RNS Number : 5805H
North Atlantic Smlr Co Inv Tst PLC
07 May 2025

North Atlantic Smaller Companies Investment Trust plc (the "Company")
Financial Results for the Year Ended 31 January 2025

The Company today announces its financial results for the full year ended 31 January 2025.

Company Registered Number: 1091347

objective of the company and financial highlights

The objective of the Company is to provide capital appreciation through investment in a portfolio of smaller companies principally based in countries bordering the North Atlantic Ocean.

	31 January 2025	% change	31 January 2024	31 January 2023	31 January 2022	31 January 2021
return						
Return for the year (£'000)	**41,920**	1,851.6%	2,148	(91,038)	64,906	130,078
Basic return per 5p Ordinary Share:*						
- Revenue	**112.91**	24.9%	90.39	32.65	9.94	3.76
- Capital	**201.75**	370.8%	(74.49)	(699.41)	456.30	916.57
Dividend per 5p Ordinary Share (declared)	**88.0p****		68.5p	22.0p	nil	nil
assets						
Net assets (£'000)	**713,504**	3.4%	690,230	693,356	789,466	742,230
Net asset value ("NAV") per 5p Ordinary Share:†						
Basic and Diluted	**5,397p**	5.3%	5,127p	5,097p	5,779p	5,292p
Basic and Diluted adjusted‡	**5,740p**	6.5%	5,391p	5,236p	5,856p	5,355p
Mid-market price of the 5p Ordinary Shares	**3,750p**	1.6%	3,690p	3,900p	4,330p	3,850p
discount to net asset value	**30.5%**		28.0%	23.5%	25.1%	27.2%
discount to adjusted net asset value	**34.7%**		31.6%	25.5%	26.1%	28.1%
indices and exchange rates at 31 January						
Standard & Poor's 500 Composite Index	**6,040.5**	24.7%	4,845.7	4,076.6	5,515.6	3,714.2
Russell 2000 Index	**2,287.7**	17.5%	1,947.3	1,931.9	2,028.5	2,073.6
US Dollar/Sterling exchange rate	**1.24255**	(2.4%)	1.27330	1.23065	1.34180	1.37295
Standard & Poor's 500 Composite Index - Sterling adjusted	**4,850.3**	27.3%	3,810.1	3,307.3	3,360.5	2,709.5
Russell 2000 - Sterling adjusted	**1,836.9**	20.0%	1,531.2	1,567.4	1,509.6	1,512.7

* Please refer to note 7 for details on how the basic return per 5p Ordinary Share is calculated.

** Declared 27 February 2025.

† Please refer to note 7 for details on how the net asset value per 5p Ordinary Share is calculated.

‡ Adjusted to reflect Oryx International Growth Fund Limited ("Oryx") under the equity method of accounting, which is how the Company previously accounted for its share of Oryx, prior to the adoption of IFRS 10. This is useful to the shareholder as it shows the NAV based on valuing Oryx at NAV. See note 7.

strategic report - corporate summary

introduction
North Atlantic Smaller Companies Investment Trust plc ("NASCIT") is an investment trust, the shares of which are listed on the London Stock Exchange.

objective and investment strategy
The objective of the Company is to provide capital appreciation through investment in a portfolio of smaller companies principally based in countries bordering the North Atlantic Ocean. The Company invests in both listed and unquoted companies.

company's business
The Company is an investment company within the meaning of Section 833 of the Companies Act 2006 and its business is that of an investment trust.

risk
Investment in small companies is generally perceived to carry a greater risk than investment in large companies. This is reasonable when comparing individual companies, but is much less so when comparing the volatility of returns from a diversified portfolio of companies. The Board believe that the Company's portfolio is diversified although considerably less liquid than a portfolio of large-cap listed equities.

The Company has the ability to utilise gearing in the form of term loan facilities, although no facility currently exists. Gearing has the effect of accentuating market falls and gains.

The Company outsources all of its main operational activities to recognised third party providers.

AIFMD
The Company is authorised and regulated by the Financial Conduct Authority. The Company has been a full scope internally managed AIF with effect from 1 October 2021 under the Alternative Investment Fund Managers Regulations 2013. For further information see page 22.

company secretary
SGH Company Secretaries Limited.

website
www.nascit.co.uk

strategic report - directors

Sir Charles Wake [1] Non-Executive Chairman. Appointed 27 June 2018 and became Chairman on 25 February 2022. Started as a management trainee with Whitbread's in 1972 and left in 1980. Since then he has been a director of various companies including sheet metal engineers, motor retailers, off-licences, pubs, bonded warehouses, farming and healthcare. He was chairman of St Andrew's Healthcare from 2004-2014 having been on the board since 1991.

Christopher H B Mills Chief Executive and Investment Manager. Appointed January 1984. He is Chief Investment Officer of Harwood Capital LLP including its subsidiaries. In addition, he is a non-executive director of numerous UK companies which are either now or have in the past five years been publicly quoted, further details of which are included in note 15 of the financial statements.

The Lord Howard of Rising [1,3] Non-Executive Director. Appointed November 2015. He is a member of the House of Lords and a District Councillor for the Borough Council of Kings Lynn & West Norfolk, as well as being a landowner and farmer. He was formerly a director of The Keep Trust and Fortress Trust.

G Walter Loewenbaum (USA) [1,2,3] Non-Executive Director. Appointed on 31 October 2017. As an investment banker and private equity investor, Mr Loewenbaum has worked with multiple companies in a variety of different industries at different phases of organisational development, ranging from startup to publicly traded. He brings a depth of knowledge in serving as chairman for public and private companies, building stockholder value and capital market considerations.

Peregrine D E M Moncreiffe Non-Executive Director. Appointed November 2008 (having previously been a Director of the Company from 1993-2006) and served as Chairman from June 2009 until 25 February 2022. He has over the years worked in London, New York and East Asia, with Credit Suisse First Boston, Lehman Brothers and Buchanan Partners.

Professor Fiona Gilbert [1,2,3,4] Non-Executive Director. Appointed 6 September 2022. She is Professor of Radiology and Head of the Department at the University of Cambridge. Professor Gilbert leads a team of researchers in various fields of radiology assessing new imaging technologies and has over 250 scientific publications and over £20M in research income. She works in the NHS as an honorary consultant with expertise in musculoskeletal and breast imaging. She holds non-executive positions on several private company boards.

Julian Fagge [1,2,4] Non-Executive Director. Appointed 20 June 2023. Mr Fagge has over 25 years' experience within global blue-chip and FTSE 100 plc environments. He is currently President of Smiths Interconnect, a division of Smiths Group PLC, having formerly held positions within Smiths including President of Flex-Tek, Strategy & M&A Director, and Group Financial Controller. Prior to this, he spent time at Royal Caribbean Cruises and at Procter & Gamble. Mr Fagge is a Chartered Accountant and holds a degree from Edinburgh University.

[1] Independent

[2] Member of the Audit Committee

[3] Member of the Remuneration Committee

[4] Member of the ESG Committee

strategic report - chairman's statement

During the year under review, the net asset value adjusted for the dividend paid rose by 6.5% which compares unfavourably with the Sterling Adjusted Standard & Poor's Index but a modest outperformance of appropriate United Kingdom indices where the majority of the trust's quoted assets are invested.

The revenue account for the period showed a surplus post taxation of £15,042,000 (2024: £12,210,000) and an interim dividend of 88.0p has been declared in respect of the year ending January 2025 (2024: 68.5p). Your directors are not proposing a final dividend.

Your directors are seeking to improve liquidity of shares in the trust and have therefore recommended a 10 for 1 share sub-division which will require shareholder approve at the AGM. Full details of the sub-division will follow when the AGM Notice is released.

During the year, 241,575 shares (2024: 140,493) were acquired at a substantial discount to the net asset value. This policy has continued into the current financial year. This benefits all long term shareholders by creating an immediate uplift in the net asset value per share. At the forthcoming AGM shareholders will once again be asked to support a Rule 9 waiver allowing the company to continue to repurchase shares without requiring our Chief Executive, and persons and companies presumed to be acting in concert with him, to make a mandatory offer under Rule 9 of the Takeover Code for the company. This proposal, and the background surrounding it, are outlined in a separate circular being sent to shareholders (excluding the largest shareholder who is disqualified from voting). Although 19.81% of eligible shareholder proxy votes voted against this resolution at the last Annual General Meeting, the Board will continue to give shareholders the opportunity to vote on this resolution as long as it believes that the majority of shareholders who are able to vote will continue to support the resolution at forthcoming AGM's.

In my last report, I stated that expected interest rates would remain higher for longer and despite the recent reduction in short term rates, it is increasingly obvious that future reductions will fail to meet consensus expectations of only a few months ago.

Inflation is not falling as fast as Anglo-Saxon governments had hoped whilst the expectations of larger than expected government deficits, combined with the need to refinance historic debt, creates further risk to financial markets.

The fact that this debt is now being refinanced at higher interest rates than was originally expected, as the ten year debt rate has risen to multi year highs (despite falling back modestly recently), creates additional uncertainty. Inevitably higher long term rates impact the value of future cash flows which inevitably creates a headwind to equity valuations.

In the United Kingdom these headwinds are compounded by government policies which pretend to be supportive of growth but are more than likely to achieve exactly the opposite. The Chancellor's last budget unleashed a massive increase in employment costs to the private sector which, given the almost stagnant economic outlook, will be difficult to pass on. The leisure and retail sectors in particular which, fortunately, the trust has minimal exposure to, are likely to face disruption and bankruptcies.

Against this background it is hardly surprising that domestic equities face a tough economic environment where even a

Against this background it is hardly surprising that domestic equities face a tough economic environment where even a modest profit warning can result in a total collapse in the share price.

Sadly, UK small and midcap equities have further challenges as many fund managers face redemptions as clients reorientate their portfolio to more liquid global equities.

Whilst both the recent Conservative government and now the Labour government pay lip service to supporting the UK equity market, there is to date little substance to this. Indeed, the Labour Party's recent reduction in tax incentives for AIM listed companies and their cancellation of plans for a British ISA suggests that they are moving in precisely the opposite direction.

Your Board have been discussing these issues with your manager over the past year and have gained comfort from the fact that many of the UK businesses held in the trust secure a substantial proportion of their profits from outside the UK. Others should benefit from the manager's shareholder activism with Carr's Group being a recent case in point.

Your directors continue to monitor the ongoing discount to the net asset value that the company trades on. The trust has increased transparency through more frequent announcements covering new investments and disposals, as well as significant developments in portfolio companies that are in the public domain with the expectation this will lead to a better understanding of the trust's portfolio. Our share buyback programme will hopefully reduce this discount over time but this comes at the expense of making our own shares more illiquid, which in turn adversely impacts the discount.

Your directors also believe it is important to continue to make new investments and, where appropriate, continue to support existing ones as we are firmly of the belief that this will add more value than buying back shares over the longer term. The Board has agreed that at Mr Mills' retirement it will prioritise share buy-backs over new investments as long as the substantial discount persists.

In conclusion, it is hard to be optimistic about the UK domestic market but I am confident that your Chief Executive understands the headwinds that the trust faces and can continue to grow our asset value over the coming year despite the difficult environment.

Sir Charles Wake
Chairman

6 May 2025

strategic report - investment manager's report

The market background for equities in the financial year ending January 2025 was little different from the previous year with domestic companies suffering from higher for longer interest rates and increases in National Insurance and the minimum wage. Furthermore, redemptions from the sector both reduced liquidity and increased volatility, particularly if a company announced disappointing results.

Although there were a large number of takeovers in the year ending January 2025, unlike the previous year, the trust only had limited exposure to these corporate events. This will hopefully change in the coming financial year.

quoted portfolio UK
Stocks that performed notably well during the year include Hargreaves Services (now the trust's largest holding), Paypoint, Pinewood Technologies and TP ICAP as they exceeded market expectations.

The trust has a substantial exposure to fund management businesses. Assetco performed poorly but the recent announcement that its large holding in Parmenion is being given to shareholders should result in a significant recovery in value over the coming months. Frenkel Topping was also disappointing falling by 25% as profits missed forecasts and clients became increasingly risk adverse placing funds into lower margin money market funds. Notwithstanding this, the group achieved record new fund inflows, which bodes well for 2025 and beyond. Fortunately, our largest investment Polar Capital performed well which together with a dividend yield of circa 9% largely compensated for the above challenges.

The trust's modest exposure to property performed satisfactorily as PRS Reit has received a takeover approach and Palace Capital and Real Estate Investors continue their liquidation process.

In our healthcare portfolio Spire, NIOX and EKF all performed at least in line with market expectations but sadly this was not reflected in their share prices.

Finally, recent investments in NCC and Restore have been flat since acquisition but we believe they are both high quality companies with excellent free cash flow, trading at significant discount to their private market value.

quoted portfolio USA
The United States portfolio is limited to a single stock, Mountain Commerce Bancorp, which performed well during the period rising by 18%.

unquoted portfolio UK
There is relatively little to report on the UK portfolio. Spring had a somewhat tougher year but its overall performance remains excellent. Source Bioscience was the standout performer rising in value by circa 50% after adjusting for a capital repayment due to excellent results. Furthermore, the company has entered the current year well placed to have an even better performance in fiscal 2025-26.

No new investments were made either directly or through our private equity funds as we have exercised caution following the change of government. Notwithstanding this, we are now looking at a number of transactions which we believe are attractive as the economic outlook becomes more quantifiable.

US private equity
Performance Chemicals was taken over during the year at an uplift to the January 2024 valuation and we are currently negotiating the sale of Jaguar which will hopefully conclude in the near future.

The standout performance was, however, Crest Foods which was acquired early last year. Since acquisition the company has secured several new long term contracts which will add very materially to future years profitability. In addition, the base business continues to perform in line with expectations at the time of the acquisition.

liquidity
The trust continues to have very substantial cash resources which we expect to put to good use as appropriate opportunities arise.

conclusion
The threat and then the announcement by President Trump of tariffs potentially undermining the world order of the last eighty years has resulted in a very substantial, and largely indeterminate, fall in equity values. This will inevitably lead to many businesses having to adjust their business models. It is still too early to understand the full implications for the global economy but a period of stagflation is a real risk.

The Trust has for a number of years maintained substantial cash balances. However, given the collapse in UK, the value of UK equities due to mass redemptions and the panic that is spreading across equity markets courtesy of President Trump, I believe now is the right time to start to deploy our liquidity into companies where we either understand the financial impact of a potential global trade war or where there is little or no impact.

Obviously, calling a bottom in markets is never easy and we will cautiously deploy our liquid reserves. However, I believe there is considerable intrinsic value in our portfolio as evidenced by the bid approach to NIOX and the potential sale of the nuclear business at Carr's.

We are hopeful that further evidence of the value of the businesses we have invested in will become evident over the course of the coming year.

