthened that, absent unforeseen extraneous events, the peak had already been seen it also became apparent that interest rates were not going to fall as soon or as quickly as the markets, or we had hoped. The effect, of course, was that markets gave up some of their earlier gains and several of our holdings were no exception. Whilst the larger capitalisation stocks in general slowly recovered through the latter half of the final quarter, smaller stocks were as usual left behind.

I also observed that Worsley Investors runs a concentrated portfolio of investments, each of which has the capacity either of its own volition or with encouragement to generate significant shareholder value in absolute terms. One of the effects of such concentration is that, depending on the timing of events in relation to each of such investees and conversely those in relation to the principal constituents of market proxy indices, Worsley Investors' performance can diverge from wider market moves from reporting period to reporting period even when investees' underlying commercial performance is significantly better than market averages.

A prime example and the largest exposure in our equity portfolio is Smiths News plc.

While its shares underperformed during the year quite frustratingly, I am also pleased to note the original thesis for the investment, which was that continuing improvements to operational and financial performance would allow that company to pay down debt such that it could re-finance away from its overly-restrictive banking covenants, became apparent to the wider market with an announcement of a new facility in early May 2024. Smiths News can now invest more in its core business and pursue a more progressive approach to shareholder returns given the removal of the former dividend cap. Although some five weeks too late to be included in the year to March 2024 reporting period, Smiths News shares have, not unsurprisingly, enjoyed a good re-rating which at least contributes a solid foundation to our performance for 2024-25.

I also draw shareholders' attention to the Investment Advisor's Report below. While the market in assets such as Curno has not as yet been re-invigorated, operationally, performance has essentially returned to pre-Covid levels within the broad margin of fluctuations which one would expect to arise from variations in the schedule of new movie releases and we remain optimistic about the future. In the meantime, we are banking a very healthy cash flow from this asset.

We are in an election year in our home market, the UK, and in the US and in many parts of Europe. Whilst it would be odd not to mention that, there is very little clear information coming out in respect of policy development - which is of particular relevance to investors. Mindful, perhaps, of the Truss experience, most players would seem to be keen to avoid making bold

promises or noiding out great new visions. Our view, therefore, remains that we are still likely to see the falling interest rates which were so exciting the markets six months or so ago - unless of course some external factor intervenes.

The early cycle remains in our favour when looking out to the next two or three years and that provides a good background for our investees to realise shareholder value - as we have seen with Smiths News, for example. That, and compounding the cash from Curno, has got us off to a good start to the current year. As at the time of writing, our NAV in pence per share, is somewhere in the upper 40s. Our share price has not yet begun to follow the rise in NAV and so the percentage discount of our share price to that NAV is also somewhere in the mid to upper 40s. Given the stage of the business cycle at which we are, on those metrics, we are very excited about the future.

Once again and on behalf of the Board, I would like to thank our Investment Advisor, Worsley Associates LLP, for the good progress they have made in developing our portfolio and to thank you, our shareholders, for your ongoing support.

William Scott

Chairman

20 June 2024

Investment Advisor's Report

Investment Advisor

The Investment Advisor, Worsley Associates LLP, is regulated by the FCA and is authorised to provide investment management and advisory services.

In the year under review, the equities portfolio continued to be nearly fully invested, and the Investment Advisor has focussed on its progression and the oversight of the management of the Curno cinema, the second half trading of which was significantly affected by the six month gap in 'blockbuster' movie releases resulting from the Hollywood Actors Guild and Screenwriters Guild strikes from July to September 2023.

Curno Cinema Complex

The Group's Italian multiplex cinema complex, located in Curno, on the outskirts of Bergamo, is let in its entirety to UCI Italia S.p.A. ("UCI").

The cinema lease documentation remains as amended in June 2020.

The key rental terms of the lease, which has a final termination date of 31 December 2042, are:

Base Rent

1 January 2024 to 31 December 2024 - €1,063,436 per annum.

Base rental is indexed annually to 100% of the Italian ISTAT Consumer Index on an upwards-only basis. In the five months to 31 May 2024 the index has increased 0.6%.

Variable Rent

Incremental rent is payable at the rate of €1.50 per ticket sold above a minimum threshold of 350,000 tickets per year up to 450,000 tickets per year, rising in 50,000 ticket stages above this level up to €2.50 per extra ticket.

Tenant Guarantee

The lease benefits from a rental guarantee of an initial €13 million, reducing over 15 years to €4.5 million, provided by a U.K. domiciled European holding company for the UCI group, United Cinemas International Acquisitions Limited, which has latest published shareholders' funds of £291.2 million.

Tenant break option

UCI has the right to terminate the lease as of 30 June 2035.

Trading

The cinema was open throughout the period.

Starting from the outset of the second half, there was an interruption in Hollywood film openings, but after the release in late October of the Italian smash hit, *C' E' Ancora Domani* (*There's Still Tomorrow*), assisted at year end by *Succede anche nelle migliori famiglie* (*It Happens Even in the Best Families*), Italian cinema industry ticket sales were strong until mid-January,

with the combined figures for November and December coming in only marginally weaker than 2019 levels, at c. 94%. In spite of a paucity of big movie releases in February and March, Cumo ticket sales in the second half still came in just over 50% ahead of those for the second half of the 2023 year.

Since the beginning of March there has been some improvement in Italian cinema ticket sales as a number of high-profile films began to be released, but the movie slate will not return to full strength until July, with a string of blockbusters being scheduled for release in the second six months of the year.

The Cumo cinema has continued to benefit from substantial increases in total revenue per customer, both in respect of ticket prices and ancillary sales, mainly of food and beverages.

Rentals were current during the second half.

Valuation

As at 31 March 2024, the Group's independent asset valuer, Knight Frank LLP, fair valued the Cumo cinema at €7.35 million (30 September 2023: €7.4 million), and this figure has been adopted in these Financial Statements.

Since the June 2020 lease amendment, the Board's expectation has been that the valuation of the Cumo cinema would increase once the enhanced rental began to be generated by the property from 1 March 2021 onwards. The current rental is some 28% higher than the pre amendment level.

The valuer, as at 31 March 2024, in essence retained from the half year stage the yield at which it capitalised the rental stream. However, it has moved from the previous *gross* yield basis to a basis of valuation which first sets off against rentals all operating and selling expenses, with the resultant net income then being capitalised at a *net* yield, in this instance 10.75%. There was a small (0.7%) valuation reduction in the second half caused by the lease at year end being six months closer to the earliest date at which it can be terminated.

The valuer's approach remains particularly cautious, notwithstanding its noting that most economists considered that interest rates in the European region had peaked, and reflects the fact, as we have previously commented, that the availability and cost of real estate debt finance continues to be an issue for a significant proportion of European property market participants.

Calendar 2023 finally saw the film industry put behind it the impacts of the COVID-19 pandemic. By the end of the year the substantially increased energy prices, which had arisen in 2022 from the conflict in Ukraine, had also normalised. The more recent disruption from the first simultaneous Actors Guild and Screenwriters Guild strikes since 1960 has now almost worked itself through the system. The regularisation of cinema trading bodes well for a return of Italian cinema investor appetite.

In early June the European Central Bank cut interest rates for the first time in five years, which sets the scene for further reductions, and, once European banks revert to more usual levels of property lending, conditions will be more conducive for transactions in the European real estate market.

The Group will retain the Cumo cinema until a disposal can be effected at a price which the board believes properly reflects its medium term prospects.

Equity Investment Strategy

The Investment Advisor's strategy allies the taking of holdings in British quoted securities priced at a deep discount to their intrinsic value, as determined by a comprehensive and robust research process. Most of these companies will have smaller to mid-sized equity market capitalisations, which will in general not exceed £600 million. It is intended to secure influential positions in such British quoted securities, with the employment of activism as necessary to drive highly favourable outcomes.

The U.K. market made a weak beginning to 2024, initially troubled by increased tensions in the Middle East. By the second week, U.K. economic data had turned consistently negative, with the first contracting reading in four years in the CBI U.K. financial services survey, the World Bank forecasting weak global economic growth, U.K. wage growth remaining strong, and December U.K. CPI ticking up to 4.0%, leading to the British market on 17 January falling to 4,072, the low point for calendar 2024 to date.

From that point a market rally ensued, when the news flow turned positive. First, there were reports which suggested that the US had committed to policing the Red Sea, followed by a series of bullish economic releases, both overseas, in particular in the US, and domestic. After a sharp decline at the end of January, the London market recovered its losses mid-February, with U.K. January CPI remaining unchanged from December at 4.0% and UK retail sales for January, up 3.4%, showing the strongest rise

in nearly three years.

In the subsequent period, prospects for the U.K. economy have supplanted US monetary policy developments as the greatest influence on the British market, with the conflict in Gaza continuing to be an important factor in the background. A major new element is recent general elections in the U.K., France and for the European Parliament.

Having drifted lower at the end of February the U.K. market regained its momentum with the 6 March release of the spring budget, and the strength continued when first U.K. wage growth was modest, raising hope of interest rate cuts, and January U.K. GDP came in positive at 0.2%. There was at that juncture somewhat of a pause, but the market rose again sharply when U.K. inflation for February came in below forecasts. For the rest of the month the market went sideways, with the Bank of England and European Central Bank both holding rates at their March meetings.

After a brief upward spike in early April, there was an abrupt drop when Iran, in response to its consulate in Damascus being attacked, on the weekend of 12 April launched a missile strike on Israel, which then said it had no choice but to retaliate, with the British market falling back mid-April to 4,260.

From then on the market has been on an overall uptrend. The initial impetus was Tehran making de-escalation remarks, leading to oil prices falling. Then hopes of U.K. interest cuts rose, driving the market higher, with banks in particular strong.

The London market was very strong in the first fortnight of May, as the US Federal Reserve and the Bank of England held rates at their May meetings, and on news that U.K. had exited recession with Q1 GDP growth of 0.6% announced. It reached an all-time high of 4,597 on 15 May, with the US inflation reading coming in cooler, the FTSE100 also hitting a record of 8,474 during the day. In the rest of May the U.K. market dipped, with U.K. CPI for March disappointing by remaining above 2%, the Government calling a surprise general election and with the timing of the first US interest rate cut being pushed back.

June started more brightly, after US inflation, under the favoured core PCE inflation measure, continued to be very subdued and minerals and commodity prices fell. However, when the right of centre parties did unexpectedly well in the European parliamentary elections from 6 to 9 June, sentiment turned sharply negative. French President Macron caught markets off guard by immediately calling a snap parliamentary election, resulting in a heavy sell off of French bonds and leading the Euro to weaken, briefly touching 1.19 against GBP. In the U.K. annual wages growth has remained stubbornly high at 5.9% in the year to 30 April, and on 13 June the US Federal Reserve further disappointed investors, confirming that it only saw one interest rate cut in 2024.

The uniform market consensus is that rates in the U.K. and US have peaked at current levels of 5.25% and attention has turned to the timing of cuts, although in the U.K. the first is not anticipated to be before August. Despite its recent retracement, the British stock market is up a *net* 2.3% in the June quarter to date. Within the Company's target universe of British smaller companies, since the end of May share prices in general have not suffered quite the reversals of the market as a whole, and in the June quarter so far the small cap market is further up at 4.5%.

The Company's portfolio continued to be quite fully invested during the reporting period. This includes a previously undisclosed holding of some 1.7% of Net Assets in **Town Centre Securities Plc**. Town Centre is an English property investment company, whose shares are listed on the London Stock Exchange's Main Market. It has a market capitalisation of £61.9 million and is regionally focussed on the north of England, and, in particular Leeds. The portfolio is diversified, with the largest exposures being to the office and retail real estate sectors, which together account for slightly under half. The largest individual holding is the retail Merrion Centre, an early mixed-use shopping centre, located in Leeds Centre's Arena Quarter. Other significant real estate sectors include car parks, residential and hotels. The shares at 147p sell at a substantial discount to their stated NAV/share as at 31 December 2023 of some £2.86.

The largest portfolio position continues to be our shareholding of in excess of 4% in **Smiths News plc**, England's major distributor of newspapers and magazines. At the beginning of May, Smiths News published its 2024 interim results, which were remarkably resilient, with revenue and operating profit almost flat, after stripping out the significant benefit in the corresponding 2023 period of the 'Royal Succession' and the 2022 World Cup. It was notable that the continuing cost reduction programme almost completely offset the impact of inflation and ongoing decline in newspaper and magazine volume. Average net debt for the half year was £12.5m, down from £26.3m in 2023.

That said, the unquestionable highlight was the company securing a refinancing of its banking facilities without the restrictive covenants which had previously significantly constrained shareholder distributions.

The shares jumped 30% in the first three months of the second half, but over the final quarter gave back more than 10%. Post year end the shares have recovered well, most markedly following the release of the interims, being up a little over 23% after

adjustment for the interim dividend entitlement.

In mid-January, the share price of **Daniel Thwaites PLC** dropped sharply on no news, owing to a paucity of buyers, after other regional pubco's had reported difficulties recovering input cost increases. When volume then became available in the rarely traded stock we had no hesitation in significantly increasing our holding.

The **Northamber Plc** shareholding was increased further in the half year, when the shares dropped abruptly after the company had posted another disappointing loss in its 2024 half year, and that in **LMS Capital plc** was also topped up. During the half, we also added to two other holdings, one new position was initiated, we took part profits in one stock and exited another completely. Preliminary (less than 2% of Net Assets) holdings are held in 9 other companies.

Following a strong recovery since 30 September, the Company's portfolio as at 14 June 2024 had a total cost of £5.66 million, a combined market value of £9.22 million, and comprised 18 stocks. The surplus on the portfolio was a little under 63% of cost, and the annualised return on capital invested since the new strategy was adopted remains very satisfactory, at 25.0%.

Results for the period

Cash rental revenue from Cumo for the year to 31 March 2024 was €1,058,700 (£914,000) (31 March 2022: €976,600 (£842,000)). No ticket overage revenue was earned. In the previous year other income of £52,000 represented the reversal of an inherited legacy provision.

General and administrative expenses (including transaction charges) of £573,000 (31 March 2023: £528,000) were well above the 2023 run rate, but only marginally above budget. Group General expenses for the full year ended broadly in line with expectations after the successful appeal against the circa €9,000 (£8,000) in unbudgeted interest and penalties on the disputed Italian registration tax which had been booked in the first half. The second half did, however, suffer from some €8,000 (£6,900) in administration expenses at the Italian subsidiary, Multiplex 1 S.r.l. ('Multiplex'), incurred in connection with the appeal. The other significant adverse factor was a £6,000 increase in Audit fees, which reflected increases in the 2023 and 2024 Group audit exercises, an inevitable result of the inflationary pressures which have impacted the profession.

Transaction charges incurred on equity acquisitions were £4,000 (31 March 2023: £7,000). As indicated in the Interim Report, this reflected activity lower than the more usual level of the previous year.

