



# RIGHTS AND ISSUES INVESTMENT TRUST PLC

Annual Financial Report

for the year ended 31st December 2024





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Inside front cover image  
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## Investment Objective, Policy and Approach

The Company's objective is to exceed the benchmark index over the long term whilst managing risk.

The Company invests in equities with an emphasis on smaller companies. UK smaller companies will normally constitute at least 80% of the investment portfolio. UK smaller companies include both listed securities and those admitted to trading on the Alternative Investment Market ("AIM").

The investment portfolio will normally lie in the range of 80% to 100% of shareholders' funds with the remainder being held in cash.

In January 2021 the Board thoroughly reviewed the performance of the Company in the context of the investment objective, the investment policy and the continuation of the Company. The Directors unanimously supported the continuation for a minimum period of five years to 2026. The Directors continued to review the Company's performance against its Key Performance Indicators throughout the financial year and, based on this review, the Board continues to support this assessment.

## Capital Structure

### ISSUED SHARE CAPITAL

**(at 31st December 2024)**

4,841,803 Ordinary shares of 25p each.

### INCOME ENTITLEMENT

Equal entitlement to dividends and other distributions.

### CAPITAL ENTITLEMENT

Equal entitlement to the surplus assets.

### VOTING

One vote per Ordinary share.

### PRICE (mid-market)

**(at 31st December 2024)**

2,380.0p

### DIVIDEND YIELD\*

1.8%

### DISCOUNT\*

**(at 31st December 2024)**

6.4%

\*Alternative Performance Measure (APM). Further information on APMs is shown on pages 14 and 15.

### DISCOUNT MANAGEMENT POLICY

On 7th December 2016, the Company implemented share buy-back arrangements to encourage the level of discount to be not more than 10%.

### SHARE BUY BACKS

During the year to 31st December 2024, the Company bought back 778,881 Ordinary shares for cancellation and accordingly paid £17.7 million consideration. In accordance with the Board's announcement in August 2024, the Company will continue to repurchase up to an average of £1 million of the Company's shares each calendar month on a rolling basis during the 12 months ending 31st July 2025, subject to the renewal of the share buyback authority at the forthcoming Annual General Meeting ("AGM"). The Directors will keep the operation of the buyback programme under review in the context of the Discount Management Policy and share price performance.

**RIGHTS AND ISSUES INVESTMENT TRUST PLC ("THE COMPANY") MAY BE LIQUIDATED AT ANY TIME, BUT THE BOARD OF DIRECTORS HAS CONCLUDED THAT IT IS NOT ITS PRESENT INTENTION TO DO SO PRIOR TO 25TH JULY 2026.**

*Note: The above is a summary of rights. For full information shareholders should refer to the Articles of Association.*



## Historic Record

Year to 31st December	Net asset value per share	Net asset value per share (Index 1984 = 100)	Net dividend per share	FTSE All Share Index	FTSE All Share Index (Rebased 1984 = 100)
1984	29.0p	100	3.80p	592.94	100
1990	75.4p	260	7.50p	1032.60	174
1995	175.0p	602	10.50p	1802.56	304
2000	473.9p	1631	25.50p	2983.81	503
2005	732.0p	2520	40.50p	2847.00	480
2010	776.4p	2673	25.50p	3094.41	522
2011	751.2p	2586	25.50p	2857.88	482
2012	962.0p	3312	26.75p	3093.41	522
2013	1382.5p	4759	40.00p*	3609.63	609
2014	1297.1p	4465	36.00p	3532.74	596
2015†	1595.6p	5492	36.00p	3444.26	581
2016	2002.2p	6892	52.50p*	3873.22	653
2017	2372.3p	8166	30.75p	4221.82	712
2018	2118.1p	7291	31.50p	3675.27	620
2019	2275.2p	7832	32.25p	4196.47	709
2020	2258.9p	7776	32.25p	3673.63	619
2021	3036.6p	10471	34.75p	4208.02	710
2022	2283.2p	7873	40.00p	4075.13	688
2023	2337.1p	8059	43.00p	4232.01	714
2024	2543.4p	8770	44.00p	4467.8	754

\* Includes Special Dividend

† From 2015 onwards the historic record is for the Company only and not the Group.

Note: Until 2016 the net asset value per share was based on the Capital shares adjusted for the reconstruction (four Ordinary shares for each Capital share). Thereafter, performance is based on the Ordinary shares, formerly named the Income shares (the only remaining share class).

## Company Information

### DIRECTORS

Dr A. J. HOSTY (Chairman)  
S. J. B. KNOTT  
J. B. ROPER  
M. H. VAUGHAN

### REGISTERED OFFICE

Hamilton Centre  
Rodney Way  
Chelmsford CM1 3BY

### WEBSITE

[www.jupiteram.com/rightsandissues](http://www.jupiteram.com/rightsandissues)

### INVESTMENT MANAGER/ALTERNATIVE INVESTMENT FUND MANAGER

JUPITER UNIT TRUST MANAGERS LIMITED  
The Zig Zag Building  
70 Victoria Street  
London SW1E 6SQ  
[investmentcompanies@jupiteram.com](mailto:investmentcompanies@jupiteram.com)

### SECRETARY/ADMINISTRATOR

APEX FUND ADMINISTRATION SERVICES (UK) LIMITED  
Hamilton Centre  
Rodney Way  
Chelmsford CM1 3BY

### SOLICITORS

EVERSHEDS SUTHERLAND (INTERNATIONAL) LLP  
1 Wood Street  
London EC2V 7WS

### AUDITOR

ERNST & YOUNG LLP  
Atria One  
144 Morrison Street  
Edinburgh  
EH3 8EB

### REGISTRARS

MUFG CORPORATE MARKETS (Formerly LINK GROUP)  
Central Square  
29 Wellington Street  
Leeds LS1 4DL

### BROKERS

CAVENDISH CAPITAL MARKETS LIMITED  
One Bartholomew Close  
London EC1A 7BL

### CUSTODIAN/DEPOSITORY

NORTHERN TRUST COMPANY  
50 Bank Street  
Canary Wharf  
London E14 5NT

## Registration Details

Company Registration Number:

00736898 (Registered in England)

SEDOL number:

0739207

ISIN number:

GB0007392078

London Stock Exchange (EPIC) Code:

RIII

Global Intermediary Identification Number (GIIN):

I2ZVNY.99999.SL.826

Legal Entity Identifier (LEI):

2138002AWAM93Z6BP574

## Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the members of Rights and Issues Investment Trust Public Limited Company will be held at the **Zig Zag Building, 70 Victoria Street, London SW1E 6SQ** on 24th March 2025, at 12 noon, for the following purposes:

### Ordinary Business

1. To receive the audited financial statements and Reports of the Directors and Auditor for the year ended 31st December 2024.
2. To approve the Annual Report on Directors' Remuneration, set out on pages 40 to 44 in the Annual Report and Financial Statements 2024 (excluding the Remuneration Policy on page 42), for the financial year ended 31st December 2024.
3. To approve the payment of a final dividend of 32.00 pence per Ordinary share for the financial year ended 31st December 2024 to holders of shares at the close of business on 7th March 2025.
4. To re-elect Dr A. J. Hosty as a Director.
5. To re-elect Mr S. J. B. Knott as a Director.
6. To re-elect Mr J. B. Roper as a Director.
7. To re-elect Ms M. H. Vaughan as a Director.
8. To re-appoint Ernst & Young LLP as Auditor to the Company, to hold office until the end of the next general meeting at which accounts are laid before the Company.
9. To authorise the Directors of the Company to determine the Auditor's remuneration.

### Special Business

To consider and, if thought fit, pass resolution 10 as a Special Resolution, as follows:

10. THAT the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693 of the Companies Act 2006) of Ordinary shares, provided that:
  - 10.1 the maximum aggregate number of Ordinary shares hereby authorised to be purchased shall be 719,900 (representing approximately 14.99% of the Ordinary shares in issue on 19th February 2025);
  - 10.2 the minimum price (exclusive of expenses) which may be paid for an Ordinary share is its nominal value;
  - 10.3 the maximum price (exclusive of expenses) which may be paid for an Ordinary share is not more than the higher of (i) an amount equal to 105% of the average market value of the Ordinary shares for the five business days immediately preceding the day on which the Ordinary share is purchased; and (ii) the higher of the last independent bid and the highest current independent bid on the London Stock Exchange when the purchase is carried out, or such other amount as may be specified by the FCA from time to time;
  - 10.4 the authority hereby conferred will expire at the conclusion of the next Annual General Meeting of the Company unless such authority is renewed prior to such time; and
  - 10.5 the Company may make a contract to purchase Ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary shares pursuant to any such contract; provided that all Ordinary shares purchased pursuant to this authority shall be cancelled or transferred into treasury immediately upon completion of the purchases.

By Order of the Board,  
 APEX FUND ADMINISTRATION SERVICES (UK) LIMITED  
 Secretary, 20th February 2025

## Notice of Annual General Meeting (*continued*)

### Notes:

1. Any member entitled to vote at the meeting is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to vote on behalf of that member. Shareholders are nevertheless encouraged by the Board to appoint the Chairman of the meeting as their proxy to vote on their behalf. Members can also send any questions that they might like answered by the Board to the Company Secretary, Apex Fund Administration Services (UK) Limited at [cosec-uk@apexgroup.com](mailto:cosec-uk@apexgroup.com) by 10th March 2025.
2. The right to appoint a proxy does not apply to persons whose Ordinary shares in the Company (the "Shares") are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 ("nominated persons"). Nominated persons may have a right under an agreement with the registered shareholder who holds the Shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the Shares as to the exercise of voting rights.
3. In order to be valid, a form of proxy and a power of attorney or other authority under which it is signed, or certified by a notary or office copy of such power or authority, must reach the Company's registrars, MUFG Corporate Markets, PXSI, Central Square, 29 Wellington Street, Leeds, LS1 4DL not less than 48 hours (excluding any part of a day which is a non-working day) before the time of the meeting or of any adjournment of the meeting. Shareholders may lodge their proxy via the registrar's website [www.signalshares.com](http://www.signalshares.com). If not already registered, shareholders will need their investor code (IVC) which can be located on their share certificate. If you need any help voting online or if a paper proxy is required please contact MUFG Corporate Markets by email to [shareholderenquiries@cm.mpms.mufg.com](mailto:shareholderenquiries@cm.mpms.mufg.com) or by calling them on 0371 664 0300 or, if calling from overseas, on +44 (0) 371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales.
4. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
5. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be transmitted so as to be received by the Company's agent, MUFG Corporate Markets (whose CREST ID is RA10) by the specified latest time(s) for receipt of proxy appointments. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed.
6. The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. A register showing the interests of each Director and their connected persons, so far as they are aware, in the Ordinary shares will be available for inspection at the offices of the Company Secretary, Apex Fund Administration Services (UK) Limited, Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY, during normal business hours every weekday except Saturdays, from the above date to the day preceding that of the general meeting. It will also be available for inspection at the place of the meeting for 15 minutes prior to the general meeting and during the meeting.
7. Unless otherwise indicated on the Form of Proxy, CREST or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.
8. From the date of this notice and for the following two years the following information will be available on the Company's website and can be accessed at [www.jupiteram.com/rightsandissues](http://www.jupiteram.com/rightsandissues):
  - i. the matters set out in this notice of general meeting;
  - ii. the total numbers of Shares in respect of which shareholders are entitled to exercise voting rights at the meeting; and
  - iii. the totals of the voting rights that shareholders are entitled to exercise at the meeting in respect of the Shares.
9. Any shareholders' statements, shareholders' resolutions and shareholders' matters of business received by the Company after the date of this notice will be added to the information already available on the website as soon as reasonably practicable and will also be made available for the following two years.
10. Where a poll is taken at the general meeting, from the date of this notice and for the following two years the following information will be available on the Company's website and can be accessed at [www.jupiteram.com/rightsandissues](http://www.jupiteram.com/rightsandissues):
  - i. the date of the general meeting;
  - ii. the text of the resolutions or, as the case may be, a description of the subject matter of the poll;
  - iii. the number of votes validly cast;
  - iv. the proportion of the Company's issued share capital represented by those votes;
  - v. the number of votes cast in favour;
  - vi. the number of votes cast against; and
  - vii. the number of abstentions (if counted).



11. In order to vote at this meeting you must comply with the procedures set out in notes 1 to 3 by the time specified in note 3.
12. The right of shareholders to vote at the meeting by appointing the Chairman as their proxy is determined by reference to the register of shareholders. As permitted by section 360B(3) of the Companies Act 2006 and Regulation 41 of the Uncertificated Securities Regulations 2001, shareholders (including those who hold Shares in uncertificated form) must be entered on the Company's share register at close of business on 20th March 2025 in order to be entitled to vote at the meeting. Such shareholders may only cast votes in respect of Shares held at such time. Changes to entries on the relevant register after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
13. The total number of Ordinary shares of 25p in issue as at 19th February 2025, the last practicable day before printing this document, was 4,802,683 Shares and the total number of voting rights was therefore also 4,802,683.

## Chairman's Statement



### Market backdrop

For small cap industrials and this investment trust which focuses on them 2024 can perhaps best be described as a year of two quite distinct halves. The first half of the year saw the continued effects of economic policy decisions on containing and reducing energy led inflation. This was combined with increasing levels of investor confidence helping to support the FTSE All-Share index to gain 7.4%. This was followed by a second half largely driven by the post UK election sentiment where we saw government trying to manage economic expectations downwards. Thus, despite inflation remaining steady and two reductions in bank base rates, investor confidence weakened with a corresponding reduction in demand. Consequently, progress in the overall market was more subdued, with gains of only 1.9% in the second half. The timing and results of the US elections and the UK Government's autumn budget may also have played a role in making investors more cautious towards the year end. These factors, as well as competitive pressures, will continue to test the management of our portfolio companies. Our Investment Manager will continue to monitor closely their ability to maintain market share and margins.

### Company performance

The Company's investments generated a NAV per share return for shareholders of 8.8% in 2024 compared to 5.5% for our chosen benchmark, the FTSE All-Share Index. The share price increased by 11.7% over the year, from 2130.0p to 2380.0p; and at the end of the year the discount to NAV had narrowed to 6.4%, a reduction from 8.9% at the end of the prior year, and averaged 9.7% over the course of the year.

### Jupiter

As reported in the half year report our portfolio is now managed by lead manager Matt Cable, supported by Tim Service. They have continued to actively manage the portfolio. In 2024 four complete exits were achieved and five new positions were acquired. These changes and the performance of the individual holdings that have driven the Company's performance are more fully described in the Investment Manager's Review on pages 10 to 12.

The Management Engagement Committee carried out its second formal review of Jupiter's performance in November. It noted the continuity of investment style, the changes that had been made to reduce the concentration of the portfolio and discussed the new positions that have been taken. The Board will continue to keep the Investment Manager's performance under regular review. The increase in marketing activities for the Company reported on last year have continued. These are carried out to try to raise awareness of the Company to a much wider audience of investors, particularly the self-directed private individual. Over the course of the year online and in person events were held for a variety of investors, including wealth managers, professional fund managers and private individuals. The Board recognises the importance of engaging with existing and potential shareholders and supports the use of third party 'paid for' research and video content agencies to achieve this. This content can be found on the Company's web pages at [www.jupiteram.com](http://www.jupiteram.com).

