

NEW STAR INVESTMENT TRUST PLC

This announcement constitutes regulated information.

UNAUDITED RESULTS

FOR THE YEAR ENDED 30TH JUNE 2024

New Star Investment Trust plc (the 'Company'), whose current objective is to achieve long-term capital growth, announces its results for the year ended 30th June 2024.

FINANCIAL HIGHLIGHTS

	30th June 2024	30th June 2023	% Change
PERFORMANCE			
Net assets (£ '000)	137,861	125,592	9.77
Net asset value per Ordinary share	194.11p	176.83p	9.77
Mid-market price per Ordinary share	131.50p	120.00p	9.58
Discount of price to net asset value	32.3%	32.1%	n/a
Total Return*	11.69%	2.62%	n/a
IA Mixed Investment 40% - 85% Shares (total return)	11.80%	3.37%	n/a
MSCI AC World Index (total return, sterling adjusted)	20.61%	11.89%	n/a
MSCI UK Index (total return)	13.16%	6.78%	n/a
	1st July 2023 to 30th June 2024	1st July 2022 to 30th June 2023	
Revenue return per Ordinary share	4.05p	2.99p	
Capital return per Ordinary share	16.62p	1.58p	
Return per Ordinary share	20.67p	4.57p	
TOTAL RETURN*	11.69%	2.62%	
DIVIDEND PER ORDINARY SHARE			
Interim paid April 2024	1.70p	0.90p	
Proposed final dividend	1.70p	1.70p	
	3.40p	2.60p	

* The total return figure for the Company represents the revenue and capital return shown in the Statement of Comprehensive Income divided by the net asset value at the beginning of the period. The total return

performance basis is the industry standard and is considered a more appropriate measure than just the revenue returns. This is an alternative performance measure.

CHAIRMAN'S STATEMENT

PERFORMANCE

Your Company's generated a total return of 11.69% over the year to 30th June 2024, leaving the net asset value (NAV) per ordinary share at 194.11p. By comparison, the Investment Association's Mixed Investment 40-85% Shares Index gained 11.80%. The MSCI AC World Total Return Index gained 20.61% in sterling while the MSCI UK All Cap Total Return Index rose 13.16%. Over the year, UK government bonds returned 4.50%. Further information is provided in the investment manager's report.

Your Company made a revenue profit for the year of £2.88 million (2023: £2.12 million).

RETURN OF CAPITAL

On 21st June 2024, the board announced plans to return £17 million to shareholders by way of a B share scheme. On 24th July 2024, shareholders voted in favour of the scheme at an extraordinary general meeting. New B Shares were issued and then redeemed immediately at a price of 24p per B share. Following the scheme, your Company's total issued share capital and voting rights were unchanged. Your Company financed the repayment by selling a proportion of its holdings across the board with a view broadly to maintaining in percentage terms the asset allocation, including the allocation to cash. As a result, the risk profile of the portfolio was broadly unchanged.

CHANGE OF INVESTMENT OBJECTIVE

Your Board is proposing to widen the investment objective towards total return rather than simply capital growth. This revised objective will be put to shareholders at the forthcoming annual meeting.

GEARINGS AND DIVIDEND

Your Company has no borrowings. It ended the year under review with cash and bank deposits representing 11.61% of its NAV and is likely to maintain a significant cash and bank deposit position. In respect of the financial year to 30th June 2024, your Directors recommend the payment of a final dividend of 1.7p per share, making a total for the year of 3.4p (2023: 2.6p).

DISCOUNT

During the year under review, your Company's shares continued to trade at a significant discount to their NAV. The Board keeps this issue under review.

OUTLOOK

Inflation in the US, the UK and eurozone is likely to fall further towards the leading central banks' 2% targets over the remainder of 2024. Amid this backdrop and at a time of weakening monetary trends within the Group of Seven major industrial nations and the seven largest emerging markets, there are likely to be further reductions in policy interest rates. Lower interest rates should be supportive for equities and bonds. There may, however, be increased volatility ahead of November's US presidential election, especially given the conflicts in Ukraine and the Middle-East and as investors attempt to discern the potential for profit from advances in artificial intelligence.

NET ASSET VALUE

After the return of capital, your Company's unaudited NAV at 30 September 2024 was 169.07p.

INVESTMENT MANAGER'S REPORT

MARKET REVIEW

Equities, as measured by the MSCI AC World Total Return Index, and bonds, as measured by the Bloomberg Barclays Global Aggregate Bond Total Return Index, rose 20.61% and 1.50% respectively in sterling over the year to 30 June 2024 as inflation fell towards the major central banks' 2% targets. In response, the European Central Bank (ECB) eased its monetary policy for the first time in the current interest rate cycle, reducing its main policy rate by a quarter percentage point to 4.25%. Shortly after the year end, the Bank of England cut Bank Rate by a quarter point to 5% and in September the Federal Reserve reduced its policy rate by a half point to 4.75-5.0%.

The US core personal consumption expenditures price index, the Fed's preferred inflation measure, fell from 4.3% in June 2023 to 2.6% in July 2024. UK headline inflation fell from 7.9% in June 2023 to 2.0% in May and June 2024 before increasing to 2.2% in July. The ECB's preferred eurozone inflation measure fell from 5.5% in June 2023 to lows of 2.4% in November 2023 and April 2024 before increasing to 2.6% in July.

Emerging from two quarters of mild recession, the UK recorded stronger-than-expected economic growth of 0.7% in the first quarter of 2024 followed by 0.6% in the second quarter. After Labour's general election victory in July, tax increases are expected in October's budget. Clarity on fiscal policy may, however, encourage businesses and households to commit to longer-term spending, enhancing economic activity.

By contrast, the Bank of Japan (the BoJ) began to reverse its accommodative monetary policy, which had been intended to achieve sustained 2% inflation through negative interest rates after decades of deflation. The BoJ raised its key short-term interest rate in March 2024 from -0.1% to a 0-0.1% range in the first rise since 2007 and raised the rate a second time in July, taking it to 0.25%. Japanese stocks rose 25.59% in yen terms as currency-weakness improved Japan's export competitiveness but the yen's decline against the pound reduced the gain to 13.49% in sterling terms.

Among developing economies, China eased monetary policy by cutting its key reserve requirement ratio from 7.6% to 7.4% in September 2023 and to 7% in February 2024. Despite this, Chinese stocks fell 0.87% in sterling over the year as a result of slowing economic growth, property-sector over-indebtedness and bipartisan US support for trade restrictions. China's "common prosperity" measures collided with shareholder interests to justify a higher risk premium and lower valuations for Chinese stocks. By contrast, Indian equities rose 35.67% in sterling, benefitting from strong economic growth, business-friendly policies and protections for shareholder rights under the rule of law. In India's general election, Narendra Modi, the Prime Minister, secured a third term in office, albeit propped by coalition partners.