Christopher Mills
Chief Executive & Investment Manager

6 May 2025

strategic report - sector analysis of investments at fair value

as at 31 January

equities, convertible securities & loan stocks as a % of total portfolio valuation	United States 31 January 2025 %	United Kingdom 31 January 2025 %	Total 31 January 2025 %	Total 31 January 2024 %
Financial Services*	**-**	**26.2**	**26.2**	28.2
Industrial Goods and Commercial Services	**5.2**	**8.6**	**13.8**	11.7
Banks	**1.0**	**11.8**	**12.8**	13.2
Pharmaceuticals and Health Care	**-**	**11.2**	**11.2**	13.6
Consumer Products and Services	**5.0**	**2.7**	**7.7**	8.0
Transport, Travel & Leisure	**-**	**6.1**	**6.1**	5.3
Technology and Software	**-**	**4.5**	**4.5**	1.8
Real Estate	**-**	**3.8**	**3.8**	1.8
Insurance	**-**	**3.3**	**3.3**	4.0
Automobiles and Parts	**-**	**0.5**	**0.5**	-
Telecommunications	**-**	**0.4**	**0.4**	0.5
Oil and Gas	**0.1**	**-**	**0.1**	2.0
	11.3	**79.1**	**90.4**	90.1
treasury bills	**9.6**	**-**	**9.6**	9.9
total at 31 January 2025	**20.9**	**79.1**	**100.0**	
total at 31 January 2024	**22.2**	**77.8**		100.0

* Includes Investment Trusts.

strategic report - twenty largest investments

as at 31 January

equities (including convertibles, loan stocks and related financing)		At fair value £'000
Oryx International Growth Fund Limited*	UK Quoted	81,750
Hargreaves Services Plc	UK Quoted	42,427
Harwood Private Equity V LP	UK Unquoted	36,593
Crest Foods	US Unquoted	35,105
Polar Capital Holdings Plc	UK Quoted	35,070
TP ICAP Group plc	UK Quoted	27,250
Odyssean Investment Trust Plc	UK Quoted	24,960
MJ Gleeson Group plc	UK Quoted	24,400
EKF Diagnostics Holdings plc	UK Quoted	24,000
Conduit Holdings Limited	UK Quoted	22,750
ten largest investments		354,305
Niox Group Plc	UK Quoted	21,000
Harwood Private Equity IV LP	UK Unquoted	19,800
SMT Corporation	US Unquoted	18,056
Paypoint Plc	UK Quoted	14,220
Pinewood Technologies Group Plc	UK Quoted	13,431
Frenkel Topping Group Plc	UK Quoted	13,423
Restore Plc	UK Quoted	13,376
Carr's Group Plc	UK Quoted	12,927
Harwood Private Capital UK LP	UK Unquoted	12,919
Spire Healthcare Group Plc	UK Quoted	11,700
twenty largest investments		505,157
Aggregate of other investments at fair value		123,816
		628,973
US Treasury Bills		66,445
total		695,418

* incorporated in Guernsey.

All investments are valued at fair value.

strategic report - unquoted investments profile

	At fair value £'000
Harwood Private Equity V LP (UK) Cost: £16,100,000 Harwood Private Equity V LP (HPE5) was established in 2020 with committed capital of £160 million. The fund has made 11 investments to date in the property services, medical packaging, pet food, data center, green energy, gardening products, electronic components, food ingredients healthcare industries. The Trust's commitment to the fund was £40 million which is now fully drawn. Since the investment has been made, HPE5 has distributed £23.9 million to date.	**36,593**
Crest Foods Cost: £22,883,000 Crest Foods is a food ingredients and food packaging company operating through three divisions. The Ingredients division (52% of sales in FY24) develops and manufactures proprietary dairy stabiliser formulations for US dairy manufacturers of sour cream, cottage cheese, cream cheese, yoghurt, protein-based drinks, and other dairy-based products. The Contract Packaging division (41% of FY24 sales) provides contract packaging services to US food manufacturers of branded and private-label dry-food products. The Consumer Products division (7% of sales) develops, through an in-house R&D lab, and manufactures turn-key dry-food products for US branded food companies. Crest's headquarters and production facilities are based in Ashton, Illinois. NASCIT and HPE5 acquired the company in an off-market transaction in February 2024, and the business has performed well throughout 2024. The Ingredients division generates high-margin, stable income with strong customer retention through proprietary, customer-bespoke stabiliser formulations, with organic growth through product innovation and increasing end-product demand. Contract Packaging experienced strong growth in revenues and profitability, recovering from a modestly disruptive post-Covid period. Consumer Products and Contract Packaging both won several large contracts towards the end of 2024 which should underpin further strong growth in 2025 and beyond. The valuation was written up during the year reflecting favourable valuation metrics for the dairy ingredients sector and the strong business performance overall and for Contract Packaging and Consumer Products in particular.	**35,105**
Carried forward	**71,698**

	At fair value £'000
Brought Forward	**71,698**
Harwood Private Equity IV LP (UK) Cost: £9,609,000 Harwood Private Equity IV LP (HPE4) was established in June 2015 with committed capital of £152.5 million. The Company made a £40 million commitment to HPE4, which is now fully drawn. HPE4 invests primarily in small and lower mid-market companies. HPE4 is looking to exit its three remaining investments with one expected to close in the near future.	**19,800**
SMT Corporation - 11% Loan Notes (US) & 15% Loan Notes (US) Cost: £19,088,000 SMT is a value-added supplier of high-reliability, obsolete and hard to find defense, aerospace, and high-end critical electronic components that it locates, tests, certifies, and distributes. The company benefits from the increasing awareness of counterfeit and cloned components in the US military supply chain, geopolitical tensions, and the scarcity of counterfeit testing capacity. The loan value is below cost due to the dollar weakening since the investment was made.	**18,056**
Harwood Private Capital UK LP (UK) Cost: £12,067,100 The fund was established in 2020 with committed capital of £70 million. It is intended that all new sterling debt-type investments are made through the fund which is targeting an IRR in excess of 12%. The fund has made 9 investments to date including two investments in 2024, a leisure marina business and a food hall restaurant operator. In addition, it has just called the capital to make its tenth investment into a niche tour operator. In 2024, the Fund had its first realisation, Principal Logistics Technologies. This exit generated a return of 24% IRR/1.8x Money Multiple which provided NASCIT with a profit of £2.0 million. NASCIT's commitment to the fund is £20.0 million, of which £3.2 million is undrawn following the latest capital call.	**12,919**
Carried forward	**122,473**

	At fair value £'000
Brought Forward	**122,473**
Spring Investments LP (UK) Cost: £4,391,000 This is a specialty manufacturer of pharmaceuticals for the NHS. The company continues to perform very strongly. After record profits were achieved in fiscal for 2023/2024 the business slowed down in 2024/2025 as backlogs in the NHS were wound down. Notwithstanding this, the company expects to return of shareholder value in the medium term.	**9,968**
SourceBio International Limited Cost: £8,616,000 Source Bio International is a leading international provider of integrated laboratory services and	**9,600**

Source Bio International is a leading international provider of integrated laboratory services and products to clients in the healthcare, clinical, life science research and biopharma industries, with a focus on patient diagnosis, management, and care. The Group is headquartered in Nottingham, with facilities in the UK and US. During the year, the stability storage division was sold at a price ahead of expectation. The proceeds were distributed in March 2024 of which the Trust's share was £2.28 million. 2024 saw a very substantial improvement in profitability with further significant progress anticipated in the current year.	
CoventBridge Group - 10% Loan Notes (US) Cost: £7,639,000 CoventBridge is a provider of insurance claims, healthcare network and government reimbursement integrity services. Its clients include global insurance carriers, third party administrators, healthcare networks and government agencies. The company performed broadly in line with expectations although new contracts were disappointing. The company is paying down our debt and this will continue in the current year.	**8,249**
Carried forward	**150,290**

	At fair value £'000
Brought Forward	**150,290**
3BL Media Limited - 13% Loan Notes (US) Cost: £6,123,000 3BL is a cloud-based digital marketing software-as-a-service (SaaS) platform dedicated to corporate social responsibility (CSR) communications. It provides targeted multi-channel media content distribution for global corporate and other major international organisations in their adoption of environmental, social and governance (ESG) best practices. The loss reflects the weakness of the dollar since the investment was made.	**6,065**
Oryx International Growth Fund Limited - 6% Loan Notes (UK) Cost: £6,000,000 Oryx International Growth (OIG) Fund is a closed ended investment company, and its shares are admitted to the Official List and to trading on the main market of the London Stock Exchange. The investment objective is to consistently seek high absolute returns while maintaining a low level of risk, principally through investment in medium and small quoted and unquoted companies in the United Kingdom and United States. NASCIT has provided a loan to OIG while waiting for proceeds from a sale from an underlying investment to be received. The loan was fully repaid in early February 2025.	**6,000**
Sportech Limited Cost: £6,061,000 The company operates sport betting and other gaming services in the US mainly in Connecticut. The company was delisted from the stock market in October 2023 as the costs associated with the listing given the limited float was disproportionate to the size of the company. The holding is valued at a discount to management's estimate of the breakup of the business. The company made a substantial return of capital in 2024, and we remain hopeful that it will be sold within twelve months.	**4,752**
Jaguar Holdings Ltd (US) Cost: £1,714,000 The company provides food services to major US airlines through Los Angeles, Memphis, and Indianapolis. Principal clients include United Continental, Jet Blue and Federal Express, and the company won several smaller contracts with other airlines in 2024. With these contract wins and expected growth in customer flight volumes the company expects to see material growth in 2025.	**3,750**
Carried forward	**170,857**

	At fair value £'000
Brought Forward	**170,857**
Specialist Components Limited (UK) Cost: £2,740,000 Specialist Components Limited, the acquirer of the previously listed APC Technology Group, is a trusted supplier of reliable, high quality and technologically advanced components and products. The company has a range of clients in the public and private sectors, within aerospace, space, defence, industrial, real estate, financial, logistics and healthcare sectors. The company's performance has continued to improve over the course of the past year and are expected to benefit from ongoing supply chain issues and higher defence spending.	**2,622**
Hampton Investment Properties (UK) Cost: £2,534,000 The company continues with its programme of liquidation. Heads of Terms have been signed for the disposal, subject to planning permission. The basis of valuation is anticipated to be a modest discount to realisable value. On successful completion the company will be liquidated. We had hoped planning would have occurred in 2024, but it has slipped back and is now likely for the third quarter of 2025.	**792**
Carried forward	**174,271**
Other unquoted investments at fair value - (Performance Chemical earn out, Trident Private Equity 3, WEP Superior Industrial Maintenance Co and SINAV).	**1,554**
Total value of unquoted investments at fair value*	**175,825**

* Includes unquoted loan notes in these companies with a total value of £49,845,000.

strategic report

The Directors present the strategic report of the Company for the year ended 31 January 2025.

principal activity
The Company carries on business as an investment trust and its principal activity is portfolio investment.

objective
The Company's objective is to provide capital appreciation to its shareholders through investing in a portfolio of smaller companies which are based primarily in countries bordering the North Atlantic Ocean.

strategy
In order to achieve the Company's investment objective, the Manager uses a stock specific approach in managing the Company's portfolio, selecting investments that he believes will increase in value over a period of time, whether that be due to issues in the management of the businesses which he believes can be improved by shareholder engagement and involvement or simply due to the fact that the stock is undervalued and he can see potential for improvement in value over the long term. The Company may invest in both quoted and unquoted companies. At present, the investments in the portfolio are principally in companies which are located either in the United Kingdom or the United States of America. Typically the investment portfolio will comprise between 40 and 50 securities.

investment policy
While pursuing the Company's objective, the Manager adheres to the following:

1. the maximum investment limit is 15% of the Company's investments in any one company at the time of the investment;
2. gearing is limited to a maximum of 30% of net assets;
3. the Company may invest on both sides of the Atlantic, with the weighting varying from time to time;
4. the Company may invest in unquoted securities as and when opportunities arise and again the weighting will vary from time to time.

investment restrictions
The Company has not adopted any specific investment restrictions, and the Company's investments may be highly concentrated. However, the Manager has put in place internal limitations to control risk and to manage diversification with the aim of allowing it to operate within parameters that it believes are wide enough for it to generate target returns but which are suitable to prevent undue risk.

investment approach
The Company invests in a diversified range of companies, both quoted and unquoted, on both sides of the Atlantic in accordance with its objective and investment policy.

Christopher Mills, the Company's Chief Executive and Investment Manager, is responsible for the construction of the portfolio and principle investments are discussed in his report on page 6 and 7. The top twenty largest investments by current valuation are listed on page 9.

When analysing a potential investment, the Manager will employ a number of valuation techniques depending on their relevance to the particular investment. A key consideration when deciding on a potential investment would be the sustainability and growth of long term cash flow. The Manager will consider the balance of quoted and unquoted securities in the portfolio when deciding whether to invest in an unquoted stock as he is aware that the level of risk in unquoted securities may be considered higher.

In respect of the unquoted portfolio, regular contact is maintained with the management of prospective and existing investments and rigorous financial and business analysis of these companies is undertaken. It is recognised that different types of business perform better than others depending on economic cycles and market conditions and this is taken into consideration when the Manager selects investments and is therefore reflected within the range of investments in the portfolio. The Company attempts to minimise its risk by investing in a diversified spread of investments whether that spread be geographical, industry type or quoted or unquoted companies.

best execution
The Company as the operator of a closed-ended investment trust has considered the rules on best execution as noted in the Financial Services Markets Act 2000 and COBS 11.2 of the FCA Handbook. The Company has determined that the rules on performing best execution do not apply to the Company when, acting in the capacity of operator of an internally managed AIF (regulated collective investment scheme), it purchases or sells units in that AIF/scheme.

borrowing and leverage
The Company does not intend to incur borrowings as part of its investment strategy.

However, in the event that it did employ leverage for working capital purposes, any such borrowings incurred will not remain outstanding for more than 60 calendar days. In each such case, leverage may be obtained on an unsecured or secured/collateralised basis. The Company is not otherwise expected to engage in borrowing or make use of leverage.

The Company's borrowing and leveraging capacity is limited to an amount equal to: 30% of the net asset value of the Company when calculated in accordance with the "commitment" method set out in the AIFMD Rules.

The calculation and disclosure of such maximum leverage limits is required in order to satisfy the requirements of the AIFMD Rules. However, the Investment Manager expects the typical leverage levels to be lower than the maximum levels stated above, and generally not to exceed 10% of the Company's net asset value. The Investment Manager will inform investors to the extent such leverage limits are exceeded in accordance with the AIFMD Rules.

The Company does not currently grant any guarantee under any leveraging arrangement. The grant of any such guarantee would be disclosed to investors in accordance with the AIFMD Rules. Save as set out herein, there are no restrictions on the Company's use of leverage, by borrowing or otherwise, other than those which may be imposed by applicable law, rule or regulation.

changes to the investment policy, investment restrictions and investment approach
Changes to the investment policy, investment restrictions and investment approach of the Company as set out above may be made by the Directors. Changes believed by the Directors to be material will be notified to investors in advance of the change taking effect.

financial instruments
The financial instruments employed by the Company primarily comprise equity and loan stock investments, although it does hold cash and liquid instruments. Further details of the Company's risk management objectives and policies relating to the use of financial instruments can be found in note 14 to the financial statements on pages 69 to 77.

delegated activities
The Company being internally managed has not delegated the provision of portfolio management and risk management functions but does rely on third party services providers to provide ancillary services to support the activities of the company. As a result, the Company will continue to act as an internally managed AIFM of the Company for the purposes of the FCA Rules in accordance with the Investment Management Agreement.

depositary
The Company has appointed Bank of New York Mellon (BNYM) as depositary for the quoted securities deposited for safekeeping with BNYM or with any third party appointed by BNYM and to hold cash in accordance with the terms of its agreement.

any conflicts of interest that may arise from such delegations
From time to time conflicts may arise between the Depositary and the delegates, for example where an appointed delegate is an affiliated group company which receives remuneration for another custodial service it provides to the Company. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will have regard to the applicable laws.

performance
At 31 January 2025, the NAV per share was 5,397p (2024: 5,127p), an increase of 5.3% during the year, compared to an increase of 27.3% during the year in the Standard & Poor's 500 Composite Index (Sterling adjusted).

Net assets attributable to equity holders at 31 January 2025 amounted to £713,504,000 compared with £690,230,000 at 31 January 2024.

The ongoing charges relating to the Company are 1.1% (2024: 1.2%), based on total expenses, excluding finance charges and non-recurring items for the year and average monthly net assets.

results and dividends
The total net return after taxation for the financial year ended 31 January 2025 amounted to £41,920,000 (2024: £2,148,000). The Board has declared an interim dividend of 88.0p per ordinary share (2024: 68.5p).

key performance indicators
The Directors regard the following as the main key indicators pertaining to the Company's performance:

(i) Net asset value per Ordinary Share: the following chart illustrates the movement in the net asset value per Ordinary Share over the past five years:

net asset value in pence
[chart on page 18 of the Annual Report and Accounts]

(ii) Share price return: the following chart illustrates the movement in the share price per Ordinary Share over the past five years:

share price return in pence
[chart on page 18 of the Annual Report and Accounts]

(iii) Performance against benchmark

The performance of the Company's share price is measured against the Standard & Poor's 500 Composite Index (Sterling adjusted), the Company's benchmark. A graph comparing performance can be found in the Directors' Remuneration Report on page 41.

principal risks and uncertainties
The Board has carried out a robust assessment of the emerging and principal risks facing the Company including those that would threaten the Company's business model, future performance, solvency of liquidity and reputation.