### Discount

At the end of December 2024 the discount stood at 6.4%. During the year the Company bought back 778,881 Ordinary shares in the market at a cost of £17.7 million. The share buyback programme remains an important tool to try to narrow the discount between the Company's share price and net asset value per share or reduce its volatility. Buybacks at the margin provide a useful increase in liquidity for those shareholders seeking to realise their investment whilst also delivering an economic uplift for those shareholders wishing to remain invested in the Company. Subject to shareholder approval of the share buyback resolution at the forthcoming Annual General Meeting the current buyback programme will run until July 2025.

### Shareholder consultations

Over the course of 2024 the Board consulted with a number of major shareholders to hear their views on a potential share split. Whilst there was some continued support for this initiative on the basis that it was thought it might help increase liquidity, the clear and significant majority thought that at this time the costs of such an exercise far outweighed any potential benefits to shareholders. Consequently, the Board has decided to call an indefinite pause on these plans. There were also some shareholders that thought a change of name might help promote the Company. Again, a clear and significant majority of shareholders that were consulted were of the view that the potential distraction of such an exercise far outweighed any likely benefits.

## Dividend

The Directors are aware of the appetite our shareholders have for income and are proposing a final dividend of 32.00p per share which, if approved at the upcoming AGM, would result in total dividends for the year of 44.00p per share, an increase of 2.3% over the previous year's dividend.

## Annual General Meeting

The Company's Annual General Meeting is to be held at 12 noon on Monday, 24th March 2025 at Jupiter's offices, the Zig Zag Building, 70 Victoria Street, London SW1E 6SQ. The AGM will be followed by a presentation by our Investment Manager. My fellow Directors and I look forward to meeting as many shareholders as possible at the meeting.

As we know, a significant number of shareholders hold their shares via execution only platforms. These platforms are increasingly making it easier to participate in voting. Your platform provider will be able to assist you in this regard.

Irrespective of whether you intend to attend the AGM in person, please submit your proxy votes in respect of the resolutions via the registrar's portal. Details of how to do this can be found in the notice of AGM on pages 5 to 7. Alternatively, if you hold your shares via an execution only platform or online stockbroker, the AIC has produced a helpful summary setting out how to vote your shares on its website: [www.theaic.co.uk/how-to-vote-your-shares](http://www.theaic.co.uk/how-to-vote-your-shares). Should you have any questions for the Board these can be submitted to our Company Secretary at the registered office or via email to [cossec-uk@apexgroup.com](mailto:cossec-uk@apexgroup.com).

## Outlook

As we look forwards into 2025 it is fair to say that we expect to see continued volatility in the markets, with the completion of the elections in the UK and USA in 2024 potentially mitigating some of this. So, whilst there are some signs that energy prices, inflation and interest rates may have peaked, we are now seeing rising gilt yields and, in the UK where we focus, higher employment taxes to contend with. As a Board we are very mindful of these factors. These and other factors will provide opportunities as well as challenges. Accordingly, we will continue to encourage our Investment Manager to seek investments in differentiated companies operated by good management teams that they believe to be fundamentally underpriced. The Board believes that our team at Jupiter have the skills and knowledge to identify these and so continue to be well placed to deliver for your Company into the future.

## Andrew Hosty

Chairman

20th February 2025

You can view or download copies of the Half Yearly and the Annual Reports from the Company's website at [www.jupiteram.com/rightsandissues](http://www.jupiteram.com/rightsandissues)



## Investment Manager's Review

### Introduction

We are pleased to present our investment report to shareholders of Rights and Issues for the year to December 2024.

As mentioned in our interim report, Dan Nickols announced his retirement from the industry at the end of June. We wish him well and thank him for his considerable contributions to the team and the early success of Rights and Issues following our appointment as investment managers. In line with Jupiter's well established succession plans, Matt Cable assumed the role of lead manager for Rights and Issues, supported by Tim Service, who was also appointed head of Jupiter's Small and Mid-Cap team. Tim is a longstanding member of the team who also has lead manager responsibilities for a number of Jupiter's small and mid-cap capabilities.

Given the continuity of management within the Jupiter team there is no change to the Company's overall investment strategy. It remains a fundamental, bottom-up stock picking process, expressed in a relatively concentrated but well diversified portfolio. With the team's change of leadership, we have made certain enhancements to this process, with a particular focus on stronger risk controls based on new monitoring tools. These are designed to reduce unintended exposures in the portfolio and hence limit unexpected performance surprises.

In this report we discuss the current market backdrop, update shareholders on performance and changes to the portfolio over the year and provide an outlook for the year ahead.

### Market backdrop

The first half of the year was characterised by moderating inflation and increasing investor confidence that interest rates would fall and economic growth accelerate. As we noted in our interim report, the FTSE All-Share index gained 7.4% in the year to June. Inflation has remained broadly stable, as expected, through the balance of the year and there have been two cuts to the bank base rate. However, market interest rates have risen, with the yield on two-year government gilts reaching around 4.4% at the end of the year – well above the lows of about 3.6% in the summer.

As we have discussed before, higher interest rates generally have the effect of suppressing economic activity, which in turn impacts the value of equities. At the same time, the newly elected Labour government spent much of the second half of the year strenuously attempting to lower expectations, with much talk of fiscal 'black holes' and 'painful decisions'. In the event, the autumn budget was relatively benign (with the exception of an unwelcome increase in employer national insurance contributions). The damage to confidence, however, appeared to have been done, again reflected in equity performance.

In November Donald Trump was elected US President for a second time. Furthermore, the Republican Party gained full control of Congress which will allow the new administration much greater scope to implement its agenda. How much of the pre-election rhetoric around tariffs, immigration and foreign relations translates into policy remains to be seen, driving further uncertainty. Interestingly the US equity market seems to have taken this all in its stride, but elsewhere investors are once again taking a more cautious approach.

Despite these challenges the UK market was broadly stable through the second half of the year, with the FTSE All-Share returning 1.9%, and hence 9.5% for the year as a whole.

### Portfolio Performance

The Company's portfolio of investments returned 9.3% for the year on a total return basis, marginally behind its benchmark, the FTSE All-Share Index. The Company's shares performed significantly better than this at 14.0%, reflecting a narrowing of their discount to net asset value.

Given the concentrated nature of the portfolio, relative performance is largely a result of individual stock returns. Some of the most significant contributors and detractors to performance for the year included (total return for the year shown in brackets):

#### **Renold (+35%)**

For the second year running, industrial chain manufacturer Renold was one of the top contributors to fund performance in 2024. Picking up where it left off the previous year, the company has delivered a series of profit upgrades driven by strong operational performance and attractive acquisitions. After the share price peaked towards the end of the first half, it has drifted back through the balance of the year. As such the valuation remains compelling in our view and we remain positive on the investment case.



**Eleco (+83%)**

Building design and management software company Eleco was also a strong performer in the year. Following a strong transition from a mainly licence-based business model to one more focused on subscription income, Eleco is now experiencing strong profit growth which has been rewarded by the market. We see considerable scope for further growth and hence continue to hold the shares.

**Gamma Communications (+37%)**

Supplier of telecommunications services mainly to smaller and mid-sized businesses, Gamma Communications also contributed strongly to performance in 2024. Concerns about pricing power that had previously weighed on the valuation have proved to be largely unfounded, allowing the shares to re-rate throughout the year, supported by modest increases to profit expectations. Again, we remain positive on prospects.

**Spirax Group (-35%)**

Industrial thermal energy and fluid products business Spirax Group was a major detractor from performance for the year. Weakness in end markets drove a series of profit downgrades and undermined confidence, resulting in a de-rating of the shares. We believe that recovery may now take longer than the market expects and have therefore sold the position completely.

**Videndum (-58%)**

Content creation product manufacturer Videndum detracted from performance for the second year in a row as its end markets took longer to recover than expected following strikes in Hollywood and a consumer downturn. Management was changed towards the end of the year and we will wait to hear the plans of the new team before taking a view on the future of the investment.

**Vp (-6.4%)**

Specialist equipment rental business Vp was also a performance detractor in 2024 as construction markets remained weak and profit expectations were lowered. While frustrating, we continue to view Vp as a quality business with what is now a very attractive valuation. We remain holders.

**Portfolio changes**

There were four complete sales and five new additions to the portfolio over the year.

Sales included **Spirax Group**, as mentioned above, as well as agricultural supplies and industrial business **Carr's Group**. We believe that recovery in Carr's end market may take longer and be less complete than the market expects. Software business **Gresham Technologies** and telecoms testing company **Spirent** also left the portfolio as each received takeover bids.

New stocks added to the portfolio during the year included:

**Jet2** is a vertically integrated airline and tour operator with what we see as a differentiated model and customer proposition. This is validated by consistent share gains that have left it as the largest operator (by IATA licences) in its target markets.

Identity verification and fraud prevention business **GB Group** is a high-quality operator in our view, but has been through a difficult post-pandemic period as markets have normalised, exacerbated by an acquisition that was poorly received by the stock market. We believe that this has created an opportunity to invest in a quality business at an attractive valuation.

Alternative asset manager **Foresight Group** has strong positions in the attractive infrastructure and regional private equity niches. It serves clients ranging from retail investors to large institutions and has ambitious plans to grow profits over the next few years.

**Norcros** is a designer and distributor of bathroom hardware through brands such as Triton and Vado. Since disposing of its Johnson Tiles business, it has operated a largely capital-light model with most of the manufacturing outsourced to third parties. With a relatively new management team firmly focused on a growth agenda we think the opportunity to create value is significant.

## Investment Manager's Review (*continued*)

**Sthree** is a global recruitment business with a focus on contract (rather than permanent) placements and STEM (Science, Technology, Engineering and Maths) disciplines. It is in a cyclical sector currently experiencing a deep and prolonged downturn which, we believe, has created an attractive valuation opportunity for long term investors.

### Summary and Outlook

In many ways the year has played out broadly as expected. Inflation has continued to moderate and interest rates have started to come down. By the standards of recent years there have been relatively few macroeconomic shocks for markets to contend with. While conflicts continue in Ukraine and the Middle East (as well as other regions that attract less attention) they cannot be said to be influencing commodity prices or global supply chains as they did previously.

In this context it was not surprising to see markets performing reasonably well in the first half of the year and somewhat frustrating that they have lost momentum more recently. On a global level it is fair to say that caution remains the watchword in many areas. The US remains an exception as deficit funded spending and ongoing enthusiasm for all things AI have helped sustain an appetite for risk that seems ever more decoupled from the rest of the world.

In the UK a hoped-for recovery in activity has been choked off as much by negative sentiment as policy (although higher employment taxes will have an effect). Both consumers and businesses still seem to be in 'wait and see' mode before committing to higher spending. While few businesses are seeing outright market weakness, there are also few reports of sustained recovery.

In this environment we expect the equity market to remain fairly volatile with potentially repeated 'false dawns' and occasional periods of weakness. This does not mean we are any less enthusiastic about the longer term. Many companies are still reporting depressed earnings and valuations remain attractive. Pockets of strong structural growth remain. Hence there are opportunities for investors with a longer-term outlook.

Given this backdrop we believe that a balanced approach to portfolio construction remains appropriate. We are not positioned for a rapid recovery, but neither are we taking an overly defensive stance that might miss out on the recovery when it arrives. This will require patience but, we believe, will ultimately yield positive results.

### **Matt Cable**

Lead Manager

### **Tim Service**

Fund Manager

20th February 2025

## Portfolio Statement

Details of the investments held within the portfolio as at 31st December 2024 are given below by the market value:

	31st December 2024			31st December 2023		
	Holdings	Market Value £000's	% of Net Assets	Holdings	Market Value £000's	% of Net Assets
<b>UK Investments</b>						
Renold	18,813,923	8,843	7.19	28,745,000	9,802	7.46
Gamma Communications	516,289	7,899	6.42	640,919	7,204	5.48
Vp	1,393,566	7,665	6.22	2,404,250	14,906	11.35
Macfarlane	7,090,653	7,587	6.16	11,680,653	13,666	10.40
Hill & Smith	404,313	7,544	6.13	522,465	9,969	7.59
Telecom Plus	430,975	7,387	6.00	459,113	7,401	5.63
Eleco	4,479,758	6,540	5.31	4,520,781	3,617	2.75
Colefax	835,952	6,520	5.29	1,055,952	7,286	5.55
Jet2	399,296	6,321	5.14	–	–	–
Treatt	1,281,009	6,232	5.06	1,281,009	6,444	4.91
OSB	1,401,694	5,666	4.60	1,401,694	6,501	4.95
GB	1,663,873	5,657	4.59	–	–	–
Alpha Group International	241,738	5,633	4.57	336,513	5,721	4.36
IMI	292,263	5,322	4.32	292,263	4,922	3.75
Oxford Instruments	245,735	5,296	4.30	58,268	1,337	1.02
Marshalls	1,545,642	4,536	3.68	1,545,642	4,319	3.29
RS	604,401	4,107	3.34	464,401	3,806	2.90
Morgan Advanced Materials	1,500,000	4,080	3.31	1,500,000	4,245	3.23
Foresight	877,203	3,588	2.91	–	–	–
Sthree	890,288	2,622	2.13	–	–	–
Videndum	959,582	1,397	1.13	959,582	3,339	2.54
Norcros	318,554	812	0.66	–	–	–
Dyson	1,000,000	31	0.03	1,000,000	41	0.03
Spirax-Sarco Engineering*	–	–	–	59,668	6,268	4.77
Gresham Technologies*	–	–	–	2,360,303	2,714	2.07
Spirent Communications*	–	–	–	1,516,091	1,869	1.42
Carr's*	–	–	–	4,750,000	4,617	3.51
Total Investments		<b>121,285</b>	<b>98.49</b>		129,994	98.96
Net current assets		<b>1,862</b>	<b>1.51</b>		1,365	1.04
Net Assets		<b>123,147</b>	<b>100.00</b>		131,359	100.00

Unless otherwise specified, the actual holdings are, in each case, of ordinary shares or stock units and of the nominal value for which listing has been granted.

\*Sold during the year to 31st December 2024.

## Strategic Report

The Strategic Report is designed to provide information primarily about the Company's business and results for the year ended 31st December 2024 and should be read in conjunction with the Chairman's Statement and the Investment Manager's Review on pages 8 and 9 and 10 to 12 respectively.

### Performance Statistics

	31st December 2024	31st December 2023
NAV per Ordinary Share	2,543.4p	2,337.1p
Closing mid-market price per Ordinary Share	2,380.0p	2,130.0p
Discount to NAV*	(6.4%)	(8.9%)
Dividends per Ordinary Share <sup>1</sup>	44.0p	43.00p
Dividend yield*	1.8%	2.0%
Ongoing Charges*	0.9%	0.9%
Earnings per Ordinary Share – basic		
Revenue	42.1p	50.4p
Capital	181.2p	11.0p
NAV return per Ordinary Share*	8.8%	2.4%
FTSE All-Share Index	5.5%	3.8%

\*These are Alternative Performance Measures.