In the forthcoming year the Group's ongoing operating costs are projected to be modestly above the 2024 level, predominantly because of higher AUM-based costs resulting from the increase in Net Assets post year end. Prior to the ultimate sale of Cumo there remains little scope for significant reduction in the overall cost base.

The equities portfolio, having been down in the first half, had a very strong third quarter but then weakened significantly in the fourth to be broadly flat for the final six months, culminating for the year as a whole in a significant (£0.510 million) net investment mark-to-market reduction (31 March 2023: £0.942 million *gain*). Investment Income for the year, entirely dividends, was £592,000 and net investment gains *realised* added £101,000. In consequence, the total annualised return on capital invested in the portfolio over the year came out at 3.2%.

Taxation is payable on an ongoing basis on Italian income and in Luxembourg. For the year, an operating tax charge of £117,000 (31 March 2023: £90,000) was incurred. In addition, net VAT, predominantly in Luxembourg, of some £5,000 was paid. As reported in the Interim Report, elimination of deferred taxation, posted in 2023 in respect of the lease incentive balance, resulted in a tax credit of £75,000 being recorded.

In the current year, the slightly higher Cumo rental will be offset by the tax rate at Multiplex returning to more normal levels, but, despite higher AUM-based fees, *operating* cash flow (that is prior to allowance for equity income and net purchases) is expected again to be modestly positive.

Financial Position

Net Assets at 31 March 2024 were £14.661 million, which compares with the £14.369 million contained in the 30 September 2023 Interim Report. The advance arose mainly from the profit in the second half of £378,000, after a €50,000 (£43,000) reduction in the Euro valuation of the Cumo property, and a £85,000 decrease in the pound sterling fair value of Euro-denominated assets, principally the property.

The Group's liquidity increased slightly in the year, reflecting strong cash flows which offset net portfolio purchases of £579,000, with £657,000 in cash held at 31 March 2024 and no debt. Supplemented by the ample secondary liquidity of the equity portfolio and positive ongoing cash flows, the Group's financial position continues to be secure.

In due course, the sale of the Cumo cinema will provide substantial additional resources for equity investment.

Euro

As at 31 March 2024, some 45% of Total Assets were denominated in Euros, of which the Cumo property was some 42% of Total Assets, down from 47% as at 31 March 2023. The pound sterling Euro cross rate moved circa 3% during the year from 1.137 as at 31 March 2023 to 1.169 as at 31 March 2024. This cross rate will continue to be a potentially significant influence on the level of Group Net Assets until Cumo's disposal.

Outlook

After nearly six months of this year, U.K. stock market prices, notwithstanding some setbacks, are up 5.2% and stand at close to their all-time highs, reflecting the U.K. moving out of recession and with falling inflation holding out the prospect of interest rate cuts.

The strength of the British market is despite our observation in the Interim Report, that the delays in the impact of tighter U.K. monetary policy, meant the prospects for U.K. company earnings in the first half of 2024 were subdued, proving to be broadly correct. Although positive factors for U.K. earnings growth continue to build, these must be weighed against the uncertainties around potential changes of government in the U.K., Europe and the US, heightened geopolitical risk and the carryover effect of the recession at the end of 2023.

Having finally put the effects of COVID-19 behind us it is disappointing to have to deal with the interruptions to cinema scheduling caused by the 2023 Hollywood strikes, a key consequence being that calendar 2024 releases are expected to be well below 2023 levels. On the positive side, the outlook is for the 2025 slate to rise to in excess of 90% of 2019 levels, with 2025 US box office receipts forecast to surpass 2024 levels by in excess of 25%.

The recent cut in European Central Bank interest rates is welcome, but until Italian medium term debt finance begins to become more freely available a disposal of our Cumo cinema cannot be considered prospective. Nonetheless, the asset continues to be a sizable provider of inflation adjusted cash flow for the Group.

We have previously highlighted that the Worsley investment strategy is largely unaffected by the shorter-term economic outlook, being targeted at the medium-term prospects of individual companies.

The final earnings figures for British companies published in the period were in line with previously diminished expectations overall, although there were still 70 profit warnings in the March quarter. Once again, the prices of numerous stocks with capitalisations below £150 million fell sharply.

In the vast majority of instances such collapses are the result of a substantial worsening in the outlook for the relevant sector, natural resources and technology being the most prominent. By the same token, the prices of a number of well-established companies are often afflicted by similar sentiments, with some becoming severely mispriced and, as such, candidates for potential investment.

The Worsley equity portfolio is built on sound foundations, and, in spite of ongoing economic and geopolitical uncertainties, the Company remains well set to extend its record of very respectable returns.

Worsley Associates LLP

17 June 2024

Board of Directors

William Scott (Chairman), a Guernsey resident, was appointed to the board of the Company as an independent Director on 28 March 2019. Mr Scott also currently serves as an independent non-executive director of a number of investment companies and funds, of which RTW Biotech Opportunities Fund Limited is also listed on the Premium Segment of the LSE. He is also a director of The Flight and Partners Recovery Fund Limited and a number of funds sponsored by Man and Abrdn. From 2003 to 2004, Mr Scott worked as senior vice president with FRM Investment Management Limited, which is now part of Man Group plc. Previously, Mr Scott was a director at Rea Brothers (which became part of the Close Brothers group in 1999) from 1989 to 2002 and assistant investment manager with the London Residuary Body Superannuation Scheme from 1987 to 1989. Mr Scott graduated from the University of Edinburgh in 1982 and is a chartered accountant having qualified with Arthur Young (now Ernst & Young LLP) in 1987. Mr Scott also holds the Securities Institute Diploma and is a chartered fellow of the Chartered Institute for Securities & Investment. He is also a chartered wealth manager. Mr. Scott is a member of the Audit, Risk and Management Engagement Committees.

Robert Burke, a resident of Ireland, was appointed to the board of the Company as an independent Director on 28 March 2019. He also serves as an independent non-executive director of a number of investment companies which are domiciled in Ireland as well as a number of companies engaged in retail activities, aircraft leasing, corporate service provision and group treasury activities. He is a graduate of University College Dublin with degrees of Bachelor of Civil Law (1968) and Master of Laws (1970). He was called to the Irish Bar in 1969 and later undertook training for Chartered Accountancy with Price Waterhouse (now PricewaterhouseCoopers) in London, passing the final examination in 1973. He later was admitted as a Solicitor of the Irish Courts and was a tax partner in the practice of McCann FitzGerald in Dublin from 1981 to 2005, at which point he retired from the partnership to concentrate on directorship roles in which he was involved. He is a member of the Irish Tax Institute. Mr. Burke is a member of the Audit, Risk and Management Engagement Committees.

Blake Nixon was one of the pioneers of activism in the UK and has wide corporate experience in the UK and overseas. Following three years at Jordan Sandman Smythe (now part of Goldman Sachs), a New Zealand stockbroker, Mr Nixon emigrated to Australia, where he spent three years as an investment analyst at Industrial Equity Limited ("IEL"), then Australia's fourth largest listed company. In 1989 he transferred to IEL's UK operation and early in 1990 led the takeover of failing LSE listed financial conglomerate, Guinness Peat Group plc ("GPG"). The group was then relaunched as an investment company, applying an owner orientated approach to listed investee companies. Mr Nixon was UK Executive Director, responsible for GPG's UK operations and corporate function, for the following 20 years, finally retiring as a non-executive director in December 2015. He is a founding partner of Worsley Associates LLP, an activist fund manager, and has served as a non-executive director of a number of other UK listed companies, as well as numerous unlisted companies. He is a British resident and was appointed to the Board on 23 January 2019. Mr. Nixon is a member of the Risk Committee and attends Audit and Management Engagement Committee meetings by invitation.

Report of the Directors

The Directors of the Company present their Annual Report together with the Group's Audited Consolidated Financial Statements (the "Financial Statements") for the year ended 31 March 2024. The Directors' Report together with the Financial Statements give a true and fair view of the financial position of the Group. They have been prepared properly, in conformity with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and are in accordance with any relevant enactment for the time being in force; and are in agreement with the accounting records.

Principal Activity and Status

The Company is an Authorised closed-ended investment company domiciled in Guernsey, registered under the provision of the Companies (Guernsey) Law, 2008 and has a premium listing on the Official List and trades on the Main Market of the London Stock Exchange. Trading in the Company's ordinary shares commenced on 18 April 2005. The Company and the entities listed in note 2(f) to the Financial Statements together comprise the "Group".

Investment Objective and Investment Policy.

The investment objective and investment policy of the Company are described below greater detail.

Going Concern

These Financial Statements have been prepared on a going concern basis. The Directors, at the time of approving the Financial Statements, have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these Financial Statements. The Group maintains a significant cash balance and an extensive portfolio of realisable securities, and the property lease generates sufficient cash flows to pay on-going expenses and other obligations. The Directors have considered the cash position and performance of the current capital invested by the Group, the potential impact on markets and supply chains of geopolitical risks, as well as continuing macro-economic factors and inflation, and concluded that it is appropriate to continue to adopt the going concern basis in the preparation of these Consolidated Financial Statements.

Going concern is assessed over the period until 12 months from the approval of these Consolidated Financial Statements. Owing to the fact that the Group currently has no borrowing, has a significant cash holding and that the Company's equity investments predominantly comprise readily realisable securities, the Board considers there to be no material uncertainty. Matters relating to the going concern status of the Group are also discussed in the long-term viability statement below.

Viability Statement

The Board has evaluated the long-term prospects of the Group, beyond the 12 month time horizon assumption within the going concern framework. The Directors have conducted a review of the viability of the Company taking account of the predictability of the key factors which influence the Group's operations, its current position and the potential impact of risks likely to threaten the Company's business model, future performance, solvency or liquidity. For the purposes of this statement the Board has adopted a three year viability period owing to this being the maximum period over which the Board considers variances can reasonably be forecast and estimated. Anything beyond that cannot be stated with reasonable confidence.

In reaching this conclusion, the Directors considered the Company's expenditure projections, the fact that the Group currently has no borrowing, has a significant cash holding, the contribution derived from the investment property provides sufficient liquidity with which to meet its own cash flow requirements and that the Company's equity investments predominantly comprise readily realisable securities, which *in extremis* could be expected to be sold to meet funding requirements if necessary, assuming usual market liquidity.

The Directors consider that neither a 100% fall in the value in the Company's equity portfolio nor a complete default on the lease rental obligations from the Group's investment property in isolation would have a fundamental impact on the Company's ability to continue in operation over the next three years.

The Directors in forming this view also considered the long operational history and track record of the Group's investment property, Cumo.

In addition, the Board has assumed that the regulatory and fiscal regimes under which the Group operates will continue in broadly the same form during the viability period. The Board consults with its broker and legal advisers to the extent required to understand issues impacting on the Company's regulatory and fiscal environment. The Administrator also monitors changes to regulations and advises the Board as necessary.

Based on the Company's processes for monitoring operating costs, internal controls, the Investment Advisor's performance in relation to the investment objective, the portfolio risk profile and liquidity risk, the Board has concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period.

Results and Dividends

These Financial Statements are made up for the year ended 31 March 2024.

The results for the year are set out in the Consolidated Statement of Comprehensive Income.

No dividend payments were paid in the year (31 March 2023: none).

Directors and their interests

The Directors who served during the year and up to the date of this report and their interests in the shares of the Company (all of which are beneficial) were:

	31 March 2024		31 March 2023	
W. Scott (Chairman)	933,311	2.77%	678,811	2.01%
B. A. Nixon	10,083,126	29.88%	10,083,126	29.88%
R. H. Burke	Nil	Nil	Nil	Nil

No Director has any other beneficial interest in the Company, nor in any of the Group entities.

The Directors' biographies are disclosed above.

Management

The Company is a self-managed AIF under the AIFM Directive and, as such, the Board performs certain management functions, which include oversight of the Company's investment strategy, and any necessary risk management and portfolio management functions.

With effect from 31 May 2019 the Board appointed Worsley Associates LLP as its Investment Advisor to oversee on a day-to-day basis the assets of the Company. A summary of the financial terms of the contract between the Company and the Investment Advisor in respect of the advisory services provided is given in note 3 to the Financial Statements.

In connection with this, the Investment Advisor undertakes certain of the support functions in respect of the routine management of the Company's investment portfolio, corporate structure and affairs and advises the Company in relation to its investments and other ongoing services. The discretionary portfolio management of substantially all of the Group's assets (including uninvested cash), however, remains with the Board to be dealt with in accordance with the Investment Objective and Investment Policy.

Listing Requirements

Listing requirements

Throughout the year the shares of the Company were admitted to the Official List of the London Stock Exchange maintained by the Financial Conduct Authority ("FCA") and it has complied with the Listing Rules.

Investee Engagement

The nature of the Company's investments is such that it often seeks to acquire substantial shareholdings which provide a direct route via which to influence investee companies. The Company's focus is on investees' medium-term financial performance, and, if necessary, it will press them to adopt governance practices which ensure that they are properly accountable to their shareholders for the delivery of sustainable shareholder value. This active involvement is outside the scope of many traditional institutional shareholders. In matters which may affect the success of the Company's investments the Board and the Investment Advisor work together to ensure that all relevant factors are carefully considered and reflected in investment decisions.

In carrying out its investment activities the Company aims to conduct itself responsibly, ethically and fairly.

International Tax Reporting

For purposes of the US Foreign Accounts Tax Compliance Act, the Company is registered with the US Internal Revenue Service ("IRS") as a Guernsey reporting Foreign Financial Institution ("FFI"), has received a Global Intermediary Identification Number (GOW47U.99999.SL.831), and can be found on the IRS FFI list.

The Common Reporting Standard ("CRS"), is a global standard for the automatic exchange of financial account information, developed by the Organisation for Economic Co-operation and Development ("OECD"), and has been adopted by Guernsey. The Board has taken the necessary action to ensure that the Company is compliant with Guernsey regulations and guidance in this regard.

Significant Shareholdings

As at 1 June 2024, shareholders with 3% or more of the voting rights are as follows:

	Shares held	% of issued share capital
B.A. Nixon	10,083,126	29.88%
Transact Nominees Limited	3,285,206	9.74%
The Bank of New York (Nominees) Limited	3,000,000	8.89%
Chase Nominees Limited	2,522,420	7.48%
State Street Nominees Limited	2,075,804	6.15%
BBHISL Nominees Limited	1,800,000	5.33%
Lion Nominees Limited	1,273,650	3.77%
Platform Securities Nominees Limited	1,243,890	3.69%

Guernsey Financial Services Commission Code of Corporate Governance

The Board of Directors confirms that, throughout the year covered by the Financial Statements, the Company complied with the Code of Corporate Governance issued by the Guernsey Financial Services Commission, to the extent it was applicable based upon its legal and operating structure and its nature, scale and complexity.

Anti-Bribery and Corruption

The Company adheres to the requirements of the Prevention of Corruption (Bailiwick of Guernsey) Law, 2023. In consideration of the UK Bribery Act 2010, the Board abhors bribery and corruption of any form and expects all the Company's business activities, whether undertaken directly by the Directors themselves or by third parties on the Company's behalf, to be transparent, ethical and beyond reproach.