The key risks faced by the Company are set out below. The Board regularly reviews these and agrees policies for managing these risks.

- Performance risk: the Board is responsible for deciding the investment strategy in order to fulfil the Company's objectives and for monitoring the performance of the Manager. An inappropriate investment strategy may result in under-performance against the companies in the peer group or against the benchmark indices. The Board manages this risk by ensuring that the investments are appropriately diverse and by receiving reports from the Manager at every board meeting explaining his investment decisions and the composition and performance of the portfolio.
- Market risk: this category of risk includes currency risk, market price risk and interest rate risk. The fair value of all future cash flows of a financial investment held by the Company may fluctuate. Also, the valuations of the investments in the portfolio may be subject to fluctuation due to exchange rates or general market prices. The Manager monitors these fluctuations and the markets on a daily basis. The performance of the investment portfolio against its benchmarks is also closely monitored by the Manager. The afore-mentioned graph on page 41 of the Directors' Remuneration Report illustrates the Company's performance against its benchmarks over the last ten years.
- Investments in unquoted stocks, by their nature may involve a higher degree of risk than investments in the listed market. The valuation of unquoted investments can include a significant element of estimation based on professional assumptions that is not always supported by prices from current market transactions. Recognised valuation techniques are used and recent arm's length transactions in the same or similar entities may be taken into account. Clearly the valuation of such investments is therefore a key uncertainty but the Board manages this risk by regularly reviewing the valuation principles applied by the Manager to ensure that they comply with the Company's accounting policies and with fair value principles. Harwood Capital Management Limited, a firm which is ultimately owned by Christopher Mills, the Company's Manager, and which provides services through the group such as dealing, administration and compliance to the Company, operates a Valuations and Pricing Committee which meets regularly throughout the year to review and agree the valuations of the investments in the portfolio for onward submission to the Board.
- Regulatory risk: any breach of a number of regulations applicable to the Company, the UKLA's Listing Rules, the FCA compliance regime and the Companies Act could lead to a number of detrimental effects on the Company as well as reputational damage. The Audit Committee monitors compliance with these regulations in close alliance with the Manager and Secretary.
- Custodial and Banking risk: there is a risk that the custodians and banks used by the Company to hold assets and cash balances could fail and the Company's assets may not be returned. Associated with this is the additional risk of fraud or theft by employees of those third parties. The Board exercises monitoring through the Manager and North Atlantic Investment Services Limited ("NAIS") over the financial position of its custodial banks.
- Credit risk/Counterparty risk: the Company holds preference shares in some investee companies and provides other forms of debt or loan guarantees where deemed necessary. There is a risk of those counterparties being unable to meet their obligations. The financial position and performance of those investee companies are continually monitored by the Manager and actions are taken to protect the Company's investment if needed.

professional negligence
The Company covers professional liability risks set out in Article 9(7) of Directive 2011/61/EU on Alternative Investment Fund Managers (the "Directive") and article 12 and 13 of the AIFMD level 2 regulation (professional liability risks) by holding professional indemnity insurance and maintaining an amount of own funds to meet the PII capital requirement under the Directive; and comply with the qualitative requirements addressing professional liability risks.

Section 172 statement
Under Section 172 of the Companies Act 2006, directors are required to promote the success of the Company for the benefit of the stakeholders. In accordance with the requirements of the Companies (Miscellaneous Reporting) Regulations, 2018, the Company has to detail how this duty has been performed with regard to the matters set out in Section 172 (1) (a) to (f).

- The directors have to consider the likely consequences of their decisions in the long term taking into account the interests of the various different stakeholders of the Company.
- A company's stakeholders are normally considered to comprise of its shareholders, employees, customers and suppliers as well as the wider community in which the company operates. As the Company is an internally

managed investment company it does not have any employees as its activities are outsourced. Its customers are its shareholders and details of those owning more than 3% of the Company's shares are shown on page 24. The Company's relations with its shareholders are detailed on page 33.

- The main stakeholders are therefore the Company's shareholders and a small number of key third party suppliers, principally the Investment Manager, together with the company secretary, accountants, brokers, depositary, bankers and auditors, to whom the day to day functions are delegated.
- The Board works closely with the Investment Manager to promote the long-term success of the Company as effectively and responsibly as possible and he in turn interacts directly with the investee companies. Details of the investment policy and investment approach can be found on pages 15 and 16.
- The Company has a limited impact on the environment and has no greenhouse gas emissions to report as indicated on page 26. Its impact on social, community and human rights issues are detailed on page 22, and a statement on the Modern Slavery Act is given on page 22.
- The Directors take care to ensure that the Company maintains a reputation for high standards of business conduct.
- The Directors ensure that the Company always acts fairly between members of the Company.
- To summarise, the Directors are fully aware of their duty under Section 172 in all their deliberations, and decisions made always take into account the interests of the key stakeholders.

viability statement
In accordance with the UK Corporate Governance Code the Board has considered the longer term prospects for the Company. The Directors have reviewed the Company over the next five years to May 2030, which is generally a reasonable investment horizon for many investment trust shareholders. This assessment took into account the Company's current position as well as its continuing investment strategy. Additional factors under review included the principal risks inherent in its management and portfolio structure, contractual arrangements and cost base.

The Directors have noted the following elements as part of its evaluation:

- the Company invests in a combination of listed and unquoted companies, most of which have positive EBITDA and/or net tangible asset values which support their valuations;
- as at 31 March 2025, the company held more than £55.83m of its portfolio in cash and US Treasury Bills which are readily realisable and intends to continue to hold liquidity comfortably in excess of any contingent liabilities, including any requirements to fund any future drawdowns resulting from private equity or put option commitments; and
- the Company's expenses are relatively stable, except for the Investment Manager's fee which is positively correlated with the Company's net asset value and relative performance, giving comfort that the Company could easily cover costs in the event of a substantial decline in net asset value.

The Directors have also assessed the Company's principal risks and uncertainties and believe that appropriate measures are in place to minimise the likelihood of their potential to impact the viability of the Company. These measures include:

- the Manager's reports on compliance with the investment objective;
- the Manager's control of counterparty and custodial risk;
- the Board's monitoring of gearing (if any), compliance with specific investment guidelines and liquidity risk; and
- monitoring the share price's discount to net asset value and the stability of the shareholder base.

Based on the results of this analysis, the Directors have concluded that there is a reasonable expectation that the Company can continue in operation and meet its liabilities as they fall due during the period to May 2030.

future prospects
The Directors are hopeful that some of the Company's investments will see corporate activity over the coming year so that the Company's net asset value should outperform its benchmark.

social, community and human rights issues
As an investment trust with no employees the Company has no direct social or community responsibilities or impact on the environment. The Company, however, takes into account the impact of environmental, social and governance factors when selecting and managing its investments within the context of its obligation to manage investments in the financial interests of its shareholders.

modern slavery act
The Company is committed to the highest standards of ethical, moral and legal business conduct and we expect those that we do business with to uphold the same values. As an investment vehicle the Company does not provide goods or services in the normal course of business. We have adopted an ethical approach to investing which prohibits modern slavery in our business and supply chains, and are committed to implementing systems and controls aimed at ensuring that modern slavery is recognised and eradicated.

AIFMD
The Company is authorised and regulated by the Financial Conduct Authority. The Company has been a full scope internally managed AIF with effect from 1 October 2021 under the Alternative Investment Fund Managers Regulations 2013.

For AIFMD purposes the Company is internally managed with Christopher Mills making the investment decisions in his capacity as Chief Executive. The Company must not perform any activities other than the internal management of the AIF in accordance with Annex I of the Directive:

ANNEX I

1. Investment management functions which an AIFM shall at least perform when managing an AIF:
   (a) portfolio management;
   (b) risk management.

2. Other functions that an AIFM may additionally perform in the course of the collective management of an AIF:
   (a) Administration:
      (i) legal and fund management accounting services;
      (ii) customer inquiries;
      (iii) valuation and pricing, including tax returns;
      (iv) regulatory compliance monitoring;
      (v) maintenance of unit-/shareholder register;
      (vi) distribution of income;
      (vii) unit/shares issues and redemptions;
      (viii) contract settlements, including certificate dispatch;
      (ix) record keeping;
   (b) Marketing;
   (c) Activities related to the assets of AIFs, namely services necessary to meet the fiduciary duties of the AIFM, facilities management, real estate administration activities, advice to undertakings on capital structure, industrial strategy and related matters, advice and services relating to mergers and the purchase of undertakings and other services connected to the management of the AIF and the companies and other assets in which it has invested.

periodic and regular disclosure

1. The following information is available to investors in the annual report:
   (i) the percentage of the Company's assets that are subject to special arrangements arising from their illiquid nature;
   (ii) any material changes to the arrangements for managing the liquidity of the Company;
   (iii) the current risk profile of the Company and the risk management systems employed by the Company to

manage those risks;

(iv) the total amount of leverage employed by the Company if applicable; and

(v) details of the Company's policy towards best execution.

2. Any changes to the following information will be provided by the Company to investors without undue delay (and may be provided by email) in accordance with the AIFMD Rules:

(i) the maximum level of leverage which the Company may employ on behalf of the Company;

(ii) the grant of or any changes to any right of re-use of collateral or any changes to any guarantee granted under any leveraging arrangement; and

(iii) activation of liquidity management tools.

By Order of the Board

SGH Company Secretaries Limited
Company Secretary

6 May 2025

report of the directors

for the year ended 31 January

The Directors present their report to shareholders and the financial statements for the year ended 31 January 2025. Certain information that is required to be disclosed in this report has been provided in other sections of this Annual Report and accordingly, these are incorporated into this report by reference.

taxation status
In the opinion of the Directors, the Company has conducted its affairs during the period under review, and subsequently, so as to maintain its status as an investment trust for the purposes of Chapter 4 of Part 24 of the Corporation Tax Act 2010. The Company made a successful application under Regulation 5 of the Investment Trust (Approved Company) (Tax) Regulations 2011 for investment trust status to apply to all accounting periods starting on or after 1 February 2013 subject to the Company continuing to meet the eligibility conditions contained in Section 1158 of the Corporation Tax Act 2010 and the ongoing requirements outlined in Chapter 3 of Part 2 of the Regulations.

share capital
The Company's issued share capital consisted of 13,220,000 Ordinary Shares of 5p nominal value each on 31 January 2025. Since the year end, 20,000 Ordinary Shares have been repurchased for cancellation. All shares hold equal rights with no restrictions and no shares carry special rights with regard to the control of the Company. There are no special rights attached to the shares in the event that the Company is wound up.

During the year, the Company purchased 241,575 (2024: 140,493) Ordinary Shares for £9.5m (2024: £5.3m) for cancellation to improve net asset value per Share. This comprised 1.8% (2024: 1.0%) of the issued share capital.

share valuations
On 31 January 2025, the quoted price and the net asset value per 5p Ordinary Share were 3,750p and 5,397p respectively. The comparable figures at 31 January 2024 were 3,690p and 5,127p respectively.

substantial shareholders
As at 31 January 2025, the following interests in the Ordinary Shares of the Company which exceed 3.0% of the issued share capital had been notified to the Company:

	Number of Ordinary Shares	**% of issued share capital**
Christopher Mills*	3,809,581*	28.82
CG Asset Mgt (London)	914,559	6.92
Butterfield Bank	524,060	3.96
Interactive Investor	514,283	3.89
Hargreaves Lansdown Asset Mgt	461,118	3.49
Charles Stanley Group (London)	412,420	3.12
Peregrine Moncrieffe	405,630	3.07

The Company has not been informed of any changes to the above interests between 31 January 2025 and the date of this report. Since 31 January 2025, the Company has purchased and cancelled 20,000 Ordinary Shares reducing the Ordinary Shares in issue to 13,200,000, which increases the % of issued share capital held by all shareholders listed above.

* Inclusive of 43,581 shares for a private client account managed by Christopher Mills and 600,000 shares for Harwood Holdco Limited.

directors
The biographical details for Directors currently in office are shown on page 3.

The Company's Articles of Association require that Directors should submit themselves for election at the first Annual General Meeting following their appointment and thereafter for re-election at least every three years. However, the Company is adopting the requirements of the UK Corporate Governance Code in relation to the annual re-election of directors. Therefore, in accordance with provision 18 of the UK Corporate Governance Code all of the Directors will retire at the Annual General Meeting and being eligible, offer themselves up for re-election.

directors' interests
The interests of the Directors as notified to the Company, including those of their connected persons, in the Ordinary Shares of the Company as at 31 January 2025 and 31 January 2024 were as follows:

	31 January 2025	31 January 2024
	5p Ordinary Shares	5p Ordinary Shares
Sir Charles Wake	8,170	8,170
Christopher Mills*	3,809,581	3,817,424
Christopher Mills (non-beneficial)	355,740	355,740
Lord Howard of Rising	5,000	5,000
Professor Fiona Gilbert	3,200	3,200
G Walter Loewenbaum	15,000	15,000
Peregrine Moncreiffe	447,889	445,589
Julian Fagge	523	-

* Inclusive of 43,581 shares for a private client account managed by Christopher Mills and 600,000 shares for Harwood Holdco Limited.

Since 31 January 2025 and as at the date of this report, there have been no further share purchases from the Directors or their connected persons.

Details of Directors' remuneration are described in the Directors' Remuneration Report on pages 36 to 41.

Save as disclosed on page 36 or in notes 3 and 15 to the financial statements, no Director was party to or had any interest in any contract or arrangement with the Company at any time during the year.

significant agreements
The Company is required to disclose details of any agreement that it considers to be essential to the business and the two agreements detailed below are considered by the Board to be significant.

Pursuant to the Sub Advisory, Administration and Transmission Services Agreement dated 27 February 2023, North Atlantic Investment Services Limited provides administration services to the Company which were previously provided by Harwood Capital LLP under a similar agreement. The Sub Advisory, Administration and Transmission Services Agreement continues unless thereafter terminated by either party on not less than twelve months' notice in writing or may be terminated forthwith as a result of a material breach of the agreement or the insolvency of either party. No compensation is payable on termination of the Agreement.

Pursuant to the Secondment Services Agreement between the Company, Growth Financial Services Limited ("GFS") and Christopher Mills and the Sub Advisory, Administration and Transmission Services Agreement between the Company and North Atlantic Investment Services Limited, Christopher Mills is responsible for the day-to-day investment decisions. The Secondment Services Agreement continues until terminated by the Company or GFS on not less than twelve months' notice.

The Board reviews the activities of the Manager. The Chief Executive carries out day-to-day investment decisions for and on behalf of the Company. As part of this review, the Board is satisfied that the continuing appointment of the Manager, on the terms agreed, is in the best interests of shareholders. Christopher Mills has been Chief Executive of the Company since 1984 and the Board consider it is in the best interest of the Company for this arrangement to continue.

As part of this review, the Board has given consideration to the experience, skills and commitment of the Chief Executive in addition to the personnel, services and resources provided by NAIS. The Company's performance over the last year is described in the Chairman's Statement on page 4.

related party transactions
Christopher Mills makes day-to-day investment decisions for the Company in his capacity as its Chief Executive and this position is distinct from his position as Chief Investment Officer of NAIS. Christopher Mills is a director of Growth Financial Services Limited ("GFS"). GFS is a wholly-owned subsidiary of Harwood Capital Management Limited, which is the holding company of the Harwood group of companies and is, in turn, 100% owned by Christopher Mills.

Details of the related party transactions and fees payable are disclosed in note 15 on pages 77 and 78 and in the Directors' Remuneration Report on pages 36 to 41. The Investment Management Fees are disclosed in note 3 on page 58. Any Performance Fee payable to GFS is disclosed in the Directors' Remuneration Report on pages 36 to 41 and note 3 of the financial statements on page 58.