<sup>1</sup>Assumes shareholder approval of the proposed final dividend of 32.00p per Ordinary share at the forthcoming AGM.

### Explanation of Alternative Performance Measures ("APM")

An alternative performance measure is a financial measure of historical or future financial performance, financial position or cash flow that is not prescribed by the relevant accounting standards. The APMs are the discount to NAV, dividend yield, ongoing charges and NAV return as defined below.

#### Discount to NAV

The discount to net asset value is the amount, expressed as a percentage, by which the share price is less than the net asset value per share.

The discount to NAV is calculated as follows:

	2024	2023
Net asset value per Ordinary Share (a)	2,543.4p	2,337.1p
Closing mid-market price per Ordinary share (b)	2,380.0p	2,130.0p
Discount to NAV $((a-b)/a)*100$	6.4%	8.9%

#### Dividend Yield

The dividend yield is a financial ratio which indicates how much the Company pays out in dividends each year relative to its share price. The figure is calculated by dividing the aggregate value of dividends per share in a given year by the closing share price as at 31st December each year and is represented as a percentage.

The dividend yield is calculated as follows:

	2024	2023
Total Dividends paid per Ordinary Share <sup>1</sup> (a)	44.00p	43.00p
Closing mid-market price Ordinary Share (b)	2,380.0p	2,130.0p
Dividend Yield $(a)/(b)*100$	1.8%	2.0%

<sup>1</sup>Assumes shareholder approval of the proposed final dividend of 32.00p per Ordinary share at the forthcoming AGM.



### Ongoing Charges

Ongoing charges are expenses charged to revenue or capital that relate to the operation of the Company as an investment trust and are deemed likely to recur in the foreseeable future. They do not include the costs of acquisition or disposal of investments, financing costs and gains or losses arising on investments. Ongoing charges are calculated on the basis of the annualised ongoing charge as a percentage of the average net asset value in the period.

The calculation methodology for ongoing charges is set out by the Association of Investment Companies ("AIC") and is calculated as follows:

	2024 £'000	2023 £'000
Investment management fee	672	670
Other expenses	522	470
Total Expenses (a)	1,194	1,140
Average NAV (b)	134,330	133,930
Ongoing Charge (a)/(b)*100	0.9%	0.9%

### NAV Return

The NAV return is the percentage change in closing NAV per share compared with opening NAV per share.

The NAV return is calculated as follows:

NAV per Ordinary Share 31st December 2024 (a)	2,543.4p
NAV per Ordinary Share 31st December 2023 (b)	2,337.1p
NAV return (a/b-1)*100	8.8%

### Status

The Company is registered as an investment company as defined in section 833 of the Companies Act 2006 and operates as such. The Company is not a close company within the meaning of the provisions of the Corporation Tax Act 2010.

The Company is an "alternative investment fund" ("AIF") for the purposes of the EU Alternative Investment Fund Managers ("AIFM") Directive, as adopted in the UK. In the opinion of the Directors the Company has conducted its affairs during the year under review so as to qualify as an investment trust for the purposes of Chapter 4 of Part 24 of the Corporation Tax Act 2010 and continues to meet the eligibility conditions set out in section 1158 of the Corporation Tax Act 2010.

The Board is directly accountable to shareholders. The Company is listed on the London Stock Exchange and is subject to the UK Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules published by the Financial Conduct Authority ("FCA"). The Company is governed by its articles of association, amendments to which must be approved by shareholders by special resolution. The Company is a member of the Association of Investment Companies ("AIC").

The FCA rules in relation to non-mainstream pooled investments do not apply to the Company.

### Strategy for Meeting the Objectives

The Company's objective is to exceed the benchmark index over the long-term whilst managing risk.

To achieve this objective, the Board appointed Jupiter on 3rd October 2022 to continue the Company's long-term strategy of seeking out undervalued investments. This is supported by the five-yearly review that addresses the above objective. The most recent review was conducted in January 2021, at which the Board concluded that the continuation of the Company for the period until July 2026 was in the best interests of shareholders.

## Strategic Report *(continued)*

The Company fulfils its investment objective and policy by operating as an investment company. The Board delegates operational matters to specialist third-party service providers. The closed-ended nature of the Company allows a longer-term view on investments because liquidity issues as a result of redemptions are less likely to arise. The Board has closely monitored performance in 2024 to ensure the Company's strategic objectives are continuing to be met.

In pursuing its strategy, close attention is also paid to the control of costs. Further information on this is contained in the Key Performance Indicators on page 21.

### **Investment Selection**

There is a rigorous process of risk analysis at the level of the individual investment, based on the characteristics of the investee company. This controls the overall risk profile of the investment portfolio.

Since its appointment the Investment Manager has taken steps to balance risk and improve performance by reducing the Company's largest holdings and investing in additional holdings at similar weights. The Investment Manager has also invested in companies from a broader range of industries and sectors over the past year and will continue to seek out undervalued investments that offer the opportunity for capital growth.

The investment portfolio is managed on a medium-term basis with a low level of investment turnover. This minimises transaction costs and ensures medium-term consistency of the investment approach.

The Company's investment activities are subject to the following limitations and restrictions:

The policy does not envisage hedging either against price or currency fluctuations. Whilst performance is compared against major UK indices, the composition of indices has no influence on investment decisions or the construction of the portfolio. As a result, it is expected that the Company's investment portfolio and performance will deviate from comparator indices.

Full details of the Company's portfolio are set out on page 13 and further information is set out in Notes 9 to 10 inclusive.

### **Sustainability of Business Model and promoting the success of the Company**

The Board is responsible for the overall strategy of the Company and decisions regarding corporate governance, asset allocation, risk and control. The day-to-day management of the investments is delegated to the Investment Manager and the management of the operations to specialist third-party suppliers.

The Directors are conscious of their duties under section 172 of the Companies Act 2006 and, in particular, the overarching duty to promote the success of the Company for the benefit of the shareholders, with careful attention paid to wider stakeholders' interests. The Board is aware of the importance of ensuring that the Company has a sustainable, well-governed business model to achieve its strategy and objectives.

As part of discharging its section 172 duties, the Company, through the Investment Manager, uses its influence as a shareholder, where possible, to encourage the companies in which it invests to adopt best practice on environmental, social and corporate governance ("ESG") matters. Further related information can be found on pages 18 to 20.

The third-party service providers are a key element of ensuring the success of the business model. The Board monitors the chosen service providers closely to ensure that they continue to deliver the expected level of service. The Board also receives regular reporting from them, evaluates the control environment and governing contract in place at each service provider and formally assesses their appointment annually.

### **Culture & Values**

All the Directors seek to discharge their responsibilities and meet shareholder expectations in an open and transparent manner. The Board seeks to recruit Directors who have diverse business experience including managing the types of companies in which the Company invests. The industry experience on the Board ensures that there is detailed knowledge and constructive challenge in the decision-making process. This helps the Company achieve its overarching aim of enhancing shareholder value. The Directors are mindful of costs and seek to ensure that the best value is achieved in managing the Company.

The Company's values of skill, knowledge and integrity are aligned to the delivery of its investment objective and are monitored closely by the Board.

The Board seeks to employ third party providers who share the Company's values and, importantly, will work with the Directors openly and transparently to achieve the Company's aims. As detailed in the Business Ethics section below, the Board expects and seeks assurance that the companies with which it works adopt working practices that are of a very high standard.

The Responsibilities as an Institutional Shareholder section below describes the Company's approach to managing its investments, including ESG matters.

### **Business Ethics**

The Company maintains a zero-tolerance policy towards the provision of illegal services, bribery and corruption in its business activities, including the facilitation of tax evasion. As the Company has no employees and the Company's operations are delegated to third-party service providers, the Board seeks assurances from those providers that they comply with the provisions of the Modern Slavery Act 2015 and maintain adequate safeguards in keeping with the provisions of the Bribery Act 2010 and Criminal Finances Act 2017.

As an investment vehicle the Company does not provide goods or services in the normal course of business, and does not have customers. Accordingly, the Directors consider that the Company is not within the scope of the Modern Slavery Act 2015.

### **Board Diversity**

The Company's affairs are overseen by a Board comprising four non-executive Directors, one of whom is female, three of whom are male. None of the Directors is from an ethnic minority background. The UK Listing Rules on board diversity targets are as follows: at least 40% of board members should be women, at least one board member should be from an ethnic minority background and at least one of the senior positions on the board should be held by a woman. The role of Audit, Risk and Compliance Committee Chair is held by a woman, however, the first two of these targets are currently not met by the Company. In terms of progress in achieving diversity, the Board is committed to ensuring that vacancies arising are filled by the best qualified candidates, whilst recognising the benefits of diversity in the composition of the Board. Improving the Board's gender and ethnic diversity will be a key focus when the Board undertakes any further recruitment. Further details on the gender and ethnic background of the Directors are included in the Corporate Governance Statement on page 33.

The Directors have broad experience, bringing knowledge of investment markets, business, financial services, accounting and regulatory expertise to discussions on the Company's business. The Directors regularly consider the leadership needs and specific skills required to achieve the Company's investment objective. Whilst appointments are based on skills and experience, the Board is mindful of the importance of diversity of gender, social and ethnic backgrounds, cognitive and personal strengths and experience. All appointments are based on objective criteria and merit and are made following a formal, rigorous and transparent process.

### **Responsibilities as an Institutional Shareholder**

The Board has delegated authority to the Investment Manager for monitoring the corporate governance of investee companies. The Board has delegated to the Investment Manager responsibility for selecting the portfolio of investments within investment guidelines established by the Board and for monitoring the performance and activities of investee companies. On behalf of the Company the Investment Manager carries out detailed research on investee companies and possible future investee companies through internally generated research. The research includes an evaluation of fundamental details such as financial strength, quality of management, market position and product differentiation. Other aspects of research include an appraisal of social, ethical and environmentally responsible investment policies.

The Board has delegated authority to the Investment Manager to vote on behalf of the Company in accordance with the Company's best interests. The primary aim of the use of voting rights is to address any issues which might impinge on the creation of a satisfactory return from investments. The Company's policy is, where appropriate, to enter into engagement with an investee company in order to communicate its views and allow the investee company an opportunity to respond.

## Strategic Report *(continued)*

In such circumstances the Investment Manager would not normally vote against investee company management but would seek, through engagement, to achieve its aim. The Investment Manager would, however, vote against resolutions it considers would damage the Company's shareholder rights or economic interests.

The Company has a procedure in place such that where the Investment Manager, on behalf of the Company, has voted against an investee company resolution, it is reported to the Board.

The Board considers that it is not appropriate for the Company to formally adopt the UK Stewardship Code. However, many of the UK Stewardship Code's principles on good practice on engagement with investee companies are used by the Company, as described above.

### Corporate and Social Responsibility

When investments are made, the primary objective is to achieve the best investment return while allowing for an acceptable degree of risk. In pursuing this objective, various factors that may impact on the performance are considered and these may include socially responsible investment issues.

As an investment trust, the Company's own direct environmental impact is minimal. The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions-producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 for the year to 31st December 2024 (2023: same). The Directors receive and use electronic meeting packs only. The Company provides electronic copies of the annual and half-yearly reports and other shareholder information on its website. All printed material, wherever possible, is on recycled material. The Investment Manager attempts to minimise the Company's carbon footprint. The Company's indirect impact occurs through the investments it makes.

The Company does not purchase electricity, heat, steam or cooling for its own use nor does it have responsibility for any other emissions producing sources.

### Environmental, Social & Governance ("ESG") Reporting

#### Overview

As a high-conviction active asset manager, the Investment Manager recognises that it has an important role to play in the allocation of capital, both as active owners and long-term stewards of the assets in which it invests on behalf of clients. The investment team has a defined investment process, and consideration of material ESG issues is integrated into both investment analysis and decision-making, influencing asset allocation, portfolio construction, security selection, position sizing, stewardship, engagement and subsequent decisions on whether to remain invested or exit.

This context is important when viewing the Investment Manager's approach to ESG factors that are highlighted below. These are complex matters where progress may not be linear and may manifest over multiple years. Furthermore, certain environmental and social issues may also depend on a policy or regulatory response in addition to investor input.

The Investment Manager's Responsible Investment Policy and Stewardship Report, available on its website (<https://www.jupiteram.com/global/en/corporate/sustainability-at-jupiter/reports/>), describes how it supports the Company's integration of environmental, social and governance (ESG) responsibilities, setting out its sustainability governance and oversight, its approach to ESG integration and materiality and core material ESG issues.

#### ESG in a UK small and mid-cap context

The Company's investment universe comprises small and mid-size companies which may be exposed to important sustainability risks and opportunities that can have material impacts on value. As an active investment manager, the Investment Manager believes that effective ESG integration cannot be outsourced to third parties, but must be incorporated into the fundamental analysis conducted by the investment team.

In particular, smaller companies remain under-researched by ESG rating agencies relative to their larger listed peers. Where they are covered at all, smaller companies are often penalised by rating agencies, either due to their corporate governance arrangements or a relative lack of detailed corporate disclosure about ESG issues. These factors present challenges but also, in the Investment Manager's view, opportunities to identify ESG risks or opportunities affecting companies which are not priced efficiently by financial markets.



## Corporate Governance

To grow successfully, the leadership of smaller companies must not only execute strategically, they must also lay the foundations for future growth by creating appropriate corporate governance structures. The Investment Manager believes that as corporate culture is set at an early stage, the relationships formed with key stakeholders such as customers, the workforce and suppliers at this point in a company's development can be fundamental to long-term success. The Investment Manager fully endorses the principles of the UK Corporate Governance Code and, while it acknowledges the need for pragmatism with smaller companies, it still expects high standards of governance at investee companies to support their growth in a sustainable manner.

The Investment Manager assesses company governance on a range of issues. These issues may include but are not limited to:

- **Boards and executive leadership:** The Investment Manager builds an understanding of the quality of leadership teams and boards through assessment of i) board and committee composition and independence, ii) board and executive tenure and succession planning, iii) Diversity, Equity and Inclusion ("DE&I") oversight and actions at board level and throughout an enterprise, iv) oversight and management of corporate culture.
- **Remuneration:** Management incentivisation structures should be aligned with shareholder interests. The Investment Manager considers KPIs governing short and long-term incentivisation, as well as the overall quantum, when assessing remuneration packages. It seeks to understand how remuneration structures encourage correct behaviours and how management compensation decisions are linked to successful strategic execution, management effectiveness, workforce considerations and the sustainability agenda.
- **Protection of minority rights and related party transactions:** The Investment Manager will escalate engagement where it believes that minority rights have been compromised.
- **Systemic risks:** The environment in which companies operate continues to change rapidly and the Investment Manager considers where businesses are exposed to wider systemic risks, including through the assessment of global standards, such as the UN Global Compact.
- **Conduct, litigation and relations with policy makers and regulators:** Poor relations with regulators can severely hamper corporate success and result in value destruction for investors. The Investment Manager seeks to understand board oversight of regulatory matters and how a company guards against malpractice.
- **Corporate culture:** The Investment Manager may engage with boards to understand how corporate culture is being led, developed, and monitored and to highlight strengths and areas for development. Where relevant, it seeks to understand how management is advancing culture and where and how culture challenges emerge.
- **Audit and control environment:** The Investment Manager considers quality and independence of auditors. It may escalate engagement with Audit Committee chairs where it believes that audit standards are not in line with its expectations.