Criminal Finances Act

The Directors of the Company have a zero-tolerance commitment to preventing persons associated with it from engaging in criminal facilitation of tax evasion. The Board has satisfied itself in relation to its key service providers that they have reasonable provisions in place to prevent the criminal facilitation of tax evasion by their own associated persons and will not work with service providers who do not demonstrate the same zero-tolerance commitment to preventing persons associated with them from engaging in criminal facilitation of tax evasion.

Independent Auditor

BDO Limited served as the Company's Independent Auditor throughout the year and has indicated its willingness to continue in office.

Annual General Meeting

The next AGM of the Company is scheduled to be held on 18 September 2024.

Directors' Responsibilities

The Directors of the Company are responsible for preparing, for each financial year, an annual report and Financial Statements which give a true and fair view of the state of affairs of the Group and of the respective results for the period then ended, in accordance with applicable Guernsey law and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates which are reasonable and prudent;
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Group, or Company, will continue in business; and
- state whether or not applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

The Directors are responsible for keeping proper accounting records which are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that its financial statements comply with the Companies (Guernsey) Law, 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements which are free from material misstatement, whether owing to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Disclosure of Information to Auditors

So far as each Director is aware, all relevant information has been disclosed to the Company's Auditor; and each Director has taken all the steps which 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.

Responsibility Statement

Each of the Directors, whose names and functions are listed above, confirms to the best of that person's knowledge and belief:

- the Financial Statements, prepared in accordance with IFRS as issued by the IASB, give a true and fair view of the assets, liabilities, financial position and profit of the Group, as required by DTR 4.1.12R of the Disclosure and Transparency Rules, and are in compliance with the requirements set out in the Companies (Guernsey) Law, 2008;
- the Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for the shareholders to assess the Group's position, performance, business model and strategy; and
- the Financial Statements including information detailed in the Chairman's Statement, the Report of the Directors, the Investment Advisor's report, the Corporate Governance report and the notes to the Financial Statements, include a fair review of the development and performance of the business and the position of the Group together with a description of the principal risks and uncertainties that it faces, as required by:

- DTR 4.1.8 and DTR 4.1.9 of the Disclosure and Transparency Rules, being a fair review of the Group's business and a description of the principal risks and uncertainties facing the Group; and

- DTR 4.1.11 of the Disclosure and Transparency Rules, being an indication of important events which have occurred since the end of the financial period and the likely future development of the Group.

Signed on behalf of the Board by:

W. Scott
Director
20 June 2024

Corporate Governance Report

On 18 December 2019, the Company became a member of the Association of Investment Companies ("AIC") and except as noted herein complies with the 2019 AIC Code of Corporate Governance issued in February 2019 ("the AIC Code"), effective for accounting periods commencing on or after 1 January 2019. By complying with the AIC Code, the Company is deemed to comply with both the UK Corporate Governance Code (July 2018) (the "UK Code") issued by the Financial Reporting Council ("FRC") and the Code of Corporate Governance issued by the Guernsey Financial Services Commission (the "GFSC Code").

The Board considers that reporting against the principles and recommendations of the AIC Code provides appropriate information to shareholders and during the period the Board has reviewed its policies and procedures against the AIC Code.

The GFSC Code provides a governance framework for GFSC-licensed entities, authorised and registered collective investment schemes. Companies reporting against the UK Code or the AIC Code are deemed to comply with the GFSC Code. The AIC Code is available on the AIC's website, www.theaic.co.uk.

For the year ended 31 March 2024, the Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code, except for the following provisions relating to:

- the role of the Chief Executive
- Senior Independent Director;
- the need for an internal audit function;
- the whistle blowing policy;
- Remuneration Committee; and
- Nomination Committee

The Board considers these provisions are not relevant given the nature, scale and lack of complexity of the Company and its legal and operating structure as a self-managed investment company. The Company has therefore not reported further in respect of these provisions. Details of compliance are noted below. The absence of an Internal Audit function is discussed in the Audit Committee Report.

The Directors are non-executive and the Company does not have any employees, hence no Chief Executive, Executive Directors' remuneration nor whistle-blowing policy is required. The Board is satisfied that any relevant issues can be properly considered by the Board. Moreover, the Directors have satisfied themselves that the Company's service providers have appropriate whistle-blowing policies and procedures and have received confirmation from the service providers that nothing has arisen under those policies and procedures which should be brought to the attention of the Board.

Composition, Independence and Role of the Board

The Board currently comprises three non-executive Directors. Both Mr Scott and Mr Burke are considered by the Board to be independent of the Company's Investment Advisor. Mr Nixon is Founding Partner of the Investment Advisor and is therefore not independent.

Whilst Mr Nixon is not an independent director, the presence of two other directors who are independent and non-executive mitigates the risk of Mr Nixon acting against the Company's interest.

Mr Scott was appointed to serve forthwith as Chairman of the Company on 28 March 2019. The Chairman of the Board must be independent for the purposes of Chapter 15 of the Listing Rules. Mr Scott is considered independent because he:

- has no current or historical employment with the Investment Advisor;
- has not provided professional services to the Investment Advisor; and
- has no current directorships in any other investment funds managed by the Investment Advisor.

Notwithstanding the Articles of Association of the Company not specifying any limit to the tenure of any director, although triennial re-election is required, the Board has adopted a policy whereby the Directors, including the Chairman, are subject to biennial re-election by shareholders (apart from Mr. Nixon, who is subject to annual re-election) and, subject to there being no change in his or her status in respect of the independence criteria set out above, the Chairman may freely stand for re-election until his or her tenure would in the aggregate exceed nine years. At that point, the Board will consider, in accordance with the AIC Code, whether or not the Chairman remains independent and, if so, if it would be appropriate for them to stand for annual re-election bearing in mind the countervailing benefits of board refreshment and continuity.

The Board has overall responsibility for maximising the Company's success by directing and supervising the affairs of the business and meeting the appropriate interests of shareholders and relevant stakeholders, while enhancing the value of the Company and also ensuring protection of investors. A summary of the Board's responsibilities is as follows:

- statutory obligations and public disclosure;
- strategic direction and financial reporting;
- risk assessment and management including reporting compliance, governance, monitoring and control; and
- other matters having a material effect on the Company.

The Board is responsible to shareholders for the overall management of the Company.

The Board needs to ensure that 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 Company's performance, business model and strategy. In seeking to achieve this, the Directors have set out the Company's investment objective and policy and have explained how the Board and its delegated Committees operate and how the Directors review the risk environment within which the Company operates and set appropriate risk controls. Furthermore, throughout the Annual Report and Financial Statements the Board has sought to provide further information to enable shareholders better to understand the Company's business and financial performance.

The Board's responsibilities for the Annual Report are set out in the Directors' Responsibility Statement.

The Board is also responsible for issuing half yearly reports, NAV updates and other price sensitive public reports.

The Board does not consider it appropriate to appoint a Senior Independent Director. The Board believes it has a good balance of skills and experience to ensure it operates effectively. The Chairman is responsible for leadership of the Board and ensuring its effectiveness.

The Board has engaged external businesses to undertake the investment advisory and administrative activities of the Company. Documented contractual arrangements are in place with these businesses and these define the areas where the Board has delegated responsibility to them. The Board has adopted a schedule of matters specifically reserved for its decision-making and distinguished these from matters it has delegated to the Company's key service providers.

The Company holds regular board meetings to discuss general management, structure, finance, corporate governance, marketing, risk management, compliance, asset allocation and gearing, contracts and performance. The quarterly Board meetings are the principal source of regular information for the Board enabling it to determine policy and to monitor performance, compliance and controls which are supplemented by communication and discussions throughout the year.

A representative of each of the Investment Advisor and Administrator attends each Board meeting either in person or by telephone, thus enabling the Board fully to discuss and review the Company's operation and performance. Each Director has direct access to the Investment Advisor and Company Secretary and may at the expense of the Company seek independent professional advice on any matter. The Company maintains appropriate Directors' and Officers' liability insurance.

Conflicts of interest of directors

Directors are required to disclose all actual and potential conflicts of interest as they arise for approval by the Board, who may impose restrictions or refuse to authorise conflicts. The process of consideration and, if appropriate, approval will be conducted only by those Directors with no material interest in the matter being considered. The Board maintains a Conflicts of Interest policy which is reviewed periodically and a Business Interests and Potential Conflicts of Interest register which is reviewed by the Board at each quarterly Board meeting.

Re-election of Directors

There are provisions in the Company's Articles of Incorporation which require Directors to seek re-election on a periodic basis. There is no limit on length of service, nor is there any upper age restriction on Directors. The Board considers that there is significant benefit to the Company arising from continuity and experience among directors, and accordingly does not intend to introduce restrictions based on age or tenure. It does, however, believe that shareholders should be given the opportunity to review membership of the Board on a regular basis.

The Board believes that, while regular rotation is in keeping with good governance, the unquestionable benefits of ensuring that there is some continuity mean that it is in the best interests of the Company that not all Directors offer themselves for re-election each year. The Company may terminate the appointment of a Director immediately on serving written notice and no compensation is payable upon termination of office as a director of the Company becoming effective.

In accordance with the Company's Articles of Incorporation, at each AGM all Directors who held office at the two previous AGM's and did not retire shall retire from office and shall be available for re-election. Messrs. Scott and Nixon will stand for re-election at this year's AGM. Mr Nixon as Founding Partner and a Designated Member of Worsley Associates LLP stands annually. Further details regarding the experience of each of the Directors are set out above.

Board Diversity

The Company is Premium Listed on the Main Market of the London Stock Exchange and consequently subject to changes to the Listing Rules promulgated by the FCA in order to promote diversity of characteristics in board and executive membership and which took effect for accounting periods commencing on or after 1 April 2022. The Company has three directors, all of whom are male and none of whom is from a minority ethnic background. As at the Reference Date of 31 March 2024 and throughout the year then ended, the new targets set out at Listing Rule 9.8.6(9) were not met.

Worsley Investors Limited is a very small company with a market capitalisation of less than £10 million and a net asset value of approximately £15 million. It is not a constituent of the FTSE350 Index, nor the FTSE Small Cap Index, and so is out of scope with regard to the Davies Report on "Women on Boards", the Parker review into ethnic diversity and the Hampton-Alexander review on gender balance in FTSE leadership. However, the Board is cognisant of the practices codified in these reports and, as recommended in the Davies Report, the Board has reviewed its composition. The Board's conclusion from this review is that it believes that the current appointments provide an appropriate and broad range of skills and experience, are in the interests of shareholders and, in light of this and the disproportionate effect on the expense ratio for such a small company of appointing additional directors, no plans to appoint further directors are in contemplation.

Board Evaluation and Succession Planning

The Board conducts an annual self-evaluation of its performance and that of the Company's individual Directors, which is led by the Chairman and, as regards the Chairman's performance evaluation, by the other Directors. The annual self-evaluation considers how the Board functions as a whole taking balance of skills, experience and length of service into consideration and also reviews the individual performance of its members.

To facilitate this annual self-evaluation, the Company Secretary circulates a detailed questionnaire to each Director and a separate questionnaire for the evaluation of the Chairman. The questionnaires, once completed, are returned to the Company Secretary who collates responses, prepares a summary and discusses the Board evaluation with the Chairman prior to circulation to the remaining Board members. On occasions, the Board may seek to employ an independent third party to conduct a review of the Board.

The Board considers it has a breadth of experience relevant to the Company, and the Directors believe that any changes to the Board's composition can be managed without undue disruption. An induction programme has been prepared for any future Director appointments and all Directors receive other relevant training as necessary.

Board and Committee Meetings

The table below sets out the number of scheduled Board, Audit Committee, Risk Committee and Management Engagement Committee meetings held during the year ended 31 March 2024 and, where appropriate, the number of such meetings attended

by each Director who held office during the same period.

	Board of Directors		Audit Committee		Risk Committee		Management Engagement Committee	
	Scheduled	Attended	Scheduled	Attended	Scheduled	Attended	Scheduled	Attended
W. Scott (Chairman)	5	5	4	4	3	3	1	1
R. H. Burke	5	5	4	4	3	3	1	1
B. A. Nixon	5	5	4	4*	3	3	1	1*

*In attendance by invitation

In normal circumstances the Board intends to meet not less than four times per year on a quarterly basis in addition to such ad hoc meetings as may be necessary.

Audit Committee

The Company has established an Audit Committee with formal duties and responsibilities. The Audit Committee meets formally at least twice a year and each meeting is attended by the Independent Auditor and Administrator. The Company's Audit Committee is comprised of Mr Burke and Mr Scott. At the invitation of the Audit Committee, Mr. Nixon may attend meetings of the Committee. The Audit Committee is chaired by Mr Burke. The Company does not maintain an internal audit function, and, given that there are only three Directors, the Chair of the Board is a member of the Committee.

The Audit Committee monitors the performance of the Independent Auditor, and also examines the remuneration and engagement of the Auditor, as well as its independence and any non-audit services provided by it. A report of the Audit Committee detailing its responsibilities and its key activities is presented below.

Risk Committee

The Company has established a Risk Committee with formal duties and responsibilities. The Risk Committee meets formally at least twice a year. The Risk Committee is comprised of the entire Board and is chaired by Mr Scott. The principal function of the Risk Committee is to identify, assess, monitor and, where possible, oversee the management of risks to which the Company's investments are exposed, with regular reporting to the Board. The Directors have appointed the Risk Committee to manage the additional risks faced by the Company as well as the disclosures to be made to investors and the relevant regulators.

The Risk Committee reviews the robustness of the Company's risk management processes, the integrity of the Company's system of internal controls and risk management systems, and the identification and management of risks through the use of the Company's risk matrix. The Risk Committee reviews the principal, emerging, and other risks relevant to the Company.

The Risk Committee reports on the internal controls and risk management systems to the Board of Directors. The Board of Directors is responsible for establishing the system of internal controls relevant to the Company and for reviewing the effectiveness of those systems. The review of internal controls is an on-going process for identifying and evaluating the risks faced by the Company, designed to manage effectively rather than attempt to eliminate business risks, to ensure the Board's ability to achieve the Company's business objectives.

It is the responsibility of the Board to undertake the risk assessment and review of the internal controls in the context of the Company's objectives in relation to business strategy, and the operational, compliance and financial risks facing the Company. These controls are operated in the Company's main service providers: the Investment Advisor and Administrator. The Board receives regular updates and undertakes an annual review of each service provider.

The Company is a closed-ended investment company which has no employees. The Company operates by outsourcing significant elements of its operations to reputable professional companies, which are required to comply with all relevant laws and regulations.

Board of Directors considers the arrangements for the provision of Investment Advisor and Administration services to the Company and as part of the annual review the Board considered the quality of the personnel assigned to handle the Company's affairs, the investment process and the results achieved to date.