With the exception of the matters referred to above, during the year no Director was materially interested in any contract of significance (as defined by the UK Listing Authority Listing Rules) entered into by the Company.

institutional investors - use of voting rights
The Chief Executive, in the absence of explicit instruction from the Board, is empowered to exercise discretion in the use of the Company's voting rights in respect of investments and to then report to the Board, where appropriate, regarding decisions taken. The Board has considered whether it is appropriate to adopt a new voting policy and an investment policy with regard to social, ethical and environmental issues and concluded that it is not appropriate to change the existing arrangements.

donations
The Company does not make any political or charitable donations.

creditors' payment policy
It is the Company's policy to settle investment transactions according to the settlement periods operating for the relevant markets. For other creditors, it is the Company's policy to pay amounts due to them as and when they become due. All supplier invoices received in the year had been paid by 31 January 2025 (31 January 2024: all supplier invoices paid).

greenhouse gas emissions
The Company has no physical assets, operations, premises or employees of its own. Consequently it consumed less than 40,000 kWh of energy during the year so has no greenhouse gas emissions to report.

task force on climate-related financial disclosures (TCFD)
The Company has not included any climate-related disclosures consistent with the TCFD Recommendations and Recommended Disclosures in this annual report as the Company is a closed-ended investment company, with no premises or staff. The Board do not believe that such disclosures would be of any benefit to its shareholders or other stakeholders.

corporate governance
The Corporate Governance Statement on pages 30 to 35 forms part of this report.

auditors
Resolutions to re-appoint RSM UK Audit LLP as the Company's auditors and to authorise the Board to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

In the case of each of the persons who are directors at the time the report is approved, so far as each director is aware there is no relevant audit information of which the Company's auditor is unaware, and they have taken all the steps that they ought to have taken as a director in order to make themself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

going concern
The Company's assets largely comprise readily realisable securities which can be sold to meet funding commitments if necessary and it also has sufficient cash reserves so the Directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. They have, therefore, adopted the going concern basis in preparing these financial statements.

additional disclosures
The following further information is disclosed in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008:

- the Company's capital structure and voting rights are summarised on page 24 and note 11;
- details of the substantial shareholders in the Company are listed on page 24;
- the rules concerning the appointment and replacement of directors are contained in the Company's Articles of Association and are discussed on page 30;
- amendment of the Company's Articles of Association and powers to issue on a pre-emptive basis or buy back the Company's shares require a special resolution to be passed by the shareholders; and
- there are: no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; no agreements which the Company is party to that might affect its control following a takeover bid; no agreements between the Company and its Directors concerning compensation for loss of office; and no qualifying third party indemnities in place.

By Order of the Board

SGH Company Secretaries Limited
Company Secretary

Registered Office:

60 Gracechurch Street

London

EC3V 0HR

Registered No: 1091347

6 May 2025

statement of directors' responsibilities in respect of the annual report and the financial statements

for the year ended 31 January

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. The Directors elected under company law are required under the Listing Rules of the Financial Conduct Authority to prepare the financial statements in accordance with UK-adopted International Accounting Standards.

The financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and performance of the company. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted International Accounting Standards;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements and the Directors' Remuneration Report comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due 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.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

responsibility statement of the directors in respect of the annual financial report

Each of the directors, whose names and functions are listed in the strategic report on page 3 confirm that to the best of each person's knowledge:

- the financial statements, prepared in accordance with UK-adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company taken as a whole; and
- the Strategic Report and the Report of the Directors includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that they face.

We consider 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 position and performance, business model and strategy.

For and on behalf of the Board

Sir Charles Wake
Chairman

6 May 2025

corporate governance

statement of compliance with the uk corporate governance code

The Company's policy is to achieve best practice in its standards of business integrity in all of its activities. This includes a commitment to follow the highest standards of corporate governance wherever possible. This section of the Annual Report describes how the Company has complied with the applicable provisions of the UK Corporate Governance Code published by the Financial Reporting Council ("FRC") in July 2018 (the "Code") and is available from the FRC website (www.frc.org.uk). The Board considers that it has complied with the provisions of the Code throughout the year with few exceptions: these are detailed on page 35.

directors

Brief biographical details of the Directors in office are set out on page 3. The Board consists of seven Directors, five of whom are considered independent non-executive Directors for the purposes of the Code, to include the Chairman - Sir Charles Wake, Fiona Gilbert, Lord Howard of Rising, Julian Fagge and G Walter Loewenbaum, who are each free of any relationship that could materially interfere with the exercise of their independent judgment on issues concerning strategy, performance and standards of conduct. Peregrine Moncreiffe (the former Chairman) also serves as a Non-Executive Director on the Board as does Christopher Mills who is the Chief Executive Officer. The Board considers that it has the appropriate balance of skills, experience, ages and length of service in the circumstances and values highly the experience of those Directors who have served on the Board for a longer period.

Fiona Gilbert was appointed as the Company's Senior Independent Director on 4 January 2023. As the Senior Independent Director, Fiona provides a sounding Board for the Chairman and serves as an intermediary for the other Directors and shareholders. Fiona also provides a channel for any shareholder concerns regarding the Chairman.

The Board comprises of 6 male Directors and 1 female Director.

The Company has effective procedures in place to monitor and deal with conflicts of interest. All declared conflicts will be discussed by the Board. The Board is aware of the other commitments and interests of the Directors.

The Board acts as the Nomination Committee and meets as and when necessary and to discharge its role in nominating a new Director to the Board and succession planning.

The Board is made up of individual members who have a wide range of qualifications and expertise to bring to any debate. The Board normally meets four times a year and at other times as necessary. The terms and condition of their appointment, including the expected time commitment, are available for inspection at the Registered Office of the Company during normal business hours and will also be available for at least fifteen minutes prior to and during the Annual General Meeting. The contract for Christopher Mills' services as a Director is with GFS.

The Chairman and other members of the Board recommend that all of the Directors be re-elected. The Chairman has confirmed that all Directors have been subject to performance evaluation and following that evaluation, the Chairman confirms that their performance continues to be effective and that they continue to demonstrate commitment to their role and in his view responsibly fulfil their functions. The performance evaluation programme took the form of a questionnaire circulated to and completed by all Directors. The performance evaluation provides an anonymous vehicle for Directors to highlight any concerns or issues to the Board. The Chairman then discussed the results with the Board and the individual Directors and any requests for further training or action were complied with. The non-executive Directors evaluated the performance of the Chairman and can confirm that they were satisfied with his performance and with his leadership of the Board.

board meetings
The Board conducts its affairs in accordance with its schedule of matters for consideration which is agreed once annually by the whole Board. The Chief Executive carries out day-to-day activities pursuant to the terms of the management arrangements in place. These day-to-day activities relate to the management of the Company's investment portfolio on a discretionary basis within guidelines that have been set by the Board. These guidelines include, amongst other things, maximum exposure to any one investment and total exposure to unquoted investments. The management of the investment portfolio also includes the monitoring of the performance and activities of the investee companies in the portfolio and detailed research into any prospective investment. In addition to scheduled Board Meetings, the Board may carry out certain urgent matters not requiring debate by way of delegation to a Committee of the Board or by resolution in writing of all Directors.

attendance at board meetings, audit and remuneration committees

	Total number in year 4 Board Meetings	Total number in year 2 Audit Committees	Total number in year 1 Remuneration Committee	Total number in year 1 ESG Committee
Peregrine Moncreiffe	4	N/A	N/A	N/A
Christopher Mills	4	N/A	N/A	N/A
Lord Howard of Rising	4	N/A	1	N/A
G Walter Loewenbaum	4	2	1	N/A
Sir Charles Wake	4	N/A	N/A	N/A
Fiona Gilbert	4	2	1	1
Julian Fagge	4	2	N/A	1

remuneration committee
The Remuneration Committee is chaired by G Walter Loewenbaum and the other members are Lord Howard of Rising and Fiona Gilbert. The Remuneration Committee reviews the remuneration paid to NAIS and GFS pursuant to the Management Agreements. The remuneration of GFS is disclosed in the Directors' Remuneration Report on pages 36 to 41 and also in note 3 on page 58.

audit committee
The Board is supported by an Audit Committee which is chaired by Julian Fagge and during the year the other members were G Walter Loewenbaum and Fiona Gilbert. The Audit Committee meets representatives of NAIS twice a year, who report on the proper conduct of business in accordance with the regulatory environment in which the Company operates. The Company's Auditors also attend the Committee at its request, at least once a year, and report on their findings in relation to the Company's statutory audit. The responsibilities of the Audit Committee include monitoring the integrity of the financial statements including Annual and Half-Yearly reports, reviewing the effectiveness of the Company's internal controls and risk management, making recommendations in relation to the appointment of the auditors and reporting to the Board on all matters within its duties and responsibilities.

The Committee monitors the performance of the Auditors on a regular basis (at least annually) and if satisfied, recommends their re-appointment to the Board. The Audit Committee is authorised to take such independent professional advice (including legal advice) and to secure the attendance of any external advisers with relevant expertise as it considers necessary. The Audit Committee is also responsible for the review of the Annual and Half-Yearly Reports, the nature and scope of the external audit, its findings and the provision of any non-audit services. The Audit Committee is satisfied that RSM UK Audit LLP, the Company's Auditor, is independent and that it has adequate policies and safeguards in place to ensure that its objectivity and independence is maintained. The Audit Committee receive each year a report from the Auditor as to any matters the Auditor considers bear on its independence and which require disclosure to the Company.

RSM UK Audit LLP were appointed as the Company's auditors in 2020 and carried out their first audit on the accounts for the year ended 31 January 2020.

The Company had one interaction with the Financial Reporting Council's Corporate Reporting Review Team on 3 December 2024 in regard to a review of the Company's annual report and accounts for the year ended 31 January 2024 in accordance with Part 2 of the FRC Corporate Reporting Review Operation Procedures. Following the review, there were no substantive questions or queries raised. The review conducted by the Corporate Reporting Review Team was based solely on the annual report and accounts and did not benefit from detailed knowledge of the Company's business or an understanding of the underlying transactions entered into. It was, however, conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework. This letter provides no assurance that the annual report and accounts are correct in all material respects; the FRC's role is not to verify the information provided to it but to consider compliance with reporting requirements. The letter was written on the basis that the FRC (which includes its officers, employees and agents) accepts no liability for reliance on it by the company or any third party, including but not limited to investors and shareholders.

The Committee's terms of reference are available from the Company Secretary. The Audit Committee met twice during the year to review the Half-Yearly and Annual financial statements and to review reports and hold discussions with the Chief Executive and NAIS. In carrying out its duties during this review, the Audit Committee has considered inter alia the annual budget, internal control reports, the risk management framework, the effectiveness of the external audit process, the independence and objectivity of the External Auditor, the Audit Plan, Audit Reports and Corporate Governance Report including the Code. The Board is satisfied that all of the Committee's members have recent and relevant commercial and financial knowledge and experience to satisfy the Code, by virtue of their having held various executive and non-executive roles in investment management and business management.

financial report and significant issues
The Audit Committee met with the Auditor during the year to discuss the audit plan and strategy for the year and identify the significant issues to be dealt with in the review of the year end results. The principal issues identified as presenting the greatest risks were the valuation of the unquoted investments in the portfolio.

Listed investments are valued using stock exchange prices provided by third party financial data vendors. Unquoted

Listed investments are valued using stock exchange prices provided by third party financial data vendors. Unquoted investments are recognised on a fair value basis as set out in the statement of accounting policies on pages 54 and 55 and are reviewed by NAIS's Valuations and Pricing Committee before being approved by the Board and being made available to the Auditor.

These and other matters, identified as posing less of a risk, were considered and discussed with the Manager and the Auditor as part of the year end process.

Throughout the year the Board has considered, as part of its ongoing Risk Management Review, the principal risks facing the Company. This has included specifically assessing those risks which would threaten its business model, future performance, solvency or liquidity. The Company carries out its activities using the services of third party service providers; it has no staff of its own.

shareholder relations
The Company, through its Chief Executive, has regular contact with its Institutional shareholders. The Board supports the principle that the Annual General Meeting be used to communicate with private shareholders and encourages them to participate. The Annual General Meeting is attended by Directors and the Chief Executive. Details of significant votes against a resolution are set out in the Chairman's Statement on page 4. The Chairman also wrote to any dissenting investors during the year as part of an outreach campaign to offer the opportunity for further engagement and to answer any questions or queries that they may have, especially in relation to the rule 9 waiver (resolution 17 at the 2024 AGM) and the Directors continue to engage positively with interested parties on this matter.

ESG committee
The ESG Committee was established to enhance the Board's oversight of environmental, social and governance issues. The committee, currently chaired by Fiona Gilbert with members Julian Fagge and Nicholas Mills, a Director and Fund Manager at Harwood Capital, has met several times to review the governance structure and environmental policy. Board training has been undertaken in governance to ensure all procedures are in place.

nominations committee
The Board is a small Board and fulfils the function of the Nominations Committee relating to the composition and make-up of the Board and its committees and considers the leadership needs and succession of the Board when making decisions on new appointments. The committee reviewed the structure, size and composition of the Board and its committees and made recommendations for changes to the membership of the committees. The Committee actively participated in the recruitment process, and contributed to the on-boarding and induction of the newly appointed Non-Executive Director, assisted by the Company Secretary.

diversity
Due to the size of the Board and the fact that there are no employees, the Company does not have a diversity policy.

the company secretary
The Board has direct access to the advice and services of the Company Secretary, SGH Company Secretaries Limited, which is responsible for ensuring that the Board and Committee procedures are followed and that the applicable regulations are complied with. The Company Secretary is also responsible to the Board for ensuring timely delivery of information and reports.

accountability and audit
The statement of going concern is given on page 27 and the Board's responsibilities with regard to the financial statements are set out on pages 28 and 29. The Independent Auditor's Report is on pages 42 to 48. The principal risks and uncertainties, s172 statement and viability statement are set out in the Strategic Report on pages 19 to 21.

share capital
Shareholders' attention is drawn to the further information on page 27 which is disclosed in accordance with the Large and Medium-sized Companies and Groups (Account and Reports) Regulations 2008 and rule 7.2.6 of the Disclosure and Transparency Rules.

internal control
The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. The Board has regularly reviewed the effectiveness of the system of internal control in place. The Board believes that the key risks identified and implementation of the system to monitor and manage those risks are appropriate to the Company's business as an investment trust. The ongoing risk assessment includes the monitoring of the financial, operational and compliance risks as well as an evaluation of the scope and quality of the system of internal control adopted by the third party service providers. The Board regularly reviews the delegated services to ensure their continued competitiveness and effectiveness. The system is designed to ensure regular communication of the results of monitoring by the third parties to the Board and the incidence of any significant control failings or weaknesses that have been identified and the extent to which they have resulted in unforeseen outcomes or contingences that may have a material impact on the Company's performance or operations.

This review process was in place throughout the year under review and including the period to the date of the approval of the Annual Report and there were no problems identified from this review. The Board believes that, although robust, the Company's system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives. Any system can provide only reasonable and not absolute assurance against material misstatement or loss. The principal features of the internal control systems in respect of financial reporting include segregation of duties between the processing and approval of investment transactions and the recording of these transactions in the accounting records as well as the production and review of monthly management accounts. The annual and interim reports are reviewed and approved by the Board. The Company does not have an internal audit function as it uses third party service providers and does not employ any staff, nor does the Board consider it appropriate to do so.

compliance statement
Throughout the year ended 31 January 2025 the Company has complied with the Code (apart from the workforce provisions 2, 5 and 6 which are not applicable as the Company has no employees other than the Directors), except as follows:

Provision 3 - The Chairman does not seek engagement with shareholders to understand their views on governance and performance against strategy. However the Chief Executive has regular contact with major shareholders and if any concerns are raised the Chairman is available to meet them at their request. Also the directors including the Chairman attend the Annual General Meeting and are available to communicate with shareholders.

Provision 17 - The Company does not have a Nominations Committee as the Board is a small Board and fulfils the function of the Nominations Committee relating to the composition and make-up of the Board and its committees and considers the leadership needs and succession of the Board when making decisions on new appointments.

Provision 21 and 22 - There is not a formal annual evaluation of the performance of the Board, its committees or individual directors. An informal evaluation takes place every two years and the Chairman monitors the performance of the Board on an ongoing basis.