## Environmental

### Climate

Limiting global temperature rises to 1.5 degrees above preindustrial levels, in line with the Paris Agreement, is an urgent challenge facing the global economy. The Investment Manager uses its influence as an investor through stewardship and active ownership to encourage companies to identify, manage and mitigate climate change risks or opportunities. It believes that the scale of climate change will impact all sectors, industries and asset classes and it acknowledges the positive role that investors can play in tackling it through its investment decisions and capital allocation.

### Biodiversity

The Investment Manager considers biodiversity impacts in its ESG analysis of companies, in line with its approach and commitments. It engages with investee companies where it believes their practices are unsustainable, with the goal of achieving change, reversing biodiversity loss, while preserving and enhancing the value of the Company's assets.

## Strategic Report *(continued)*

### Social

#### Human Rights

Companies with poor management of human rights can face a range of issues including fines, workforce issues and supply chain challenges which may affect their licence to operate. The Investment Manager monitors and assesses human rights policies and procedures for its investee companies to ensure that they are promoting good governance and management of human rights issues. It expects companies to comply with internationally-recognised human rights codes and standards.

#### Human Capital

Good human capital management supports both value creation and business resilience, and the Investment Manager believes that investing in human capital correlates with longer-term business success. Promoting Diversity, Equity and Inclusion (DE&I) enables companies to attract talent from a wider talent pool. It also contributes to better decision-making, performance, innovation and employee satisfaction and retention. The Investment Manager understands that approaches to human capital management, including DE&I, will differ and, as an active owner, it seeks to understand an investee company's operating model and engage to advise on best practice and potential improvements.

#### Health and safety

Where a company fails to meet health and safety standards, the Investment Manager will engage and encourage the company to improve its practices and to disclose health and safety indicators. Good health and safety should be embedded in a business and the Investment Manager promotes a zero-harm ethos.

### Engagement

Engagement is central to the Investment Manager's active ownership approach. The investment team maintains a dialogue with companies to inform its investment decisions and carry out strategic engagement, based on ESG materiality. The Investment Manager regularly engages with companies to monitor material ESG issues that will impact the long-term success of an investment. The Investment Manager is committed to long-term engagement goals; however, to protect shareholders' interests it reserves the right to exit an investment if the investment team concludes that progress is insufficient or does not meet the Company's strategic objectives. The Investment Manager also engages in collective engagement where such action aligns with its own objectives and this may also include dialogue with industry bodies/associations and policy makers as well as dialogue with other investors.

### Proxy Voting

Exercising its shareholder voice through active proxy voting is central to the Investment Manager's stewardship approach to represent the Company's interests, hold boards to account and support investee companies. Its investment managers are accountable for the exercise of their shareholder votes supported by the Stewardship team, which is responsible for proxy voting operations, the monitoring of meeting ballots and providing an initial assessment of each meeting's agenda, including an assessment of independent proxy advisory research. The Investment Manager's Proxy Voting Policy is available on the above mentioned website.

### Data Science and third-party data resource

The Investment Manager's in-house data science team has built a proprietary desktop tool, known as ESG Hub, which allows the investment teams to apply multi-factor ESG screening to their investment universe and to build custom reports. The data science team also works with third-party ESG data providers to challenge and provide constructive feedback to enhance the quality and integrity of the ESG data sets it uses.

### Screening

The Investment Manager does not exclude, except i) where required by law, ii) in line with the specifications of the Company's mandate, or iii) if a company is involved in banned activities under the following international conventions:

- The 1997 Ottawa Convention (Anti-Personnel Mine Ban Treaty)
- The 2008 Convention on Cluster Munitions (CCM)

It uses third party vendors to screen for involvement in controversial and banned weaponry.

### Task Force on Climate-related Financial Disclosures

The Investment Manager's report on the UK's Task Force on Climate-related Financial Disclosures Report ('TCFD') discloses estimates of the Company's portfolio's climate-related risks and opportunities according to the Financial Conduct Authority's Environmental, Social and Governance Sourcebook and the Task Force on Climate-related Financial Disclosures Recommendation. It is available on the Investment Manager's website: [www.jupiteram.com/task-force-on-climate-related-financial-disclosures/](http://www.jupiteram.com/task-force-on-climate-related-financial-disclosures/).

### 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 therefore not disclosed in this Report.

### Review of the Business

A review of the year and commentary on the future outlook is provided in the Chairman's Statement on pages 8 and 9.

During the year under review, the assets of the Company were invested in accordance with the Company's investment policy.

During the year the Company's net assets have decreased from £131.4m to £123.1m, largely as a result of the ongoing share buyback programme, offset by a modest increase in the value of investments. At 31st December 2024 the net asset value per Ordinary share was 2543.4p (2023: 2,337.1p).

### Key Performance Indicators

The Board is provided with detailed information on the Company's performance at every Board meeting. Key Performance Indicators are:

- Shareholders' funds equity return compared to the FTSE All-Share Index (the Company's benchmark index).
- Dividends per Ordinary share.
- Ongoing Charges ratio (formerly titled the Total Expense Ratio).

Further information is provided in the Glossary of Terms on page 70.

#### *Shareholders' funds equity return*

In reviewing the performance of the Company, the Board monitors shareholders' funds in relation to the FTSE All-Share Index. During the year NAV per Ordinary share increased by 8.8% compared to an increase of 5.5% in the FTSE All-Share Index. Over the five years ended 31st December 2024 NAV per Ordinary share increased by 11.8% compared with an increase of 6.5% in the FTSE All-Share Index. The NAV return calculation can be found on page 15.

#### *Dividends per Ordinary share*

The total dividend per Ordinary share paid and proposed is 44.0p (2023: 43.0p).

#### *Ongoing Charges*

Ongoing charges are expenses charged to revenue or capital that relate to the operation of the Company as an investment trust and are deemed likely to recur in the foreseeable future. They include the investment management fee but do not include the costs of acquisition or disposal of investments, financing costs and gains or losses arising on investments. Ongoing charges are calculated on the basis of the annualised ongoing charges as a percentage of the average net asset value in the period. The Ongoing Charges for the year ended 31st December 2024 were 0.9% (2023: 0.9%). Under the terms of the Investment Management Agreement, an operating expenses cap will be applied to the Company's annual ordinary operating expenses at 0.8 per cent. of the Company's average daily NAV during each financial year for a period of five years with effect from 3rd October 2022. Further details are given in Note 3 on page 59.

## Strategic Report *(continued)*

### Principal and Emerging Risks and Uncertainties

The Board of Directors has a process for identifying, evaluating and managing the key risks of the Company. This process operated during the year and has continued to the date of this report. The Directors confirm that during the year they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. Most of these risks are market related and are similar to those of other investment trusts investing primarily in listed markets. The Audit, Risk and Compliance Committee reviews the Company's Risk Matrix and Risk Heat Map at each meeting and, as part of this process, gives consideration to identifying emerging risks. Any emerging risks that are identified and that are considered to be of significance will be recorded in the Company's Risk Matrix, together with any mitigations. In carrying out this assessment, consideration is given to the current market conditions which may impact the Company. No emerging risks have been identified.

The Company's principal risks and how they are being managed or mitigated are described below.

Investment in an individual smaller company inherently carries a higher risk than investment in an individual large company. In a diversified portfolio, the portfolio risk of a smaller company portfolio is only slightly greater than the portfolio risk of a large company portfolio. The Company's portfolio is diversified. Additionally, the Company invests overwhelmingly in smaller UK listed and AIM traded companies and has no exposure to derivatives. The principal financial risks are therefore market price risk and liquidity risk. Further details on these risks and how they are managed may be found in Note 18 to the financial statements on pages 66 to 68.

Additional principal risks identified by the Company, together with the Board's approach to dealing with them are as follows:

**Investment performance** – The performance of the investment portfolio will deviate from the performance of the benchmark index. The Board's objective is to exceed the benchmark index over the long-term whilst managing risk. The Board ensures that the Investment Manager is managing the portfolio within the scope of the investment policy; the Board monitors the Company's performance against the benchmark; and the Board also receives detailed portfolio attribution analyses. The Board has a clearly defined investment philosophy which requires the Investment Manager to operate a diversified portfolio.

**Share price discount** – Investment trust shares often trade at a discount to their underlying net asset values. A disproportionate widening of the discount comparative to peers could lead to a decrease in value for shareholders. The Board continually monitors the level of the discount and discusses its discount management policy with the Investment Manager. On 7th December 2016, the Company implemented share buy-back arrangements to mitigate the risk of the discount increasing. In July 2024, the Board announced a further extension to the share buy-back programme. The Board authorised the repurchase of shares of an average rolling £1 million per month until 31st July 2025 (subject to the renewal of the buy-back authority at the forthcoming AGM).

**Loss of key personnel** – The Investment Manager is crucial to performance and the loss of key personnel could adversely affect performance in the medium term. The Board reviews its strategy for this risk annually. Jupiter Unit Trust Managers Limited (JUTM) provides two dedicated fund managers to the Company as part of the Investment Management Agreement. Jupiter also regularly considers its remuneration packages in order to retain staff and routinely reviews succession planning. Following the retirement of Dan Nickols, the lead investment manager, in June 2024 the Board reviewed the management arrangements for the Company within JUTM and concluded that Matt Cable was well placed to succeed Mr Nickols as lead manager. Mr Cable is supported by Tim Service. The Board took comfort from the many years combined investment experience of Mr Cable and Mr Service, as well as the strength in depth of Jupiter's Small and Mid-Cap Equities team.

**Regulatory risk** – The Company must comply with the requirements of section 1158 of the Corporation Tax Act 2010 to maintain its investment trust status. This is achieved by the consistent investment policy and is monitored by the Board. The Board seeks assurance from the Administrator that the investment trust status is being maintained. The Audit, Risk and Compliance Committee reviews a schedule of regulatory risk items at its meetings and takes action to address any regulatory changes.



**Protection of assets** – The Company's assets are protected by the use of an independent custodian, Northern Trust Company. The Board monitors the custodian to ensure assets remain protected. The Company operates internal controls to safeguard assets held by the custodian, for example, through the Administrator which reconciles the Company's cash and stock positions to the custodian's records on a daily basis.

**Geopolitical risk** – Changes in the political landscape could substantially affect the Company's prospects and the value of its investment portfolio. Geopolitical risks are discussed at Board meetings. The risks to market stability as a result of international conflicts are discussed between the Investment Manager and the Board, including the impact of the ongoing war between Russia and Ukraine and the hostilities in the Middle East. The Company has no exposure to investments within or impacted by the current conflict areas.

**Climate change risk** – Climate change will bring fundamental shifts to economic activity and human behaviour across the planet. The Board and Investment Manager regularly consider how climate change could affect the Company's investment portfolio and shareholder returns. In line with UK adopted International Accounting Standards investments are valued at fair value which, for the Company, are quoted bid prices for investments in active markets at the Statement of Financial Position date and therefore reflect market participants' views of climate change.

**Pandemic Risk** – The COVID-19 pandemic highlighted the speed at and extent to which a pandemic or health emergency can exert strain on both global and localised economies and infrastructure. The structural changes that have been accelerated by the pandemic continue to present risks and opportunities for different sectors and their products, markets and supply chains. The Investment Manager mitigates exposure to these risks by carefully monitoring performance and adaptability of portfolio companies, diversifying investments and seeking to learn lessons from the COVID-19 pandemic which may be of use in the event of future pandemics or health crises.

**Cyber Risk** – Cyber incidents are becoming increasingly common and may cause disruption and impact business operations, potentially resulting in financial losses, theft, interference with the ability to maintain the Company's financial records, and reputational issues. The Company has appointed experienced service providers that invest heavily in their IT operations, with a particular focus on cyber security. The Board met with representatives from the cyber security teams of each of the key service providers during the year to gain an understanding of the processes that each has in place to manage these risks in general and, specifically, in relation to the Company. The Board took comfort from the assurances provided and will continue to keep this area under review. The Company's key service providers periodically confirm to the Board that they have in place business continuity plans and procedures to mitigate the impact on the Company of a disruption in service.

**Economic conditions** – Changes in economic conditions including, but not limited to, interest rates, rates of inflation, competition and tax legislation, could have a significant effect on the Company's prospects and the value of its investment portfolio. The Board reviews the investment strategy and the portfolio with the Investment Manager at each Board meeting. The Investment Manager continually considers economic conditions whilst seeking to meet the Company's investment objective.

These and other risks facing the Company are reviewed regularly by the Audit, Risk and Compliance Committee and the Board.

## Strategic Report *(continued)*

### Section 172 Statement

The Board seeks to promote the success of the Company for the benefit of its shareholders. In doing so it gives consideration to the likely long-term consequences of any decision with regard to the interests of its business relationships and the environment in which it operates. As at 31st December 2024, the Company had no employees.

Stakeholder Group	Engagement in the year and their material issues
Shareholders	<p>Shareholders play an important role in monitoring and safeguarding the governance of the Company. They have access to the Board via the Company Secretary throughout the year. The Board welcomes the opportunity to engage with shareholders at its Annual General Meeting. The Company continues to communicate with shareholders via the Company Secretary, its website and the publication of its financial reports throughout the year. The Chairman regularly meets with larger investors to gauge investor sentiment and always responds to questions from shareholders.</p> <p>The Board encourages shareholders to ask questions of the Chairman of the Board and all other Directors via the Company Secretary and to ask questions of the Investment Manager. Shareholders may submit questions to <a href="mailto:cosec-uk@apexgroup.com">cosec-uk@apexgroup.com</a> or <a href="mailto:investmentcompanies@jupiteram.com">investmentcompanies@jupiteram.com</a>. Communication with shareholders enables the Board to make informed decisions when considering how to promote the success of the Company over the long term.</p>
Suppliers	<p>The Board relies on a number of advisors for support in the successful operation of the Company and in meeting its obligations. The Board therefore considers the Investment Manager, Secretary/Administrator, Broker, Registrar, Custodian and Depository to be stakeholders.</p> <p>Key suppliers are required to report to the Board on a regular basis and, as detailed on page 16, there is a robust framework in place to evaluate their performance annually. The Company employs a collaborative approach and looks to build long-term partnerships based on open terms of business and fair payment terms.</p> <p>The Secretary engages with key suppliers to ensure that services provided are satisfactory.</p>
Investee Companies	<p>The Board recognises the benefits of good communication with and stewardship of investee companies and the importance of such in meeting the Company's investment objective.</p> <p>The Investment Manager meets with the management of companies in which the Company has a significant interest and reports on findings to the Board regularly.</p>
Regulators	<p>As a company listed on the London Stock Exchange, the Board ensures compliance with the necessary rules and regulations relevant to the Company in order to build trust and maintain its reputation in the market.</p>
Community and environment	<p>As discussed in more detail on pages 15 to 27 and throughout this report, in pursuing the Company's objectives, various factors that may impact on performance are considered. These may include environmental, social and governance ('ESG') issues. The Board believes that poor practices can have an impact on the value of investments and potential investments and consideration of ESG factors as part of the investment process is therefore key.</p>

### Factoring Stakeholders into Principal Decisions

The Board defines principal decisions as not only those that are material to the Company but also those that are significant to any of the Company's key stakeholders as identified above. In making the following principal decisions, the Board considered the outcome from its stakeholder engagement as well as the need to maintain a reputation for high standards of business conduct and the need to act fairly as between the members of the Company.