PORTFOLIO REVIEW

Your Company's total return over the year under review was 11.69%. By comparison, the Investment Association (IA) Mixed Investment 40-85% Shares sector, a peer group of multi-asset funds with allocations to equities in the 40-85% range, rose 11.80%. The MSCI AC World Total Return and MSCI UK All Cap Total Return Indices rose 20.61% and 13.16% respectively while global bonds rose 1.50% in sterling and UK government bonds rose 4.50%. Your Company is invested across asset classes to increase diversification and reduce longer-term risks. In consequence, performance did not keep pace with a strongly rising equity market as sterling and dollar cash and low-risk multi-asset investments lagged the gains for equities. Within the equity allocation, a relatively high emerging markets weighting at the expense of the technology-heavy US market compared to the IA 40-85% Shares sector hurt performance. The focus on

higher-yielding markets and investments managed in accordance with an income mandate will facilitate the payment of dividends by your Company.

US technology stocks rose 45.14% in sterling as investors embraced the commercial potential of artificial intelligence (AI), fueling the 25.27% gain in US stocks overall. Within the portfolio, Polar Capital Global Technology, the largest holding at the year end, and the iShares S&P 500 exchange-traded fund (ETF) gained 41.70% and 26.94% respectively. Polar Capital Global Technology has focused on beneficiaries of the demand for artificial intelligence, with Nvidia, the leading designer of AI semiconductors, the largest holding. This focus on AI may lead to greater volatility of returns because of the difficulties inherent in forecasting the commercial development of an emerging technology.

Nvidia outsources production to Taiwan Semiconductor Manufacturing Company (TSMC), the world's leading foundry, and TSMC is another large Polar Capital holding because hardware suppliers should benefit from commercial applications for AI. TSMC is also a large holding in the portfolio's emerging markets holdings including Polen Capital Asia Income, Schroder Asian Income Maximiser, the Schroder Oriental Income investment trust and JP Morgan's two Emerging Markets Income funds, one of which is an investment trust. Nvidia and TSMC gained 193.81% and 65.03% in sterling respectively over the year. Your Company will benefit in the longer term from AI advances because of its significant allocation to technology stocks. Investments outside US technology may, however, provide some protection and diversification if and when technology stocks fall short of investors' expectations.

By contrast, your Company's relatively high weightings in developing markets hurt performance as equities in Asia excluding Japan and emerging markets lagged, rising 13.92% and 13.62% respectively in sterling. Valuations ended the year relatively low, however, and likely US interest rate cuts may lead to dollar weakness, which typically increases demand for developing economy assets. Within the emerging markets allocation, Stewart Investors Indian Subcontinent did best, rising 24.40%, while Vietnam Enterprise Investments was weakest, up 1.55%.

The UK stock market also lagged, rising 13.29%, but smaller stocks did slightly better, rising 14.49%. UK companies ended the year relatively lowly valued and may prove defensive should equities fall overall. Within the portfolio's UK equity allocation, Aberforth Split Level Income did best, rising 31.60% over the year. The majority of your Company's holding in this investment trust was rolled over in June 2024 into Aberforth Geared Value & Income, which has a similar mandate, investing in smaller value stocks. Man GLG UK Income, which invests across the market cap spectrum in value stocks, also outperformed rising 20.62%, while Chelverton UK Equity Income, a small cap specialist, gained 13.80%.

Over the course of the year, various long-standing investments were sold including Fundsmith as well as Crux European Special Situations and BlackRock Continental Income, two disposals that reduced your Company's allocation to equities in Europe excluding the UK.

Investment in higher-yielding equity investments facilitates the payment of dividends by your Company. Higher-yielding equities may also deliver attractive total returns because an above-average yield may indicate an undervalued investment opportunity capable of delivering capital returns alongside a healthy dividend. The allocation to equity income holdings increased during the year through purchases of Baillie Gifford Global Income Growth and Redwheel Global Equity Income. A new investment was also made in Clearbridge Global Infrastructure Income. Infrastructure stocks typically benefit from falling interest rates because many have bond-like characteristics as a result of the high visibility of future cash flows. Spending on environmentally friendly electricity generation and distribution to meet governments' clean energy

targets is a major opportunity for some companies in the Clearbridge portfolio. Investment in higher-yielding UK equities was also increased through an addition to Man GLG UK Income.

Your Company's holdings in developing economies increased through purchases of Schroder Asian Income Maximiser, Prusik Asian Equity Income and Schroder Oriental Income. Matthews Asia ex-Japan was sold, however, following a change of manager and investment mandate from income to total return as was Baillie Gifford Pacific.

In Japan, Lindsell Train Japanese Equity, a growth-oriented holding, was sold following poor performance while the JP Morgan Japan Small Cap Growth & Income, an investment trust, was added.

Trojan, a low-risk multi-asset investment, and BlackRock Gold & General, which invests in mining companies, were sold. These investments provided diversification during the recent rate-tightening cycle in which your Company had a low allocation to bonds, which typically fall as interest rates rise. A sterling-hedged iShares Treasury Bond 7-10 Years ETF holding and Schroder Strategic Credit were purchased, however, because interest rates appeared to reach a cyclical peak and these holdings may provide attractive income as well as capital gains as interest rates fall.

OUTLOOK

Following your Company's year-end, £17 million was returned to shareholders via a B share issue and redemption. The asset allocation was kept broadly unchanged.

Over the coming months, inflation is likely to fall further towards central bank targets, leading to monetary easing across the major western economies. Easier monetary policy should support equities and bonds while your Company's cash and longer term deposits provide income and some diversification in the event that markets fall.

Your Company has benefited from the strong performance from US technology stocks but changes over the year have resulted in a higher allocation to more lowly-valued countries and sectors, which may prove defensive if investors become disenchanted with the scale or pace of the commercialisation of AI advances. With the outcome far from clear, there may be increased volatility ahead of November's US presidential election. Since your Company's year-end, conflict in the Middle East has intensified although the impact on global markets, particularly oil prices, remains muted for now because of US energy self-sufficiency. A focus on equity income investments may provide some defensiveness in times of heightened volatility and facilitate the payment of dividends by your Company.