Provision 41 - As there is only one Executive Director, the scope of the Remuneration Committees work and related disclosures do not fully comply with the requirements of Provision 41.

By Order of the Board

SGH Company Secretaries Limited
Company Secretary

Registered Office:

60 Gracechurch Street

London
EC3V 0HR

Registered No: 1091347

6 May 2025

directors' remuneration report

for the year ended 31 January

This Report has been prepared in accordance with the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, Schedule 8. The Directors' Remuneration Report will be put to an advisory shareholder vote at this year's annual general meeting.

The law requires the Company's Auditor to audit certain of the disclosures provided and to state whether, in their opinion, those parts of the report have been properly prepared in accordance with the Accounting Regulations. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in their report on pages 42 to 48.

role and composition
The Remuneration Committee consists of Lord Howard of Rising, G Walter Loewenbaum and Fiona Gilbert. Christopher Mills, the Company's Chief Executive, does not attend meetings of the Remuneration Committee.

The Remuneration Committee is responsible for determining all aspects of Director's remuneration. The Remuneration Committee in the year did not propose that there should be any change to the level of remuneration paid to the Directors. In making this decision, consideration of the scope of work undertaken and input required by the Directors was considered. No Director participates in discussions on their own remuneration. The Committee takes independent professional advice where it considers this is appropriate. No such advice has been received in the year.

The Remuneration Committee held a meeting on 23 April 2024 to discuss the policy on Director's Remuneration.

directors' interests (audited)

	31 January 2025 5p Ordinary Shares	31 January 2024 5p Ordinary Shares*
Sir Charles Wake	**8,170**	8,170
Christopher Mills**	**3,809,581**	3,817,424
Christopher Mills (non-beneficial)	**355,740**	355,740
Lord Howard of Rising	**5,000**	5,000
Professor Fiona Gilbert	**3,200**	3,200
G Walter Loewenbaum	**15,000**	15,000
Peregrine Moncreiffe	**447,889**	445,589
Julian Fagge**	**523**	-

* or date of appointment if later.

** Inclusive of 43,581 shares for a private client account managed by Christopher Mills and 600,000 shares for Harwood Holdco Limited.

policy on directors' remuneration
The Company's Articles of Association were amended by a special resolution passed by shareholders at the Annual General Meeting on 23 June 2021 which increased the aggregate total of Directors' fees that can be paid during the year from £150,000 to £250,000. The Remuneration Committee's policy, subject to this overall limit, is to determine the level of Directors' fees having regard to the level of fees payable to non-executive directors in other investment trusts, the rate of inflation and the increasing amount of time that individual Directors must commit to the Company's affairs. The Committee is also concerned that the remuneration of the non-executive Directors should reflect the experience of those Directors and believes that the level of remuneration should be sufficient to attract and retain non-executive Directors to oversee the Company.

The Directors are entitled to be reimbursed for any reasonable expenses properly incurred by them in connection with the performance of their duties and attendance at meetings. Non-executive Directors are not eligible for bonuses, pension benefits, share options or any other incentives or benefits. There are no agreements between the Company and its Directors concerning compensation for loss of office.

The Directors' Remuneration Policy is the same in all material aspects as that implemented by the Board during the year under review and as summarised in last year's Directors' Remuneration Report. The Board will consider, where raised, shareholders' views on Directors' remuneration.

The Company has no employees and therefore has no policy on the remuneration of employees.

The performance graph on page 41 measures the Company's share price and net asset value performance against the Sterling adjusted Russell 2000 and the Sterling adjusted Standard & Poor's 500 Composite Index. An explanation of the Company's performance is given in the Chairman's Statement and the Investment Manager's Report.

The policy is to review Directors' fees from time to time, but reviews will not necessarily result in the level of Directors' fees changing. Since 1 August 2021, the Directors have been paid at a rate of £30,000 per annum with the exception of Peregrine Moncreiffe, the former Chairman whose emoluments amount to £37,500 per annum which reflect his contribution to stakeholder engagement and supporting Sir Charles Wake in transitioning to his new role as Chairman. The Directors' Remuneration Policy was last presented to the shareholders for approval in 2024 and therefore will be next presented for approval by the shareholders at the Company's AGM in 2027.

directors' remuneration table (audited)

	Fees & Salary £	**Change from 2024 £**	**2025 Annual Incentives £**	**Change from 2024 £**	**Total £**
Executive					
Christopher Mills	30,000	-	2,903,000	1.9	2,933,000
Non-Executive					
Sir Charles Wake	30,000	-	-	-	30,000
Peregrine Moncreiffe	37,500	-	-	-	37,500
Lord Howard of Rising	30,000	-	-	-	30,000
G Walter Loewenbaum	30,000	-	-	-	30,000
Professor Fiona Gilbert	30,000	-	-	-	30,000
Julian Fagge	30,000	61.8*	-	-	30,000
	217,500		2,903,000		3,120,500

* This figure reflects the change in total pay Julian Fagge received given that the appointment was part way through the year ending 31 January 2024.

	Fees & Salary £	Change from 2023 £	2024 Annual Incentives £	Change from 2023 £	Total £
Executive					
Christopher Mills	30,000	-	2,849,000	(11.0)	2,879,000
Non-Executive					
Sir Charles Wake	30,000	-	-	-	30,000
Peregrine Moncreiffe	37,500	-	-	-	37,500
Lord Howard of Rising	30,000	-	-	-	30,000
G Walter Loewenbaum	30,000	-	-	-	30,000
Professor Fiona Gilbert	30,000	146.1*	-	-	30,000
Julian Fagge (appointed 20 June 2023)	18,538	-	-	-	18,538
	206,038		2,849,000		3,055,038

* This figure reflects the change in total pay Professor Gilbert received given that the appointment was part way through the year ending 31 January 2023.

chief executive

The Chief Executive is responsible for the day-to-day investment decisions. He has no service contract with the Company; his appointment is pursuant to the Secondment Services Agreement dated 7 January 1993 between the Company, the Chief Executive and GFS. The Remuneration Committee has no plans to alter the remuneration structure for the Chief Executive. As stated in note 15 on pages 77 and 78, the Chief Executive is entitled to retain any fees received from investee companies in respect of his role as a non-executive director of these entities; such a role is considered to benefit shareholders as it allows the Chief Executive to monitor the performance of the investee company more closely than would be possible under other circumstances.

remuneration of chief executive (audited)

	Year ended 31 January 2025 £	Year ended 31 January 2024 £
Director's fees	**30,000**	30,000
Investment Management and related fees	**2,903,000**	2,849,000
Performance fee	**-**	-
Total (excluding irrecoverable VAT)	**2,933,000**	2,879,000

The total fees of £2,933,000, in respect of Christopher Mills' services as a Director and Chief Executive are payable to GFS, as described on page 26. GFS receives, and is contractually entitled to receive, part of the Annual Fee payable to the GFS and NAIS in respect of the investment management activities of the Chief Executive pursuant to the Investment Management Agreements described on page 25 and note 3 on page 58 to the financial statements.

Christopher Mills is a director of GFS. GFS is a wholly owned subsidiary of Harwood Capital Management Limited, which is in turn wholly owned by Christopher Mills. Christopher Mills is also the Chief Investment Officer of NAIS.

The Performance Fee is a contractual entitlement pursuant to the Secondment Services Agreement dated 7 January 1993 as amended and is paid to GFS. Calculation of the Performance Fee includes Oryx at the adjusted price (using equity accounting methods).

Explanations of the calculation of the Investment Management and Performance fees can be found in note 3 on page 58 to the financial statements.

No pension or other benefits are paid to the Chief Executive.

[chart on page 40 of the Annual Report and Accounts]

The fixed element represents the director's fee of £30,000 per annum.

Included within the 'On-target' bar is the investment management fee, £2,903,000 and performance fee of zero that are payable to GFS and NAIS for the year ended 31 January 2025.

The difference between the "On-target" bar and the "Max" bar is the maximum payment under the performance fee arrangements which could have fallen due in respect of the year. This is explained in more detail in note 3(iii) to the financial statements.

Christopher Mills is deemed to have received these fees due to the fact that he is a director of and the ultimate beneficial owner of GFS and NAIS. These amounts are included in the 'On Target' bar as the fees were only payable if performance related hurdles were met. The NAIS fee is excluded from Christopher's reported remuneration, as it relates to operational services, including business management and the disbursement of staff salaries.

single total figure of remuneration for each director (audited)

The Directors who served during the years ended 31 January 2025 and 31 January 2024 received the following emoluments:

	Total Fees £ 31 January 2025	Total Fees £ 31 January 2024
Peregrine Moncreiffe	**37,500**	37,500
Lord Howard of Rising	**30,000**	30,000
G Walter Loewenbaum	**30,000**	30,000
Sir Charles Wake	**30,000**	30,000
Christopher Mills	**2,933,000**	2,879,000
Professor Fiona Gilbert	**30,000**	30,000
Julian Fagge	**30,000**	18,538
Total	**3,120,500**	3,055,038

The Directors are aware that it is a statutory requirement that this report provides shareholders and other interested parties with an analysis of Directors' Remuneration against the remuneration of employees or the amount of distributions to shareholders. However, the Company has no employees and has a long-standing policy of not paying dividends (except to ensure compliance with Investment Trust rules) so it is not possible to provide any such analysis. The Directors also do not consider that such a comparison would be a meaningful measure of the Company's overall performance.

service contracts
No Director has a service contract. The contract for the Chief Executive's services and the carrying on day-to-day investment decisions is with GFS and contained in the Secondment Services Agreement between GFS and the Company as noted in the paragraph describing the Chief Executive's activities.

company's performance
The following graph compares over a ten-year period the total shareholder return on the Company's Shares with a hypothetical holding of Shares of the same kinds and number as those by reference to which a broad equity market index is calculated.

Graph showing total shareholder return over 10 years as compared to total shareholder return of a broad equity market index over the last 10 years. (Source: Financial Data/Datastream)

[chart on page 41 of the Annual Report and Accounts]

NASCIT NAV is the diluted NAV at each balance sheet date.

The equity market indexes chosen are the Sterling adjusted Russell 2000 and the Sterling adjusted Standard & Poor's 500 Composite Index.

voting
The Directors' Remuneration Report for the year ended 31 January 2024 was approved by shareholders at the Annual General Meeting held on 27 June 2024. The votes cast by proxy were as follows:

	Directors' Remuneration Report	
	Number of votes	**Percentage**
For	7,672,587	99.86
Against	4,326	0.06
At Chairman's discretion	5,844	0.08
total votes cast	**7,682,757**	**100.00**
Number of votes withheld	31,867	

This Report was approved by the Board on 6 May 2025 and signed by:

On behalf of the Board

G Walter Loewenbaum
Remuneration Committee Chairman

6 May 2025

independent auditor's report to the members of North Atlantic Smaller Companies Investment Trust plc

opinion
We have audited the financial statements of North Atlantic Smaller Companies Investment Trust plc (the 'company') for the year ended 31 January 2025 which comprise the statement of comprehensive income, statement of changes in equity, balance sheet, cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted International Accounting Standards.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2025 and of its return for the year then ended;
- have been properly prepared in accordance with UK-adopted International Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Valuation of Unquoted Investments	
Key audit matter description	As at 31 January 2025, unquoted investments (including loan stock) were £176m (2024: £138m), which was 25% (2024: 20%) of the company's net assets at that date. These investments are measured at fair value in accordance with the International Private Equity and Venture Capital Valuation Guidelines. These valuations involve material judgements and estimation and is a significant audit risk and for this reason it is considered to be a key audit matter. Unquoted investment disclosures are set out in notes 8 and 14 to the financial statements.
How the matter was addressed in the audit	Our audit procedures included: • Obtaining an understanding of the company's unquoted investments held at the year end, including attendance at valuation meetings with the investment manager and reviewing underlying investment agreements and other relevant documentation.

	relevant documentation. • Understanding and challenging the key assumptions and judgements affecting investee company valuations, including consultation with an expert from our valuations team and consideration of the appropriateness of the valuation basis and sensitivities. • Considering whether events that occurred subsequent to the period end affect the underlying assumptions of the valuations at 31 January 2025; and • Considering of the appropriateness of the disclosures in the financial statements in respect of unquoted investments.
Key observations	We concluded that the carrying value of unquoted investments is acceptable.
Carrying Value of Quoted Investments	
Key audit matter description	As at 31 January 2025, quoted investments (including treasury bills) were £520m (2024: £475m), which was 73% (2024: 69%) of the company's net assets at that date. Quoted investments are one of the key drivers of financial performance. Whilst this is not considered to be a significant audit risk, due to the quantum of these investments, we consider it to be a key audit matter. Quoted investment disclosures are set out in note 8 to the financial statements.
How the matter was addressed in the audit	Our audit procedures included: • Agreeing 100% of year end investment holdings (including treasury bills) to independently received confirmations from the depositary. • Checking 100% of the year end valuations to externally quoted prices.
Key observations	We concluded that the carrying value of quoted investments is acceptable.

our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

Overall materiality	£7.1m (2024: £6.9m)
Basis for determining overall materiality	1% of net assets (2024: 1% of net assets)
Rationale for benchmark applied	Net asset value per share is one of the company's key performance indicators and considered to be one of the principal considerations for members of the company when assessing financial performance.
Performance materiality	£5.3m (2024: £5.2m)
Basis for determining performance materiality	75% of overall materiality (2024: 75%)
Reporting of misstatements to the Audit Committee	Quantitative misstatements in excess of £357,000 (2024: £345,000) together with any other misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

an overview of the scope of our audit

The company has been subject to a full scope audit. The company is a single entity, subject to local statutory audit, and our audit work was designed to address the risks of material misstatements identified to the level of materiality indicated above.

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 company's ability to continue to adopt the going concern basis of accounting included:

- reviewing, evaluating and challenging the company's going concern disclosures in note 1(b) to the financial statements and the company's viability statement on page 21 of the annual report; and
- corroborating the cash and treasury bills as at 31 January 2025 and at the date of approval of the financial statements.

Our key observation in relation to going concern is that the company has sufficient cash and liquid investments to continue as a going concern for the foreseeable future.

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 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 entity'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.

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

opinions on other matters prescribed by the companies act 2006
In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

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

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 27;
- Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why this period is appropriate set out on page 21;
- Directors' statement on whether they have a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on page 21;
- Directors' statement on fair, balanced and understandable set out on page 29;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 19 and 20;
- Section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 32 to 34; and,
- Section describing the work of the audit committee set out on page 31.

responsibilities of directors
As explained more fully in the Directors' responsibilities statement set out on pages 28 and 29, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 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.

the extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the Company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;

- the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud, having obtained an understanding of the effectiveness of the control environment.

The most significant laws and regulations were determined as follows:

Legislation/Regulation	Additional audit procedures performed by the audit engagement team included:
Companies Act 2006, UK-adopted International Accounting Standards and the Listing Rules	Review of the financial statement disclosures and testing to supporting documentation; and completion of disclosure checklists to identify areas of non-compliance.

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Additional audit procedures performed by the audit engagement team included:
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates (including the valuation of unquoted investments) are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

other matters which we are required to address
Following the recommendation of the audit committee, we were appointed by the directors on 28 February 2020 to audit the financial statements for the year ended 31 January 2020 and subsequent financial periods. This is the sixth period of engagement, so the period of total uninterrupted engagement is six years covering the years ended 31 January 2020 to 2025.

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

Our audit opinion is consistent with the additional report to the audit committee in accordance with ISAs (UK).

use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rules, these financial statements will form part of the Annual Financial Report prepared in Extensible Hypertext Markup Language (XHTML) format and filed on the National Storage Mechanism of the UK FCA. This auditor's report provides no assurance over whether the annual financial report has been prepared in XHTML format.