Principal Decision 1	<p><i>Share buy-back programme</i></p> <p>In July 2024 the Company announced a further extension of the share buyback programme. The Board authorised repurchases of shares of up to an average £1 million per month until July 2025. The continuation of the programme is designed to address the share price discount.</p>
Principal Decision 2	<p><i>Board Composition</i></p> <p>The Board undertakes a detailed review of its own composition annually, including assessing the knowledge and experience therein. As a result of this review the Board concluded that it was not necessary to increase the current number of directors at present. Mr Roper has declared his intention to retire at the conclusion of the Annual General Meeting in 2026. A recruitment exercise will be undertaken in 2025 to identify a suitable successor. The Board will continue to review its composition annually or in the event of any further changes.</p>
Principal Decision 3	<p><i>Dividend Policy</i></p> <p>The Board continues to operate a progressive dividend policy. The Board has increased the annual dividend, having paid and recommended dividends totalling 44.00p per share to shareholders for the financial year ended 31st December 2024 (2023: 43.0p).</p>
Principal Decision 4	<p><i>Remuneration</i></p> <p>During the year the Nominations and Remuneration Committee undertook a review of the level of non-executive Directors' fees. The Committee considered the level of fees relative to various benchmarks, together with the Company's performance and the need to attract and retain directors of a high calibre. The Committee concluded that Directors' fees should be increased with effect from 1st January 2025 by £1,635 for the Chair of the Audit, Risk and Compliance Committee, by £1,900 for the Chairman and by £1,425 for each of the other non-executive directors and that the fees should continue to be reviewed annually to ensure that the levels of remuneration remain attractive to current and prospective directors. On the recommendation of the Nominations and Remuneration Committee the Board considered and approved the proposed increase in Directors' fees.</p>
Principal Decision 5	<p><i>Management Engagement Committee</i></p> <p>The Board monitors the Investment Manager's performance against the Company's investment objective at each Board meeting. In addition, the Board took the decision to establish a Management Engagement Committee in early 2023. The Committee meets annually to review the contractual terms of the Investment Management Agreement and the performance of the Investment Manager. On the recommendation of the Management Engagement Committee the Board approved the continuing appointment of the Investment Manager, having concluded that it was in the best interests of the Company and its shareholders.</p>
Principal Decision 6	<p><i>Consideration of Share Split</i></p> <p>During the year the Board reconsidered a sub-division of the Company's shares. After due deliberation it again concluded that the benefits would not be sufficiently far-reaching for the Company and its shareholders.</p>

## Strategic Report (*continued*)

### Factoring Stakeholders into Principal Decisions (*continued*)

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Principal Decision 7	<p><i>Change of Name</i></p> <p>Following feedback from a number of shareholders the Board considered the merits of a change of name for the Company. After due deliberation the Board concluded that a name change would not inherently improve the Company's marketability and liquidity. Instead, the Board requested that JUTM put greater emphasis on raising the profile of the Company.</p>
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### Viability Statement

The Board reviews the performance and progress of the Company over five-year periods and uses these assessments, regular investment performance updates from the Investment Manager and a continuing programme of risk monitoring to assess the future viability of the Company. The Directors consider that a period of five years is a reasonable time horizon to consider the viability of the Company. The Company also uses this period for its strategic planning. The following facts support the Directors' view of the viability of the Company:

- The Company's portfolio comprises marketable smaller UK-listed and AIM traded securities and has short term cash on deposit.
- The Company does not use gearing.
- The expenses of the Company were covered three times by investment income in 2024.

In order to maintain viability, the Company has a robust risk control framework for the identification and mitigation of risk which is reviewed regularly by Board. Consideration was also given to the principal risks and uncertainties faced by the Company, as detailed on pages 22 to 23. The Directors seek assurances from suppliers that their operations are well managed and that they are taking appropriate action to monitor and mitigate risk. The Board also considered the political and economic environment in relation to the Company's investment positions, its future income streams and its ability to continue trading.

Based on the above, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment.

### Shareholder Communication

The Board is committed to maintaining open channels of communication with shareholders. It is the Chairman's role to ensure effective communication with the Company's shareholders and it is the responsibility of the Board to ensure that satisfactory dialogue takes place, based on the mutual understanding of objectives. The Board remains cognisant of the importance of clear communications with shareholders and will respond to all reasonable requests for information or meetings.

The Investment Manager maintains a regular dialogue with major shareholders and reports to the Board. In the event that shareholders wish to raise issues or concerns with the Directors, they are welcome to do so at any time via the Company Secretary at [cosec-uk@apexgroup.com](mailto:cosec-uk@apexgroup.com). The Annual Report and half-year results are circulated to shareholders wishing to receive them and are available on the Company's website. These provide shareholders with a clear understanding of the Company's portfolio and financial position. This information is supplemented by the daily calculation and publication of the NAV per share. JUTM also publishes a monthly factsheet that can be found on the Company's website, [www.jupiteram.com/uk/en/individual/rights-and-issues-investment-trust-plc](http://www.jupiteram.com/uk/en/individual/rights-and-issues-investment-trust-plc). Shareholders are encouraged to ask questions either at the Annual General Meeting or via the Company Secretary.

### 2024 AGM Voting

At the AGM held on 27th March 2024 resolution 2, to approve the Directors' Remuneration Report, and resolution 5, to re-elect Mr Simon Knott as a Director, were passed with the necessary majority but with less than 80% of the votes cast in favour of the resolutions by shareholders. In accordance with Provision 4 of the UK Corporate Governance Code the Company is required to provide an update on its consultation with the shareholder(s) that voted against these resolutions.

The Board liaised with the significant shareholder who voted against both resolutions and understands that the reason for the vote against the Directors' Remuneration Policy was because of the ex-gratia payment to Dr David Bramwell, the former Chairman. This payment was to fund a gift in recognition of Dr Bramwell's long service to the Company and his contribution as Chair. The shareholder acknowledged that the sum of the payment was insignificant and the Board confirmed that this payment was not intended to set a precedent for any such payments in the future and does not envisage making such a payment again.

Regarding the decision to vote against the re-election of Mr Simon Knott, the Board understands that it was a compliance driven vote reflecting the institutional shareholder's view that Mr Knott was non-independent, having formerly been the CEO of the Company prior to the appointment of Jupiter Unit Trust Managers Limited as investment manager in October 2022, when it was a self-managed investment trust. This contrasts with positive feedback received by the Board regarding Mr Knott's continuing involvement as a non-executive director. The Board clarified with the shareholder that Mr Knott has no current or former association with JUTM other than as a non-executive director of the Company and, despite his tenure as Investment Director, the Board considers him to be independent. Furthermore, with his extensive investment knowledge and in-depth understanding of the companies within the portfolio, Mr Knott's contribution to the Board and its committees is invaluable.

The percentage of the total shares in issue cast against resolutions 2 and 5 was 6.5% and 6.4% respectively. The weighting of these votes was disproportionately distorted due to the relatively low number of votes cast at the AGM. The Board urges shareholders to exercise their right to vote by appointing the Chairman as their proxy and indicating how they would like their votes to be cast.

### Company's Directors and Employees

The number of directors at 31st December 2024 was four (2023: four).

	2024		2023	
	Male	Female	Male	Female
Directors (non-executive)	3	1	3	1
Other Employees	0	0	0	0

The Directors have considered the Strategic Report and believe that taken as a whole it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance and strategy.

The Strategic Report was approved by the Board and signed on its behalf by:

**Dr Andrew J. Hosty**

Chairman

20th February 2025



## Report of the Directors

The Directors have pleasure in submitting their Report, together with the audited financial statements in respect of the year ended 31st December 2024.

### Directors

The Directors who served during the year were as follows:

#### **Dr Andrew Hosty** (Chairman of the Board and of the Management Engagement Committee)

Andrew is a Chartered Engineer and Fellow of the Royal Academy of Engineers. He is an international business leader with over 20 years of non-executive board experience and 30 years of executive and management experience, spanning private equity, UK Plc and global blue-chip corporates. From 2016 to 2018 Andrew was the CEO of the Sir Henry Royce Institute, the UK's home of advanced materials research and innovation. Andrew was Chief Operating Officer of Morgan Advanced Materials and served on the Plc Board as an Executive Director from 2010 to 2016. These experiences and his current work with other operating companies mean that Andrew can contribute to a range of business matters over a wide spectrum of end markets.

#### **Jonathan Roper** (Senior Independent Director)

Jonathan is a solicitor and until his retirement from practice was a partner in Eversheds Sutherland (now Eversheds Sutherland (International) LLP.) He has more than 35 years' experience of commercial practice in the City, advising primarily on public and private company mergers and acquisitions, joint ventures and equity and other financing arrangements for UK and overseas clients, including many in the financial services sector, and often at a strategic board level. Until recently, was a member of the Council of the London School of Hygiene & Tropical Medicine and chair of its Audit & Risk Committee.

#### **Simon Knott**

Simon served as Investment Director of the Company from 1983 focusing on UK smaller companies. Following the appointment of Jupiter as Investment Manager on 3rd October 2022 Simon retired as Investment Director but remains a non-executive director of the Company.

#### **Helen Vaughan** (Chair of the Audit, Risk and Compliance Committee)

Helen is a Chartered Accountant and a certified independent fund director. She has over 30 years of investment management experience. As the Chief Operating Officer for the J O Hambro Capital Management Group, Helen oversaw the transformation of the Group's operating model to one which supported rapid growth and also significantly reduced operational risk to the business. She retired from this company in September 2019. Prior to this, Helen was Director of Business Development at Credit Suisse Asset Management and before that Head of Investment Operations at SLC Asset Management and Head of Client Accounting at Framlington Group Limited.

## Dividends

The Board is recommending a final dividend of 32.00p per Ordinary share (2023: 31.25p). If approved, taken with the interim dividend of 12.00p per Ordinary share (2023: 11.75p), this will result in a total dividend to the holders of Ordinary shares for the year of 44.00p per Ordinary share (2023: 43.00p).

## Substantial Shareholdings

As at 20th February 2025 the Company had received notification in accordance with Chapter 5 of the Disclosure and Transparency Rules of the following voting rights:

	Ordinary shares	% of voting rights*
S. J. B. Knott	785,062	16.10
Dartmoor Investment Trust	609,258	12.06
Rathbones Investment Management International Ltd	284,109	4.94

\* The percentage of voting rights is as at the time of the notification.

## Section 992 Companies Act 2006 Disclosures

Details of the Company's capital structure and voting rights are given on page 2 of this document and in Note 14 on page 65 of the financial statements.

## Corporate Governance

Full details are given in the Corporate Governance Statement on pages 32 to 36. The Corporate Governance Statement forms part of this Directors' Report.

Whilst the Company has no employees or customers, the Directors give regular consideration to the need to foster the Company's business relationships with its stakeholders including, but not limited to, its shareholders and service providers. The effect of this consideration upon the principal decisions taken by the Company during the year to 31st December 2024 is set out in further detail in the Strategic Report on pages 25 and 26.

## Stakeholder Considerations

The Notice of the Annual General Meeting to be held on 24th March 2025 is set out on pages 5 to 7.

**Share Buyback Authority (resolution 10):** The Board is seeking to renew the authority granted at the Annual General Meeting held on 27th March 2024 that authorises the Company to make market purchases of Ordinary shares for cancellation. At the forthcoming Annual General Meeting the Directors will seek to renew this authority to buy back for cancellation up to 14.99% of Ordinary shares in issue, representing 719,900 Ordinary shares as at 19th February 2025. The authority will expire at the conclusion of the Annual General Meeting of the Company in 2026 unless the authority is renewed. The share buyback programme was extended for a further 12 months in July 2024. Cavendish Capital Markets, the Company's broker, continues to facilitate these buybacks on the Company's behalf and in accordance with the relevant provisions of the Companies Act 2006 and UK Listing Rules.

**Recommendation:** The Directors recommend that shareholders vote in favour of the resolutions to be proposed at the Annual General Meeting, as they intend to do in respect of their own beneficial holdings; all resolutions are considered to be in the best interests of the Company and its shareholders.

## Report of the Directors (*continued*)

### Directors' Remuneration Report

The Directors' Annual Remuneration Report on pages 40 to 44 provides information on the Directors' remuneration and their interests in the share capital of the Company, together with details of their letters of appointment and memoranda of service.

### Investment Management Agreement

JUTM provides discretionary investment management services to the Company under an Investment Management Agreement ('IMA') dated 30th August 2022. The IMA provides for an investment management fee equal to 0.6 per cent per annum on the Company's NAV up to and including £200 million and 0.5 per cent per annum on the Company's NAV in excess of £200 million.

An operating expenses cap will be applied in respect of each financial year by means of a balancing charge which will reduce the management fee payable to the Investment Manager with respect to the quarter ending 31st March of the following financial year. Under the terms of the IMA the Manager has agreed to cap the Company's annual ordinary operating expenses incurred and calculated in accordance with the Company's usual procedures at 0.8 per cent. of the Company's average daily NAV during each financial year. The operating expenses cap will not apply to the extent that the management fee would be less than 0.5 per cent of the Company's average daily NAV during any financial year. The operating expenses cap will apply for a period of five years with effect from 3rd October 2022. The Manager and the Board will review the operating expenses cap at least annually to determine whether the level of the cap remains appropriate.

The IMA may be terminated by either the Company or JUTM on not less than six months' notice to the other party or earlier in the event of default. There is no compensation payable on termination.

The Board has reviewed the performance of the Investment Manager and believes that its continuing appointment is in the best interests of the Company and its shareholders.

### Administration & Secretarial Agreement

The accounting, company secretarial and administrative services are provided by Apex Fund Administration Services (UK) Limited under an agreement terminable by either party on not less than six months' notice or earlier in the event of default. There is no compensation payable on termination.

### Disclosure of Information to Auditor

So far as each Director at the date of approval of this report is aware:

- there is no relevant audit information of which the Company's Auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

### Going Concern

The Company's assets comprise mainly readily realisable equity securities and cash and the value of its assets is significantly greater than its liabilities. Additionally, after reviewing the Company's budget, including the current financial resources, projected expenses and its medium-term plans, the Directors believe that the Company's resources are adequate for it to continue in operational existence for the period up to 28th February 2026, which is at least 12 months from the date of approval of these financial statements. The Directors have considered the impact of the increased market volatility since the outbreak of COVID-19, the risks arising from the ongoing conflicts between Russia and Ukraine and in the Middle East, as well as the political and economic uncertainty in relation to both the Company's operations and performance, and have concluded that the Company will continue to be able to meet its financial obligations and that these factors do not affect the going concern status. Accordingly, the Directors consider that it is appropriate to continue to prepare the financial statements on a going concern basis.

## **General**

The Company purchases liability insurance covering the Directors and Officers of the Company.