The Board is satisfied that each service provider has effective controls in place to control the risks associated with the services which they are contracted to provide to the Company and therefore the Board is satisfied with the internal controls of the Company.

Management Engagement Committee

The Company has established a Management Engagement Committee (the "MEC") with formal duties and responsibilities. The MEC meets formally at least once a year. The MEC is comprised of Mr Burke and Mr Scott. The principal function of the MEC is to ensure that the Company's investment advisory arrangements are competitive and reasonable for the shareholders, along with the Company's agreements with all other third party service providers (other than the external auditor).

During the period the MEC has reviewed the services provided by the Investment Advisor and other service providers and recommended that the continuing appointments of the Company's service providers was in the best interests of the Company. The MEC is chaired by Mr Scott.

Nomination Committee

The Board does not have a separate Nomination Committee. The Board as a whole fulfils the function of a Nomination Committee. Any proposal for a new Director will be discussed and approved by the Board, giving full consideration to succession planning and the leadership needs of the Company.

Remuneration Committee

In view of its non-executive nature, the Board considers that it is not appropriate for there to be a separate Remuneration Committee, as anticipated by the AIC Code, because this function is carried out as part of the regular Board business. A Remuneration Report prepared by the Board is contained in the Financial Statements below.

Terms of Reference

All terms of reference for committees are available from the Company's website.

Internal Controls

The Board is ultimately responsible for establishing and maintaining the Company's system of internal controls and for maintaining and reviewing its effectiveness. The system of internal controls is designed to manage rather than to eliminate the risk of failure to achieve business objectives and by its nature can only provide reasonable and not absolute assurance against misstatement and loss. These controls aim to ensure that assets of the Company are safeguarded, proper accounting records are maintained and the financial information for publication is reliable.

The Board has delegated the day-to-day management of the Company's investment portfolio and the administration, registrar and corporate secretarial functions including the independent calculation of the Company's NAV and the production of the Annual Report and Financial Statements, which are independently audited. Whilst the Board delegates responsibility, it retains accountability for the functions it delegates and is responsible for the systems of internal control.

Formal contractual agreements have been put in place between the Company and providers of these services. On an ongoing basis, board reports are provided at each quarterly board meeting from the Investment Advisor, Administrator and Company Secretary and Registrar; and a representative from the Investment Advisor is asked to attend these meetings.

In accordance with Listing Rule 15.6.2 (2) R the Directors formally appraise the performance and resources of the Investment Advisor on an annual basis. In the opinion of the Directors the continuing appointment of the Investment Advisor on the terms agreed is in the interests of the Company and the shareholders.

The Investment Advisor was appointed on 31 May 2019.

The Board has reviewed the need for an internal audit function and owing to the size of the Company and the delegation of day-to-day operations to regulated service providers, an internal audit function is not considered necessary. The Directors will continue to monitor the systems of internal controls in place in order to provide assurance that they operate as intended.

Principal Risks and Uncertainties

In respect of the Company's system of internal controls and its effectiveness, the Directors:

- are satisfied that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity; and
- have reviewed the effectiveness of the risk management and internal control systems including material financial, operational and compliance controls (including those relating to the financial reporting process) and no significant failings or weaknesses were identified.

The principal risks and uncertainties which have been identified have remained unchanged in both the nature and the level of risk during the year and the steps which are taken by the Board to mitigate them are as follows:

Investment Risks

The Company is exposed to the risk that its investment portfolio and the remaining investment property fail to perform in line with the Company's objectives. The Company is exposed to the risk that markets move adversely. The Board reviews reports from the Investment Advisor at each quarterly Board meeting and at other times when expedient, paying particular attention to the diversification of the portfolio and to the performance and volatility of underlying investments. If any risks are identified the Board will ensure that any remediation required is actioned on a timely basis.

Operational Risks

The Company is exposed to the risk arising from any failures of systems and controls in the operations of the Investment Advisor and Administrator. The Board and its Committees regularly review reports from the Investment Advisor and the Administrator and Corporate Broker on their internal controls. If any risks are identified the Board will ensure that any remediation required is actioned on a timely basis.

Accounting, Legal and Regulatory Risks

The Company is exposed to the risk that it may fail to maintain accurate accounting records, fail to comply with requirements of its Prospectus or fail to adapt its processes to changes in law or regulations. The accounting records prepared by the relevant service providers are reviewed by the Investment Advisor. The Administrator, Corporate Broker and Investment Advisor provide regular updates to the Board on compliance with the Prospectus and any changes in regulation.

Financial Risks

The financial risks, including market, credit, liquidity and interest rate risk faced by the Company are set out in note 14 of the Financial Statements. These risks and the controls in place to reduce the risks are reviewed at the quarterly Board meetings.

Foreign Exchange Risk

The Company is exposed to currency risk given that the assets of its subsidiaries are predominantly denominated in Euro but the presentation currency of the Company is Pounds Sterling. The Investment Advisor reports at least quarterly to the Board on the strategy for managing this risk. Although the Company has the ability to hedge this risk, it has not to date chosen to do so and has no plans to make such arrangements.

Emerging Risks

The Board is alert to the identification of any new or emerging risks through the ongoing monitoring of the Company's investment portfolio and by conducting regular reviews of the Company's risk assessment matrix. Should an emerging risk be identified the risk assessment matrix is updated and appropriate mitigating measures and controls will be agreed.

Non-Audit Services Policy

The Company has implemented a policy in relation to the engagement of the external auditor, BDO Limited, to perform non-audit services. As a Market Traded Company ("MTC"), since March 2020, the Company is classified as an EU/UK Public Interest Entity ("PIE") for the purposes of FRCs Ethical Standard. Accordingly, the Audit Committee must consider whether or not the provision of such non-audit services is compatible with the list of permissible services under the FRC's UK Ethical Standards:

The Audit Committee reviews the need for non-audit services, authorises such on a case-by-case basis, and recommends an appropriate fee for such non-audit services to the Board.

The Board considers the actual, perceived and potential impact upon the independence of the external auditor prior to engaging the external auditor to undertake any non-audit service, as well as confirming that any non-audit services are included on the list of permissible services, as amended from time to time by the FRC.

The Board reserves the right to review the policy periodically and, if required, amend it to ensure that the policy is compliant with all applicable law and regulation and best practice.

Promotion of the success of the Company

The Board acts in a manner which is considered to be:

- in good faith;
- likely to promote the continuing success of the Company; and
- in the best interests of the shareholders as a whole.

- to the benefit of its shareholders as a whole.

Whilst the primary duty of the Directors is owed to the Company, the Board considers as part of its discussions and decision making process the interests of all stakeholders.

The Board is committed to maintaining high standards of corporate governance and accountability.

As an investment company, the Company does not have any employees and conducts its core operations through third party service providers, which apart from the shareholders are the only significant stakeholders. Each provider has an established track record and, through regulatory oversight and control, is required to have in place suitable policies and procedures to ensure it maintains high standards of business conduct, treats customers fairly, and employs corporate governance best practice.

Relations with Shareholders

The Board welcomes shareholders' views and places great importance on communication with its shareholders. The Board receives regular reports on the views of shareholders and the Chairman and other Directors are available to meet shareholders if required. The Investment Advisor meets with major shareholders on a regular basis and reports to the Board on these meetings. Issues of concern can be addressed by any shareholder in writing to the Company at its registered address. The AGM of the Company provides a forum for shareholders to meet and discuss issues with the Directors and Investment Advisor of the Company. In addition, the Company maintains a website which contains comprehensive information, including regulatory announcements, share price information, financial reports, investment objectives and strategy and investor contacts.

Relations with other stakeholders.

Specific consideration is given to the continued alignment between the activities of the Company and those which contribute to delivering the Board's strategy, which include the Investment Advisor, the Corporate Broker and the Administrator.

In particular, open and collaborative dialogue is maintained between the Board and the Investment Advisor, a representative of which is required to attend all Board meetings. In addition, each Director has direct access to the Investment Advisor.

The Board receives regular updates from and undertakes an annual review of each service provider.

In its relationship with suppliers, the Company aims to conduct itself responsibly, ethically and fairly.

The Management Engagement Committee is charged by the Board with ensuring that the Company's investment advisory arrangements are competitive and reasonable for the shareholders, along with the Company's agreements with all other third party service providers (other than the external auditor).

The Board respects and welcomes the views of all stakeholders. Any queries or areas of concern regarding the Company's operations can be raised with the Company Secretary.

Signed on behalf of the Board by:

W. Scott

Chairman

20 June 2024

Audit Committee Report

Dear Shareholders,

I am pleased to present the Audit Committee's Report for the year ended 31 March 2024, which covers the following topics:

- Responsibilities of the Audit Committee and its key activities during the period,
- Financial reporting and significant areas of judgement and estimation,
- Independence and effectiveness of the external auditor, and
- Internal control and risk management systems.

The Company remains in a transition period until the Cumo investment property is disposed of. The Audit Committee's activities during the year have therefore concentrated on maintaining an appropriate risk and control environment, providing suitable disclosure of progress and residual risks in the Financial Statements ensuring ongoing engagement from service

submit a schedule of progress and remain open to the Financial Statements, ensuring ongoing engagement from service providers and maintaining sufficient liquid funds to meet expenditure for essential or justified items.

Responsibilities

The Audit Committee reviews and recommends to the Board for approval or otherwise, the Financial Statements of the Company and is the forum through which the independent external auditor reports to the Board of Directors. The independent external auditor and the Audit Committee, if either considers this to be necessary, will meet together without representatives of either the Administrator or Investment Advisor being present.

The responsibilities of the Audit Committee include:

1. Monitoring the integrity of the Financial Statements of the Company covering:
 - formal announcements relating to the Company's financial performance;
 - significant financial reporting issues and judgements;
 - matters raised by the external auditor; and
 - appropriateness of accounting policies and practices.
2. Reviewing and considering the AIC Code and FRC Guidance on Audit Committees.
3. Monitoring the quality and effectiveness of the independent external auditor, which includes:
 - meeting regularly to discuss the audit plan and the subsequent findings;
 - considering the level of fees for both audit and non-audit work;
 - reviewing independence, objectivity, expertise, resources and qualification; and
 - making recommendations to the Board on their appointment, reappointment, replacement and remuneration.
4. Reviewing the Company's procedures for prevention, detection and reporting of fraud, bribery and corruption, and
5. Monitoring and reviewing the internal control and risk management systems of the service providers together with the need for a Company Internal Audit function.

The Audit Committee's full terms of reference can be obtained from the Company's website.

Financial Reporting

The Audit Committee's review of the Audited Annual Report and Financial Statements focused on the following significant risks:

Valuation of Investment Property

The Group's sole remaining investment property was independently valued at £6.29 million (€7.35 million) as at 31 March 2024 (31 March 2023: £6.77 million (€7.70 million)) and represented the largest asset of the Group. The property comprises a cinema complex in Curno, Italy, owned via an intermediate holding company. The valuation of this investment is in accordance with the requirements of IFRS as issued by the IASB. The valuation estimate is provided by Knight Frank LLP, an external independent valuer. The Audit Committee considers the fair value of the sole investment property held by the Group as at 31 March 2024 to be reasonable based on information provided by the Investment Advisor and Administrator. All valuations are also subject to review and oversight by the Investment Advisor.

The Company's non-property investments had a fair value of £8.01 million as at 31 March 2024 (31 March 2023: £7.84 million). The investments are all listed. The Committee considered the fair value of the investments held by the Company as at 31 March 2024 to be reasonable based on information provided by the Investment Advisor and Administrator. All prices are confirmed to independent pricing sources as at 31 March 2024 by the Administrator and are subject to a review process at the Administrator and oversight at the Investment Advisor.

Audit Findings Report

The independent external auditor reported to the Audit Committee that no material unadjusted misstatements were found in the course of their work. Furthermore, the Investment Advisor and Administrator confirmed to the Audit Committee that they were not aware of any material unadjusted misstatements including matters relating to the Financial Statements presentation.

Accounting Policies & Practices

The Audit Committee has assessed the appropriateness of the accounting policies and practices adopted by the Group together with the clarity of disclosures included in the Financial Statements. Following a review of the presentations and reports from the Administrator and consulting where necessary with the independent external auditor, the Audit Committee is satisfied that the Financial Statements appropriately address the critical judgements and key estimates (both in respect to the amounts reported and the disclosures). It is also satisfied that the significant assumptions used for determining the value of assets and liabilities have been appropriately scrutinised, challenged and are sufficiently robust.

The Audit Committee advised the Board that this Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable.

Fraud, Bribery and Corruption

The Audit Committee continues to monitor the fraud, bribery and corruption policies of the Group. The Board receives a confirmation from all service providers that there have been no instances of fraud or bribery.

The Independent External Auditor

BDO Limited served as the Company's Independent Auditor throughout the year and has indicated its willingness to continue in office.

The independence and objectivity of the external auditor is reviewed by the Audit Committee, which also reviews the terms under which the independent external auditor is appointed to perform non-audit services. The Audit Committee has established pre-approval policies and procedures for the engagement of the auditor to provide non audit services.

The following table summarises the remuneration payable to BDO Limited for audit and non-audit services provided to the Company during the year ended 31 March 2024 and the year ended 31 March 2023:

	31 March 2024	31 March 2023
	£	£
Statutory audit	44,500	42,500
Total fees	44,500	42,500

The following table summarises the remuneration payable to BDO Italia S.p.A for audit and non-audit services provided to the Group during the year ended 31 March 2024 and the year ended 31 March 2023:

	31 March 2024	31 March 2023
	€	€
Statutory audit of subsidiary	8,770	8,596
Total fees	8,770	8,596

Performance and Effectiveness

During the period, when considering the effectiveness of the independent external auditor, the Audit Committee has taken into account the following factors:

- the audit plan presented to them before the audit;
- changes in audit personnel;
- the post audit findings report;
- the independent external auditor's own internal procedures to identify threats to independence; and
- feedback received from both the Investment Advisor and Administrator.

The Audit Committee reviewed and, where appropriate, challenged the audit plan and the audit findings report of the independent external auditor and concluded that the audit plan sufficiently identified audit risks and that the audit findings report indicated that the audit risks were sufficiently addressed with no significant variations from the audit plan. The Audit Committee considered reports from the independent external auditor on their procedures to identify threats to independence and concluded that the procedures were sufficient.

Appointment of External Auditor

Consequent to this review process, the Audit Committee recommended to the Board that a resolution be put to the next AGM to confirm the reappointment of BDO Limited as independent external auditor.

Internal Control and Risk Management Systems

The Board of Directors considers the arrangements for the provision of Investment Advisory, Investment Management, Administration and Custody services to the Company on an on-going basis and a formal review is conducted annually. As part of this review the Board considered the quality of the personnel assigned to handle the Company's affairs, the investment process and the results achieved to date.

The Audit Committee has reviewed the need for an internal audit function and has decided that the systems and procedures employed by the Investment Advisor and the Administrator provide sufficient assurance that a sound system of internal control, which safeguards the Company's assets, is maintained. An internal audit function specific to the Group is therefore considered unnecessary.

