

## THE INVESTMENT COMPANY PLC

### Annual Results Announcement for the year ended 30 June 2024

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#### SUMMARY OF RESULTS

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

	At 30 June 2024	At 30 June 2023
Total return per ordinary share*	49.50p	15.49p
Dividends paid per ordinary share	-	-

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

#### CHAIRMAN'S STATEMENT

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

The results of their endeavours are set in their comprehensive Investment Manager's Report below. Your Board is delighted with their progress.

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

#### Board

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

#### Outlook

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

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

**I. R. Dighé**

**Chairman**

**18 September 2024**

#### INVESTMENT MANAGER'S REPORT

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

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

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

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

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

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

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

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

More recently with the prospect of an economic recovery, the Manager has been building up the Company's exposure to quality cyclicals. Here the Manager has built up the Company's Construction exposure (11.9% weighting), focusing on building materials companies with good margins and strong market positions, rather than the more asset intensive builders or low margin contractors. Holdings include SigmaRoc, a leading European aggregates business; Eurocell, a manufacturer and distributor in the UK of window and roofing components; Volution, a leading supplier of ventilation products in Europe and Australasia; and Severfield, the UK market leader in structural steel with a joint venture with an indigenous steel producer in the fast-growing Indian market.

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

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

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

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

#### Chelverton Asset Management

18 September 2024

### PORTFOLIO AND ASSETS

At 30 June 2024

Security	Holding	Fair value £	% of total net assets
Restore	65,000	171,600	2.3
Clarkson	4,000	165,600	2.3
JTC	16,250	156,000	2.1
Alpha Group International	6,666	149,986	2.0
Sigmaroc	225,000	149,400	2.0
Global Data	67,750	147,017	2.0
Premier Foods	92,500	146,705	2.0
Gamma Communications	10,000	141,000	1.9
Bodycote	20,000	136,200	1.9
AJ Bell	35,000	132,650	1.8
Eurocell	100,000	129,000	1.8
dotdigital	137,500	127,188	1.7
Learning Technologies Group	150,000	126,751	1.7
Oxford Metrics	125,000	123,750	1.7
Tate & Lyle	20,000	119,600	1.6
Celebrus Technologies	51,333	119,093	1.6
Ebiquity	300,000	117,000	1.6
Volution Group	25,000	112,750	1.5

Auction Technology Group	22,500	112,726	1.5
Inchcape	15,000	111,600	1.5
Warpaint London	17,940	109,434	1.5
Accesso Technology Group	15,000	108,900	1.5
Advanced Medical Solutions Group	50,675	108,445	1.5
Severfield	140,000	106,120	1.4
Spectris	3,750	104,175	1.4
Vesuvius	22,500	103,838	1.4
LBG Media	95,000	100,700	1.4
Pulsar	111,378	99,126	1.3
Duke Capital Limited	325,000	99,125	1.3
Alpha Financial Markets	18,750	93,000	1.3
FDM Group (Holdings)	22,500	92,364	1.3
Balfour Beatty	25,000	91,250	1.2
Tyman	25,000	90,625	1.2
EnSilica	175,000	87,500	1.2
Eckoh	212,500	87,125	1.2
Epwin Group	100,000	86,000	1.2
On the Beach Group	62,500	85,750	1.2
TT Electronics	57,500	83,950	1.1
ISpatial	125,000	82,500	1.1
YouGov	20,000	81,200	1.1
Hostelworld	50,000	80,000	1.1
Trufin	100,000	80,000	1.1
Spectra Systems	36,250	79,750	1.1
Next 15 Group	10,000	79,700	1.1
Coats Group	100,000	79,100	1.1
Man Group	32,500	78,650	1.1
System1 Group	15,300	78,030	1.1
Morgan Advanced	25,000	77,250	1.1
Big Technologies	50,000	77,000	1.0
Aptitude Software Group	20,000	74,000	1.0
Adriatic Metals	35,000	70,875	1.0
Victorian Plumbing	75,000	69,600	0.9
XP Power Limited	4,694	69,283	0.9
Alfa Financial Software Holdings	36,000	66,816	0.9
Mattioli Woods	8,500	66,810	0.9
Zoo Digital	100,000	64,000	0.9
Wickes	47,500	63,175	0.9
Inspired	85,000	62,050	0.8
RWS Holdings	32,500	61,035	0.8
Macfarlane Group	50,000	59,250	0.8
Water Intelligence	14,500	58,725	0.8
Somero Enterprise Inc.	17,500	58,275	0.8
Aquis Exchange	12,500	58,250	0.8
Merit Group	70,000	58,100	0.8
Kooth	20,000	58,000	0.8
The Pebble Group	100,000	57,000	0.8
DFS Furniture	50,000	55,000	0.7
DP Poland	500,000	52,500	0.7
SDI Group	75,000	48,000	0.7
Microlise Group	35,000	47,250	0.6
PCI-PAL	75,893	46,295	0.6
Acuity RM	1,142,857	40,000	0.5
Brooks Macdonald	2,000	39,000	0.5
Alliance Pharma	100,000	38,900	0.5
Breedon Group	10,000	38,650	0.5
Getbusy	50,000	34,500	0.5
Seeing Machines	760,000	34,200	0.5