SCHEDULE OF LARGEST HOLDINGS AT 30TH JUNE 2024

	Market value 30 June 2023	Purchases/ (Sales)	Market movement	Market value 30 June 2024	% of net assets
	£'000	£'000	£'000	£'000	
Polar Capital Global Technology	8,615	-	3,628	12,243	8.88
Baillie Gifford Global Income Growth	4,252	2,500	574	7,326	5.31
TM Redwheel Global Equity Income Fund	2,132	4,700	389	7,221	5.24
Man GLG UK Income Fund	2,597	3,900	683	7,180	5.21
iShares Core S&P 500 UCITS ETF	5,327	-	1,316	6,643	4.82
First State Indian Subcontinent Fund	4,578	-	1,120	5,698	4.12
Aquilus Inflection Fund	4,544	-	522	5,066	3.68
EF Brompton Global Conservative Fund	4,439	-	318	4,757	3.45
MI Chelverton UK Equity Income Fund	4,300	-	309	4,609	3.34
EF Brompton Global Equity Fund	3,615	-	652	4,267	3.10
MI Polen Capital Asia Income Fund	3,782	-	365	4,147	3.01
Aberforth Split Level Income Trust	3,526	-	539	4,065	2.95
Schroder Asian Income Maximiser L Income	-	3,900	165	4,065	2.95
FTF Clearbridge Global Infrastructure Income	-	3,900	7	3,907	2.83
EF Brompton Global Opportunities Fund	3,332	-	442	3,774	2.74
EF Brompton Global Growth Fund	3,159	-	404	3,563	2.59
Vietnam Enterprise Investments	3,473	-	24	3,497	2.54
MI Brompton UK Recovery Unit Trust	2,933	-	357	3,290	2.38
Schroder Strategic Credit Fund L Income	-	3,000	50	3,050	2.21
Prusik Asian Equity Income Fund	-	3,000	(27)	2,973	2.16
iShares \$ Treasury Bond 7-10yr UCITS ETF	-	3,056	(111)	2,945	2.14
EF Brompton Global Balanced Fund	2,503	-	242	2,745	1.99
EF Brompton Global Income Fund	2,120	-	116	2,236	1.62
Schroder Oriental Income Fund		1,627	153	1,780	1.29
Fundsmith Equity Fund	9,745	(10,188)	443	-	-
BlackRock Continental European Income Fund	4,355	(4,723)	368	-	-
Blackrock Gold and General	3,832	(3,806)	(26)	-	-
Matthews Asia Ex Japan	<u>4,266</u>	<u>(3,889)</u>	<u>(377)</u>	-	-
	91,425	6,977	12,645	111,047	80.55
Balance not held in investments above	<u>16,876</u>	<u>(6,137)</u>	<u>(70)</u>	<u>10,669</u>	<u>7.74</u>
Total investments (excluding cash and bank deposits)	108,301	840	12,575	121,716	88.29

The investment portfolio, excluding cash and bank deposits, can be further analysed as follows:

	£ '000
Investment funds	97,469
Investment companies and exchange traded funds	20,735
Unquoted investments, including loans of £0.4m	2,753
Other quoted investments	<u>759</u>
	<u>121,716</u>

STRATEGIC REVIEW

The Strategic Review is designed to provide information primarily about the Company's business and results for the year ended 30th June 2024. The Strategic Review should be read in conjunction with the Chairman's Statement and the Investment Manager's Report above, which provide a review of the year's investment activities of the Company and the outlook for the future.

STATUS

The Company is an investment company under section 833 of the Companies Act 2006. It is an Approved Company under the Investment Trust (Approved Company) (Tax) Regulations 2011 (the 'Regulations') and conducts its affairs in accordance with those Regulations so as to retain its status as an investment trust and maintain exemption from liability to United Kingdom capital gains tax.

The Company is a small registered Alternative Investment Fund Manager.

PURPOSE CULTURE AND VALUES

The Directors acknowledge the expectation under the UK Code on Corporate Governance issued by the Financial Reporting Council in July 2018 (the 'Code') that they formally define a purpose for the Company. The Directors have reviewed this requirement and consider that the Company's purpose is to deliver the Company's stated investment objective to achieve long-term capital growth for the benefit of its investors.

Similarly, the Directors have also considered the Company's culture and values in line with the Code requirements. The Board has formed the view that as the Company has no direct employees, and with operational management outsourced to the Investment Manager, the Administrator and the Company Secretary, the Company's culture and values have to be those of the Board. Having a stable composition and established working practices, the Board is defined by experienced membership, trust and robust investment challenge. These are therefore the key characteristics of the Company's culture and values.

STAKEHOLDER RESPONSIBILITIES (S.172 STATEMENT UNDER COMPANIES ACT 2006)

The Directors are aware of their responsibilities to stakeholders under both the Code and legislation through regular governance updates from the Company Secretary. As a UK listed investment trust, the Directors outsource operational management of the Company, including day-to-day management of the investment portfolio, to third parties. As a consequence, the Directors consider their key stakeholder groups to be limited to the Company's shareholders, its third-party advisers and service providers, and individual Board members.

The Company's Articles of Association, the Board's commitment to follow the principles of the Code and the involvement of the independent Company Secretary in Board matters enable the Directors to meet their responsibilities towards individual shareholder groups and Board members. Governance procedures are in place which allow both investors and Directors to ask questions or raise concerns appropriately. The Board is satisfied that those governance procedures mean the Company can act fairly between individual shareholders and takes account of Mr Duffield's significant shareholding. In considering the payment of the minimum dividend required to maintain investment trust tax status, the recommendations to vote in favour of the resolutions at the AGM and the asset allocation within the investment portfolio, the Board assessed the potential benefits to shareholders.

The Board also regularly considers the performance of its independent third-party service providers. Those third-party service providers in turn have regular opportunities to report on matters meriting the attention of the Board, including in relation to their own performance. The Board is therefore confident that its responsibilities to each of its key stakeholder groups are being discharged effectively.

As the Company does not have any employees, the Board does not consider it necessary to establish means for employee engagement with the Board as required by the latest version of the Code.

INVESTMENT OBJECTIVE AND POLICY

Investment Objective

The Company's investment objective has been to achieve long-term capital growth.

It is proposed that the investment objective is widened towards total return rather than simply capital growth. This revised objective will be put to shareholders at the forthcoming annual general meeting.

Investment Policy

The Company's investment policy is to allocate assets to global investment opportunities through investment in equity, bond, commodity, real estate, currency and other markets. The Company's assets may have significant weightings to any one asset class or market, including cash.

The Company will invest in pooled investment vehicles, exchange traded funds, futures, options, limited partnerships and direct investments in relevant markets. The Company may invest up to 15% of its net assets in direct investments in relevant markets.

The Company will not follow any index with reference to asset classes, countries, sectors or stocks. Aggregate asset class exposure to any one of the United States, the United Kingdom, Europe ex UK, Asia ex Japan, Japan or Emerging Markets and to any individual industry sector will be limited to 50% of the Company's net assets, such values being assessed at the time of investment and for funds by reference to their published investment policy or, where appropriate, the underlying investment exposure.

The Company may invest up to 20% of its net assets in unlisted securities (excluding unquoted pooled investment vehicles), such values being assessed at the time of investment.