In finalising the Financial Statements for recommendation to the Board for approval, the Audit Committee has satisfied itself that the Financial Statements taken as a whole are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

A member of the Audit Committee will continue to be available at each AGM to respond to any shareholder questions on the activities of the Audit Committee.

R. H. Burke,
Chairman, Audit Committee
20 June 2024

Directors' Remuneration Report

Introduction

An ordinary resolution for the approval of the Director's Remuneration Report will be put to the shareholders at the forthcoming AGM held.

Remuneration Policy

All Directors are non-executive and a Remuneration Committee has not been established. The Board as a whole considers matters relating to the Directors' remuneration. No advice or services were provided by any external person in respect of its consideration of the Directors' remuneration.

The Company's policy is that the fees payable to the Directors should reflect the time spent by the Directors on the Company's affairs and the responsibilities borne by the Directors and be sufficient to attract, retain and motivate directors of a quality required to run the Company successfully. The Chairman of the Board is paid a higher fee in recognition of his additional responsibilities. The policy is to review fee rates periodically, although such a review will not necessarily result in any changes to the rates, and account is taken of fees paid to directors of comparable companies. The Directors of the Company are remunerated for their services at such a rate as the Directors determine provided that the aggregate amount of such fees does not exceed £120,000 per annum.

There are no long-term incentive schemes provided by the Company and no performance fees are paid to Directors.

None of the Directors has a service contract with the Company but each of the Directors is appointed by a letter of appointment which sets out the main terms of their appointment. Directors hold office until they retire by rotation or cease to be a director in accordance with the Articles of Incorporation, by operation of law or until they resign.

Remuneration

Directors are remunerated in the form of fees, payable quarterly in arrears, to the Director personally. No Directors have been paid additional remuneration outside their normal Directors' fees and expenses.

The current annual Directors' fees comprise £20,000 per annum payable to the Chairman and £15,000 per annum payable to each of the other Directors.

Upon appointment of Worsley Associates as Investment Advisor on 31 May 2019, Mr Nixon waived any future Director's fee for as long as he is a member of the Investment Advisor.

For the year ended 31 March 2024 and the year ended 31 March 2023 Directors' fees incurred were as follows:

	For the year ended 31 March 2024 £	For the year ended 31 March 2023 £
W. Scott (Chairman)	20,000	20,000
B.A. Nixon	-	-
R. H. Burke	15,000	15,000
	35,000	35,000

In addition to the Directors named above, the directors of the subsidiaries of the Group received emoluments amounting to £11,103 (31 March 2023: £11,086). Total fees paid to Directors and directors of the subsidiaries were £46,103 (31 March 2023: £46,086).

Signed on behalf of the Board by:

W. Scott
Director
20 June 2024

Auditor's Report to the Members of Worsley Investors Limited

Opinion on the financial statements

In our opinion, the financial statements of Worsley Investors Limited (the "Parent Company") and its subsidiaries (the "Group"):

- give a true and fair view of the state of the Group's affairs as at 31 March 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board; and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements of the Group for the year ended 31 March 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and IFRS as issued by the International Accounting Standards Board.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

We remain independent of the Group and the 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 entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the paper prepared by those charged with governance and management in respect of going concern and discussing this with both the Directors and management.
- Consideration and challenge of the going concern paper and assessing it for reasonableness, based on our knowledge of the Group gained throughout the audit.
- Consideration of the cash available, the liquidity of the equity portfolio held, and the expected profit generated by the property holding subsidiary, together with the expected annual running costs of the Group and determining whether these assumptions were reasonable, based on our knowledge of the Group.
- Performing our own sensitivity analysis of the headroom of the investment portfolio over the annual running expenses.
- Reviewing the minutes of meetings of those charged with governance, the Group's RNS announcements and the compliance reports for any indicators of concern with respect to going concern.

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.

In relation to the Parent Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

Overview

Key audit matters (2024 and 2023)	- Valuation of Investment Property - Valuation and Ownership of Listed Investments
Materiality	<i>Group financial statements as a whole</i> £264,000 (2023: £259,000) based on 1.75% (2023: 1.75%) of total assets.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the consolidated financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We carried out a full scope audit of the Group, which was tailored to take into account the nature of the Group's investments, the accounting and reporting environment and the industry in which the Group operates.

In designing our overall audit approach, we determined materiality and assessed the risk of material misstatement in the financial statements.

This assessment took into account the likelihood, nature, and potential magnitude of any misstatement. As part of this risk assessment, we considered the Group's interaction with the Investment Advisor and the Administrator. We obtained an understanding of the control environment in place at the Investment Advisor and the Administrator to the extent that it was relevant to our audit. Following this assessment, we applied professional judgement to determine the extent of testing required

over each balance in the financial statements.

We concluded that the most effective audit approach for the Group was to audit the consolidated financial statements as if the Group was one entity.

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) that 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 consolidated 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		How the scope of our audit addressed the key audit matter
Valuation of investment property Refer to accounting policies 2(d) and 2(k) and the disclosure in note 7	<p>The Group holds a single investment property which is fair valued.</p> <p>The fair value has been determined by the Directors based on an independent Royal Institute of Chartered Surveyors "RICS" valuation performed by independent valuers.</p> <p>Such property valuations are a highly subjective area as it requires the valuer to make judgements on property yields, the quality of the tenant and other variables in order to arrive at the current fair value of the property.</p> <p>Such subjectivity and judgements are increased given the wider economic impacts of inflation, interest rate increases and the lower spending power of the average consumer.</p> <p>Any input inaccuracies or unreasonable bases used in the valuation judgements (such as with respect to the rental value and yield profile applied) could result in a material misstatement in the consolidated financial statements.</p>	<p>For the independent property valuation, we evaluated the competence and independence of the external valuer, which included consideration of their qualifications and expertise. We read the terms of their engagement with the Group to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work.</p> <p>We also read the valuation report for the property to understand the process undertaken by the valuer and confirmed that the valuation was prepared in accordance with professional valuation standards and IFRS.</p> <p>We considered the reasonableness of the inputs used by the valuer in the valuation, such as the rental terms and other assumptions that impact the value. This included discussions with and challenge of the valuer around the impact of economic variables and the resulting adjustments to yields and overall consideration of the resulting valuation. In addition, we agreed a sample of the significant inputs into the valuation, such as the rental details, to supporting documentation.</p> <p><u>Key observation:</u></p> <p>Based on the procedures performed, we did not identify any indications to suggest that the judgements made with respect to the property valuation are unreasonable.</p>
Valuation and ownership of listed investments Refer to accounting policies 2(n) and the disclosure in note 8	<p>The investment portfolio as at 31 March 2024 comprises listed investments whose price is readily available.</p> <p>The investments represent a material proportion of the net asset value as disclosed in the Consolidated Statement of Financial Position. Therefore, we consider this to be a key audit matter.</p>	<p>For all investments, we agreed the ownership of the investment portfolio holdings to the respective independently obtained Custodian confirmation.</p> <p>We tested the valuation of all listed investments held by agreeing the prices used in the valuation to independent third-party sources such as Refinitiv and then recalculating the valuation based on the number of shares held.</p> <p><u>Key observation:</u></p> <p>Based on the procedures performed, we did not identify any matters to indicate that the valuation and ownership of the investments are inappropriate.</p>

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements.

We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic

decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the consolidated financial statements, as a whole, and performance materiality as follows:

	Group financial statements	
	2024	2023
Materiality	£264,000	£259,000
Basis for determining materiality	1.75% of total assets	
Rationale for the benchmark applied	Due to the entity being an investment fund with the objective of long-term capital growth, with investment values being a key focus for users of the financial statements.	
Performance materiality	£198,000	£194,000
Basis for determining performance materiality	75% (2023: 75%) of materiality	
	This was determined using our professional judgements and took into account the complexity of the Group and our knowledge of the audit engagement, together with a history of minimal errors and adjustments.	

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £10,560 (2023: £10,300). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

1. Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

Corporate governance statement

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

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 consolidated financial statements, or our knowledge obtained during the audit.

Going concern and longer-term viability	<ul style="list-style-type: none"> The Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out above; and The Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why the period is appropriate set out above.
Other Code provisions	<ul style="list-style-type: none"> Directors' statement on fair, balanced and understandable set out above; Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out above; The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out above; and

- | | |
|--|---|
| | <ul style="list-style-type: none">• The section describing the work of the Audit Committee set out above. |
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Other Companies (Guernsey) Law, 2008 reporting

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Parent Company; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities statement within the Report of the Directors, the Directors are responsible for the preparation of the consolidated 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 consolidated financial statements, the Directors are responsible for assessing the Group and 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Based on our understanding of the Group and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to its investment and property holding activities, and we considered the extent to which non-compliance might have a material effect on the Group's financial statements.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Parent Company and have a direct impact on the preparation of the consolidated financial statements. We determined that the most significant frameworks which are directly relevant to specific assertions in the consolidated financial statements are those that relate to the reporting framework such as IFRS and the Companies (Guernsey) Law, 2008. We evaluated management's incentives and opportunities for fraudulent manipulation of the consolidated financial statements (including the risk of management override of controls)) and determined that the principal risks related to management bias and judgement involved in accounting estimates, specifically in relation to the valuation of the property (the responses to which are detailed in our key audit matters above).

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws or regulations throughout the audit.

Audit procedures performed by the engagement team to respond to the risks identified included:

- Discussion with and enquiry of management and those charged with governance concerning known or suspected

evaluation and enquiry of management and those charged with governance concerning identified or suspected instances of non-compliance with laws and regulations or fraud;

- Obtaining an understanding of the internal control environment in place to prevent and detect irregularities;
- Reading minutes of meetings of those charged with governance, correspondence with the Guernsey Financial Services Commission, internal compliance reports, complaint registers and breach registers to identify and consider any known or suspected instances of non-compliance with laws and regulations or fraud; and
- Maintaining professional scepticism for any unusual accounting practices or inadequate support for underlying transactions recognised during the year, challenging material differences arising from testing to ensure appropriately explained or supported.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

The engagement director on the audit resulting in this independent auditor's opinion is Simon Hodgson.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Parent 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 Parent Company and the Parent Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

For and on behalf of BDO Limited

Chartered Accountants and Recognised Auditor

Place du Pré
Rue du Pré
St Peter Port
Guernsey

20 June 2024

Consolidated Statement of Comprehensive Income For the year ended 31 March 2024

		For the year ended 31 March 2024	For the year ended 31 March 2023
	Notes	£000s	£000s
Gross property income	4	823	769
Property operating expenses	4	(150)	(148)
Net property income		673	621
Other income		-	52
Net gain on investments at fair value through profit or loss	8	183	1,765
Unrealised valuation loss on investment property	7	(211)	(789)
General and administrative expenses	5	(573)	(528)
Profit before tax		72	1,121
Income tax expense	11	(117)	(90)
Deferred tax credit	11	75	-
Profit for the year		30	1,031

Other comprehensive (loss)/gain				
Foreign exchange translation (loss)/gain		(188)		322
Total items that are or may be reclassified to profit or loss		(188)		322
Total comprehensive (loss)/income for the year		(158)		1,353
Basic and diluted earnings per ordinary share (pence)	6	0.09		3.06

The accompanying notes form an integral part of these Financial Statements

Consolidated Statement of Changes in Equity
For the year ended 31 March 2024

		Revenue reserve £000s	Distributable reserve £000s	Foreign currency reserve £000s	Total equity £000s
Balance at 1 April 2022		(45,477)	47,263	11,680	13,466
Profit for the year		1,031	-	-	1,031
Other comprehensive income		-	-	322	322
Balance at 31 March 2023		(44,446)	47,263	12,002	14,819
Balance at 1 April 2023		(44,446)	47,263	12,002	14,819
Profit for the year		30	-	-	30
Other comprehensive loss		-	-	(188)	(188)
Balance at 31 March 2024		(44,416)	47,263	11,814	14,661

The accompanying notes form an integral part of these Financial Statements

Consolidated Statement of Financial Position
As at 31 March 2024

		31 March 2024	31 March 2023
	Notes	£000s	£000s
Non-current assets			
Investment property	7	5,661	6,033
Lease incentive	7	570	591
Current assets			
Cash and cash equivalents		657	541
Investments held at fair value through profit or loss	8	8,009	7,839
Lease incentive	7	56	146
Trade and other receivables	9	32	54
Tax receivable		103	29
Total assets		15,088	15,233
Non-current liabilities			
Deferred tax payable	11	-	75
Current liabilities			
Trade and other payables	10	268	178
Tax payable		159	161
Total liabilities		427	414
Total net assets		14,661	14,819
Equity			
Revenue reserve	15	(44,418)	(44,446)
Distributable reserve	15	47,263	47,263
Foreign currency reserve	15	11,816	12,002

Total equity		14,661	14,819
Number of ordinary shares	12	33,740,929	33,740,929
Net asset value per ordinary share (pence)	13	43.45	43.92

The Consolidated Financial Statements were approved by the Board of Directors and authorised for issue on 20 June 2024. They were signed on its behalf by:

W. Scott
Director

The accompanying notes form an integral part of these Financial Statements

Consolidated Statement of Cash Flows
For the year ended 31 March 2024

		For the year ended	For the year ended
		31 March 2024	31 March 2023
	Notes	£000s	£000s
Operating activities			
Profit before tax		72	1,121
Adjustments for:			
Unrealised valuation loss on investment property	7	303	862
Net gains on investments held at fair value through profit or loss	8	(183)	(1,765)
Investment income	8	592	559
Decrease/(increase) in trade and other receivables		22	(52)
Increase/(decrease) in trade and other payables		90	(76)
Purchase of investments held at fair value through profit or loss	8	(793)	(1,223)
Proceeds on sale of investments held at fair value through profit or loss	8	214	563
Net cash from/(used in) operations		317	(11)
Tax paid		(192)	(74)
Net inflow/(outflow) from operating activities		125	(85)
Effects of exchange rate fluctuations		(9)	50
Increase/(decrease) in cash and cash equivalents		116	(35)
Cash and cash equivalents at start of the year		541	576
Cash and cash equivalents at the year end		657	541

The accompanying notes form an integral part of these Financial Statements

Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

1. Operations

Worsley Investors Limited (the "Company") is a limited liability, closed-ended investment company incorporated in Guernsey. The Company historically invested in commercial property in Europe held through subsidiaries. The Company's current investment objective is to provide Shareholders with an attractive level of absolute long-term return, principally through the capital appreciation and exit of undervalued securities. The existing real estate asset of the Company will be realised in an orderly manner, that is with a view to optimising the disposal value of such asset.

The Consolidated Financial Statements (the "Financial Statements") of the Company for the year ended 31 March 2024 comprise the Financial Statements of the Company and its subsidiaries (together referred to as the "Group").

Please refer to the Investment Policy. The Company's registered office is included below.