The Directors' Report was approved by the Board and signed on its behalf by:

**Dr Andrew J. Hosty**

Chairman

20th February 2025

## Corporate Governance Statement

### AIC Code

The Board has considered the AIC Code of Corporate Governance, published in February 2019 (AIC Code). The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the UK Code), as well as setting out additional provisions on issues that are of specific relevance to investment companies.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to shareholders.

The Board confirms that the Company has complied with the Principles and Provisions of the AIC Code.

The AIC Code is available on the AIC website ([www.theaic.co.uk](http://www.theaic.co.uk)). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

### Operation of the Board of Directors

The Directors of the Company, as shown on page 4, are Dr A. J. Hosty, Mr S. J. B. Knott, Mr J. B. Roper and Ms M. H. Vaughan. The Directors' biographical details, set out on page 28, demonstrate a breadth of investment, commercial and professional experience.

The Board is collectively responsible for promoting the success of the Company. It deals with the important aspects of the Company's affairs, including the setting of parameters for and the monitoring of investment strategy, as well as the review of investment performance. It reviews the share price and the discount or premium to net asset value. The Board sets limits on the size and concentration of new investments. The application of these and other restrictions, including those which govern the Company's tax status as an investment trust, are reviewed regularly at meetings of the Board and have been subject to close monitoring during the financial year.

The Board delegates all investment matters to the Investment Manager but retains all decisions concerning unquoted investments. The Investment Manager takes decisions as to the purchase and sale of individual investments and is responsible for effecting those decisions on the best available terms in accordance with the investment policy as stated on page 2.

The Chairman leads the Board and ensures that it deals effectively with all the aspects of its role. In particular, he ensures that the Administrator provides the Directors, in a timely manner, with management, regulatory and financial information that is clear, accurate and relevant. Representatives of the Administrator attend each Board meeting, enabling the Directors to seek clarification on specific issues or to probe further on matters of concern. There is an agreed procedure for Directors, in the furtherance of their duties, to take independent professional advice, if necessary, at the Company's expense.

The Directors, their roles and attendance records are as follows:

Directors	Role	Audit, Risk and Compliance Committee	Nominations and Remuneration Committee	Management Engagement Committee	Board meetings attended
Mr S. J. B. Knott	Non-executive	3 (4)	1 (1)	1 (1)	5 (7)
Dr A. J. Hosty <sup>1</sup>	Non-executive	–	1 (1)	1 (1)	7 (7)
Mr J. B. Roper <sup>2</sup>	Non-executive	4 (4)	1 (1)	1 (1)	7 (7)
Ms M. H. Vaughan <sup>3</sup>	Non-executive	4 (4)	1 (1)	1 (1)	7 (7)

<sup>1</sup> Chairman of the Board and the Management Engagement Committee

<sup>2</sup> Chairman of Nominations and Remuneration Committee

<sup>3</sup> Chairman of Audit, Risk and Compliance Committee

Seven board and six board committee meetings were held during the year. In addition, two ad-hoc Board Committee meetings were held to approve the Annual Report and the Half Year Report. Any instances of non-attendance at meetings were due to ill health. In accordance with the AIC Code, Dr A. J. Hosty is not a member of the Audit, Risk and Compliance Committee but may attend meetings by standing invitation.



### Independence of the Directors

The Board of Directors, which comprises four non-executive Directors, normally meets six times a year to review the affairs of the Company. The Directors have reviewed their independence by reference to the AIC Code. Under the criteria of the AIC Code Mr S. J. B. Knott is not deemed independent by virtue of his previous position as Investment Director. Notwithstanding this, the Board is of the opinion that Mr Knott is independent as he has no current or prior association with JUTM other than as a non-executive Director of the Company. Furthermore, with his extensive investment knowledge and in-depth understanding of the companies within the portfolio, Mr Knott's contribution to the Board and its committees is invaluable. All other Directors have had no material connection other than as Directors of the Company. The Board is of the opinion that each of the non-executive Directors is independent in character and judgment and that there are no relationships or circumstances that are likely to affect their judgment. In April 2025 Mr. J. B. Roper will have served on the Board for more than nine years and (along with the other Directors) will stand for re- election by the shareholders at the forthcoming AGM. The Board is firmly of the view, however, that length of service does not of itself impair a Director's ability to act independently. As such, the Board considers Mr. J. B. Roper to be independent but, in accordance with the Code, his role and contribution will be subject to particularly rigorous review.

### Board Diversity – Gender and Ethnic Background

In accordance with Listing Rule 9.8.6 R(9) and (11), the Company is required to include a statement in the Annual Report setting out whether it has met the following targets on board diversity. The reference date for this statement is 31st December 2024, the Company's year end:

- 1) At least 40% of individuals on its board are women;
- 2) At least one of the senior board positions is held by a woman; and
- 3) At least one individual on its board is from a minority ethnic background.

The following tables set out the prescribed format for information in accordance with the requirements of LR 9 Annex 2.

(a) Table for reporting on gender identity or sex

	Number of Board members	Percentage of the Board	Number of senior positions on the Board
Men	3	75%	2
Women	1	25%	1
Not specified/prefer not to say	-	-	-

(b) Table for reporting on ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board
White British or other White (including minority white groups)	4	100%	3
Mixed Multiple Ethnic Groups	-	-	-
Asian/Asian British	-	-	-
Black/African/Caribbean/Black British	-	-	-
Other ethnic group, including Arab	-	-	-
Not specified/prefer not to say	-	-	-

The UK Listing Rules only recognise the roles of Chairman, Chief Executive (CEO), Senior Independent Director and Chief Financial Officer (CFO) as senior board positions. As an externally managed investment company with no executive management the Board considers that the CEO and CFO positions are not relevant to the Company. The Board does, however, consider the Chair of the Audit, Risk and Compliance Committee to be a senior board position and the above disclosure is made on this basis.

The UK Listing Rules require disclosure of an explanation of the Company's approach to collecting the data used for the purposes of making the disclosures. The data was collated in consultation with the Directors.

## Corporate Governance Statement *(continued)*

Further details on Board diversity and the Board's approach to meeting the diversity targets are set out in the Strategic Report on page 17.

There have been no changes to the Board since 31st December 2024 and the date of approval of this report.

### Conflicts of Interest

The Articles of Association reflect the codification of certain Directors' duties arising from the Companies Act 2006 and in particular the duty for Directors to avoid conflicts of interest. The Board has put in place a framework for Directors to report conflicts of interest or potential conflicts of interest.

All Directors are required to notify the Company Secretary of any situations, or potential situations, where they consider that they have or may have a direct or indirect interest or duty that conflicts or may possibly conflict with the interests of the Company. The Board considers that the framework has worked effectively throughout the period since its adoption. Directors are also made aware that there remains a continuing obligation to notify the Company Secretary of any new situation that may arise, or any change to a situation previously notified. It is the Board's intention to continue to review all notified situations on a regular basis. This process was maintained throughout the year.

### Nominations and Remuneration Committee

The Committee oversees a formal review procedure and evaluates the overall composition of the Board from time to time, taking into account the existing balance of skills and knowledge. Its chairman is an independent non-executive Director. There are procedures for new Directors to receive relevant information on the Company together with an appropriate induction. The Committee is satisfied that the Board and its Committees function effectively, both collectively and individually, and that they contain the appropriate balance of skills and experience to provide effective management. The Board uses a skills matrix in order to identify any gaps in the current Board's knowledge and experience which will be used to support future evaluations and succession planning. The Committee also reviews the composition of the Board and manages the recruitment process for new Directors.

Further details of the work of the Committee are given on page 40.

### Board and Director Evaluation

The Board formally reviews its performance and the performance of its committees on an annual basis. The annual evaluation took place following the end of the financial year and questionnaires were used to facilitate the assessment of the performance of the Board, individual directors and the Chairman and to make recommendations as to how the effectiveness of the Board might be improved. The results of the performance evaluation were discussed by the Directors and it was agreed that the composition of the Board and its committees reflected a suitable mix of skills and experience and that the Board and its committees were functioning effectively. The evaluation further confirmed that all Directors continue to be effective on behalf of the Company and committed to the role.

In order to prevent "over boarding" and possible conflict, any significant external commitments require the prior consent of the Board.

### Tenure of Directors

It is the Board's policy that all Directors will normally have their tenure limited to nine years from the date of appointment to the Board. This is also subject to the Director's re-election at each Annual General Meeting.

As in previous years, all incumbent Directors will retire at the Annual General Meeting and, being eligible, offer themselves for re-election. The Board considers that all Directors bring broad, current and relevant business experience that allows them to contribute effectively to the leadership of the Company. The Board evaluation confirmed that the performance of all Directors continues to be effective and that all Directors are committed to their roles. The Board therefore recommends the re-election of all Directors at the forthcoming Annual General Meeting.

The Board considers succession planning on a regular basis. As noted on page 25 Mr Roper has declared his intention to retire at the conclusion of the Annual General Meeting in 2026. A recruitment exercise will be undertaken in 2025 to identify a suitable successor.

Each non-executive Director has signed a letter of appointment to formalise the terms of their engagement as a Director of the Company (or there is a memorandum of such terms), copies of which are available on request and at the Company's Annual General Meeting. The appointment dates of each Director are shown on page 42. No Director is or was materially interested in any contract subsisting during or at the end of the year that was significant in relation to the Company's business.

No Director has, or during the financial year had, a contract of service with the Company.

The Company is committed to ensuring that vacancies arising are filled by the best qualified candidates and recognises the value of diversity in the composition of the Board.

### **Risk Management and Internal Control**

The Board is fully aware of its duty to present a balanced and understandable assessment of the Company's position. It acknowledges its responsibility for the Company's system of internal financial controls and their effectiveness. The Board meets regularly and reviews performance against approved plans and forecasts. In addition, the day-to-day administration and accounting functions are carried out by the Administrator and reports are submitted regularly to the Board.

As part of the system of internal control, there is a process to identify, evaluate and manage the significant risks faced by the Company, which has been in place during the year under review and up to the date of approval of these financial statements. This has been reviewed by the Board, is in accordance with the guidelines in the AIC Code and is considered by the Board to be effective and fit for purpose. The system of risk analysis adopted by the Board is designed to manage rather than eliminate the risk of failure to achieve the investment objectives of the Company. It must be stressed that undertaking an acceptable degree of controlled risk is always necessary in the management of any investment trust if above average performance is to be achieved. For this reason, the process can only provide reasonable and not absolute assurance against loss.

### **Audit, Risk and Compliance Committee**

The Audit, Risk and Compliance Committee is a formally constituted committee of the Board with defined terms of reference, which include its role and the authority delegated to it by the Board, and which are available at the Company's registered office and on the Company's website. Its specific responsibilities include reviewing the Company's annual and half yearly results, together with the supporting documentation.

This Committee also reviews the performance of key suppliers; however, the performance of the Investment Manager is reviewed by the newly established Management Engagement Committee.

Further details are given in the Report of the Audit, Risk and Compliance Committee on pages 37 to 39.

### **Management Engagement Committee**

Following the appointment of JUTM as Investment Manager the Board established a Management Engagement Committee. The Committee comprises all Directors and is chaired by Dr A. J. Hosty. The Committee meets at least annually to conduct a formal evaluation of the Investment Manager. The evaluation includes the consideration of the investment strategy and the processes of the Investment Manager, as well as its overall service to the Company and shareholders. As a result of this process, the Board, having been advised by the Management Engagement Committee, is satisfied that the continuing appointment of the Investment Manager is in the interests of the Company and its shareholders as a whole.

### **Independent Auditor**

Following a tender exercise in 2023 the Company appointed Ernst & Young LLP ('EY') as independent auditor for the financial year ending 31st December 2024. EY's appointment was approved by shareholders at the 2024 Annual General Meeting. EY has expressed its willingness to remain in office. Resolutions will be proposed at the forthcoming AGM to re-appoint EY as independent auditor and to authorise the Directors to determine the auditor's remuneration.

## Corporate Governance Statement (*continued*)

### **Statement of Compliance**

The Directors consider that during the year ended 31st December 2024 the Company complied with all the relevant provisions set out in the AIC Code.

This Corporate Governance Statement was approved by the Board and signed on its behalf:

**Dr Andrew J. Hosty**

Chairman

20th February 2025

## Report of the Audit, Risk and Compliance Committee

### Role of the Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee's main functions are as follows:

- To monitor the internal financial control and risk management systems on which the Company is reliant.
- To monitor the integrity of the half-year and annual financial statements of the Company by reviewing and challenging, where necessary, the actions and judgments of the Investment Manager.
- To meet the Auditor to review its proposed audit programme and the subsequent Audit Report, to review the effectiveness of the audit process and the levels of fees paid in respect of both audit and non-audit work.
- To make recommendations to the Board in relation to the appointment, reappointment or removal of the Auditor and to negotiate its remuneration and terms of engagement on audit and non-audit work.
- To monitor and review annually the Auditor's independence, objectivity, effectiveness, resources and qualification.
- To monitor the performance of key suppliers.

The Audit, Risk and Compliance Committee meets at least twice each year and operates within defined terms of reference which are available at the Company's registered office and on the Company's website.

### Composition of the Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee comprises three non-executive Directors, at least one of whom has recent and relevant financial experience.

### Significant Issues and Risks

In planning its own work and reviewing the audit plan of the Auditor, the Audit, Risk and Compliance Committee takes account of the most significant issues and risks, both operational and financial, likely to impact upon the Company's financial statements.

The valuation of the investment portfolio is a significant risk factor; however, the values of all investments can be verified against daily market prices.

A further significant risk control issue is to ensure that the investment portfolio reported upon in the financial statements is supported by evidence of physical ownership of the relevant securities. The Company uses the services of an independent custodian, Northern Trust Company, to hold the assets of the Company. The investment portfolio is regularly reconciled to the custodian's records and that reconciliation is also reviewed by the Auditor. Northern Trust Company also acts as the Company's Depositary.

The incomplete or inaccurate recognition of income in the financial statements are risks. Internal control systems, including frequent reconciliations, are in place to ensure income is fully accounted for. The Board is provided with information on the Company's income account at each meeting.

Financial statements issued by the Company need to be fair, balanced and understandable. The Audit, Risk and Compliance Committee reviews the Annual Report as a whole and makes suitable recommendations to the Board.

The Company's half-yearly report is approved by the Audit, Risk and Compliance Committee prior to publication.

The Audit, Risk and Compliance Committee assesses whether it is appropriate to prepare the Company's financial statements on a going concern basis and makes recommendations to the Board. The Board's conclusions are set out in the Report of the Directors.



## Report of the Audit, Risk and Compliance Committee (*continued*)

### Internal Controls

The Audit, Risk and Compliance Committee is responsible for ensuring that suitable internal control systems to prevent and detect fraud and error are designed and implemented and is also responsible for reviewing the effectiveness of such controls. The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place for the year under review and up to the date of approval of this Report and is regularly reviewed. In particular, it has reviewed and updated the process for identifying and evaluating the significant risks affecting the Company and the policies by which these are managed. The risks of failure of any such controls are identified in a risk assessment which identifies the likelihood and severity of the impact of such risks and the controls in place to minimise the probability of such risks occurring; the risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Company's objectives. It should be recognised that such systems can only provide reasonable, but not absolute, assurance against material misstatement or loss. Equally, it must be stressed that undertaking an acceptable degree of controlled risk is always necessary in the management of any investment trust if above average performance is to be achieved.