The Company will not invest more than 15% of its net assets in any single investment, such values being assessed at the time of investment.

Derivative instruments and forward foreign exchange contracts may be used for the purposes of efficient portfolio management and currency hedging. Derivatives may also be used outside of efficient portfolio management to meet the Company's investment objective. The Company may take outright short positions in relation to up to 30% of its net assets, with a limit on short sales of individual stocks of up to 5% of its net assets, such values being assessed at the time of investment.

The Company may borrow up to 30% of net assets for short-term funding or long-term investment purposes.

No more than 10%, in aggregate, of the value of the Company's total assets may be invested in other closed-ended investment funds except where such funds have themselves published investment policies to invest no more than 15% of their total assets in other listed closed-ended investment funds.

Information on the Company's portfolio of assets with a view to spreading investment risk in accordance with its investment policy is set out above.

FINANCIAL REVIEW

For the year-ended 30 June 2023, the Company changed its management fee allocation policy. Previously the management fee was charged to income. As the Company invests on a fund of funds basis, for much of the investment portfolio this results in two investment management fees being charged to income. For 2023 and subsequent periods, the management fee charged directly by Brompton is being allocated to the capital account.

Net assets at 30th June 2024 amounted to £137,861,000 compared with £125,592,000 at 30th June 2023. In the year under review, the NAV per Ordinary share increased by 9.77% from 176.83p to 194.11p, after paying a final dividend of 1.40p per share in respect of 2023 and an interim dividend for 2024 of 1.70p per share.

The Company's gross revenue rose to £3,256,000 (2023: £2,454,000). After deducting expenses and taxation, the revenue profit for the year was £2,881,000 (2023: £2,122,000).

Total expenses, including the management fee charged to capital, for the year increased slightly to £1,186,000 (2023: £1,107,000). In the year under review the investment management fee increased to £811,000 (2023: £775,000), reflecting the Company's higher average NAV over the period. Further details on the Company's expenses may be found in notes 3 and 4 below.

Historically, dividends have not formed a central part of the Company's investment objective. The increased investment in income focused funds over the last few years and charging management fees to capital has enabled the Directors to declare an increased dividend more recently. At the half year the Company paid a dividend of 1.70p per share. The Directors propose a final dividend of 1.70p per Ordinary share in respect of the year ended 30th June 2024 (2023: 1.70p). If approved at the Annual General Meeting, the dividend will be paid on 13th December 2024 to shareholders on the register at the close of business on 15th November 2024 (ex-dividend 14th November 2024).

The primary source of the Company's funding is shareholder funds.

While the future performance of the Company is dependent, to a large degree, on the performance of international financial markets, which in turn are subject to many external factors, the Board's intention is that the Company will continue to pursue its stated investment objective in accordance with the strategy outlined above. Further comments on the short-term outlook for the Company are set out in the Chairman's Statement and the Investment Manager's report.

PERFORMANCE MEASUREMENT AND KEY PERFORMANCE INDICATORS

Throughout the year the Company's investments included seven funds managed by the Investment Manager (2023: seven). No investment management fees were payable directly by the Company in respect of these investments.

In order to measure the success of the Company in meeting its objectives, and to evaluate the performance of the Investment Manager, the Directors review at each meeting: net asset value, income and expenditure, asset allocation and attribution, the share price of the Company and the discount. The Directors consider a number of different indicators as the Company does not have a formal benchmark and performance against these is shown in the Financial Highlights.

Performance is discussed in the Chairman's Statement and Investment Manager's Report.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks identified by the Board, and the steps the Board takes to mitigate them, are discussed below. The Audit and Risk Committee reviews existing and emerging risks on a six-monthly basis. The Board has closely monitored the societal, economic and market focused implications of recent events.

Investment strategy

Inappropriate long-term strategy, asset allocation and fund selection could lead to underperformance. The Board discusses investment performance at each of its meetings and the Directors receive reports detailing asset allocation, investment selection and performance.

Business conditions and general economy

The Company's future performance is heavily dependent on the performance of different equity and currency markets. The Board cannot mitigate the risks arising from adverse market movements. However, diversification within the portfolio will reduce the impact. Further information is given in portfolio risks below.

Macro-economic event risk

The scale and potential adverse impact of a macro-economic event, such as a pandemic and the outbreak of localised wars has highlighted the possibility of a number of identified risks such as market risk, currency risk, investment liquidity risk and operational risk having an adverse impact at the same time. The risk may impact on the value of the Company's investment portfolio, its liquidity, meaning investments cannot be realised quickly, or the Company's ability to operate if the Company's suppliers face financial or operational difficulties. The Directors closely monitor these areas and currently maintain a significant cash balance.

Portfolio risks - market price, foreign currency and interest rate risks

The largest investments are listed above. Investment returns will be influenced by interest rates, inflation, investor sentiment, availability/cost of credit and general economic and market conditions in the UK and globally. A significant proportion of the portfolio is in investments denominated in foreign currencies and movements in exchange rates could significantly affect their sterling value. The Investment Manager takes all these factors into account when making investment decisions, but the Company does not normally hedge against foreign currency movements. The Board's policy is to hold a spread of investments to reduce the impact of the risks arising from the above factors, investing in a spread of asset classes and geographic regions.

Net asset value discount

The discount in the price at which the Company's shares trade to net asset value means that shareholders cannot realise the real underlying value of their investment. Over the last few years, the Company's share price has been at a significant discount to the Company's net asset value. The Directors regularly review

the level of discount, however given the investor base of the Company, the Board is very restricted in its ability to influence the discount to net asset value.

Investment Manager

The quality of the team employed by the Investment Manager is an important factor in delivering good performance and the loss of key staff could adversely affect returns. A representative of the Investment Manager attends each Board meeting, and the Board is informed if any major changes to the investment team employed by the Investment Manager are proposed. The Investment Manager regularly informs the Board of developments and any key implications for either the investment strategy or the investment portfolio. Also see note 18.

Tax and regulatory risks

A breach of The Investment Trust (Approved Company) (Tax) Regulations 2011 (the 'Regulations') could lead to capital gains realised within the portfolio becoming subject to UK capital gains tax. A breach of the FCA Listing Rules could result in suspension of the Company's shares, while a breach of company law could lead to criminal proceedings, financial and/or reputational damage. The Board employs Brompton Asset Management Limited as Investment Manager, and Apex Fund Administration Services (UK) Ltd as Secretary and Administrator, to help manage the Company's legal and regulatory obligations.

Operational

Disruption to, or failure of, the Investment Manager's or Administrator's accounting, dealing or payment systems, or the Custodian's records, could prevent the accurate reporting and monitoring of the Company's financial position. The Company is also exposed to the operational risk that one or more of its suppliers may not provide the required level of service.

The Directors confirm that they have carried out a robust assessment of the risks and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity.