2. Material accounting policies

(a) Basis of preparation

The Financial Statements, which show a true and fair view, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and are in compliance with the Companies (Guernsey) Law, 2008. The Financial Statements have been prepared on a going concern basis, and the accounting policies, presentation and methods of computation are consistent with this basis, as disclosed in the going concern paragraph below.

The Directors believe that the Financial Statements contain all of the information required to enable shareholders and potential investors to make an informed appraisal of the investment activities and profits and losses of the Group for the period to which they relate and do not omit any matter of development of significance.

(b) Going concern

These Financial Statements have been prepared on a going concern basis. The Directors, at the time of approving the Financial Statements, have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these Financial Statements. The Group maintains a significant cash balance and an extensive portfolio of securities, and the property lease generates sufficient cash flows to pay on-going expenses and other obligations. The Directors have considered the cash position and performance of the current capital invested by the Group, the potential impact on markets and supply chains of geopolitical risks, as well as continuing macro-economic factors and inflation and concluded that it is appropriate to adopt the going concern basis in the preparation of these Consolidated Financial Statements.

Going concern is assessed over the 12 months from the approval of these Financial Statements. Owing to the fact that the Group currently has no borrowing, has a significant cash holding and that the Company's equity investments predominantly comprise readily realisable securities the Board considers there to be no material uncertainty.

(c) Adoption of new standards and its consequential amendments

New Accounting Standards interpretations and amendments adopted in the reporting period

- IAS 1 (amended), "Presentation of Financial Statements" (amendments regarding the disclosure of accounting policies, effective for periods commencing on or after 1 January 2023); and
- IAS 8 (amended), "Accounting Policies, Changes in Accounting Estimates and Errors" (amendments regarding the definition of accounting estimates, effective for periods commencing on or after 1 January 2023).

The adoption of these amended standards has had no material impact on the financial statements of the Company.

New Accounting Standards and interpretations applicable to future reporting periods

At the date of approval of these Financial Statements, the following relevant standards and interpretations, which have not been applied in these Financial Statements, were in issue but not yet effective:

- IAS 1 (amended), "Presentation of Financial Statements" (amendments regarding the classification of debt with covenants, effective for periods commencing on or after 1 January 2024); and
- IFRS 18 "Presentation and Disclosures in Financial Statements", effective for periods commencing on or after 1 January 2027.

Any standards that are deemed not relevant to the operations of the Group have been excluded. The Directors expect that the adoption of these amended standards in a future period will not have a material impact on the Financial Statements of the Group.

(d) Significant estimates and judgements

The preparation of the Group's Financial Statements requires management to make judgements, estimates and assumptions which affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes which require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(i) Judgements:

In the process of applying the Group's accounting policies, management made no judgements which had an effect on the amounts recognised in the Financial Statements.

(ii) Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising which are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Revaluation of investment property

The Group carries its investment property at fair value, with changes in fair value being recognised in the Consolidated Statement of Comprehensive Income. The property is valued quarterly by an external independent valuer as at the end of each calendar quarter. Their valuations are reviewed quarterly by the Board.

Quarterly valuations of the investment property are carried out by Knight Frank LLP, external independent valuers to the Group, in accordance with the Royal Institution of Chartered Surveyors' ("RICS") Appraisal and Valuation Standards. The property has been valued in accordance with the definition of the RICS Valuation which is defined as the price which would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The valuation is based on the highest and best use of the investment property.

The key assumptions used to determine the market value of the investment property are explained further in note 7.

(e) Foreign currency translation

Functional currency

The Company's functional currency is pounds sterling and the subsidiaries' functional currency is Euro. The Board of Directors considers that the Group's functional currency is pounds sterling, as the capital raised, return on capital and any distributions paid by the Parent Company are in pounds sterling. The Euro most faithfully represents the economic effect of the underlying transactions, events and conditions of the subsidiaries. The Euro is the currency in which the subsidiaries measure their performance and report their results.

Foreign currency transactions

Transactions in foreign currencies are translated to presentation currency at the spot foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Consolidated Statement of Financial Position date are translated to presentation currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Consolidated Statement of Comprehensive Income. Non-monetary assets and liabilities which are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the original transaction. Non-monetary assets and liabilities denominated in foreign currencies which are stated at fair value are translated to presentation currency at foreign exchange rates ruling at the dates the fair value was determined.

Exchange differences on foreign operations

The assets and liabilities of foreign operations, arising on consolidation, are translated to presentation currency at the foreign exchange rates ruling at the Consolidated Statement of Financial Position date. The income and expenses of foreign operations are translated to presentation currency at an average rate where this is considered reasonably to represent the foreign exchange rate for the period. Foreign exchange differences arising on retranslation are recognised in other comprehensive income and as a separate component of equity.

(f) Basis of consolidation

(i) Subsidiaries

The Financial Statements comprise the Financial Statements of the Company and its subsidiaries as at 31 March each year. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

(ii) Transactions eliminated on consolidation

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions are eliminated in preparing the Financial Statements.

Worsley Investors Limited, the Company, is the parent of the Group. It was incorporated in Guernsey on 5 April 2005. The Company owned the following subsidiary as at the reporting date:

Subsidiaries	Country of incorporation	Date of incorporation	Ownership interest %	Principal activities	Financial year end
Property Trust Luxembourg 2 S.à r.l.	Luxembourg	24 November 2005	100.00%	Holding Company	31 March

The company shown in the table below was directly owned by Property Trust Luxembourg 2 S.à r.l. as at the reporting date:

Indirect subsidiaries and joint ventures	Country of incorporation	Ownership interest %	Financial year end
Multiplex 1 S.r.l.	Italy	100.00%	31 December

Multiplex 1 S.r.l. has a reporting date of 31 December owing to legacy set up.

(g) Income recognition

Gross property income is rental income from the investment property leased out under operating leases and is recognised in the Consolidated Statement of Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives are amortised over the whole lease term.

Dividend income from equity investments is recognised when the relevant investment is quoted ex-dividend and is included gross of withholding tax.

(h) Expenses/other Income

Expenses are accounted for on an accruals basis.

Service costs for service contracts entered into by the Group acting as the principal are recorded when such services are rendered.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits carried at amortised cost. Cash equivalents are short-term, highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Purchases and sales of investments are considered to be operating activities of the Company, given its purpose, rather than investing activities. The cash flows arising from these activities are shown in the Consolidated Statement of Cash Flows as operating activities.

(j) Investment property

Investment property is held to earn rental income and capital appreciation and is recognised as such. Investment property is initially recognised at cost, being the fair value of consideration given, including associated transaction costs.

After initial recognition, investment property is measured at fair value using the fair value model with unrealised gains and losses recognised in the Consolidated Statement of Comprehensive Income. Realised gains and losses upon disposal of the property are recognised in the Consolidated Statement of Comprehensive Income. Quarterly valuations are carried out by Knight Frank LLP, external independent valuers, in accordance with the RICS Appraisal and Valuation Standards. The property has been valued in accordance with the definition of the RICS Valuation which is defined as the price which would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The valuation is based on the highest and best use of the investment property.

Lease incentive assets are deducted from the independent valuation to arrive at fair value for accounting purposes: refer to note 7 for further details.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Consolidated Statement of Comprehensive Income during the financial period in which they are incurred.

Investment property is derecognised when it has been disposed of. Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within gain/(loss) on disposals of subsidiaries and investment property.

(k) Operating leases (lessor)

The determination of whether or not an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed to establish if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Where an operating lease is modified it is accounted for as a new lease with any prepaid or accrued lease payments relating to the original lease being treated as part of the lease payments for the new lease.

(l) Financial instruments

Financial assets and financial liabilities are recognised in the Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are only offset and the net amount reported in the Consolidated Statement of Financial Position and Consolidated Statement of Comprehensive Income when there is a currently enforceable legal right to offset the recognised amounts and the Group intends to settle on a net basis or realise the asset and liability simultaneously.

On initial recognition, the Group classifies financial assets as measured at amortised cost or at fair value through profit or loss ("FVTPL").

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows which are solely payments of principal and interest.

In making an assessment of the objective of the business model in which a financial asset is held, the Group considers all of the relevant information about how the business is managed.

The Group has determined that it has two business models:

Held-to-collect business model: this includes cash and cash equivalents and other receivables. These financial assets are held to collect contractual cash flows.

Other business model: this includes investments in listed equities and investment funds. These financial assets are managed, and their performance is evaluated, on a fair value basis, with sales taking place routinely.

Investments at fair value through profit or loss ("investments")

Recognition

Investments are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Purchases and sales of investments are recognised on the trade date (the date on which the Company commits to purchase or sell the investment). Investments purchased are initially recorded at fair value, being the consideration given, including transaction or other dealing costs associated with the investment.

Measurement

Subsequent to initial recognition, investments are measured at fair value. Gains and losses arising from changes in the fair value of investments and gains and losses on investments that are sold are recognised through profit or loss in the Consolidated Statement of Comprehensive Income within net changes in fair value of financial assets at fair value through profit or loss.

Investments traded in active markets are valued at the latest available bid prices ruling at midnight on the reporting date. The Directors are of the opinion that the bid-market prices are the best estimate of fair value. Investments consist of listed or quoted equities or equity-related securities, options and bonds which are issued by corporate issuers, supranationals or government organisations, and investment in funds.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Gains and losses arising from changes in the fair value of financial assets/(liabilities) are shown as net gains or losses on financial assets through profit or loss and recognised in the Consolidated Statement of Comprehensive Income in capital in the period in which they arise.

Realised gains and losses arising on disposal of investments are calculated by reference to the proceeds received on disposal and the average cost attributable to those investments and are recognised in the Consolidated Statement of Comprehensive Income. Unrealised gains and losses on investments are recognised in the Consolidated Statement of Comprehensive Income.

Capital

Financial instruments issued by the Group are treated as equity if the holder has only a residual interest in the assets of the Group after the deduction of all liabilities. The Company's Ordinary Shares are classified as equity instruments.

The Group's capital is represented by the Ordinary Shares, revenue reserve, distributable reserve and foreign exchange reserve. Share premium is included in the distributable reserve presented in the Consolidated Statement of Changes in Equity. The capital of the Company is managed in accordance with its investment policy in pursuit of its investment objective, both of which are set out below. It is not subject to externally imposed capital requirements. The Ordinary shares carry rights regarding dividends, voting, winding-up and redemptions, which are detailed in full in the Company's Memorandum and Articles of Incorporation.

(m) Taxation

The Company has obtained exempt company status in Guernsey under the terms of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 and accordingly is subject to an annual fee of £1,600 (2023: £1,200). The Directors intend to conduct the Group's affairs such that it continues to remain eligible for exemption.

The Company's subsidiaries are subject to income tax on any income arising on investment property, after deduction of debt financing costs and other allowable expenses. However, when a subsidiary owns a property located in a country other than its country of residence the taxation of the income is defined in accordance with the double taxation treaty signed between the country where the property is located and the residence country of the subsidiary.

Income tax on the profit or loss for the period comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year as determined under local tax law, using tax rates enacted or substantially enacted at the Consolidated Statement of Financial Position date, and any adjustment to tax payable in respect of previous periods.

Deferred income tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the Consolidated Statement of Financial Position date, except in the case of investment property, where deferred tax is provided for the effect of the sale of the property. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset is utilised.

Details of current tax and deferred tax assets and liabilities are disclosed in note 11.

(n) Determination and presentation of operating segments

The Company has entered into an Investment Advisory Agreement with the Investment Advisor, under which the Board has appointed the Investment Advisor to oversee on a day-to-day basis the assets of the Company, subject to their review and control and ultimately the overall supervision of the Board. The Board retains full responsibility to ensure that the Investment Advisor adheres to its mandate. Moreover, the Board is fully responsible for the appointment and/or removal of the Investment Advisor. Accordingly, the Board is deemed to be the "Chief Operating Decision Maker" of the Company.

The Board has considered the requirements of IFRS 8, 'Operating Segments'. The Board is of the view that the Group has two segments of business (see note 18).

3. Material agreements

Investment Advisory Agreements

Worsley Associates LLP

The Investment Advisory Agreement had an initial term of two years, with either Worsley Associates LLP or the Company being able to terminate the agreement by giving 12 months' notice from 1 June 2020 and thereafter on a rolling 12 months' notice basis. On giving the requisite 12 months' notice there is no compensation on termination (save in respect of any payment made in lieu of notice where Worsley Associates and the Company agree to terminate the Investment Advisory Agreement on less than 12 months' notice). In addition, the Company and Worsley Associates may terminate the Investment Advisory Agreement in certain limited circumstances.

Pursuant to the Investment Advisory Agreement, Worsley Associates is entitled to an annual advisory fee of 1.25 per cent. of the Company's Net Asset Value, to the extent that the Company's Net Asset Value is £40 million or less, but subject to a minimum fee of £150,000 per annum. If the Company's Net Asset Value exceeds £40 million, the Company will pay Worsley Associates a fee equal to 1.25 per cent. of £40 million and 1.00 per cent. of the amount by which the Company's Net Asset Value exceeds £40 million.

In accordance with an addendum to the Investment Advisory Agreement entered into during the prior year, with effect from 1 October 2022 the Company agreed that it would reimburse Worsley Associates for the costs it incurs using the FactSet financial market information system for dealing and research on behalf of the Company for so long as the Investment Advisory fees paid to Worsley Associates are below £200,000 per annum, such re-imbursement tapering to zero at the rate of 50p per £1 of annual Investment Advisory fees above £200,000 per annum.

During the year, Worsley Associates was due Investment Advisory fees of £187,057 (31 March 2023: £173,713). Fees of £18,825 were outstanding as at 31 March 2024 (31 March 2023: £15,277).

Broker Agreement

Shore Capital and Corporate Limited and Shore Capital Stockbrokers Limited

On 18 April 2019, Shore Capital and Corporate Limited and Shore Capital Stockbrokers Limited (together "Shore Capital") were appointed as the Company's financial adviser and broker. Fees expensed in the year ended 31 March 2024 totalled £25,000 (31 March 2023 £25,000) of which none was outstanding as at 31 March 2024 (31 March 2023: £nil).

Administrator Agreement

With effect from 28 June 2019, Sanne has been entitled to an annual fee payable by the Company as follows:

- Where the Net Asset Value ("NAV") is up to £20 million a fixed fee of £70,000 per annum applies. This fee is subject to annual adjustment for inflation; and
- Where the NAV is over £20 million but up to £100 million a further fee equating to 0.025% of NAV per annum will be charged on the excess; and
- Where the NAV is over £100 million, a further fee equating to 0.06% per annum of the NAV in excess of £100 million will be charged.

During the year, Sanne was due administration fees of £79,446 (31 March 2023: £76,921) of which £44,470 was outstanding as at 31 March 2024 (31 March 2023: £19,054).

Fees totalling £45,986 were also paid to the administrators of the subsidiaries (31 March 2023: £36,890).