Dianomi	75,000	33,750	0.5
Gooch & Housego	7,000	33,040	0.4
Ascential	9,393	32,078	0.4
Diaceutics	25,000	30,750	0.4
Arecor Therapeutics	25,000	28,750	0.4
Concurrent Technology	25,000	25,500	0.3
Luceco	10,000	16,560	0.2
Invinity Energy Systems	71,739	13,630	0.2
PJSC Lukoil ADR (Rep 1 Ord RUB0.025)	9,500	-	0.0
Total equity investments		<b>7,069,820</b>	<b>95.8</b>
Cash		252,293	3.4
Other assets net of other liabilities		54,628	0.8
<b>Total cash and other net current assets</b>		<b>306,921</b>	<b>4.2</b>
<b>Total net assets</b>		<b>7,376,741</b>	<b>100.0</b>

## CORPORATE SUMMARY

### The Company's purpose, values, strategy and culture

The Investment Company plc (the Company) is an investment trust company that has a premium listing on the London Stock Exchange, its principal activity is portfolio investment. The Company's wholly owned subsidiaries are Abport Limited, an investment dealing company and New Centurion Trust Limited ("NCT"), which was placed into members' voluntary liquidation on 29 May 2024 (the "Subsidiaries"). The Company and its wholly owned Subsidiaries together comprise a group (the "Group").

The Company consists of the Board and its Shareholders and has no employees or customers in the traditional sense. The culture of the Company is embodied in the Board of Directors whose values are trust and fairness.

### Investment Objective

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

### Investment Policy

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

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

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

The Company will apply the following restrictions on its investments:

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

actions by investee companies. If the Company holds shares in a company which enters the FTSE 100, it may not immediately divest of those shares but will do so when it considers appropriate, subject to market conditions.

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

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

### Principal Risks and Uncertainties

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

The current economic environment including the level of inflation, rising interest rates and the conflict in Ukraine and the Middle East continue to have an effect on both global and domestic economies. These events are all being closely monitored by the Board as is the potential impact on the Company.

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

The key business risks affecting the Group are:

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

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

#### *Global conflict*

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

#### *Inflationary pressure*

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

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

#### *Foreign currency risk*

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

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#### *Regulatory risk*

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

#### *Discount volatility*

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

#### *Market price risk*

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

#### *Liquidity risk*

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

#### *Credit risk*

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

#### *Interest rate risk*

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

### **Performance**

Details of the Company's performance during the financial year are provided in the Chairman's Statement and in the financial statements below.

#### **Key Performance Indicators ("KPIs")**

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

##### *- NAV performance*

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

##### *- Discount of share price in relation to NAV*

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

##### *- Ongoing Charges Ratio*

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

### **Going Concern**

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

The Directors believe that the Company is well placed to manage its business risks and that the assets of the Company consist mainly of securities which are readily realisable. The Directors are of the opinion that the Company has adequate resources to continue in operational existence for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the financial statements. In arriving at this conclusion, the Directors have considered the liquidity of the portfolio and reviewed cash flow forecasts showing the ability of the Company to meet obligations as they fall due for a period of at

least 12 months from the date that these financial statements were approved.