VIABILITY STATEMENT

The assets of the Company consist mainly of securities that are readily realisable, or cash and bank deposits and it has no significant liabilities and financial commitments. Investment income has exceeded annual expenditure and current liquid net assets cover current annual expenses for many years. Accordingly, the Company is of the opinion that it has adequate financial resources to continue in operational existence for the long term which is considered to be in excess of five years. Five years is considered a reasonable period for investors when making their investment decisions. In reaching this view, the Directors reviewed the anticipated level of annual expenditure against the cash, bank deposits and liquid assets within the portfolio. The Directors have also considered the risks the Company faces in making this viability statement.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES

The Company has no employees, with day-to-day operational and administration of the Company being delegated by the Board to the Independent Investment Manager and the Administrator. The Company's portfolio is managed in accordance with the investment objective and policy approved by shareholders. The Company is primarily invested in investment funds and exchange traded funds, where it has no direct dialogue with the underlying investments. Environmental, social and governance considerations of underlying investee companies are not a key driver when evaluating existing and potential investments.

GREENHOUSE GAS EMISSIONS

As the Company has no premises, properties or equipment of its own, the Directors deem the Company to be exempt from making any disclosures under the Companies Act 2006 (Strategic Reports and Directors' Reports) Regulations 2013.

STREAMLINED ENERGY AND CARBON REPORTING

The Company is categorised as a lower energy user under the HMRC Environmental Reporting Guidelines March 2019 and is therefore not required to make the detailed disclosures of energy and carbon information set out within the guidelines. The Company's energy and carbon information is not therefore disclosed in this report.

MODERN SLAVERY ACT

The Directors rely on undertakings given by its independent third-party advisers that those companies continue to have no instances of modern slavery either within their businesses or supply chains. Given the financial services focus and geographical location of all third-party suppliers to the Company, the Directors perceive the risks of a contravention of the legislation to be very low.

DIVERSITY

The Board of Directors comprises four male directors, and currently no female board members and no minority ethnic members. Mr McQuaker joined the Board in 2023, as he was someone who would add significantly to the debate over the Company's investment positioning, the key determinant of the Company's performance.

The Board does not have a formal diversity policy, and no targets have been established. The Board is committed to the benefits of diversity, including gender, ethnicity and background when considering new appointments to the Board, whilst always seeking to base any decision on merit, measured by knowledge, experience and ability to make a positive contribution to the Board's decision making.

The Company has not met the diversity and minority ethnic targets set by the FCA.

CLIMATE RELATED REPORTING

As a closed-end investment fund, the Company is exempt from any climate related reporting. The Company mainly invests in funds. Those funds are responsible for determining the impact of climate change when making their investment decisions. The Company does not influence the investment decisions of the funds it invests in.

LISTING RULE 9.8.4

Listing rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross-reference table indicating where the information is set out. The Directors confirm that there were no disclosures to be made in this regard.

STATEMENT OF COMPREHENSIVE INCOME AT 30TH JUNE 2024

	Notes	Year ended 30th June 2024			Year ended 30th June 2023		
		Revenue Return £ '000	Capital Return £ '000	Total £ '000	Revenue Return £ '000	Capital Return £ '000	Total £ '000
INVESTMENT INCOME	2	2,373	-	2,373	1,997	-	1,997
Other operating income	2	<u>883</u>	-	<u>883</u>	<u>457</u>	-	<u>457</u>
		3,256	-	3,256	2,454	-	2,454
GAINS AND LOSSES ON INVESTMENTS							
Gains on investments at fair value through profit or loss	8	-	12,575	12,575	-	2,279	2,279
Legal and professional costs		-	-	-	-	-	-
Other exchange Gains/(losses)		-	35	35	-	(381)	(381)
Trail rebates		-	4	4	-	2	2
		<u>3,256</u>	<u>12,614</u>	<u>15,870</u>	<u>2,454</u>	<u>1,900</u>	<u>4,354</u>
EXPENSES							
Management fees	3		(811)	(811)	-	(775)	(775)
Other expenses	4	<u>(375)</u>	-	<u>(375)</u>	<u>(332)</u>	-	<u>(332)</u>
		2,881	11,803	14,684	2,122	1,125	3,247
PROFIT BEFORE TAX		2,881	11,803	14,684	2,122	1,125	3,247
Tax	5	-	-	-	-	-	-
PROFIT FOR THE YEAR		<u>2,881</u>	<u>11,803</u>	<u>14,684</u>	<u>2,122</u>	<u>1,125</u>	<u>3,247</u>
EARNINGS PER SHARE							
Ordinary shares (pence)	6	<u>4.05p</u>	<u>16.62p</u>	<u>20.67p</u>	<u>2.99p</u>	<u>1.58p</u>	<u>4.57p</u>

The total column of this statement represents the Company's profit and loss account, prepared in accordance with UK adopted international accounting standards. The supplementary Revenue Return and Capital Return columns are both prepared under guidance published by the Association of Investment Companies. All revenue and capital items in the above statement derive from continuing operations.

The Company did not have any income or expense that was not included in 'Profit/(Loss) for the year'. Accordingly, the 'Profit/(Loss) for the year' is also the 'Total comprehensive income for the year', as defined in IAS 1 and no separate Statement of Comprehensive Income has been presented.

No operations were acquired or discontinued during the year.

All income is attributable to the equity holders of the company. There are no minority interests.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2024

	<i>Note</i>	Share capital £ '000	Share premium £ '000	Special reserve £ '000	Retained earnings £ '000	Total £ '000
AT 30th JUNE 2023		710	21,573	56,908	46,401	125,592
Total comprehensive income for the year		-	-	-	14,684	14,684
Dividends paid	7	-	-	-	(2,415)	(2,415)
AT 30th JUNE 2024		<u>710</u>	<u>21,573</u>	<u>56,908</u>	<u>58,670</u>	<u>137,861</u>

Included within Retained earnings were £2,621,000 of Company revenue reserves available for distribution.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2023

	<i>Note</i>	Share capital £ '000	Share premium £ '000	Special reserve £ '000	Retained earnings £ '000	Total £ '000
AT 30th JUNE 2022		710	21,573	56,908	44,787	123,978
Total comprehensive income for the year		-	-	-	3,247	3,247
Dividends paid	7	-	-	-	(1,633)	(1,633)
AT 30th JUNE 2023		<u>710</u>	<u>21,573</u>	<u>56,908</u>	<u>46,401</u>	<u>125,592</u>

Included within Retained earnings were £2,155,000 of Company revenue reserves available for distribution.