Custody Agreement

With effect from 5 July 2019, Butterfield Bank (Guernsey) Limited was appointed as Custody Agent to the Company. Butterfield Bank (Guernsey) Limited is entitled to an annual fee payable by the Company at the rate of 0.1% per annum of the gross value of the investments held, subject to a minimum fee of £400 per annum.

During the year, Butterfield Bank (Guernsey) Limited was due a custody agency fees of £8,256 (31 March 2023: £2,845 including refund of previously overcharged fees of £5,869). Fees of £2,084 were outstanding as at 31 March 2024 (31 March 2023: £1,952).

During the year, Butterfield Bank (Guernsey) Limited was due transaction fees of £1,150 incurred as a result of investment

During the year, Bancarella Bank (Guernsey) Limited was due transaction fees of £1,150 incurred as a result of investment trading (31 March 2023: £1,775). No transaction fees were outstanding as at 31 March 2024 (31 March 2023: £nil).

4. Gross property income

Gross rental income for the year ended 31 March 2024 amounted to £0.82 million (31 March 2023: £0.77 million). The Group leases out its investment property under an operating lease which is structured in accordance with local practices in Italy. The lease benefits from indexation.

The current lease was originally signed in December 2018, but after negotiations necessitated by COVID-19 a lease amendment was signed on 11 September 2020. The ongoing lease terms are summarised as follows:

- Term

17.5 years fixed, from 1 January 2019 until 30 June 2035 with an automatic nine-year extension unless cancelled by the tenant with a minimum 12-month notice period.

- Base Rent

From 1 March 2021 to 31 December 2021 - €915,000, and from 1 January 2022 indexed to 100% of the ISTAT Consumer Index on an upwards-only basis. On 1 January 2023 annual rental increased to €1,057,094 and on 1 January 2024 annual rental increased to €1,063,437. Please refer to the table below and note 7 for further details.

- Variable Rent

There will be an incremental rent of between €1.50 and €2.50 per ticket sold above a minimum threshold of 350,000 tickets per calendar year. There was no variable rent earned in the year ended 31 March 2024 (31 March 2023: none).

Minimum Lease Payments (based on actual cash flows)

	31 March 2024	31 March 2023
	€000s	€000s
1 year	1,063	1,057
1-5 years	4,254	4,252
After 5 years	6,646	7,793

Lease incentive

	Year ended 31 March 2024	Year ended 31 March 2023
	£000s	£000s
Lease incentive at beginning of year	737	778
Lease incentive movement for the year	(92)	(73)
Foreign exchange translation	(19)	32
Lease incentive at end of year	626	737

The amounts recognised in the Consolidated Statement of Comprehensive Income of the Group in relation to the investment property are as follows:

Rental income

	Year ended 31 March 2024	Year ended 31 March 2023
	£000s	£000s
Base rent received	914	842
Straight lining of lease incentives	(92)	(73)
Rental income (net of lease incentives)	822	769

Expense from services to tenants, other property operating and administrative expenses

	Year ended 31 March 2024	Year ended 31 March 2023
	£000s	£000s

Property expenses arising from investment property which generates rental

income	145	148
Total property operating expenses	145	148

As the investment property was rented for the entire year, there were no property expenses arising from investment property which did not generate rental income.

5. General and administrative expenses

	Year ended 31 March 2024	Year ended 31 March 2023
	£000s	£000s
Administration fees (note 3)	125	113
General expenses	86	73
Audit fees	55	49
Legal and professional fees	25	20
Directors' fees and expenses (note 16)	46	46
Insurance fees	24	28
Corporate Broker fees (note 3)	25	25
Investment Advisor fees (note 3 and note 16)	187	174
Total	573	528

6. Basic and diluted earnings per Share

The basic and diluted earnings per share for the Group is based on the net profit for the year of £0.030 million (31 March 2023: £1.031 million) and the weighted average number of Ordinary Shares in issue during the year of 33,740,929 (31 March 2023: 33,740,929). There are no instruments in issue which could potentially dilute earnings or loss per Ordinary Share.

7. Investment property

	Year ended 31 March 2024	Year ended 31 March 2023
	£000s	£000s
Value of investment property before lease incentive adjustment at beginning of the year	6,770	7,328
Fair value adjustment	(303)	(862)
Foreign exchange translation	(180)	304
Independent external valuation	6,287	6,770
Adjusted for: Lease incentive (note 4) *	(626)	(737)
Fair value of investment property at the end of the year	5,661	6,033
Fair value adjustment on property	(303)	(862)
Adjustment to fair value for lease incentive movement	92	73
Total unrealised investment loss on investment property	(211)	(789)

* The Lease incentive is separately classified as a non-current asset within the Consolidated Statement of Financial Position and to avoid double counting is hence deducted from the independent property valuation to arrive at fair value for accounting purposes.

The property is carried at fair value. The lease incentive granted to the tenant is amortised over the term of the lease. In accordance with IFRS, the external independent valuation is reduced by the carrying amount of the lease incentive as at the valuation date. Quarterly valuations are carried out at 31 March, 30 June, 30 September and 31 December by Knight Frank LLP, external independent valuers.

The resultant fair value of investment property is analysed below by valuation method, according to the levels of the fair value hierarchy. The different levels have been defined as follows:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices);

Level 3: inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The investment property (Cyprus) is classified as Level 2

The investment property (Cumo) is classified as Level 3.

The significant assumptions made relating to its independent valuation are set out below:

Significant assumptions	31 March 2024	31 March 2023
Gross estimated rental value per sqm p.a.	113.85€	113.85€
Equivalent yield	10.75%	13.04%

The external valuer has carried out its valuation using the comparative and investment methods. The assessment was made on the basis of a collation and analysis of appropriate comparable investment and rental transactions. The market analysis has been undertaken using market knowledge, enquiries of other agents, searches of property databases, as appropriate and any information provided to them. The external valuer has adhered to the RICS Valuation - Professional Standards.

An increase/decrease in ERV (Estimated Rental Value) will increase/decrease valuations, while an increase/decrease to yield decreases/increases valuations. The information below sets out the sensitivity of the independent property valuation to changes in Fair Value.

If market rental increases by 10% then property value increases by 3.22%, being €236,670 (31 March 2023: 1.85%, being €142,817).

If market rental decreases by 10% then property value decreases by 3.22%, being €236,670 (31 March 2023: 1.85%, being €142,817).

If yield increases by 0.5% then property value decreases by 3.73%, being €273,940 (31 March 2023: if yield increased by 1% then property value decreased by 5.91%, being €456,044).

If yield decreases by 0.5% then property value increases by 4.09%, being €300,676 (31 March 2023: if yield decreased by 1% then property value increased by 6.89%, being €532,021).

Property assets are inherently difficult to value due to the individual nature of each property. As a result, valuations are subject to uncertainty. There is no assurance that estimates resulting from the valuation process will reflect the actual sales price even where a sale occurs shortly after the valuation date. Rental income and the market value for properties are generally affected by overall conditions in the local economy, such as growth in Gross Domestic Product ("GDP"), employment trends, inflation and changes in interest rates. Changes in GDP may also impact employment levels, which in turn may impact the demand for premises. Furthermore, movements in interest rates may affect the cost of financing for real estate companies.

Both rental income and property values may be affected by other factors specific to the real estate market, such as competition from other property owners, the perceptions of prospective tenants of the attractiveness, convenience and safety of properties, the inability to collect rents because of the bankruptcy or the insolvency of tenants, the periodic need to renovate, repair and release space and the costs thereof, the costs of maintenance and insurance, and increased operating costs. The Investment Advisor addresses market risk through a selective investment process, credit evaluations of tenants, ongoing monitoring of tenants and through effective management of the property.

8. Investments at fair value through profit or loss

	Year ended 31 March 2024	Year ended 31 March 2023
	£000s	£000s
Fair value of investments at FVTPL at beginning of year	7,839	5,973
Purchases	793	1,223
Sales	(214)	(563)
Realised gains	101	264
Unrealised (losses)/gains	(510)	942
Total investments at FVTPL	8,009	7,839

As at 31 March 2024, the cost of the Investments at FVTPL was £5.588 million (31 March 2023: £4.908 million).

	Year ended 31 March 2024	Year ended 31 March 2023
	£000s	£000s
Realised gains	101	264
Unrealised (losses)/gains	(510)	942
Investment income	592	559
Net gains on investments at FVTPL	183	1,765

The fair value of investments at FVTPL are analysed below by valuation method, according to the levels of the fair value hierarchy. The different levels are defined in note 14.

The following table analyses within the fair value hierarchy the Company's financial assets at fair value through profit or loss:

31 March 2024	Level 1	Level 2	Level 3	Total
	£000s	£000s	£000s	£000s
Fair value through profit or loss				
- Investments	5,705	2,304	-	8,009

Within the Company's financial assets classified as Level 2, securities totalling £1,265,077 are traded on the London Stock Exchange or AIM Market and securities of £1,039,375 are traded on the Aquis Exchange. The Level 2 securities are valued at the traded price as at the year end and no adjustment has been deemed necessary to these prices. However, although these are traded, they are not regularly traded in significant volumes and hence have been classified as level 2.

31 March 2023	Level 1	Level 2	Level 3	Total
	£000s	£000s	£000s	£000s
Fair value through profit or loss				
- Investments	5,847	1,992	-	7,839

Within the Company's financial assets classified as Level 2, securities totalling £1,162,559 are traded on the London Stock Exchange or AIM Market and securities of £829,100 are traded on the Aquis Exchange. The Level 2 securities are valued at the traded price as at the year end and no adjustment has been deemed necessary to these prices. However, although these are traded, they are not regularly traded in significant volumes and hence have been classified as level 2.

The valuation and classification of the investments are reviewed on a regular basis. The Board determines whether or not transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input which is significant to the fair value measurement as a whole) at the end of each reporting period. There were no transfers between levels during the reporting period (31 March 2023: None).

9. Trade and other receivables

	31 March 2024	31 March 2023
	£000s	£000s
Prepayments	32	54
Total	32	54

The carrying values of trade and other receivables are considered to be approximately equal to their fair value.

10. Trade and other payables

	31 March 2024	31 March 2023
	£000s	£000s
Investment Advisor fee (note 3 and 16)	19	15
Administration fees (note 3)	44	18
Audit fees	46	42
Director fees payable	2	2
		101
Other	157	
Total	268	178

Trade and other payables are non-interest bearing and are normally settled on 30-day terms. The carrying values of trade and other payables are considered to be approximately equal to their fair value.

11. Taxation

	Year ended 31 March 2024	Year ended 31 March 2023
	£000s	£000s
Effect of:		
Current tax		
Guernsey	-	-
Luxembourg	(5)	(4)
Italy	(112)	(86)
Total current tax	(117)	(90)

Deferred tax credit			75	-
Total deferred tax			75	-
Tax charge during the year			(42)	(90)

The Company is exempt from Guernsey taxation.

Movement in temporary differences

	1 April 2023 £000	Recognised in profit or loss £000	Foreign exchange loss on translation £000	31 March 2024 £000
Deferred tax liabilities	75	(75)	-	-

	1 April 2022 £000	Recognised in profit or loss £000	Foreign exchange loss on translation £000	31 March 2023 £000
Deferred tax liabilities	72	-	3	75
Which consists of:				
				31 March 2023 £000
Revaluation of investment property				(131)
Other timing difference				206
Total				75

12. Share capital

	Year ended 31 March 2024	Year ended 31 March 2023
	Number of shares	Number of shares
Shares of no par values issued and fully paid		
Balance at the start of the year	33,740,929	33,740,929
Shares issued	-	-
Balance at the end of the year	33,740,929	33,740,929

No shares were issued by the Company during the year (31 March 2023: none).

13. Net asset value per ordinary share

The Net Asset Value per Ordinary Share at 31 March 2024 is based on the net assets attributable to the ordinary shareholders of £14.661 million (31 March 2023: £14.819 million) and on 33,740,929 (31 March 2023: 33,740,929) ordinary shares in issue at the Consolidated Statement of Financial Position date.

14 Financial risk management

The Group is exposed to various types of risk which are associated with financial instruments. The Group's financial instruments comprise investments, bank deposits, cash, receivables and payables which arise directly from its operations. The carrying value of financial assets and liabilities approximates the fair value. The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest risk, concentration risk, foreign currency risk, market risk and market price risk.

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment which it has entered into with the Group. Failure of any relevant counterparty to perform its obligations in respect of these items may lead to a financial loss. The Group is principally exposed to credit risk in respect of cash and cash equivalents, investments held at fair value through profit or loss and trade and other receivables. The credit risk associated with debtors is limited to trade and other receivables. It is the opinion of the Board of directors that the carrying amounts of these financial assets represent the maximum credit risk exposure as at the reporting date.

maximum credit risk exposure as at the reporting date.

The Company to date has not invested in the securities of any non-Group company which is not quoted or does not have a listing. All transactions in listed securities are settled/paid upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet their obligation.

The credit risk on cash and cash equivalents is considered limited because the counterparties are banks with acceptable credit-ratings assigned by international credit-ratings agencies.

As at 31 March 2024 the Group held £291,475 (31 March 2023: £225,271) with Butterfield Bank (Guernsey) Limited, which has a Standard & Poor's rating of BBB+ (31 March 2023: BBB+), and £426,292 (£364,632) (31 March 2023: £357,380 (£314,208)) with Banco di Desio e della Brianza S.p.A with a Fitch rating of BB+ (31 March 2023: BB+).

Property Trust Luxembourg 2 S.à r.l., held £1,230 (31 March 2023: £1,079) in a current account with Alpha Group International (formerly Alpha FX Group plc) ("Alpha Group"), an Electronic Money Institution authorised and regulated by the UK Financial Conduct Authority. Whilst Alpha Group does not have a credit rating, the underlying funds held in the subsidiary's current account are held with Citibank International Limited, Luxembourg Branch, a subsidiary of Citigroup Inc, which has a Standard & Poor's credit rating of BBB+ (31 March 2023: BBB+).

Cash and cash equivalents, investments held at fair value through profit or loss and trade and other receivables presented in the Consolidated Statement of Financial Position are subject to credit risk with maturities within one year. The Company's maximum credit exposure is limited to the carrying amount of financial assets recognised as at the Consolidated Statement of Financial Position date.

At the reporting date, the carrying amounts of the financial assets, excluding prepayments exposed to credit risk were as follows:

		Within		
		one year	1-3 years	Total
As at 31 March 2024		£000s	£000s	£000s
Cash and cash equivalents		657	-	657
Investments held at fair value through profit or loss		8,009	-	8,009
Total		8,666	-	8,666

		Within		
		one year	1-3 years	Total
As at 31 March 2023		£000s	£000s	£000s
Cash and cash equivalents		541	-	541
Investments held at fair value through profit or loss		7,839	-	7,839
Total		8,380	-	8,380

Liquidity risk

Liquidity risk is the risk that the Group will encounter in realising assets or otherwise raising funds to meet financial commitments in a reasonable time frame or at a reasonable price.