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

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

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

#### Viability Statement

Over the Company's life it has experienced a number of significant social and economic events impacting world history. The level of inflation, interest rates and the conflicts in Ukraine and the Middle East are the latest events impacting not just this Company but all commercial entities. The change in investment objective and policy and the decision as supported by Shareholders during the previous year demonstrates the viability of the Company as a vehicle for delivering investment performance to Shareholders. The Board's analysis is based on the performance and progress of the Company and its investment portfolio, an assessment of current and future risks, the appropriateness of the investment strategy and review of the financial position of the Company, and operating expenses over the next two years. In addition, consultation with key Shareholders as to their perspectives is a key consideration.

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

#### Future Prospects

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

#### Board Diversity

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

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

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

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

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

Ethnic Background	Number of Board members	Percentage of the Board	Number of senior positions on the Board
White British or other White (including minority -white groups)	4	100%	2
Mixed/Multiple Ethnic Groups	-	0%	-
Asian/Asian British	-	0%	-



Black/African	-	0%	-
Other ethnic group including Arab	-	0%	-
Not specified/ prefer not to say	-	0%	-

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

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

#### **Environmental, Human Rights, Employee, Social and Community Issues**

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

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

The Investment Manager's ESG process is shown on page 16 of the Annual Report.

#### **Section 172(i) Statement**

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

The Board considers the following:

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

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

- Shareholders
- Investment Manager, Administrator and other service providers

#### *Shareholders*

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

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

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

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

We have a regular dialogue with our key Shareholders - but all are welcome to be in communication. All Shareholders are

encouraged to attend our Annual General Meeting.

#### *Investment Manager*

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

#### *Administrator and other service providers*

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

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

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

On behalf of the Board

**I. R. Dighé**

Chairman

18 September 2024

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

We confirm that to the best of our knowledge:

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

On behalf of the Board

**I. R. Dighé**

Chairman

18 September 2024

## CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2024

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

The total column of this statement is the Income Statement of the Group prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The supplementary revenue and capital columns are

prepared in accordance with the Statement of Recommended Practice ("AIC SORP") issued in July 2022 by the Association of Investment Companies.

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

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

The notes below form part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

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

<b>Balance at 1 July 2022</b>	2,386,025	4,453,903	2,408,820	-	8,185,191	(1,385,748)	16,048,191
<b>Total comprehensive income</b>							
Net return/(loss) for the year	-	-	-	-	877,303	(138,107)	739,196
<b>Transactions with Shareholders recorded directly to equity</b>							
Tender Offer costs	-	-	-	-	(516,583)	-	(516,583)
<b>Balance at 30 June 2023</b>	<b>2,386,025</b>	<b>4,453,903</b>	<b>2,408,820</b>	<b>-</b>	<b>8,545,911</b>	<b>(1,523,855)</b>	<b>16,270,804</b>

The notes below form part of these financial statements.

## COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Ordinary share capital £	Preference share capital £	Share premium £	Capital redemption reserve £	Special reserve £	Capital reserve £	Revenue reserve £	Total £
<b>Balance at 1 July 2023</b>	<b>2,386,025</b>	<b>858,783</b>	<b>4,453,903</b>	<b>2,408,820</b>	<b>-</b>	<b>5,450,799</b>	<b>1,003,304</b>	<b>16,561,634</b>
<b>Total comprehensive income</b>								
Net return for the year	-	-	-	-	-	1,562,294	27,453	1,589,747
<b>Transactions with Shareholders recorded directly to equity</b>								
Cancellation of share premium account and capital redemption reserve	-	-	(4,453,903)	(2,408,820)	6,862,723	-	-	-
Share issue	406,414	-	2,425,325	-	-	-	-	2,831,739
Cost of shares purchased under Tender Offer and held in Treasury	-	-	-	-	(6,862,723)	(5,795,417)	-	(12,658,140)
Tender Offer costs	-	-	-	-	-	(82,235)	-	(82,235)
Ordinary dividends	-	-	-	-	-	-	1,927	1,927
Preference share dividends paid	-	-	-	-	-	-	(172)	(172)
<b>Balance at 30 June 2024</b>	<b>2,792,439</b>	<b>858,783</b>	<b>2,425,325</b>	<b>-</b>	<b>-</b>	<b>1,135,441</b>	<b>1,032,517</b>	<b>8,244,500</b>