BALANCE SHEET AT 30TH JUNE 2024

	<i>Notes</i>	30th June 2024 £ '000	30th June 2023 £ '000
NON-CURRENT ASSETS			
Investment at fair value through profit or loss	8	<u>121,716</u>	<u>108,301</u>
CURRENT ASSETS			
Other receivables	10	479	345
Cash and cash equivalents	11	10,236	17,244
Other financial assets (longer-term deposits)	12	<u>5,773</u>	<u>-</u>
		<u>16,488</u>	<u>17,589</u>
TOTAL ASSETS		138,204	125,890
CURRENT LIABILITIES			
Other payables	13	<u>(343)</u>	<u>(298)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		137,861	125,592
NET ASSETS		<u>137,861</u>	<u>125,592</u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS			
Called-up share capital	14	710	710
Share premium	15	21,573	21,573
Special reserve	15	56,908	56,908
Retained earnings	15	58,670	46,401
TOTAL EQUITY		<u>137,861</u>	<u>125,592</u>

CASH FLOW STATEMENTS AT 30TH JUNE 2024

		Year ended 30th June 2024 £ '000	Year ended 30th June 2023 £ '000
	<i>Notes</i>		
NET CASH INFLOW FROM OPERATING ACTIVITIES		<u>1,985</u>	<u>1,300</u>
INVESTING ACTIVITIES			
Purchase of investments	8	(32,535)	(9,812)
Sale of investments	8	<u>31,695</u>	<u>3,240</u>
		(840)	(6,572)
Longer term deposits	12	<u>(5,773)</u>	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		<u>(6,613)</u>	<u>(6,572)</u>
FINANCING ACTIVITIES			
Equity dividends paid	7	<u>(2,415)</u>	<u>(1,633)</u>
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		<u>(2,415)</u>	<u>(1,633)</u>
DECREASE IN CASH		<u>(7,043)</u>	<u>(6,905)</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN CASH & CASH EQUIVALENTS			
Decrease in cash resulting from cash flows		(7,043)	(6,905)
Exchange movements		<u>35</u>	<u>(381)</u>
Movement in net funds		<u>(7,008)</u>	<u>(7,286)</u>
Net funds at start of the year		<u>17,244</u>	<u>24,530</u>
CASH & CASH EQUIVALENTS AT END OF YEAR		<u>10,236</u>	<u>17,244</u>
RECONCILIATION OF PROFIT BEFORE FINANCE COSTS AND TAXATION TO NET CASH FLOW FROM OPERATING ACTIVITIES			
Profit before finance costs and taxation*		14,684	3,247
Gains on investments		(12,575)	(2,279)
Exchange differences		(35)	381
Capital trail rebates		<u>(4)</u>	<u>(2)</u>
Net revenue gains before taxation		<u>2,070</u>	<u>1,347</u>
Increase in debtors		(134)	(87)
Increase in creditors		45	38
Taxation		-	-
Capital trail rebates		4	2
NET CASH INFLOW FROM OPERATING ACTIVITIES		<u>1,985</u>	<u>1,300</u>

*Includes dividends received in cash of £2,132,000 (2023: £1,607,000), accumulation income of £253,000 (2023: £218,000) and interest received of £726,000 (2023: £586,000).

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2024

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with UK adopted international accounting standards.

These financial statements are presented in pounds sterling, the Company's functional currency, being the currency of the primary economic environment in which the Company operates, rounded to the nearest thousand.

(a) *Basis of preparation:* The financial statements have been prepared on a going concern basis (see 1(o)). The principal accounting policies adopted are set out below.

Where presentational guidance set out in the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('SORP') issued by the Association of Investment Companies ('AIC') in November 2014 and updated in February 2018 and October 2019 with consequential amendments is consistent with the requirements of UK adopted International Accounting Standards, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

The Company is an investment entity and has one subsidiary which is dormant. Accordingly, the Company is not required to prepare consolidated financial statements.

The Company is an investment entity as defined by UK adopted International Accounting Standards and assets are held at their fair value reflecting the impact, if any, of climate change (see 1(f)).

Consolidated accounts have not been prepared as the subsidiary is immaterial in the context of these financial statements. The net asset value of the investment in JIT Securities Limited has been included in the investments in the Company's balance sheet. JIT Securities Limited has not traded throughout the year and the preceding year and, as a dormant company, has exemption under 480(1) of the Companies Act 2006 from appointing auditors or obtaining an audit.

(b) *Presentation of Statement of Comprehensive Income:* In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the statement of comprehensive income between items of a revenue and capital nature has been presented alongside the statement of comprehensive income.

In accordance with the Company's Articles of Association, net capital returns may not be distributed by way of a dividend. Additionally, the net revenue profit is the measure the Directors believe is appropriate in assessing the Company's compliance with certain requirements set out in the Investment Trust (Approved Company) (Tax) Regulations 2011.

(c) *Use of estimates:* The preparation of financial statements requires the Company to make estimates and assumptions that affect items reported in the company balance sheet and statement of comprehensive income and the disclosure of contingent assets and liabilities at the date of the financial statements. Although these estimates are based on the Directors' best knowledge of current facts, circumstances and, to some extent, future events and actions, the Company's actual results may ultimately differ from

those estimates, possibly significantly. The most significant estimate relates to the valuation of unquoted investments.

- (d) *Revenue*: Dividends and other such revenue distributions from investments are credited to the revenue column of the statement of comprehensive income on the day in which they are quoted ex-dividend. Where the Company has elected to receive its dividends in the form of additional shares rather than in cash and the amount of the cash dividend is recognised as income, any excess in the value of the shares received over the amount recognised is credited to the capital reserve. Deemed revenue from offshore funds is credited to the revenue account. Interest on fixed interest securities and deposits is accounted for on an accrual's basis.
- (e) *Expenses*: Expenses are accounted for on an accruals basis.
 - (1) Administration and other expenses, except for transaction charges, are charged to the revenue column of the statement of comprehensive income.
 - (2) Direct management fees are recognised as a capital item in the statement of comprehensive income.
- (f) *Investments held at fair value*: Purchases and sales of investments are recognised and derecognised on the trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe established by the market concerned and are initially measured at fair value.

All investments are classified as held at fair value through profit or loss on initial recognition and are measured at subsequent reporting dates at fair value, which is either the quoted bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted. Investments in units of unit trusts or shares in OEICs are valued at the bid price for dual priced funds, or single price for non-dual priced funds, released by the relevant investment manager. Unquoted investments are valued by the Directors at the balance sheet date based on recognised valuation methodologies, in accordance with International Private Equity and Venture Capital ('IPEVC') Valuation Guidelines such as dealing prices or third-party valuations where available, net asset values and other information as appropriate.

As the quoted investments hold listed companies, the fair value prices should reflect the impact, if any, of climate change.