The Group is invested in two asset types, one investment property (42.89% of Net Assets), which is relatively illiquid, and investments held at fair value through profit or loss, which are relatively liquid. The Group prepares forecasts which enables the Group's operating cash flow requirements to be anticipated and ensures that sufficient liquidity is available to meet foreseeable needs and to allow any surplus cash assets to be invested safely and profitably. The Group also monitors the cash position in all subsidiaries to ensure that any working capital requirements are addressed as early as possible. As at 31 March 2024 and 31 March 2023, the Group had no significant financial liabilities other than short-term payables.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. As at the year end, the Group's overall interest rate risk is monitored on a quarterly basis by the Board. As the vast majority of the Group's investments held at fair value through profit or loss are not interest-bearing and are not directly subject to interest rate risk, the exposure to

Concentration risk

The Group pursues a policy of diversifying its risk in accordance with its Investment Policy, which is detailed below. Save for the Cumo Asset until such time as it is realised, the Group intends to adhere to the investment restrictions set out therein.

Foreign currency risk

			Assets	Liabilities	Net
			£000s	£000s	exposure £000s
At 31 March 2024	Euro		6,769	(252)	6,517
At 31 March 2023	Euro		7,157	(318)	6,839

The following table demonstrates the sensitivity to potential fluctuations in the Euro exchange rate (*ceteris paribus*) of the Group's equity.

The sensitivity rate of 5% for Euros as at 31 March 2024 (31 March 2023: 5% for Euros) is regarded as reasonable in light of the recent volatility of pounds sterling vs the Euro. Any changes in the foreign exchange rate will directly affect the profit and loss, allocated to the foreign currency reserve of the Consolidated Statement of Changes in Equity.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's activities expose it primarily to the market risks of changes in market prices.

Market price risk

Market price risk arises mainly from the uncertainty about future prices of the financial instruments held by the Group. It represents the potential loss the Group may suffer through holding market positions in the face of price movements.

The Group's investment portfolio is exposed to market price fluctuations, which are monitored by the Investment Advisor in pursuance of the investment objectives and policies.

Market price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equities risks at the reporting date. The 20% reasonably possible price movement for equity-related securities (31 March 2023; 20%) is based on the Investment Advisor's best judgement. The sensitivity rate for equity-related investments of 20% is regarded as reasonable, as in the Investment Advisor's view there is expected to be considerable volatility in equity markets in the coming year.

A 20% increase in the market prices of equity-related investments as at 31 March 2024 would have increased the net assets

attributable to shareholders by £1,601,780 (31 March 2023: £1,561,752) and a 20% change in the opposite direction would have decreased the net assets attributable to shareholders by an equal but opposite amount.

Actual trading results may differ from the above sensitivity analysis and these differences could be material.

Fair value

Financial assets at fair value through profit or loss are carried at fair value. Other assets and liabilities are carried at cost which approximates fair value.

IFRS 13 requires the Group to classify a fair value hierarchy which reflects the significance of the inputs used in making the measurements. IFRS 13 establishes a fair value hierarchy which prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under IFRS 13 are defined below.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs which require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Directors. The Directors consider observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources which are actively involved in the relevant market.

Assets classified in Level 1 consist of listed or quoted equities or equity-related securities, options and bonds which are issued by corporate issuers, supra-nationals or government organisations.

Assets classified in Level 2 are investments such as funds fair-valued using the official NAV of each fund as reported by each fund's independent administrator at the reporting date. Assets invested in quoted equity-type products in a less active market are classified as level 2 (see note 8). Options and foreign exchange forward contracts are fair valued using publicly available data. Foreign exchange forward contracts would be shown as derivative financial assets and liabilities.

Assets classified in Level 3 consist of investments for which no market exists for trading, for example investments in liquidating or illiquid funds, which would be reported using the latest available official NAV less dividends declared to date of each fund as reported by each fund's independent administrator at the last reporting date. Where a market exists for trading in illiquid funds, these are classified in Level 2.

The Group recognises any transfers between levels of fair value hierarchy as of the end of the reporting period during which the transfer has occurred. During the year ended 31 March 2024 and the year ended 31 March 2023, there were no transfers between levels of fair value hierarchy.

15. Reserves

(a) Revenue reserves

Revenue reserves arise as a result of the profit or loss created by the Group.

(b) Distributable reserves

Distributable reserves arose from the cancellation of the share premium account pursuant to the special resolution passed at the EGM on 13 April 2005 and approved by the Royal Court of Guernsey on 24 June 2005.

(c) Foreign currency reserves

Foreign currency reserves arise as a result of the translation of the Financial Statements of foreign operations, the functional and presentation currency of which is not pounds sterling.

16. Related party transactions

The Directors are responsible for the determination of the Company's investment objective and policy and have overall responsibility for the Group's activities including the review of investment activity and performance.

Mr Nixon, a Director of the Company, is also Founding Partner and a Designated Member of Worsley Associates LLP. The total charge to the Consolidated Statement of Comprehensive Income during the year in respect of Investment Advisor fees to Worsley Associates was £187,057 (31 March 2023: £173,713) of which £18,825 (31 March 2023: £15,277) remained payable at the year end.

The fees and expenses payable to the Investment Advisor are explained in note 3.

Upon appointment of Worsley Associates as Investment Advisor (31 May 2019), Mr Nixon waived his future Director's fee for so long as he is a member of the Investment Advisor.

As at 31 March 2024, Mr Nixon held 29.88% of the shares in the Company (31 March 2023: 29.88%).

As at 31 March 2024, Mr Scott held 2.77% of the shares in the Company (31 March 2022: 2.01%).

The aggregate remuneration and benefits in kind of the Directors and directors of the Company's subsidiaries in respect of the year ended 31 March 2024 amounted to £46,103 (31 March 2023: £46,086) in respect of the Group of which £35,000 (31 March 2023: £35,000) was in respect of the Company. Please refer above for further details on the Directors' fees.

17. Commitments and contingent liability

As at 31 March 2024 the Company had no commitments.

As at the 31 March 2024, and up to the date of approval of these financial statements, no disposal was in discussion. As a result, no provision has been included in these Financial Statements.

18. Segmental analysis

As at 31 March 2024, the Group has two segments (31 March 2023: two). The following summary describes the operations in each of the Group's reportable segments for the current year:

Property Group	Management of the Group's property asset.
Parent Company	Parent Company, which holds listed equity investments

Information regarding the results of each reportable segment is shown below. Performance is measured based on segment profit/(loss) for the year, as included in the internal management reports that are reviewed by the Board, which is the Chief Operating Decision Maker ("CODM"). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other comparable operators.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2.

(a) Group's reportable segments

	Continuing Operations		
31 March 2024	Property Group	Parent Company	Total
	£000	£000	£000
External revenue			
Gross property income	823	-	823
Property operating expenses	(150)	-	(150)
Unrealised loss on investment property	(211)	-	(211)
Net gain on investments at fair value through profit or loss	-	183	183
Total segment revenue	462	183	645
Expenses			
General and administrative expenses	(143)	(430)	(573)
Total operating expenses	(143)	(430)	(573)
(Loss)/profit before tax	319	(247)	72
Income tax charge	(117)	-	(117)
Deferred tax credit	75	-	75
(Loss)/profit after tax	277	(247)	30
(Loss)/profit for the year	277	(247)	30
Total assets	6,769	8,319	15,088
Total liabilities	234	193	427

	Continuing Operations		
31 March 2023	Property Group	Parent Company	Total
	£000	£000	£000
External revenue			
Gross property income	769	-	769
Property operating expenses	(148)	-	(148)
Unrealised loss on investment property	(789)	-	(789)
Net gain on investments at fair value through profit or loss	-	1,765	1,765
Other income	-	52	52
Total segment revenue	(168)	1,817	1,649
Expenses			
General and administrative expenses	(134)	(394)	(528)
Total operating expenses	(134)	(394)	(528)
(Loss)/profit before tax	(302)	1,423	1,121
Income tax charge	(90)	-	(90)
(Loss)/profit after tax	(392)	1,423	1,031
(Loss)/profit for the year	(392)	1,423	1,031

	Continuing Operations		
31 March 2023	Property Group	Parent Company	Total
	£000	£000	£000
Total assets	7,158	8,075	15,233
Total liabilities	319	95	414

(b) Geographical information

The Company is domiciled in Guernsey. The Group has subsidiaries incorporated in Europe.

The Group's revenue from external customers from continuing operations and information about its segment non-current assets by geographical location (of the country of incorporation of the entity earning revenue or holding the asset) are detailed below:

	Revenue from External Customers	Non-Current Assets
	31 March 2024	31 March 2024
	£000	£000

Europe	823	6,287
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	Revenue from External Customers	Non-Current Assets
	31 March 2023	31 March 2023
	£000	£000

Europe	769	6,770
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19. Subsequent events

There were no post year end events which require disclosure in these Financial Statements.

Portfolio statement (unaudited)

as at 31 March 2024

	Currency	Fair value £'000	% of Group Net Assets
Property			
UCI Cumo	EUR	6,287	42.89%
Less: lease incentive	EUR	(626)	(4.27%)
Total		5,661	38.62%
Securities			
Smiths News Plc	GBP	4,980	33.98%
Northamber Plc	GBP	567	3.87%
Daniel Thwaites PLC	GBP	536	3.65%
Shepherd Neame Limited	GBP	504	3.44%
Amedeo Air Four Plus Limited	GBP	424	2.89%
Town Centre Securities Plc	GBP	252	1.72%
LMS Capital plc	GBP	241	1.64%
J. Smart & Co (Contractors) PLC	GBP	202	1.37%
Total disclosed securities		7,706	52.56%
Other securities (none greater than 2% of Net Assets)	GBP	303	2.07%
Total securities		8,009	54.63%
Total investments		13,670	93.25%

Investment Objective and Policy

Investment Objective

The Company's investment objective is to provide shareholders with an attractive level of absolute long-term return, principally through the capital appreciation and exit of undervalued securities. The existing real estate asset of the Company will be realised in an orderly manner, that is with a view to optimising the disposal value of such asset.

Investment Policy

The Company aims to meet its objectives through investment primarily, although not exclusively, in a diversified portfolio of securities and related instruments of companies listed or admitted to trading on a stock market in the British Isles (defined as (i) the United Kingdom of Great Britain and Northern Ireland; (ii) the Republic of Ireland; (iii) the Bailiwicks of Guernsey and Jersey; and (iv) the Isle of Man). The majority of such companies will also be domiciled in the British Isles. Most of these companies will have smaller to mid-sized equity market capitalisations (the definition of which may vary from market to market but will in general not exceed £600 million). It is intended to secure influential positions in such British quoted securities with the deployment of activism as required to achieve the desired results.

The Company, Property Trust Luxembourg 2 SARL and Multiplex 1 SRL ("the Group") may make investments in listed and unlisted equity and equity-related securities such as convertible bonds, options and warrants. The Group may also use derivatives, which may be exchange traded or over the counter.

The Group may also invest in cash or other instruments including but not limited to: short, medium or long term bank deposits in pounds sterling and other currencies, certificates of deposit and the full range of money market instruments; fixed and floating rate debt securities issued by any corporate entity, national government, government agency, central bank, supranational entity or mutual society; futures and forward contracts in relation to any other security or instrument in which the Group may invest; put and call options (however, the Group will not write uncovered call options); covered short sales of securities and other contracts which have the effect of giving the Group exposure to a covered short position in a security; and securities on a when-issued basis or a forward commitment basis.

The Group pursues a policy of diversifying its risk. Save for the Cumo Asset until such time as it is realised, the Group intends to adhere to the following investment restrictions:

- not more than 30 per cent. of the Gross Asset Value at the time of investment will be invested in the securities of a single issuer (such restriction does not, however, apply to investment of cash held for working capital purposes and, pending investment or distribution, in near cash equivalent instruments, including securities issued or guaranteed by a government, government agency or instrumentality of any EU or OECD Member State or by any supranational authority of which one or more EU or OECD Member States are members);
- the value of the four largest investments at the time of investment will not constitute more than 75 per cent of

Gross Asset Value;

- the value of the Group's exposure to securities not listed or admitted to trading on any stock market will not exceed in aggregate 35 per cent. of the Net Asset Value;
- the Group may make further direct investments in real estate but only to the extent such investments will preserve and/or enhance the disposal value of its existing real estate asset. Such investments are not expected to be material in relation to the portfolio as a whole, but in any event will be less than 25 per cent. of the Gross Asset Value at the time of investment. This shall not preclude Property Trust Luxembourg 2 SARL and Multiplex 1 SRL (the "Subsidiaries") from making such investments for operational purposes;
- the Company will not invest directly in physical commodities, but this shall not preclude its Subsidiaries from making such investments for operational purposes;
- investment in the securities, units and/or interests of other collective investment vehicles will be permitted up to 40 per cent. of the Gross Asset Value, including collective investment schemes managed or advised by the Investment Advisor or any company within the Group; and
- the Company must not invest more than 10 per cent. of its Gross Asset Value in other listed investment companies or listed investment trusts, save where such investment companies or investment trusts have stated investment policies to invest no more than 15 per cent. of their gross assets in other listed investment companies or listed investment trusts.

The percentage limits above apply to an investment at the time it is made. Where, owing to appreciation or depreciation, changes in exchange rates or by reason of the receipt of rights, bonuses, benefits in the nature of capital or by reason of any other action affecting every holder of that investment, any limit is breached by more than 10 per cent., the Investment Advisor will, unless otherwise directed by the Board, ensure that corrective action is taken as soon as practicable.

Borrowing and Leverage

The Group may engage in borrowing (including stock borrowing), use of financial derivative instruments or other forms of leverage provided that the aggregate principal amount of all borrowings shall at no point exceed 50 per cent. of Net Asset Value. Where the Group borrows, it may, in order to secure such borrowing, provide collateral or security over its assets, or pledge or charge such assets.

Corporate Information

Directors (All non-executive) W. Scott (Chairman) R. H. Burke B. A. Nixon	Registered Office 1 Royal Plaza Royal Avenue St Peter Port Guernsey, GY1 2HL
Investment Advisor Worsley Associates LLP First Floor Barry House 20 - 22 Worple Road Wimbledon, SW19 4DH United Kingdom	Administrator and Secretary Sanne Fund Services (Guernsey) Limited 1 Royal Plaza Royal Avenue St Peter Port Guernsey, GY1 2HL
Financial Adviser Shore Capital and Corporate Limited Cassini House 57 St James's Street London, SW1A 1LD United Kingdom	Corporate Broker Shore Capital Stockbrokers Limited Cassini House 57 St James's Street London SW1A 1LD United Kingdom
Independent Auditor BDO Limited Place du Pré Rue du Pré St Peter Port Guernsey, GY1 3LL	Registrar Computershare Investor Services (Guernsey) Limited 1 st Floor Tudor House Le Bordage St Peter Port Guernsey, GY1 1DB
Registration Number 43007	

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