Balance at 30 June 2022	£m / 2022/23	US\$/2022/23	£m / 2023/24	US\$/2023/24	-	-	£m / 2023/24	US\$/2023/24	US\$/2023/24
<b>Balance at 1 July 2022</b>	2,386,025	858,783	4,453,903	2,408,820	-	-	5,626,497	1,128,452	16,862,480
<b>Total comprehensive income</b>									
Net return/(loss) for the year	-	-	-	-			340,885	(124,976)	215,909
<b>Transactions with Shareholders recorded directly to equity</b>									
Tender Offer costs	-	-	-	-	-	-	(516,583)	-	(516,583)
Preference share dividends paid	-	-	-	-	-	-	-	(172)	(172)
<b>Balance at 30 June 2023</b>	2,386,025	858,783	4,453,903	2,408,820	-	-	5,450,799	1,003,304	16,561,634

The notes below form part of these financial statements.

## CONSOLIDATED BALANCE SHEET

As at 30 June 2024

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

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

**I. R. Dighé**

Chairman

Company Number: 0004205

The notes below form part of these financial statements.

## COMPANY BALANCE SHEET

As at 30 June 2024

	Notes	30 June 2024 £	30 June 2023 £
<b>Non-current assets</b>			
Investments held at fair value through profit or loss	8	7,069,820	8,564,470
Investment in subsidiaries	9	807,946	326,277
		<u>7,877,316</u>	<u>8,890,747</u>
<b>Current assets</b>			
Trade and other receivables	11	318,775	80,759
Cash and cash equivalents		251,625	8,281,759
		<u>570,400</u>	<u>8,362,518</u>
<b>Current liabilities</b>			
Trade and other payables	12	(203,216)	(691,631)
		<u>(203,216)</u>	<u>(691,631)</u>
<b>Net current assets</b>		<u>367,184</u>	<u>7,670,887</u>

<b>Net assets</b>		<b>8,244,500</b>	16,561,634
<b>Capital and reserves</b>			
Ordinary share capital	13	<b>2,792,439</b>	2,386,025
Preference share capital	14	<b>858,783</b>	858,783
Share premium		<b>2,425,325</b>	4,453,903
Capital redemption reserve		-	2,408,820
Special reserve		-	-
Capital reserve		<b>1,135,441</b>	5,450,799
Revenue reserve		<b>1,032,512</b>	1,003,304
<b>Shareholders' funds</b>		<b>8,244,500</b>	16,561,634

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

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

**I. R. Dighé**

Chairman

Company Number: 0004205

The notes below form part of these financial statements.

## CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS

For the year ended 30 June 2024

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

The notes below form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 1. Accounting policies

### Basis of Preparation

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

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

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

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

### Going Concern

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

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

### Basis of Consolidation

IFRS10 stipulates that subsidiaries of Investment Entities are not consolidated. The Investment Company meets all three characteristics of Investment Entity as described, however, it is envisaged that one of the subsidiaries will be a dealing subsidiary and, therefore consolidated financial statements are presented for the Group. The financial statements of the subsidiaries are prepared for the same reporting year as the parent Company, using consistent accounting policies. All inter-company balances and transactions, including unrealised profits arising from them are eliminated.

### Segmental Reporting

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

### Accounting Developments

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

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

\*Years beginning on or after

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial

statements of the Group or Company in future periods.

#### **Critical Accounting Judgments and Key Sources of Estimation Uncertainty**

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

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

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

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

#### **Investments**

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

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

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

#### **Foreign Currency**

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

#### **Cash and Cash Equivalents**

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

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

#### **Current Assets**

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

#### **Current Liabilities**

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

## **Income**

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

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

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

## **Expenses and Finance Costs**

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

## **Taxation**

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

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

## **Dividends Payable to Shareholders**

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

## **Share Capital**

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

## **Share Premium**

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

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

## **Capital Redemption Reserve**

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

## **Capital Reserve**

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

The following are taken to this reserve:

- gains and losses on the disposal of investments;
- net movement arising from changes in the fair value of investments held and subsidiaries and classified as at "fair value through profit or loss";
- exchange differences of a capital nature;
- dividends receivable of a capital nature;



- expenses together with the related taxation effect, allocated to this reserve in accordance with the above policies; and
- the cost of the Tender Offer.