- (g) *Taxation*: The charge for taxation is based on taxable income for the year. Withholding tax deducted from income received is treated as part of the taxation charge against income. Taxation deferred or accelerated can arise due to temporary differences between the treatment of certain items for accounting and taxation purposes. Full provision is made for deferred taxation under the liability method on all temporary differences not reversed by the Balance Sheet date. No deferred tax provision is made against deemed reporting offshore funds. Deferred tax assets are only recognised when there is more likelihood than not that there will be suitable profits against which they can be applied.
- (h) *Foreign currency*: Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Foreign currency transactions are translated at the rates of exchange applicable at the transaction date. Exchange gains and losses are taken to the revenue or capital column of the statement of comprehensive income depending on the nature of the underlying item.

(i) *Capital reserve*: The following are accounted for in the capital reserve:

- gains and losses on the realisation of investments together with the related taxation effect;
- foreign exchange gains and losses on capital transactions, including those on settlement, together with the related taxation effect;
- revaluation gains and losses on investments;
- direct management fees;
- legal expenses in assessing potential investments or incurred in disposing of investments; and
- trail rebates received from the investment managers of the Company's investments.

The capital reserve is not available for the payment of dividends.

(j) *Revenue reserve*: The revenue reserve includes net revenue recognised in the revenue column of the Statement of Comprehensive Income.

(k) *Special reserve*: The special reserve can be used to finance the redemption and/or purchase of shares in issue.

(l) *Cash and cash equivalents*: Cash and cash equivalents comprise deposits with an original maturity of less than 3 months and balances with banks. Cash and cash equivalents may be held for the purpose of either asset allocation or managing liquidity.

(m) *Longer term deposits*: Longer term bank deposits with an original maturity of over 3 months are shown as other financial assets.

(n) *Dividends payable*: Dividends are recognised from the date on which they are irrevocably committed to payment.

(o) *Segmental Reporting*: The Directors consider that the Company is engaged in a single segment of business with the primary objective of investing in securities to generate long term capital growth for its shareholders. Consequently, no business segmental analysis is provided.

(p) *Going concern basis of preparation*: The financial statements are prepared on a going concern basis and on the assumption that approval as an investment trust under section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011 will be retained.

(q) *New standards, interpretations and amendments effective for the periods beginning on or after 1st July 2023*: There are no new standards, amendments to standards and interpretations that have impacted the Company and should be disclosed.

(r) *New standards, interpretations and amendments issued which are not yet effective and applicable for the periods beginning on or after 1st July 2024*: There are no new standards, amendments to standards and interpretations that will impact the Company and should be disclosed.

2. INVESTMENT INCOME

	Year ended 30th June 2024 £ '000	Year ended 30th June 2023 £ '000
INCOME FROM INVESTMENTS		
UK net dividend income	2,102	1,707
Unfranked investment income	91	175
UK fixed interest	180	115
	<u>2,373</u>	<u>1,997</u>
OTHER OPERATING INCOME		
Bank interest	883	457
	<u>883</u>	<u>457</u>
TOTAL INCOME COMPRISES		
Dividends	2,193	1,882
Interest income	1,063	572
	<u>3,256</u>	<u>2,454</u>

The above dividend and interest income has been included in the profit before finance costs and taxation included in the cash flow statements.

3. MANAGEMENT FEES

	Year ended 30th June 2024			Year ended 30th June 2023		
	Revenue £ '000	Capital £ '000	Total £ '000	Revenue £ '000	Capital £ '000	Total £ '000
Investment management fee	-	811	811	-	775	775
	<u>-</u>	<u>811</u>	<u>811</u>	<u>-</u>	<u>775</u>	<u>775</u>

At 30th June 2024 there were amounts accrued of £212,000 (2023: £194,000) for investment management fees.

(b) Factors affecting tax charge for the year:

The charge for the year of £nil (2023: £nil) can be reconciled to the profit per the statement of comprehensive income as follows:

	Year ended 30th June 2024 £ '000	Year ended 30th June 2023 £ '000
Total profit before tax	<u>14,684</u>	<u>3,247</u>
Theoretical tax at the UK corporation tax rate of 25% (2023: 20.50%)	3,671	666
Effects of:		
Non-taxable UK dividend income	(526)	(350)
Gains and losses on investments that are not taxable	(3,154)	(389)
Excess expenses not utilised	23	99
Overseas dividends which are not taxable	(14)	(26)
Overseas tax	7	9
Recoverable income tax	<u>(7)</u>	<u>(9)</u>
Total tax for the year	<u><u>-</u></u>	<u><u>-</u></u>

Due to the Company's tax status as an investment trust and the intention to continue meeting the conditions required to maintain approval of such status in the foreseeable future, the Company has not provided tax on any capital gains arising on the revaluation or disposal of investments.

There is no deferred tax (2023: £nil) in the capital account of the Company. There is no deferred tax charge in the revenue account (2023: £nil).

At the year-end there is an unrecognised deferred tax asset of £1,156,000 (2023: £1,207,000) based on the enacted tax rates of 25% for financial years beginning 1st April 2023, as a result of excess expenses.

6. RETURN PER ORDINARY SHARE

Total return per Ordinary share is based on the total profit on ordinary activities after taxation of £14,684,000 (2023: £3,247,000) and on 71,023,695 (2023: 71,023,695) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

Revenue return per Ordinary share is based on the revenue profit on ordinary activities after taxation of £2,881,000 (2023: £2,122,000) and on 71,023,695 (2023: 71,023,695) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

Capital return per Ordinary share is based on net capital profit for the year of £11,803,000 (2023: £1,125,000) and on 71,023,695 (2023: 71,023,695) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

7. DIVIDENDS ON EQUITY SHARES

Amounts recognised as distributions in the year:

	Year ended 30th June 2024 £ '000	Year ended 30th June 2023 £ '000
Dividends paid during the year		
2023 Final	1,207	994
2024 Interim	<u>1,208</u>	<u>639</u>
	<u>2,415</u>	<u>1,633</u>
Dividends payable in respect of the year ended 30th June 2024: 3.4p (2023: 2.6p) per share	<u>2,415</u>	<u>1,846</u>

A final dividend of 1.7p per share is proposed.

8. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Year ended 30th June 2024 £ '000	Year ended 30th June 2023 £ '000
<u>121,716</u>	<u>108,301</u>

ANALYSIS OF INVESTMENT

PORTFOLIO

	Quoted* £ '000	Unquoted £ '000	Total £ '000
Opening book cost	78,281	10,729	89,010
Opening investment holding gains/(losses)	<u>27,530</u>	<u>(8,239)</u>	<u>19,291</u>
Opening valuation	105,811	2,490	108,301
Movement in period			
Purchases at cost	31,873	662	32,535
Sales			
- Proceeds	(31,276)	(419)	(31,695)
- Realised gains on sales	10,249	-	10,249
Movement in investment holding gains for the year	<u>2,306</u>	<u>20</u>	<u>2,326</u>
Closing valuation	<u>118,963</u>	<u>2,753</u>	<u>121,716</u>
Closing book cost	89,127	10,972	100,099
Closing investment holding gains/(losses)	<u>29,836</u>	<u>(8,219)</u>	<u>21,617</u>
Closing valuation	<u>118,963</u>	<u>2,753</u>	<u>121,716</u>

* Quoted investments include unit trust and OEIC funds and one monthly priced fund.