Andrew Allchin (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

6 May 2025

statement of comprehensive income

for the year ended 31 January

	Notes	**2025** Revenue £'000	Capital £'000	Total £'000	2024 Revenue £'000	Capital £'000	Total £'000
Income	2	**23,655**	**-**	**23,655**	20,817	-	20,817
Net gains/(losses) on investments at fair value	8	**-**	**26,724**	**26,724**	-	(9,539)	(9,539)
Currency gains/(losses)	8	**-**	**154**	**154**	-	(523)	(523)
total income		**23,655**	**26,878**	**50,533**	20,817	(10,062)	10,755
Expenses							
Investment management fee	3	**(7,258)**	**-**	**(7,258)**	(7,122)	-	(7,122)
Other expenses	4	**(1,344)**	**-**	**(1,344)**	(1,449)	-	(1,449)
return before finance costs and taxation		**15,053**	**26,878**	**41,931**	12,246	(10,062)	2,184
Finance costs		**-**	**-**	**-**	(6)	-	(6)
return before taxation		**15,053**	**26,878**	**41,931**	12,240	(10,062)	2,178
Taxation	6	**(11)**	**-**	**(11)**	(30)	-	(30)
return for the year		**15,042**	**26,878**	**41,920**	12,210	(10,062)	2,148
basic and diluted earnings per ordinary share	7	**112.91**	**201.75**	**314.66**	90.39	(74.49)	15.90

The total column of the statement is the Statement of Comprehensive Income of the Company, prepared in accordance with UK-adopted International Accounting Standards. The supplementary revenue and capital columns are presented in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies ("AIC SORP").

All items in the above Statement derive from continuing operations. No operations were acquired or discontinued in the year.

There is no other comprehensive income, and therefore the return for the year is also the comprehensive income.

The notes on pages 53 to 78 form part of these financial statements.

statement of changes in equity

for the year ended 31 January

	Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
2025						
31 January 2024	673	197	1,301	670,168	17,891	690,230
Total comprehensive income for the year	-	-	-	26,878	15,042	41,920
Dividend	-	-	-	-	(9,195)	(9,195)
Shares purchased for cancellation	(12)	12	-	(9,451)	-	(9,451)
31 January 2025	661	209	1,301	687,595	23,738	713,504

	Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
2024						
31 January 2023	680	190	1,301	685,504	5,681	693,356
Total comprehensive (loss)/income for the year	-	-	-	(10,062)	12,210	2,148
Shares purchased for cancellation	(7)	7	-	(5,274)	-	(5,274)
31 January 2024	673	197	1,301	670,168	17,891	690,230

The notes on pages 53 to 78 form part of these financial statements.

balance sheet

as at 31 January

	Notes	**31 January 2025 £'000**	31 January 2024 £'000
non current assets			
Investments at fair value through profit or loss	8	**695,418**	612,425
		695,418	612,425
current assets			
Trade and other receivables	9	**6,365**	69,272
Cash and cash equivalents		**17,310**	9,203
		23,675	78,475
total assets		**719,093**	690,900
current liabilities			
Trade and other payables	10	**(5,589)**	(670)
total liabilities		**(5,589)**	(670)
total assets less current liabilities		**713,504**	690,230
net assets		**713,504**	690,230
represented by:			
Share capital	11	**661**	673
Capital redemption reserve		**209**	197
Share premium account		**1,301**	1,301
Capital reserve		**687,595**	670,168
Revenue reserve		**23,738**	17,891
total equity attributable to equity holders of the company		**713,504**	690,230
net asset value per ordinary share:			
Basic and Diluted	7	**5,397p**	5,127p

The notes on pages 53 to 78 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 6 May 2025 and signed on its behalf by:

Sir Charles Wake, Chairman
Company Registered Number: 1091347

cash flow statement

for the year ended 31 January

	Notes	2024 £'000	2023 £'000
cash flows from operating activities			
Investment income received		**17,545**	17,362
Deposit interest received		**897**	765
Interest received from money market funds		**474**	-
Investment Manager's fees paid		**(7,265)**	(7,078)
Other cash payments		**(1,469)**	(1,581)
cash generated from operations	12	**10,182**	9,468
Taxation paid		**(11)**	(30)
net cash inflow from operating activities		**10,171**	9,438
cash flows from investing activities			
Purchases of investments		**(389,154)**	(424,801)
Sales of investments		**405,276**	424,503
net cash inflow/(outflow) from investing activities		**16,122**	(298)
cash flows from financing activities			
Dividend paid		**(9,195)**	(2,992)
Repurchase of Ordinary Shares for cancellation		**(9,451)**	(5,274)
net cash outflow from financing activities		**(18,646)**	(8,266)
increase in cash and cash equivalents for the year		**7,647**	874
cash and cash equivalents at the start of the year		**9,203**	9,010
Revaluation of foreign currency balances		**460**	(681)
cash and cash equivalents at the end of the year	13	**17,310**	9,203

The notes on pages 53 to 78 form part of these financial statements.

notes to the financial statements

1 accounting policies

NASCIT is a listed public company incorporated and registered in England and Wales. The registered office of the Company is 6 Stratton Street, Mayfair, London W1J 8LD. The principal activity of the Company is that of an investment trust company within the meaning of sections 1158/1159 of the Corporation Tax Act 2010 and its investment approach is detailed in the Strategic Report.

a) basis of preparation

The financial statements of the Company have been prepared in accordance with UK-adopted International Accounting Standards. The annual financial statements have also been prepared in accordance with the AIC SORP for the financial statements of investment trust companies and venture capital trusts.

The functional currency of the Company is Pounds Sterling because this is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in Pounds Sterling rounded to the nearest thousand, except where otherwise indicated.

b) going concern

The financial statements have been prepared on a going concern basis and on the basis that approval as an investment trust company will continue to be met.

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date when these financial statements were approved.

The Directors are of the view that the Company can meet its obligations as and when they fall due. The cash and US treasury bills available enables the Company to meet any funding requirements and finance future additional investments. The Company is a closed-end fund, where assets are not required to be liquidated to meet day-to-day redemptions.

c) segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business, being investment business. The Company invests in small companies principally based in countries bordering the North Atlantic Ocean.

d) accounting developments

In the current year, the Company has applied a number of amendments to IFRS, issued by the IASB mandatorily effective for an accounting period that begins on or after 1 January 2024. The adoption of these has not had any material impact on these financial statements.

e) critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in accordance with UK-adopted International Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts in the Balance Sheet, the 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. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. 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.

In order to value the unquoted investments, there are a number of valuation techniques that can be used. Judgement is used to determine the best methodology to obtain the most accurate valuation. Details of valuation techniques used and sensitivities are set out in Note 14.

The Board of Directors has assessed the Company as meeting the definition of an investment entity within IFRS 10 Consolidated Financial Statements requirements. The Company measures the subsidiaries at fair value through profit or loss rather than consolidate the entities. The details are set out in Note 8.

Except as set out above, there were no accounting estimates or significant judgements in the current period that have had a material impact upon the financial statements.

f) investments

All investments are designated upon initial recognition as held at fair value through profit or loss, and are measured at

All investments are designated upon initial recognition as held at fair value through profit or loss, and are measured at subsequent reporting dates at fair value. Quoted investments are valued using closing traded price for Stock Exchange Electronic Trading Service ('SETS') shares and bid price for other quoted shares. The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of consideration received and receivable and the cumulative gain or loss that had been accumulated is recognised in profit or loss.

Fair values for unquoted investments, or investments for which the market is inactive, are established by using various valuation techniques in accordance with the International Private Equity and Venture Capital Valuation (the "IPEV") guidelines. These may include recent arm's length market transactions, the current fair value of another instrument which is substantially the same, discounted cash flow analysis and option pricing models. Where there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, that technique is utilised.

Gains and losses arising from changes in fair value are included in the total return as a capital item. Also included within this heading are transaction costs in relation to the purchase or sale of investments. When a sale or purchase is made under a contract, the terms of which require delivery within the timeframe of the relevant market, the investments concerned are recognised or derecognised on the trade date.

All investments for which a fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy levels set out in Note 14.

g) foreign currency translation
Transactions in currencies other than Pounds Sterling are recorded at the rates of exchange prevailing on the date of the transaction. Items that are denominated in foreign currencies are retranslated at the rates prevailing on 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 capital or revenue in nature.

h) cash and cash equivalents
Cash comprises cash in hand, overdrafts 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, net of outstanding bank overdrafts when applicable.

i) other receivables and payables
Trade receivables and trade payables are measured at amortised cost and balances revalued for exchange rate movement.

j) income
Dividends receivable on quoted equity shares are taken to revenue on an ex-dividend basis. 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 withholding taxes which are disclosed separately in the Statement of Comprehensive Income.

Special dividends are taken to the revenue or capital account depending on their nature. In deciding whether a dividend should be regarded as capital or revenue receipt, the Board reviews all relevant information as to the sources of the dividend on a case-by-case basis.

When the Company has elected to receive scrip dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is recognised as income. Any excess in the value of the cash dividend is recognised in the capital column.

All other income is accounted on a time-apportioned accruals basis and is recognised in the Statement of Comprehensive Income.

k) expenses and finance costs
All expenses are accounted on an accruals basis and are allocated wholly to revenue with the exception of the Performance Fees which are allocated wholly to capital, as the fee payable by reference to the capital performance of the Company.

Expenses incurred in shares purchased for cancellation are charged to the capital reserve through the Statement of Changes in Equity.

l) taxation
The charge for taxation is based on the net revenue for the year and takes into account taxation deferred or accelerated because of temporary differences between the treatment of certain items for accounting and taxation purposes.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes at the reporting date. Deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of timing differences can be deducted. In line with recommendations of the SORP, the allocation method used to calculate the tax relief expenses charged to capital is the 'marginal' basis. Under this basis, if taxable income is capable of being offset entirely by expenses charged through the revenue account, then no tax relief is transferred to the capital account.

m) dividends payable to shareholders
Dividends to shareholders are recognised as a liability when paid for interim dividends or approved at general meetings for final dividends, 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.

n) share capital and reserves
Share Capital: Represents the nominal value of equity shares.

Capital Redemption Reserve: The amount by which the share capital has been reduced, equivalent to the nominal value of the Ordinary Shares repurchased for cancellation.

Share Premium: The account is a non-distributable reserve which represents the accumulated premium paid for shares issued in previous periods above their nominal value less issue expenses.

Capital Reserve: The following items are taken to this reserve:

- realised and unrealised capital and exchange gains and losses on the disposal and revaluation of investments and of foreign currency items;
- performance fee costs;
- Ordinary Shares repurchased for cancellation and
- exchange differences of a capital nature.

This is a non-distributable reserve.

Revenue Reserves: Represents the surplus of accumulated revenue profits being the excess of income derived from holding investments less the costs associated with running the Company. This reserve may be distributed by way of dividends.

2 income

	2025	2024
	£'000	£'000

income from investments		
Dividend income	**12,842**	11,785
Interest	**9,240**	7,928
Other investment income	**171**	339
	22,253	20,052
other income		
Interest receivable	**897**	765
Interest from money market funds	**505**	-
	1,402	765
Total income	**23,655**	20,817
total income comprises		
Dividends	**12,842**	11,785
Interest	**10,642**	8,693
Other investment income	**171**	339
	23,655	20,817
income from investments		
Listed UK	**9,879**	9,501
Other listed	**2,963**	2,284
Unquoted UK	**619**	859
Other unquoted	**8,792**	7,408
	22,253	20,052

3 investment management fee

(i) Pursuant to the Secondment Services Agreement, described in the Report of the Directors on page 25 and the Directors' Remuneration Report on page 36, GFS provides the services of Christopher Mills as Chief Executive of the Company, who is responsible for day-to-day investment decisions. Christopher Mills is a director of GFS. GFS is entitled to receive part of the investment management and related fees payable to GFS and NAIS as may be agreed between them from time to time.

(ii) Pursuant to the terms of the Sub Advisory, Administration and Transmission Services Agreement, described on page 25 of the Report of the Directors, NAIS is entitled to receive a fee (the Annual Fee) in respect of each financial period equal to the difference between (a) 1% of shareholders' Funds (as defined) on 31 January each year and (b) the amount payable to GFS referred to in note 3(i) above. This fee is payable quarterly in advance.

As set out in note 15, no formal arrangements exist to avoid double charging on investments managed or advised by the Chief Executive or NAIS.

(iii) The Performance Fee, calculated annually to 31 January, is only payable if the investment portfolio, including Oryx at the adjusted price, outperforms the Sterling adjusted Standard & Poor's' 500 Composite Index. It is calculated as 10% of the outperformance and paid as a percentage of shareholders' Funds. It is limited to a maximum payment of 0.5% of shareholders' Funds. The Performance Fee arrangements payable to GFS have been in place since 1984 when they were approved by shareholders.

The amounts payable in the year in respect of investment management are as follows:

		2025			2024	
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
Annual fee payable to NAIS	**4,355**	**-**	**4,355**	4,273	-	4,273
Annual fee payable to GFS	**2,903**	**-**	**2,903**	2,849	-	2,849
Performance fee	**-**	**-**	**-**	-	-	-
	7,258	**-**	**7,258**	7,122	-	7,122

At 31 January 2025, £363,000 was payable to NAIS in respect of outstanding management fees (2024: £356,000). At 31 January 2025, there was no fee payable to GFS in respect of outstanding performance fees (2024: £nil).

4 other expenses

	2025	2024
	£'000	£'000
Auditor's remuneration - audit - RSM UK Audit LLP	**86**	80
Directors' fees (see page 38)	**218**	206
Administration fee*	**396**	460
Legal and Professional fees	**70**	76
Registrar's fees	**63**	48
Stock Exchange related fees	**82**	55
Irrecoverable VAT	**151**	212
Depositary fees	**90**	92
Custody fees	**38**	38
Directors' insurance	**34**	44
Other expenses	**116**	138
	1,344	1,449

* Included within the administration fee are amounts of £268,000 (2024: £338,000) due to companies ultimately controlled by Harwood Capital Management Ltd.

5 dividends paid

	2025	2024
	£'000	£'000
Dividend for the year ended 31 January 2025 of 68.5 pence per share (2024: nil)	**9,195**	-
	9,195	-

Subsequent to the year end, the Directors have declared an interim dividend totalling £11.6m (2024: £9.2m) from the revenue reserves, in respect of the year ended 31 January 2025 of 88.0p per share (2024: 68.5p), payable 8 April 2025 to shareholders of ordinary shares on the Company's register at the close of business on 7 March 2025.

6 taxation

	2025 Total £'000	2024 Total £'000
Withholding tax	**11**	30
	11	30

The current taxation charge for the year is lower than the standard rate of Corporation Tax in the UK of 25% (2024: 24%). The differences are explained below.

	2025 Total £'000	2024 Total £'000
Total return before taxation	**41,931**	2,178
Theoretical tax at UK Corporation tax rate of 25% (2024: 24%)	**10,483**	523
Effects of:		
Non taxable capital return	**(6,720)**	2,415
UK and overseas dividends which are not taxable	**(3,120)**	(2,695)
Withholding tax	**11**	30
Increase in tax losses, disallowable expenses and excess management expenses	**(643)**	(243)
actual current tax charge	**11**	30

Factors that may affect future tax charges:
As at 31 January 2025, the company had tax losses of £76,498,000 (2024: £79,096,000) that are available to offset against future taxable revenue, comprising excess management expenses of £71,126,000 and a non-trade loan relationship deficit of £5,372,000 (2024: excess management expenses of £70,101,000 and a non-trade loan relationship deficit of £8,995,000). A deferred tax asset has not been recognised in respect of those losses as the company is not expected to generate taxable income in the future in excess of the deductible expenses of future periods and, accordingly, it is unlikely that the company will be able to reduce future tax liabilities through the use of those losses.

The Company is exempt from corporation tax on capital gains provided it maintains its status as an investment trust under Chapter 4 of Part 24 of the Corporation Tax Act 2010. Due to the Company's intention to continue to meet the conditions required to maintain its investment trust status, it has not provided for deferred tax on any capital gains or losses arising on the revaluation or disposal of investments.