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

#### Revenue Reserves

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

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

#### Special Reserve

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

## 2. Income

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

## 3. Investment management fee

	Year ended 30 June 2024	Year ended 30 June 2023
	£	£
Investment management fee	-	-

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

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

## 4. Other expenses

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

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

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

## 5. Taxation

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

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

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

#### Factors that may affect future tax charges

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

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

#### 6. Return per Ordinary Share

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

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

#### 7. Dividends per Ordinary Share

Amounts recognised as distributions to equity holders in the year.

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

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

#### 8. Investments

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

	1,000,000	0,000,000	1,000,000	0,000,000
	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
<b>Summary of capital gains</b>				
Realised gains on sales	544,141	793,589	490,138	826,631
Unrealised gains in the year	342,274	82,916	396,274	49,831
	<b>886,415</b>	<b>876,505</b>	<b>886,412</b>	<b>876,462</b>

#### Transaction costs

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

#### Reconciliation of cash movements in investment transactions

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

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

#### Fair Value Hierarchy

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

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

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

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

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

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

Group	Level 1	Level 2	Level 3	Total
At 30 June 2024	£	£	£	£
<b>Financial assets at fair value through profit or loss:</b>				
Equities	7,069,820	-	-	7,069,820
	<b>7,069,820</b>	<b>-</b>	<b>-</b>	<b>7,069,820</b>
Group	Level 1	Level 2	Level 3	Total
At 30 June 2023	£	£	£	£
<b>Financial assets at fair value through profit or loss:</b>				
Equities	5,975,907	-	-	5,975,907
Exchange traded commodities	2,588,563	-	-	2,588,563
	<b>8,564,470</b>	<b>-</b>	<b>-</b>	<b>8,564,470</b>

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

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

#### Valuation process for Level 2 investments

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

### Valuation process for Level 3 investments

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

## 9. Investment in Subsidiaries

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

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

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

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

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

## 10. Substantial Share Interests

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

## 11. Trade and Other Receivables

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

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

## 12. Trade and Other Payables

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

## 13. Ordinary Share Capital

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

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

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

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

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

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

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

#### 14. Issued Preference Share Capital

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

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

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

#### 15. Net Asset Value per Ordinary Share

The NAV per ordinary share is calculated as follows:

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

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

#### 16. Financial Instruments and Associated Risks

##### Investment Objective and Policy

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

##### Risks

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

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

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

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

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

- market price risk, including currency risk, interest rate risk and other price risk;
- liquidity risk; and
- credit risk

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

#### *Market price risk*

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

#### *Currency risk*

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

#### *Interest rate risk*

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

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

#### *Other price risk*

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

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

#### *Liquidity risk*

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

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

#### *Credit risk*

The Group does not have any significant exposure to credit risk arising from one individual party. Credit risk is spread across a number of counterparties, each having an immaterial effect on the Group's cash flows should a default happen. The Group assesses its debtors from time to time to ensure they are neither past due nor impaired.

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

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

#### **Sensitivity Analysis**

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

## **17. Capital Management Policies**

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

operate effectively. Capital is managed on a consolidated basis and to ensure that the Group will be able to continue as a going concern.

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

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

## **18. Related Party Transactions**

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

### **Key Management Personnel**

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

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

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

.

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

## **19. Post Balance Sheet Events**

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

## **20. Ultimate controlling party**

The Directors consider that there is no overall controlling party.

## **SHAREHOLDER INFORMATION**

### **Fraud warning**

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

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

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

## **FURTHER INFORMATION**

The Annual General Meeting of the Company will be held on Thursday 31 October 2024 at 10.00am at the offices of Chelverton Asset Management Limited, Ground Floor Office, Basildon House, 7 Moorgate, London EC2R 6AF.

A copy of the Annual Report will be submitted to the National Storage Mechanism and will shortly be available for inspection

at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>. This document will also be available on the Company's website at <https://theinvestmentcompanyplc.co.uk/>.

**ISCA Administration Services Limited**

**18 September 2024**

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