Year ended 30th June 2024 £ '000	Year ended 30th June 2023 £ '000
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ANALYSIS OF CAPITAL GAINS AND LOSSES

Realised gains on sales of investments	10,249	1,443
Investment holding gains/(losses)	<u>2,326</u>	<u>836</u>
Net gains/(losses) on investments attributable to ordinary shareholders	<u>12,575</u>	<u>2,279</u>

Transaction costs

The purchase and sale proceeds above include transaction costs on purchases of £8,818 (2023: £786) and on sales of £nil (2023: £nil).

9. INVESTMENT IN SUBSIDIARY UNDERTAKING

The Company owns the whole of the issued share capital (£1) of JIT Securities Limited, a company registered in England and Wales.

The financial position of the subsidiary is summarised as follows:

	Year ended 30th June 2024 £ '000	Year ended 30th June 2023 £ '000
Net assets brought forward	-	-
Dividend paid to parent	-	-
Net assets carried forward	<u>-</u>	<u>-</u>

10. OTHER RECEIVABLES

	30th June 2024 £ '000	30th June 2023 £ '000
Prepayments and accrued income	479	345
Taxation	-	-
	<u>479</u>	<u>345</u>

11. CASH AND CASH EQUIVALENTS

	30th June 2024 £ '000	30th June 2023 £ '000
Cash at bank and on short term deposit	<u>10,236</u>	<u>17,244</u>

12. OTHER FINANCIAL ASSETS (LONGER TERM DEPOSITS)

	30th June 2024 £ '000	30th June 2023 £ '000
Longer term deposits	<u>5,773</u>	<u>-</u>

The Longer term deposits matured in July 2024.

13. OTHER PAYABLES

	30th June 2024 £ '000	30th June 2023 £ '000
Accruals	<u>343</u>	<u>298</u>

14. CALLED UP SHARE CAPITAL

	30th June 2024 £ '000	30th June 2023 £ '000
Authorised 305,000,000 (2023: 305,000,000) Ordinary shares of £0.01 each	<u>3,050</u>	<u>3,050</u>
Issued and fully paid 71,023,695 (2023: 71,023,695) Ordinary shares of £0.01 each	<u>710</u>	<u>710</u>

15. RESERVES

	Share Premium account £ '000	Special Reserve £ '000	Retained earnings £ '000
At 30th June 2023	21,573	56,908	46,401
Increase in investment holding gains	-	-	2,326
Net gains on realisation of investments	-	-	10,249
Losses on foreign currency	-	-	35
Trail rebates	-	-	4
Management fees allocated to capital	-	-	(811)
Retained revenue profit for year	-	-	2,881
Dividends paid	-	-	(2,415)
At 30th June 2024	<u>21,573</u>	<u>56,908</u>	<u>58,670</u>

The components of retained earnings are set out below:

	30th June 2024 £ '000	30th June 2023 £ '000
Capital reserve - realised	34,432	24,955
Capital reserve - revaluation	21,617	19,291
Revenue reserve	<u>2,621</u>	<u>2,155</u>
	<u>58,670</u>	<u>46,401</u>

16. NET ASSET VALUE PER ORDINARY SHARE

The net asset value per Ordinary share is 194.11 (2023: 176.83).

The net asset value per Ordinary share is calculated on net assets of £137,861,000 (2023: £125,592,000) and 71,023,695 (2023: 71,023,695) Ordinary shares in issue at the year end.

17. ANALYSIS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR

	At 1st July 2023	At 1st July 2023	Exchange movement £'000	At 30th June 2024 £ '000
Cash at bank and on short term deposit	<u>17,244</u>	<u>(7,043)</u>	<u>35</u>	<u>10,236</u>

18. RELATED PARTIES

Since 1st January 2010, Brompton or its predecessor Brompton Asset Management LLP has acted as Investment Manager to the Company. This relationship is governed by an agreement dated 17th May 2018.

Mr Duffield is the senior partner of Brompton Asset Management Group LLP, the ultimate parent of Brompton. Mr Duffield owns the majority (59.14%) of the shares in the Company.

Mr Gamble has an immaterial holding in Brompton Asset Management Group Limited.

The total investment management fee payable to Brompton for the year ended 30th June 2024 was £811,000 (2023: £775,000) and at the year-end £212,000 (2023: £194,000) was accrued.

The Company's investments include seven funds managed by Brompton or its associates totaling £24,631,000 (2023: £22,100,000). No investment management fees were payable directly by the Company in respect of these investments.

The Company has an equity investment of £100,000 (2023: £100,000) in an investment management company in which a related party of Mr Duffield holds a minority stake. The loan of £400,000 outstanding at 30th June 2023 was repaid during the year.

19. COMMITMENTS AND CONTINGENCIES

The Company has made commitments to invest a further £1.2 million (2023: £0.6 million) which remains undrawn at the year-end. There are no other commitments or contingencies at the reporting date (2023: £nil).

20. SUBSEQUENT EVENTS

On 8 August 2024 the company returned £17,046,000 to its shareholders by way of a B share scheme. A bonus issue of one new B share was made for each Ordinary Share which was then redeemed for cash. The net assets of the company were reduced by £17 million.

In addition to the B share issue, the Shareholders approved a resolution to enable distributions to be paid out of capital profits.

21. FINANCIAL INFORMATION

2024 Financial information

The figures and financial information for 2024 are unaudited and do not constitute the statutory accounts for the year.

2023 Financial information

The figures and financial information for 2023 are extracted from the published Annual Report and Accounts for the year ended 30th June 2023 and do not constitute the statutory accounts for the year. The Annual Report and Accounts for the year-end 30th June 2023 (available on the Company's website www.nsitplc.com) has been delivered to the registrar of Companies and includes the Independent Auditors report which was unqualified and did not contain a statement under either section 498 (2) or section 498 (3) of the Companies Act 2006.

Annual Report and Accounts

The accounts for the year ended 30th June 2024 will be sent to shareholders in November 2024 and will be available on the Company's website or in hard copy format at the Company's registered office, 1 Knightsbridge Green, London SW1X 7QA and will be available for inspection. A copy will also be submitted to the FCA's National Storage Mechanism.

The Annual General Meeting of the Company will be held on Thursday 5th December 2024 at 11.00am at 1 Knightsbridge Green, London SW1X 7QA.

31st October 2024