7 return per ordinary share and net asset value per ordinary share
a) return per ordinary share:

	Revenue			**Capital**			**Total**		
	Net return £'000	**Ordinary Shares**	**Per Share pence**	**Net return £'000**	**Ordinary Shares**	**Per Share pence**	**Net return £'000**	**Ordinary Shares**	**Per Share pence**
2025 Basic and diluted return per Share	**15,042**	**13,322,158**	**112.91**	**26,878**	**13,322,158**	**201.75**	**41,920**	**13,322,158**	**314.66**

	Revenue			Capital			Total		
	Net return £'000	Ordinary Shares	Per Share pence	Net return £'000	Ordinary Shares	Per Share pence	Net return £'000	Ordinary Shares	Per Share pence
2024 Basic and diluted return per Share	12,210	13,508,610	90.39	(10,062)	13,508,610	(74.49)	2,148	13,508,610	15.90

Return per Ordinary Share has been calculated using the weighted average number of Ordinary Shares in issue during the year.

b) net asset value per ordinary share:
The net asset value per Ordinary Share calculated in accordance with the Articles of Association is as follows:

2025	**Net assets £'000**	**Number of Ordinary Shares**	**Net asset value per Share**
Ordinary Shares - Basic and diluted	**713,504**	**13,220,000**	**5,397p**
Ordinary Shares* - Basic and diluted	**758,879**	**13,220,000**	**5,740p**

2024	Net assets £'000	Number of Ordinary Shares	Net asset value per Share
Ordinary Shares - Basic and diluted	690,230	13,461,575	5,127p
Ordinary Shares* - Basic and diluted	725,778	13,461,575	5,391p

* Adjusted for Oryx using equity accounting.

There is no dilutive effect for 31 January 2025 or 31 January 2024.

The Company has also reported an adjusted net asset value per share, in accordance with its previous method of valuing its investment in Oryx. The Company has chosen to report this net asset value per share to show the difference derived if equity accounting was used. Equity accounting permits the use of net asset value pricing for listed assets, which in the case of Oryx, is higher than its fair value.

The values of Oryx, as at each year end, are as follows:

	2025 £'000	2024 £'000
Oryx at Fair value (traded price) using IFRS 10	**81,750**	83,706
Oryx value using Equity Accounting	**127,125**	119,254

Oryx value using Equity Accounting	**127,125**	119,254
Increase in net assets using Equity Accounting	**45,375**	35,548

8 investments at fair value through profit or loss
a) investments at fair value through profit or loss

	2025 £'000	2024 £'000
Quoted at fair value:		
United Kingdom	**446,419**	408,377
Overseas	**6,729**	5,697
Total quoted investments	**453,148**	414,074
Treasury bills at fair value	**66,445**	60,757
Unlisted and loan stock at fair value	**175,825**	137,594
investments at fair value through profit or loss	**695,418**	612,425

2025	**Quoted equities £'000**	**Unquoted Equities £'000**	**Loan Stocks £'000**	**Treasury Bills £'000**	**Total £'000**
analysis of investment portfolio movements					
Opening bookcost as at 1 February 2024	316,671	59,146	32,840	60,341	468,998
Opening unrealised appreciation/(depreciation)	97,403	46,768	(1,160)	416	143,427
opening fair value as at 1 February 2024	**414,074**	**105,914**	**31,680**	**60,757**	**612,425**
Movements in year:					
Purchases at cost	53,697	25,123	21,560	319,742	420,122
Sales - proceeds	(25,367)	(18,728)	(4,367)	(315,391)	(363,853)
- realised (losses)/gains on sales	(47,636)	11,346	131	1,455	(34,704)
Increase/(decrease) in appreciation on assets held	58,380	2,325	841	(118)	61,428
closing fair value as at 31 January 2025	**453,148**	**125,980**	**49,845**	**66,445**	**695,418**
Closing bookcost as at 31 January 2025	297,365	76,887	50,164	66,147	490,563
Closing appreciation/(depreciation)	155,783	49,093	(319)	298	204,855
	453,148	**125,980**	**49,845**	**66,445**	**695,418**

2024	Quoted equities £'000	Unquoted equities £'000	Loan stocks £'000	Treasury Bills £'000	Total £'000
analysis of investment portfolio movements					
Opening bookcost as at 1 February 2023	285,154	65,544	31,404	100,663	482,765
Opening unrealised appreciation/(depreciation)	164,940	37,971	65	(250)	202,726
opening fair value as at 1 February 2023	**450,094**	**103,515**	**31,469**	**100,413**	**685,491**
Movements in year:					
Transfer - at cost	(7,069)	7,069	-	-	-
- unrealised depreciation at date of transfer	4,650	(4,650)	-	-	-
Purchases at cost	77,505	4,575	7,800	312,667	402,547
Sales - proceeds	(90,599)	(18,992)	(6,515)	(349,968)	(466,074)
- realised gains/(losses) on sales	51,680	950	151	(3,021)	49,760
(Decrease)/increase in appreciation on assets held	(72,187)	13,447	(1,225)	666	(59,299)
closing fair value as at 31 January 2024	**414,074**	**105,914**	**31,680**	**60,757**	**612,425**
Closing bookcost as at 31 January 2024	316,671	59,146	32,840	60,341	468,998
Closing appreciation/(depreciation)	97,403	46,768	(1,160)	416	143,427
	414,074	**105,914**	**31,680**	**60,757**	**612,425**

	2025 £'000	2024 £'000
analysis of capital gains and losses		
(Losses)/gains on sales	**(34,704)**	49,760
Unrealised gains/(losses)	**61,428**	(59,299)
gains/(losses) on investments at fair value	**26,724**	(9,539)

	2025 £'000	2024 £'000

Exchange (losses)/gains on capital items	**(306)**	158
Exchange gains/(losses) on currency	**460**	(681)
exchange gains/(losses)	**154**	(523)

	2025	2024
	£'000	£'000
portfolio analysis		
Equity shares	**563,595**	518,198
Preference securities	**15,533**	1,790
Fixed interest/Loan note securities	**49,845**	31,680
Treasury Bills	**66,445**	60,757
	695,418	612,425

b) subsidiary undertakings

At 31 January 2025 the Company has the following Subsidiaries which were active during the year:

Subsidiary	Principal activity	Equity held	Country of registration
Consolidated Venture Finance Limited	Investment entity	100%	England and Wales
Hampton Investment Properties Limited	Property investment	79.65%	England and Wales
Oryx International Growth Fund Limited	Investment company	53.57%	Guernsey

assessment as an investment entity

Entities that meet the definition of an investment entity within IFRS 10 Consolidated Financial Statements, are required to measure their subsidiaries at fair value through profit or loss rather than consolidate the entities. The criteria which define an investment entity are as follows:

- an entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- an entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- an entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Board concluded that the Company continues to meet the characteristics of an investment entity in that it has more than one investment, it has ownership interests in the form of equity and similar interests, it has more than one investor and its investors are not related parties other than those disclosed in note 15.

c) significant holdings

At the year-end, the Company held 20% or over of the aggregate nominal value of voting equity of the following companies:

Company and address of principal business	Country of incorporation and registration	Year end	Capital and reserves £'000	Profit/ (loss) for the last financial year £'000	Company holding 31 January 2025 %	Company holding 31 January 2024 %
Consolidated Venture Finance Limited 6 Stratton Street, Mayfair, London W1J 8LD	England and Wales	31 January 2024	(740)	-	100.00	100.00
Crest Foods Co, Inc 502 Brown Avenue, Ashton, IL 61006	United States of America	31 July 2024	231	11,041	32.11	-
EKF Diagnostics Holdings Plc Avon House, 19 Stanwell Road, Penarth, Cardiff CF64 2EZ	England and Wales	31 December 2024	73,212	5,331	21.20	21.20
Frenkel Topping Group Plc Frenkel House 15 Carolina Way, Salford, Manchester M50 2ZY	England and Wales	31 December 2024	42,251	3,061	29.96	29.96
Hampton Investment Properties 6 Stratton Street, Mayfair, London W1J 8LD	England and Wales	31 December 2023	12,042	(46)	79.65	79.65
Hargreaves Services Plc West Terrace, Esh Winning, Durham DH7 9PT	England and Wales	31 May 2024	192,096	2,533	20.17	20.32
Harwood Private Capital UK LP 6 Stratton Street, Mayfair, London W1J 8LD	England and Wales	31 March 2024	32,846	2,011	28.57	28.57
Harwood Private Equity Fund IV LP 6 Stratton Street, Mayfair, London W1J 8LD	England and Wales	31 December 2024	75,042	256	26.28	26.28
Harwood Private Equity Fund V LP 6 Stratton Street, Mayfair, London W1J 8LD	England and Wales	31 December 2024	146,105	(94)	25.00	25.00
Oryx International Growth Fund Limited BNP Paribas House, St Julian's Avenue St Peter Port, Guernsey GY1 1WA	Guernsey	31 March 2024	231,666	25,233	53.57	52.68
Trident Private Equity Fund III LP 6 Stratton Street, Mayfair, London W1J 8LD	England and Wales	31 December 2023	2,893	(257)	38.76	38.76

All the investments detailed above have not been consolidated into the financial statements due to the Company meeting the definition of an investment entity under IFRS 10 and therefore these investments are included at fair value through profit and loss.

At the year end, the Company held over 3% of the shares in the following listed companies which were considered to be material:

	%
Oryx International Growth Fund Limited	53.57

Oryx International Growth Fund Limited	[illegible]
Frenkel Topping Group Plc	29.96
EKF Diagnostics Holdings Plc	21.16
Hargreaves Services Plc	20.17
Bigblu Broadband Plc	14.44
AssetCo Plc	14.04
Odyssean Investment Trust Plc	12.02
Carr's Group Plc	10.91
Real Estate Investors Plc	10.01
Verici DX Limited	9.48
Niox Group Plc	8.79
MJ Gleeson Plc	8.56
Polar Capital Holdings Plc	6.89
Palace Capital Plc	6.47
Mountain Comm Bancorp	6.12
Redcentric Plc	4.86
Restore Plc	4.56
Pinewood Technologies Group Plc	4.49
Conduit Holdings Limited	3.04
Renalytix AI Plc	3.02

d) investments in US treasury bills
At 31 January 2025, the Company held US Treasury Bills with a market value of £66,445,000 (2024: £60,757,000).

e) transaction costs
During the year, the Company incurred total transaction costs of £230,000 (2024: £371,000) comprising £225,000 (2024: £363,000) and £5,000 (2024: £8,000) on purchases and sales of investments respectively. These amounts are included in net gains/(losses) on investments as disclosed in the Statement of Comprehensive Income.

f) commitment
At 31 January 2025 NASCIT had undrawn capital commitments to invest £5.7 million (2024: £10.6 million) in Harwood Private Capital U.K. LP and £50.0 million (2024: £nil) in Harwood Private Equity VI LP.

9 trade and other receivables

	2025	2024
	£'000	£'000
Accrued income	**5,170**	3,696
Amounts due from brokers	**-**	41,729
Prepayments and other receivables	**1,011**	23,694
Recoverable withholding tax	**184**	153
	6,365	69,272

The 2024 amounts due from brokers was the sale of an investment for which the funds were remitted 6 February 2024. 2024 prepayments and other debtors included £22.8 million paid for an investment which completed 2 February 2024.

10 trade and other payables

	2025	2024
	£'000	£'000
Investment Manager's fees	**363**	356
Amounts due to brokers	**4,887**	-
Other payables and accruals	**339**	314
	5,589	670

11 share capital

	2025	**2025**	2024	2024
	Number	**£'000**	Number	£'000
- allotted, called up and fully paid:				
Ordinary Shares of 5p:				
Balance at beginning of year	**13,461,575**	**673**	13,602,068	680
Cancellation of shares	**(241,575)**	**(12)**	(140,493)	(7)
Balance at end of year	**13,220,000**	**661**	13,461,575	673

Since 31 January 2025, 20,000 Ordinary Shares have been purchased by the Company for cancellation for total consideration of £721,000. As at the date of this report, the Company's issued share capital consists of 13,200,000 Ordinary Shares of 5p nominal value each.

12 reconciliation of total return before taxation to cash generated from operations

	2025	2024
	£'000	£'000
Total return before taxation	**41,931**	2,178
(Gains)/losses on investments and currency	**(26,878)**	10,062
Income reinvested	**(3,275)**	(549)
Increase in trade and other receivables	**(1,628)**	(2,186)
Increase/(decrease) in trade and other payables	**32**	(37)
Cash received from operations	**10,182**	9,468

13 analysis of net cash

	At 1 February 2024	Cash flow	Exchange movement	**At 31 January 2025**
net cash	£'000	£'000	£'000	**£'000**
Cash and cash equivalents	9,203	7,647	460	**17,310**

14 financial instruments and risk profile
The Company's financial risk management objectives, policies and strategy can be found in the Strategic Report on pages 2

to 23.

The Company's financial instruments comprise its investment portfolio, cash balances, receivables and payables that arise directly from its operations. Investments are stated at fair value through profit and loss. All other financial assets and all financial liabilities are stated at amortised cost with the balance sheet values a reasonable approximation to fair value.

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

(i) market price risk, including currency risk, interest rate risk and other price risk;
(ii) liquidity risk; and
(iii) credit risk

The Board and Manager consider and review the risks inherent in managing the Company's assets which are detailed below.

(i) market price risk
The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises currency risk, interest rate risk and other price risk. The Board of Directors review and agree policies for managing these risks through detail and continuing analysis. The Manager assesses the exposure to market risk when making each investment decision and monitor the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

currency risk
The Company's total return and net assets can be materially affected by currency translation movements as a significant proportion of the Company's assets are denominated in currencies other than Sterling, which is the Company's functional currency. It is not the Company's policy to hedge this risk on a continuing basis but the Company may, from time to time, match specific overseas investment with foreign currency borrowings. The Manager seeks, when deemed appropriate, to manage exposure to currency movements on borrowings by using forward foreign currency contracts as a hedge against potential foreign currency movements. At 31 January 2025, the Company had no open forward currency contracts (2024: none).

The revenue account is subject to currency fluctuation arising on overseas income. The Company does not hedge this currency risk.

Foreign currency exposure by currency of denomination:

	31 January 2025			31 January 2024		
	Overseas investments £'000	**Net monetary assets £'000**	**Total currency exposure £'000**	Overseas investments £'000	Net monetary assets £'000	Total currency exposure £'000
US Dollar	**145,506**	**3,229**	**148,735**	111,822	26,237	138,059
	145,506	**3,229**	**148,735**	111,822	26,237	138,059

Sensitivity analysis is based on the Company's monetary foreign currency exposure at each balance sheet date. If Sterling had moved by 10% against the US Dollar, with all other variables constant, net assets would have moved by the amounts shown below. The analysis is shown on the same basis for 2024.

	31 January 2025		31 January 2024	
	10% weakening £'000	**10% strengthening £'000**	10% weakening £'000	10% strengthening £'000
US Dollar	**16,526**	**(13,521)**	15,340	(12,551)
	16,526	**(13,521)**	15,340	(12,551)

In the opinion of the Directors, the above sensitivity analyses are not representative of the year as a whole, since the level of exposure changes frequently as part of the currency risk management process used to meet the Company's objectives.

interest rate risk
Interest rate movements may affect;

- the fair value of the investments in fixed interest rate securities (including unquoted loans); or
- the level of income receivable on cash deposits;

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions.

The Board reviews on a regular basis the values of the fixed interest rate securities and the unquoted loans to companies in which private equity investment is made.

Movements in interest rates would not significantly affect net assets attributable to the Company's shareholders and total profit.

other price risk
Other price risks (i.e. changes in market prices other than those arising from currency risk or interest rate risk) may affect the value of the quoted and unquoted investments.

The Company's exposure to price risk comprises mainly movements in the value of the Company's investments. It should be noted that the prices of options tend to be more volatile than the prices of the underlying securities. As at the year-end, the spread of the Company's investment portfolio analysed by sector was as set out on page 8.

The Board of Directors manages the market price risks inherent in the investment portfolios by ensuring full and timely access to relevant investment information from the Manager. The Board meets regularly and at each meeting reviews investment performance. The Board monitors the Manager's compliance with the Company's objectives and is directly responsible for investment strategy and asset allocation.

The Company's exposure to other changes in market prices at 31 January 2025 on its quoted and unquoted investments and options on investments was as follows:

	2025 £'000	2024 £'000
Financial assets at fair value through profit or loss		
- Non current investments at fair value through profit or loss	**695,418**	612,425

As mentioned in the accounting policies note, the Private equity investments have been valued following the IPEV Valuation Guidelines. The valuation incorporates all relevant factors that market participants would consider in setting a price.