The following are the key components which the Company has in place to provide effective internal control:

- The Board has agreed clearly defined investment criteria; reports on compliance therewith are regularly reviewed by the Board.
- The Board has a procedure to ensure that the Company can continue to be approved as an investment trust by complying with section 1158 of the Corporation Tax Act 2010.
- The Administrator prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance.
- The performance of the Investment Manager and any contractual agreements with other third party service providers, and adherence to them, are regularly reviewed.
- The Board receives and reviews the internal controls reports of the Investment Manager, Administrator, Custodian and Depositary and seeks assurances as to the impact, if any, on the Company in the event of any shortcomings.
- The Company does not itself have a whistleblowing policy in place. The Company delegates its administration to third party providers which have such policies in place.

The Audit, Risk and Compliance Committee has reviewed the need for an internal audit function, but has concluded that, given the size of the organisation and the clear segregation of investment management and control of the assets, there is no need for such a function at the current time. The Audit, Risk and Compliance Committee continues to keep such a requirement under review.

### External Audit and Process

The Audit, Risk and Compliance Committee meets at least twice a year with the Auditor. The Auditor provides a planning report in advance of the annual audit and a report on the annual audit. The Committee has an opportunity to question and challenge the Auditor in respect of each of these reports; it also agrees the level and scope of materiality to be adopted in respect of the annual audit.

In addition, at least once a year, the Audit, Risk and Compliance Committee has an opportunity to discuss any aspect of the Auditor's work with the Auditor in the absence of the Investment Manager and Administrator.

After each audit, the Audit, Risk and Compliance Committee will review the audit process and consider its effectiveness.

### Auditor Assessment and Independence

The Company's Auditor is EY. EY was appointed as the Company's auditor in 2023, following a formal tender process, and this appointment was approved by shareholders at the 2024 AGM. EY's first audit for the Company is in respect of the year ended 31st December 2024.

EY presented its audit plan to the Committee in July 2024. The plan sets out the scope of the audit, the principal risks that would be addressed, as detailed in the Independent Auditor's Report, the timetable and the proposed fees. These amounted to £55,000, excluding VAT, for the year. The comparative figure for the prior year's audit, which was undertaken by Begbies, was £16,250, excluding VAT.

The Audit, Risk and Compliance Committee has approved and implemented a policy on the engagement of the Auditor to supply non-audit services, taking into account the recommendations of the FRC, and does not believe there is any impediment to the Auditor's objectivity and independence. All non-audit work to be carried out by the Auditor must be approved by the Audit, Risk and Compliance Committee in advance. The cost of non-audit services provided by the Auditor for the financial year ended 31st December 2024 was £nil (2023: £nil).

### Independence

During the year the Committee reviewed the independence policies and procedures of the Auditor, including quality assurance procedures. It was considered that those policies and procedures remained fit for purpose.

### Conclusion

The Audit, Risk and Compliance Committee has reviewed the matters within its terms of reference and reports as follows:

- it has approved the financial statements for the year ended 31st December 2024;
- it has reviewed the effectiveness of the Company's internal controls and risk management;
- it has reviewed the need for a separate internal audit function;
- it has satisfied itself as to the independence of the Auditor;
- it has satisfied itself that the contents of the Annual Report are consistent with the financial statements; and
- it has considered the terms of EY's engagement and has recommended to the Board that a resolution be proposed at the Annual General Meeting for the re-appointment of Ernst & Young LLP as Auditor.

### Ms M. H. Vaughan

Director

Chair, Audit, Risk and Compliance Committee

20th February 2025

## Directors' Annual Remuneration Report

### Introduction

This Report is submitted in accordance with the requirements of sections 420 to 422 of the Companies Act 2006 in respect of the year ended 31st December 2024. An ordinary resolution to approve this Report will be put to members at the forthcoming Annual General Meeting; however, the Directors' remuneration is not conditional upon the resolution being passed.

The Company has established a Nominations and Remuneration Committee, the terms of reference of which include annually reviewing and recommending to the Board the level of Directors' fees and remuneration. The full terms of reference are available at the Company's registered office and on the Company's website. The Committee comprises all Board members and is chaired by Mr J. B. Roper. The Board being members of the Committee enables Directors to address any potential conflicts when assessing individual levels of remuneration.

### Directors' remuneration as a single figure (audited)

Director	Fees 2024 £	Taxable Benefits 2024 £	Total for 2024 £	Fees 2023 £	Taxable Benefits 2023 £	Total for 2023 £
Mr D. M. Best <sup>1</sup>	—	—	—	24,000	—	24,000
Dr A. J. Hosty (Chairman) <sup>2</sup>	38,000	—	38,000	30,000	—	30,000
Mr S. J. B. Knott	28,500	—	28,500	27,000	—	27,000
Mr J. B. Roper	28,500	—	28,500	27,000	—	27,000
Ms M. H. Vaughan	32,750	—	32,750	31,000	—	31,000
<b>Total</b>	<b>127,750</b>	<b>—</b>	<b>127,750</b>	<b>139,000</b>	<b>—</b>	<b>139,000</b>

<sup>1</sup> Mr D. M. Best retired as a Director on 31st August 2023.

<sup>2</sup> Dr A. J. Hosty, a non-executive Director, became Chairman on 31st August 2023.

### Annual percentage change in Directors' remuneration

The annual percentage change in fees for each Director who served in the year under review is set out in the following table:

	Year to 31st December 2024 %	Year to 31st December 2023 %	Year to 31st December 2022 %	Year to 31st December 2021 %	Year to 31st December 2020 %
Dr A. J. Hosty (Chairman) <sup>1</sup>	26.7	25.0	9.1	—	—
Mr S. J. B. Knott <sup>2</sup>	5.6	—	n/a	n/a	n/a
Mr J. B. Roper	5.6	12.5	9.1	—	—
Ms M. H. Vaughan <sup>3</sup>	5.6	n/a	n/a	n/a	n/a
Mr D. M. Best <sup>4</sup>	n/a	—	9.0	—	—
Dr D. M. Bramwell <sup>5</sup>	n/a	n/a	7.1	—	—

<sup>1</sup> Dr A. J. Hosty's role changed from non-executive Director to Chairman on 31st August 2023

<sup>2</sup> Mr S. J. B. Knott's appointment as a non-executive Director commenced on 3rd October 2022

<sup>3</sup> Ms M. H. Vaughan was appointed a Director on 1st January 2023

<sup>4</sup> Mr D. M. Best's role changed from non-executive Director to Chairman on 31st December 2022 and he retired on 31st August 2023

<sup>5</sup> Dr D. M. Bramwell retired on 31st December 2022

The above table takes no account of the one-off additional payments made in 2022 to Mr Best and Mr Roper of £11,000 and £17,000 respectively following extensive additional work carried out during the year in relation to succession planning, a tender offer, change of broker, change of investment manager and recruitment of a non-executive director.

No payments of other types prescribed in the relevant regulations such as Long-term Incentive Plans (“LTIPs”) or pensions and pension-related benefits were made.

All Directors are entitled to the reimbursement of expenses incurred by them in order to perform their duties as Directors of the Company.

No additional remuneration or compensation was paid or payable by the Company during the year to any other current or former Directors.

With effect from 1st January 2025 the fees payable to the Directors are as follows: Chairman £39,900, Chair of the Audit, Risk and Compliance Committee £34,385 and other non-executive Directors £29,925.

### Statement of Directors’ shareholdings and share interests (audited)

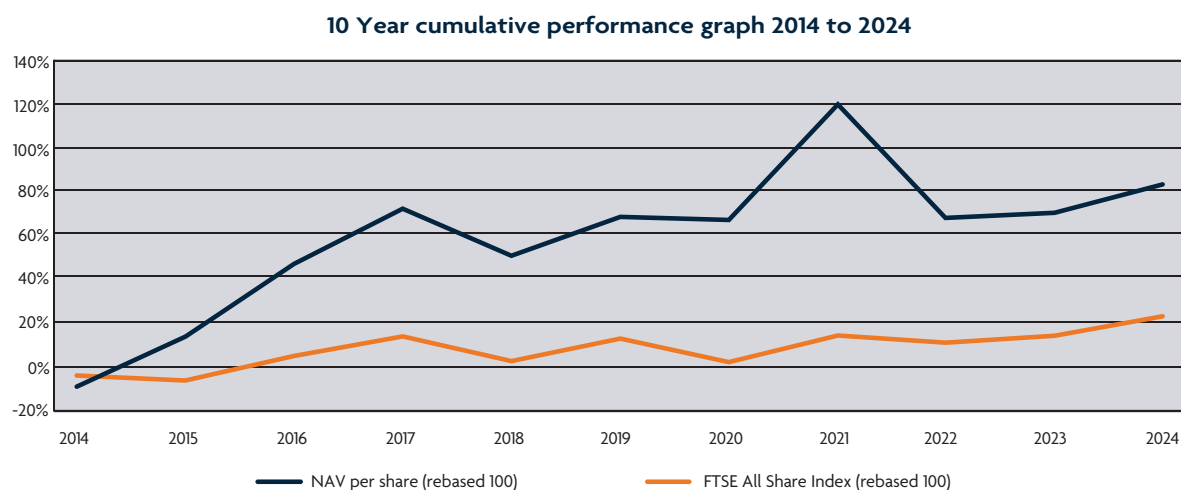
The Company has not set any requirements or guidelines for the Directors to own Ordinary shares in the Company. The beneficial interests of the Directors and their connected persons in the Ordinary shares of the Company are shown in the table below.

	Ordinary shares	
	31st December 2024	31st December 2023
Dr A. J. Hosty	—	—
Mr S. J. B. Knott	785,062	488,111
Mr J. B. Roper	—	—
Ms M. H. Vaughan	—	—

No changes in the Directors’ interests shown above have occurred since 31st December 2024.

### Performance graph

The graph below illustrates the total shareholder return for the Ordinary shares relative to the FTSE All-Share Index. This has been selected as the most appropriate index against which to compare performance as it is the Company’s benchmark index.



## Directors' Annual Remuneration Report (*continued*)

### Significance of spend on pay

	Directors' remuneration £	Shareholder distribution £
<b>2024</b>	<b>127,750</b>	<b>2,326,000</b>
2023	139,000	2,443,000
Difference	(11,250)	(117,000)
% Change	(8.1)	(4.8)

### Service contracts and letters of appointment

Except as set out below, there are no written service contracts or contract for services in respect of any Director. There are no share options, LTIPs, pension or profit-related pay arrangements with any of the Directors.

There are letters of appointment for all four non-executive Directors:

<i>Director</i>	<i>Date</i>
Dr A. J. Hosty	1st July 2017
Mr S. J. B. Knott	3rd October 2022
Mr J. B. Roper	5th April 2016
Ms M. H. Vaughan	8th December 2022

No terms or notice periods are set out in any terms of appointment of any of the Directors. All Directors are subject to re-election at the Company's Annual General Meeting to be held on 24th March 2025.

There are no provisions for the payment of compensation for loss of office, early termination or wrongful termination by the Company. Any payment on termination of their appointments would be calculated in accordance with their strict legal entitlements.

### The Company's Policy on Directors' Remuneration

The following is the Company's policy for Directors' remuneration which was last approved by shareholders at the Annual General Meeting held on 23rd March 2023. The shareholders will be asked to reconsider the Remuneration Policy at the Annual General Meeting to be held in 2026.

#### Introduction

The Company's policy as regards non-executive Directors is that fees payable to them should reflect their expertise, responsibilities and time spent on Company matters. In determining the level of non-executive remuneration, market equivalents should be considered with regard being had to the overall activities and size of the Company.

The maximum aggregate level of fees payable to the Directors for acting as Directors of the Company is £250,000 per annum (or such higher amount as is decided by ordinary resolution). Directors may also be remunerated for providing special services or for performing any other office or employment by the Company (other than as auditor).

The Company does not confer any share options, long-term incentives or retirement benefits on any Director, nor does it make a contribution to any pension scheme on behalf of the Directors. The Company also puts Directors' liability insurance in place.



## Future Policy Table

The tables below summarise the various elements of the remuneration packages of the Directors.

### Chairman and non-executive Directors' fees

<i>Element</i>	<i>Purpose and link to strategy</i>
Chairman and non-executive Directors' fees	The fees paid to the Chairman and the other non-executive Directors aim to be competitive with other investment trusts of equivalent size and complexity. Fees are fixed annual sums and are reviewed periodically by the Board (for non-executive Directors) and the Nominations and Remuneration Committee (for the Chairman). Neither the Chairman nor the other non-executive Directors receive any incentive payment.

Notes:

No Director is entitled to receive any pension provision.

The Company has no employees.

### Approach to Recruitment Remuneration

The principles the Company would apply in setting remuneration for new Board members would be in line with the Remuneration Policy. Fees and salary for new appointees would therefore be expected to be commensurate with that of the existing Board members and their relevant peer group.

### Statement of Consideration of Employment Conditions elsewhere in the Company

As the Company has no employees there was no consultation when setting the Directors' Remuneration Policy and no remuneration comparison measurement with employees was used.

It is intended that the Directors' Remuneration Policy will continue to apply until the Annual General Meeting in 2026.

### Voting at Annual General Meeting

A binding ordinary resolution approving the Directors' Remuneration Policy was approved on 23rd March 2023. The votes cast were as follows:

#### Remuneration Policy

For – % of votes cast	99.85%
Against – % of votes cast	0.15%
Total votes cast	1,178,164
Number of votes withheld	6,896

A non-binding ordinary resolution adopting the Annual Report on Directors' Remuneration for the year ended 31st December 2023 was approved by shareholders at the Annual General Meeting held on 27th March 2024. The votes cast by proxy were as follows:

#### Annual Report on Directors' Remuneration

For – % of votes cast	73.8%
Against – % of votes cast	26.2%
At Chairman's discretion – % of votes cast	0.0%
Total votes cast	1,349,441
Number of votes withheld	3,802

As less than 80% of the votes cast were in favour of the resolution the Board consulted with shareholders to address the concerns that influenced their voting. Details of the outcome of this consultation can be found on pages 26 and 27.

## Directors' Annual Remuneration Report (*continued*)

### Annual Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the above Report (which has been agreed by the Board) summarises, as applicable, for the year ended 31st December 2024:

- the major decisions on Directors' remuneration;
- any substantial changes relating to Directors' remuneration made during the year; and
- the context in which the changes occurred and decisions that have been taken.

### Mr J. B. Roper

Director

Chairman, Nominations and Remuneration Committee

20th February 2025

## Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable United Kingdom law and UK adopted International Accounting Standards.

The Directors are required to prepare the financial statements for each financial year which present fairly the financial position, the financial performance and cash flows of the Company for that period. In preparing those financial statements the Directors are required to:

- select suitable accounting policies in accordance with UK adopted International Accounting Standard 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of UK adopted International Accounting Standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- state that the Company has complied with UK adopted International Accounting Standards subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report, Strategic Report and Directors' Remuneration Report that comply 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. Visitors to the website need to be aware that legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider that the Annual Report and financial statements taken as a whole are fair, balanced and understandable and provide shareholders with the information necessary to assess the Company's position and performance, business model and strategy.