Methods applied include cost of investment, price of recent investments, net assets and earnings multiples. Any valuations in local currency are converted into sterling at the prevailing exchange rate on the valuation date.

Although the Manager believes that the estimates of fair values are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair values.

Subsequent adjustments in price are determined by the Manager's Valuation and Pricing Committee.

The table below shows how the most significant unquoted investments have been valued as at 31 January 2025.

	Method of fair value valuation	**2025 fair value GBP £'000**	2024 fair value GBP £'000
3BL Media USD 13% Loan Notes	Cost	**6,065**	5,105
Coventbridge Group Limited 10% loan USD	Cost	**8,249**	10,406
Crest Foods Common Shares USD	EBITDA Multiple	**12,055**	-
Crest Foods Preference Shares USD	Cost	**14,197**	-
Crest Foods 14.5% USD Loan Notes	Cost	**8,853**	-
Hampton Investment Properties Ltd GBP	Adjusted Net Assets	**792**	792
Harwood Private Capital UK L.P. GBP	Net Assets	**12,919**	9,251
Harwood Private Equity Fund IV LP	Net Assets	**19,800**	20,419
Harwood Private Equity Fund V LP	Net Assets	**36,593**	33,596
Jaguar Holdings Limited Ordinary Shares - USD	EBITDA Multiple	**2,414**	1,688
Jaguar Holdings Limited Preference Shares - USD	Cost	**1,336**	1,790
Oryx International Growth Fund Limited 6% Loan Notes GBP	Cost	**6,000**	-
Performance Chemical Holding Common Stock USD	EBITDA Multiple	**534**	11,681
SMT Corporation 11% USD Loan Notes	Cost	**16,446**	13,547
SMT Corporation 15% USD Loan Notes	Cost	**1,610**	-
SourceBio International Ordinary Shares GBP	EBITDA Multiple	**9,600**	9,200
Specialist Components Ltd GBP 5% Loan Notes GBP	Cost	**2,622**	2,622
Specialist Components Ltd APC Technology Ord GBP	EBITDA Multiple	**-**	-
Sportech Limited - Ordinary Shares GBP	EBITDA Multiple	**4,752**	5,760
Spring Investment LP (Duke Street) GBP	Net Assets	**9,968**	10,143
Trident Private Equity Fund LP3 GBP	Net Assets	**447**	443
WEP Fund II SIMCO Co-Investment USD	Net Assets	**166**	754
		175,418	137,197
Other investments		**407**	397
		175,825	137,594

the valuation techniques applied are based on the following assumptions:
Unquoted investments are usually valued by reference to the valuation multiples of similar listed companies or from transactions of similar businesses. Where appropriate discounts are then applied to those comparable multiples to reflect difference in size and liquidity. These enterprise values are then adjusted for net debt to arrive at an equity valuation. Where companies are in compliance with the loan note terms these loans are generally held at par plus accrued interest (where applicable) unless the enterprise value suggests that the debt cannot be recovered.

Further detail on the valuation of significant investments, are detailed below:

Harwood Private Equity IV LP (HPE4) and Harwood Private Equity V LP (HPE5)
Held at net asset value, derived from the audited financial statements of the Funds as at 31 December 2024, as the underlying investments within HPE4 and HPE5 are valued on a fair value basis and adjusted for Fund transactions between 1 January 2025 to 31 January 2025. As the funds have no debts, a change of 10% in the underlying assets would have a 10% impact on the Funds' carrying value.

Harwood Private Capital LP (HPC):
Held at net asset value, derived from the monthly management accounts of the Fund as at 31 January 2025. HPC invests mainly in debt instruments which accrue payment in kind and cash interest, and also holds some minority equity positions which are fair valued. As the Fund has no debts, a change of 10% in the underlying assets would have a 10% impact on the Funds' carrying value.

SourceBio International - Ordinary Shares
This investment is held at the £1.20 per share price used for the transactions associated with the acquisition and delisting in December 2022 (price of recent investment). This equates to an enterprise value calculated based on an EBITDA multiple of 10.3x (2024: 9.6x). A reduction in the multiple by a factor of 1x would reduce the carrying value of the total investment by £0.944 million, or -10%. An increase in the multiple by a factor of 1x would increase the value of the total investment by £0.944 million, or -10%.

SMT Corporation 11% and 15% USD - Loan Notes
The loan is held at par plus accrued interest. The enterprise value is calculated using an EBITDA multiple of 12.5x (2024: 12.5x). Neither a reduction nor an increase in the multiple by a factor of 1x would impact the carry value of the loan.

CoventBridge Group 10% USD - Loan Notes
The loan is held at par plus accrued interest. The enterprise value is calculated using an EBITDA multiple of 8.9x (2024: 8.1x). Neither a reduction nor an increase in the multiple by a factor of 1x would impact the carry value of the loan.

Spring Investment LP
Held at net asset value derived from the audited financial statements of the Fund as at 31 December 2024 as the underlying investment is at fair value using an EBITDA multiple of 7.3x (2024: 7.0x). As the fund has no debt, a change of 10% in the underlying assets would have a 10% impact on the Fund's carrying value.

Crest Foods USD - Ordinary Shares, Preference Shares and Loan Notes
The ordinary shares are valued using an EBITDA multiple of 10.0x (2024: not held) to calculate an enterprise value. A reduction in the multiple by a factor of 1x would reduce the carrying value of the total investment by £4.2 million or 28%. An increase in the multiple by factor of 1x would increase the value of the total investment by £4.2 million or 28%. The loan notes are held at par plus accrued interest. Neither a reduction nor an increase in the multiple by a factor of 1x would

notes are held at par plus accrued interest. Neither a reduction nor an increase in the multiple by a factor of 1x would impact the carrying value of the loan.

The following table illustrates the sensitivity of the profit after taxation and net assets to an increase or decrease of 10% in the fair values of the Company's investments. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Company's equities and equity exposure through options at each Balance Sheet date, with all other variables held constant.

	2025		2024	
	Increase in fair value £'000	**Decrease in fair value £'000**	Increase in fair value £'000	Decrease in fair value £'000
Increase/(decrease) in net assets	**69,542**	**(69,542)**	61,243	(61,243)

(ii) liquidity risk
This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

The Company invests in equities and other investments that are readily realisable. It also invests in unquoted securities, which are less readily marketable than equities. These investments are monitored by the Board on regular basis.

As at 31 January 2025, £66,445,000 (2024: £60,757,000) of the Company's investments are held in short-term Treasury Bills, which are highly liquid and could be accessed within one week.

As the Company is a closed-end company, assets do not need to be liquidated to meet redemptions and sufficient liquidity is maintained to meet obligations as they fall due.

(iii) credit risk
Other than its investment in US Treasury Bills, the Company does not have any significant exposure to credit risk arising from any one individual party. Credit risk is spread across a number of counterparties, each having an immaterial effect on the Company's cash flows, should a default happen. The Company assesses the credit worthiness of its receivables from time to time to ensure they are neither past due or impaired.

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

	2025 £'000	2024 £'000
financial assets neither past due or impaired		
Fixed income securities	**49,845**	31,680
Preference shares	**15,533**	1,790
Treasury Bills	**66,445**	60,757
Accrued income and other receivables	**5,170**	45,425
Cash and cash equivalents	**17,310**	9,203
	154,303	148,855

The maximum credit exposure of financial assets represents the carrying amount.

There are no financial assets that are past due or impaired.

commitments giving rise to credit risk
There are no commitments giving rise to credit risk as at 31 January 2025.

fair value of financial assets
The Company measures fair values using the fair value hierarchy that reflects the significance of the inputs used in making the measurements of the relevant assets as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). See note 1f for details on how the value of level 3 investments are calculated.

  The Company's main unobservable inputs are earnings multiples, recent transactions and net asset basis. The market value would be sensitive to movements in these unobservable inputs. Movements in these inputs, individually or in aggregate could have a significant effect on the market value. The effect of such a change or a reasonable possible alternative would be difficult to quantify as such data is not available.

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 that 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 Company considers observable data from investments actively traded in organised financial markets, fair value is generally determined by reference to Stock Exchange quoted market bid prices at the close of business on the Balance Sheet date, without adjustment for transaction costs necessary to realise the asset.

The table below sets out fair value measurements of financial assets in accordance with the IFRS 13 fair value hierarchy system:

financial assets at fair value through profit or loss
At 31 January 2025

	Total £'000	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**
Equity investments	**579,128**	**453,148**	**-**	**125,980**
Fixed interest investments	**116,290**	**66,445**	**-**	**49,845**
total	**695,418**	**519,593**	**-**	**175,825**

At 31 January 2024

	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Equity investments	519,988	414,074	-	105,914
Fixed interest investments	92,437	60,757	-	31,680
total	612,425	474,831	-	137,594

A reconciliation of fair value measurements in Level 3 is set out below.

level 3 financial assets at fair value through profit or loss
At 31 January 2025

	Total £'000	Equity investments £'000	Fixed interest investments £'000
Opening fair value	**137,594**	**105,914**	**31,680**
Purchases	**46,683**	**25,123**	**21,560**
Sales	**(23,095)**	**(18,728)**	**(4,367)**
Total gains included in gains on investments in the Statement of Comprehensive Income:			
- on assets sold	**11,477**	**11,346**	**131**
- on assets held at the end of the year	**3,166**	**2,325**	**841**
closing fair value	**175,825**	**125,980**	**49,845**

capital management policies and procedures
The Company's capital management objectives are:

- to ensure that the Company will be able to continue as a going concern; and
- to maximise the income and capital return to its equity shareholders through an appropriate balance of equity capital and debt. The policy is that gearing should not exceed 30% of net assets.

The Company's capital at 31 January comprises:

	2025 £'000	2024 £'000
debt	**-**	-
equity		
Equity share capital	**661**	673
Retained earnings and other reserves	**712,843**	689,557
	713,504	690,230
debt as a % of net assets	**0.0%**	0.0%

The Board, with the assistance of the Manager monitor and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes account of the Manager's views on the market;
- the need to buy back equity Shares for cancellation, which takes account of the difference between the net asset value per share and the Share price (i.e. the level of share price discount or premium);
- the need for new issues of equity Shares; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

capital requirement
The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

15 related party transactions
Harwood Capital LLP, Harwood Private Equity LLP and Harwood Capital Management (Gibraltar) Ltd are regarded as related parties of the Company due to Christopher Mills, the Company's Chief Executive and Investment Manager currently being a Director of Harwood Capital Management (Gibraltar) Ltd and a Member of Harwood Capital LLP until 9 June 2015, and the ultimate beneficial owner. Harwood Private Equity LLP replaced Harwood Capital LLP as Investment Manager or Investment Adviser to the Private Equity Funds on 21 December 2022. Harwood Capital Management (Gibraltar) Ltd acts as Investment Manager or Investment Adviser to Oryx International Growth Fund Ltd, and Harwood Private Equity LLP acts as Investment Manager or Investment Adviser of the Private Equity Funds below, in which the Company has an investment and from which companies it receives fees or other incentives for its services.

The table below discloses fees paid by Oryx and the Private Equity Funds to these related parties:

	Services	2025 £'000	2024 £'000
Oryx International Growth Fund Limited	Investment Advisory	**2,818**	2,582
Trident Private Equity III LP	Investment Advisory	**-**	-
Harwood Private Equity IV LP	Investment Advisory	**770**	883
Harwood Private Equity V LP	Investment Advisory	**3,200**	3,200

The amounts payable to the Manager are disclosed in note 3. The relationships between the Company, its Directors and the Manager are disclosed in the Report of the Directors on pages 24 to 26.

Christopher Mills is Chief Executive Officer and indirectly a member of Harwood Capital LLP and Harwood Private Equity LLP. He is also a director of Oryx. GFS is a wholly-owned subsidiary of Harwood Capital Management Limited, which is the holding company of the Harwood group of companies and is, in turn, 100% owned by Christopher Mills. Harwood Capital Management Limited is also a Designated Member of Harwood Capital LLP and Harwood Private Equity LLP, the past and current Administrators of the Company.

North Atlantic Investment Services Ltd provides administration services to the Company (which were previously provided by Harwood Capital LLP under a similar agreement) for the value £4,355,000 (2024: £3,913,000) At year-end balance due to the business was £363,000 (2024:£356,000).

Fees from Odyssean Investment Trust Plc and Harwood Private Capital UK LP go to Odyssean Capital LLP (OCLLP) and Harwood Private Capital LLP (HPCLLP) respectively. Both OCLLP and HPCLLP are 50:50 JVs between Harwood Capital Management Ltd and Stuart Widdowson, for OCLLP, and Haseeb Aziz, for HPCLLP.

During the year, a loan was made to Oryx for £8.0m. This was partially repaid in the year and income on the loan was £105,000. The remaining balance at the year end was £6.0m.

disclosure of interests
Christopher Mills is also a director of the following companies in which the Company has an investment or may have had in the year and/or from which he may receive fees or hold shares: AssetCo plc, Bigblu Broadband plc, CoventBridge Group Limited, EKF Diagnostics Holdings Plc, Frenkel Topping Group plc, Jaguar Holdings Limited, M J Gleeson Group plc, Oryx, Renalytix Al Plc, SourceBio International plc, SureServe Group plc, Ten Entertainment Group Plc, Trellus Health plc and Utitec Holdings Inc. Employees of the Manager may hold options over shares in investee companies. A total of £314,069 (2024: £469,202) in directors fees was received by Christopher Mills during the year under review.

No formal arrangements exist to avoid double charging on investments held by the Company which are also managed or advised by Christopher Mills (Chief Executive) and/or Harwood Capital LLP. Members and certain private clients of Harwood Capital LLP, and its associates (excluding Christopher Mills and his family) hold 43,581 shares in the Company (2024: 51,424).

Members, employees, institutional clients and private clients of Harwood Capital LLP and Harwood Private Equity LLP may co-invest in the same investments as the Company.

From time to time Directors may co-invest in the same investments as the Company.

directors and advisers

Directors

Sir Charles Wake (Chairman)

Christopher Mills (Chief Executive)

Fiona Gilbert

Lord Howard of Rising

G Walter Loewenbaum

Peregrine Moncreiffe

Julian Fagge

Administrator

North Atlantic Investment Services Limited

(Authorised and regulated by the Financial Conduct Authority)

6 Stratton Street
Mayfair
London W1J 8LD

Telephone: 020 7640 3200

Financial Adviser and Stockbroker

Winterflood Investment Trusts

Riverbank House

2 Swan Lane
London EC4R 3GA

Registered Office

6 Stratton Street

Mayfair
London W1J 8LD

Telephone: 020 7640 3200

Registrars

MUFG Corporate Markets

Central Square
29 Wellington Street
Leeds LS1 4DL

Auditors

RSM UK Audit LLP

25 Farringdon Street,

London EC4A 4AB

Company Secretary

SGH Company Secretaries Limited

60 Gracechurch Street

London EC3V 0HR

shareholder information

financial calendar

Announcement of results and Annual Report	May
Annual General Meeting	June
Half-Yearly results and report	September
Half-Yearly report posted	September

share price

The Company's share price can be found on:	SEAQ Ordinary Shares: NAS
	Trustnet: www.trustnet.ltd.uk

net asset value
The latest net asset value of the Company can be found on the Company's website: www.nascit.co.uk

share dealing
Investors wishing to purchase more Ordinary Shares or dispose of all or part of their holding may do so through a stockbroker. Many banks also offer this service.

The Company's registrars are MUFG Corporate Markets. If you have a question about your shareholding in the Company you should contact: MUFG Corporate Markets, Central Square, 29 Wellington Street, Leeds LS1 4DL, by email:

shareholderenquiries@cm.mpms.mufg.com, or by telephone 0371 664 0300 and +44 (0) 371 664 0300 (international).

Calls are charged at the standard geographic rate and will vary by provider.

Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9am and 5.30pm, Monday to Friday excluding public holidays in England and Wales.

Changes of name or address must be notified to the registrars in writing at:

MUFG Corporate Markets
Central Square
29 Wellington Street
Leeds LS1 4DL

END

FR PKABNKBKBNPK