The Directors confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Strategic Report 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 it faces.

**Dr A. J. Hosty**

Chairman

20th February 2025

## Independent Auditor's Report

To the Members of Rights and Issues Investment Trust PLC

### Opinion

We have audited the financial statements of the Rights and Issues Investment Trust PLC ("the Company") for the year ended 31st December 2024 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement and the related notes 1 to 20, including a summary of material accounting policy information.

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 Company's affairs as at 31st December 2024 and of its profit 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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.

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 the audit.

### 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:

- Confirming our understanding of the Company's going concern assessment process by engaging with the Directors and the Company Secretary to determine if all key factors were considered in their assessment.
- Inspecting the Directors' assessment of going concern, including the revenue forecast, for the period to 28th February 2026 which is at least 12 months from the date the financial statements were authorised for issue. In preparing the revenue forecast, the Company has concluded that it is able to continue to meet its ongoing costs as they fall due.
- Reviewing the factors and assumptions, including the impact of the current economic environment, as applied to the revenue forecast and the liquidity assessment of the investments. We considered the appropriateness of the methods used to calculate the revenue forecast and the liquidity assessment and determined, through testing of the methodology and calculations, that the methods, inputs and assumptions utilised were appropriate to be able to make an assessment for the Company.
- Reviewing the Company's going concern disclosures included in the Annual Report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

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 assessed by the Directors, being the period to 28th February 2026 which is at least 12 months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how they have 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

### Overview of our audit approach

Key audit matters	<ul style="list-style-type: none"> <li>• Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Statement of Comprehensive Income</li> <li>• Risk of incorrect valuation or ownership of the investment portfolio</li> </ul>
Materiality	<ul style="list-style-type: none"> <li>• Overall materiality of £1.23m which represents 1% of shareholders' funds</li> </ul>

### An overview of the scope of our audit

#### Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, the potential impact of climate change and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

#### Climate change

Stakeholders are increasingly interested in how climate change will impact companies. The Company has determined that the most significant future impact from climate change on its operations will be how climate change could affect the Company's investments, and shareholder returns. This is explained in the principal and emerging risks and uncertainties section on pages 22 and 23, which forms part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our other responsibilities on "Other information".

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate change risk and whether this has been appropriately reflected in the financial statements as set out in note 1 and the conclusion that there was no further impact of climate change to be taken into account as the investments are valued based on market pricing as required by UK-adopted International Accounting Standards.

We also challenged the Directors' considerations of climate change risk in their assessment of going concern and viability and associated disclosures.

#### 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) that we identified. These matters included 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 our opinion thereon, and we do not provide a separate opinion on these matters.

## Independent Auditor's Report

To the Members of Rights and Issues Investment Trust PLC

Risk	Our response to the risk	Key observations communicated to the Audit, Risk and Compliance Committee
<p><b>Incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Statement of Comprehensive Income (as described on page 37 in the Report of the Audit, Risk and Compliance Committee and as per the accounting policy set out on page 58).</b></p> <p>The total revenue for the year to 31st December 2024 was £3.4m, consisting primarily of dividend income from listed investments.</p> <p>There is a risk of incomplete or inaccurate revenue recognition through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment.</p> <p>The Directors may be required to exercise judgment in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Statement of Comprehensive Income.</p>	<p><b>We have performed the following procedures:</b></p> <p>We obtained an understanding of the processes and controls surrounding revenue recognition including the classification of special dividends by performing walkthrough procedures.</p> <p>For 100% of dividends received and accrued, we recalculated the income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend per share, which was agreed to an independent data vendor. We also agreed all exchange rates to an independent data vendor and agreed all dividends received and accrued to bank statements, where paid.</p> <p>For 100% of dividends accrued, we reviewed the investee company announcements to assess whether the dividend entitlements arose prior to 31st December 2024.</p> <p>To test completeness of recorded income, we verified that expected dividends for each investee company held during the year had been recorded as income with reference to investee company announcements obtained from an independent data vendor.</p> <p>For all investments held during the year, we reviewed the type of dividends paid with reference to an external data vendor to identify those which were special and compared those identified to managements special dividend listing.</p> <p>Based on the work performed, we did not identify any special dividends during the year. This is consistent with the Company's accounting records.</p>	<p>The results of our procedures identified no material misstatement in relation to the risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Statement of Comprehensive Income.</p>



Risk	Our response to the risk	Key observations communicated to the Audit, Risk and Compliance Committee
<p><b>Incorrect valuation or ownership of the investment portfolio (as described on page 37 in the Report of the Audit, Risk and Compliance Committee and as per the accounting policy set out on page 58).</b></p> <p>The valuation of the portfolio as at 31st December 2024 was £121.3m consisting entirely of listed equities, with the exception of one unquoted equity which was valued at £0.03m.</p> <p>The valuation of the assets held by the Company is the key driver of the Company's net asset value and total return. Incorrect investment pricing, or a failure to maintain proper legal title of the investments held by the Company could have a significant impact on net asset value and the return generated for shareholders.</p> <p>The fair value of listed investments is determined using quoted market bid prices at close of business on the reporting date.</p>	<p><b>We performed the following procedures:</b></p> <p>We obtained an understanding of the processes and controls surrounding investment pricing and legal title of investments by performing walkthrough procedures.</p> <p>For 100% of listed investments in the portfolio, we verified the market prices and exchange rates to an independent pricing vendor and recalculated the investment valuations as at the year-end.</p> <p>We inspected the stale pricing reports produced by the administrator to identify prices for any listed investments that have not changed around the year-end to verify whether the listed price is a valid fair value through review of trading activity. No stale prices were identified.</p> <p>We compared the Company's investment holdings as at 31st December 2024 to independent confirmations received directly from the Company's Depositary and Custodian.</p>	<p>The results of our procedures identified no material misstatement in relation to the risk of incorrect valuation or ownership of the investment portfolio.</p>

### Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

### Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £1.23 million, which is 1% of Shareholders' funds. We believe that materiality basis provides us with material alignment to the key measurement of the Company's performance.

### Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgment was that performance materiality should be set at 50% of our planning materiality, namely £0.62m. We have set performance materiality at this percentage due to the nature of this being a first year audit.

## Independent Auditor's Report

To the Members of Rights and Issues Investment Trust PLC

### Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit, Risk and Compliance Committee that we would report to them all uncorrected audit differences in excess of £0.06m, which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Given the importance of the distinction between revenue and capital for investment trusts, we have also applied a separate threshold for the revenue column of the Statement of Comprehensive Income of £0.11m, being our reporting threshold.

### Other information

The other information comprises the information included in the annual report other than the financial statements, notes to 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 this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

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

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

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

- adequate accounting records have not been kept, 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 Code specified for our review by the UK Listing Rules.

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

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 30;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 26;
- Director's statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on page 30;
- Directors' statement on fair, balanced and understandable set out on page 45;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 22 and 23;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 35; and;
- The section describing the work of the Audit, Risk and Compliance Committee set out on pages 37 to 39.

### Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 45, 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.

### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

## Independent Auditor's Report

To the Members of Rights and Issues Investment Trust PLC

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the UK Adopted International Accounting Standards, the Companies Act 2006, the UK Listing Rules, the AIC Code and the Statement of Recommended Practice, Section 1158 of the Corporation Tax Act 2010, and The Companies (Miscellaneous Reporting) Regulations 2018.
- We understood how the Company is complying with those frameworks through discussions with the Audit, Risk and Compliance Committee and Company Secretary, and review of the Board and committee minutes.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to the incomplete or inaccurate revenue recognition through incorrect classification of special dividends as revenue or capital items in the Statement of Comprehensive Income. Further discussion of our approach is set out in the section on key audit matters above.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

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

### Other matters we are required to address

- Following the recommendation from the Audit, Risk and Compliance Committee, we were appointed by the Company at its Annual General Meeting on 27th March 2024 to audit the financial statements for the year ending 31st December 2024 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is one year, covering the year ended 31st December 2024.
- The audit opinion is consistent with the additional report to the Audit, Risk and Compliance Committee.

### Use of our report

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

### Caroline Mercer

(Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Edinburgh

20th February 2025

## Financial Statements

### Statement of Comprehensive Income

for the year ended 31st December 2024

	Notes	Year ended 31st December 2024			Year ended 31st December 2023		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Investment income</b>	2	<b>3,313</b>	–	<b>3,313</b>	3,999	–	3,999
Other operating income	2	<b>108</b>	–	<b>108</b>	94	–	94
<b>Total income</b>		<b>3,421</b>	–	<b>3,421</b>	4,093	–	4,093
Gains on fair value through profit or loss assets	10	–	<b>9,706</b>	<b>9,706</b>	–	797	797
		<b>3,421</b>	<b>9,706</b>	<b>13,127</b>	4,093	797	4,890
<b>Expenses</b>							
Investment management fee	3	<b>672</b>	–	<b>672</b>	670	–	670
Other expenses	4	<b>522</b>	<b>131</b>	<b>653</b>	470	156	626
		<b>1,194</b>	<b>131</b>	<b>1,325</b>	1,140	156	1,296
<b>Profit before finance costs and taxation</b>		<b>2,227</b>	<b>9,575</b>	<b>11,802</b>	2,953	641	3,594
Finance costs		–	–	–	–	–	–
<b>Profit before tax</b>		<b>2,227</b>	<b>9,575</b>	<b>11,802</b>	2,953	641	3,594
Tax	6	–	–	–	–	–	–
<b>Profit for the year</b>		<b>2,227</b>	<b>9,575</b>	<b>11,802</b>	2,953	641	3,594
Return per Ordinary share	8	<b>42.1p</b>	<b>181.2p</b>	<b>223.3p</b>	50.4p	11.0p	61.4p

The total column represents the statement of comprehensive income of the Company.

The revenue and capital columns, including the revenue and capital earnings per Ordinary Share, are supplementary information prepared under guidance published by the AIC.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period. All income is attributable to the equity holders of the Company.

The Company does not have any other comprehensive income. Therefore no separate Statement of Comprehensive Income has been presented.

The notes on pages 57 to 69 form part of these financial statements.

Financial Statements (*continued*)

## Statement of Financial Position

as at 31st December 2024

	Notes	31st December 2024 £'000	31st December 2023 £'000
<b>Non-current assets</b>			
Investments – fair value through profit or loss	10	121,285	129,994
<b>Current assets</b>			
Other receivables	12	457	556
Cash and cash equivalents		1,893	1,051
		2,350	1,607
<b>Total assets</b>		<b>123,635</b>	<b>131,601</b>
<b>Current liabilities</b>			
Other payables	13	488	242
<b>Total assets less current liabilities</b>		<b>123,147</b>	<b>131,359</b>
<b>Net assets</b>		<b>123,147</b>	<b>131,359</b>
<b>Equity</b>			
Called up share capital	14	1,210	1,405
Capital redemption reserve	15	1,045	850
Retained reserves:			
Capital reserve	15	81,693	84,416
Revaluation reserve	15	36,483	41,873
Revenue reserve	15	2,716	2,815
<b>Total equity</b>		<b>123,147</b>	<b>131,359</b>
<b>Net asset value per share</b>			
Ordinary shares	16	2543.4p	2,337.1p

The notes on pages 57 to 69 form part of these financial statements.

The financial statements were approved by the Board and authorised for issue on 20th February 2025. They were signed on its behalf by:

**Dr A. J. Hosty**

Chairman

Company Registration Number: 00736898



Financial Statements (*continued*)

## Statement of Changes in Equity

for the year ended 31st December 2024

	Share capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revaluation reserve £'000	Revenue reserve £'000	Total £'000
<b>For the year ended 31st December 2024</b>						
Balance at 31st December 2023	1,405	850	84,416	41,873	2,815	131,359
Profit for the year	–	–	14,965	(5,390)	2,227	11,802
Total recognised income and expense	1,405	850	99,381	36,483	5,042	143,161
Ordinary shares bought back and cancelled	(195)	195	(17,688)	–	–	(17,688)
Dividends (Note 7)	–	–	–	–	(2,326)	(2,326)
<b>Balance at 31st December 2024</b>	<b>1,210</b>	<b>1,045</b>	<b>81,693</b>	<b>36,483</b>	<b>2,716</b>	<b>123,147</b>

	Share capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revaluation reserve £'000	Revenue reserve £'000	Total £'000
<b>For the year ended 31st December 2023</b>						
Balance at 31st December 2022	1,542	713	67,191	69,032	2,305	140,783
Loss for the year	–	–	27,800	(27,159)	2,953	3,594
Total recognised income and expense	1,542	713	94,991	41,873	5,258	144,377
Ordinary shares bought back and cancelled	(137)	137	(10,575)	–	–	(10,575)
Dividends (Note 7)	–	–	–	–	(2,443)	(2,443)
<b>Balance at 31st December 2023</b>	<b>1,405</b>	<b>850</b>	<b>84,416</b>	<b>41,873</b>	<b>2,815</b>	<b>131,359</b>

The notes on pages 57 to 69 form part of these financial statements.

Dividends paid were paid from the revenue reserve.

Financial Statements (*continued*)

## Cash Flow Statement

for the year ended 31st December 2024

	Notes	31st December 2024 £'000	31st December 2023 £'000
<b>Cashflows from operating activities</b>			
Profit before tax		11,802	3,594
Adjustments for:			
Gains on investments		(9,706)	(797)
Purchases of investments	10	(23,495)	(30,042)
Proceeds on disposal of investments	10	41,910	35,292
Operating cash flows before movements in working capital		20,511	8,047
Decrease in receivables		99	5
Increase/(decrease) in payables		62	(22)
Net cash from operating activities before income tax		20,672	8,030
Income taxes received		—	—
<b>Net cash flows from operating activities</b>		<b>20,672</b>	<b>8,030</b>
<b>Cashflows from financing activities</b>			
Ordinary shares bought back		(17,504)	(10,575)
Dividends paid	7	(2,326)	(2,443)
<b>Net cash used in financing activities</b>		<b>(19,830)</b>	<b>(13,018)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>842</b>	<b>(4,988)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>1,051</b>	<b>6,039</b>
<b>Cash and cash equivalents at end of year</b>		<b>1,893</b>	<b>1,051</b>

The net cash flows from operating activities includes cash flows of £3,414,000 from dividend income (2023: £4,099,000) and £108,000 from interest income (2023: £94,000).

The notes on pages 57 to 69 form part of these financial statements.

# Notes to the Financial Statements

for the year ended 31st December 2024

## 1. Reporting Entity

Rights and Issues Investment Trust PLC is a closed-ended investment company, registered in England and Wales on 2nd October 1962 with Company number 00736898. The Company's registered office is Hamilton Centre, Rodney Way, Chelmsford CM1 3BY. Business operations commenced on 28th July 1966 when the Company's shares were admitted to trading on the London Stock Exchange. The Company invests primarily in a portfolio of equity securities with an emphasis on smaller companies. UK smaller companies will normally constitute at least 80% of the investment portfolio. UK smaller companies include those listed on either the London Stock Exchange or the Alternative Investment Market ("AIM").

Details of the Directors, Investment Manager and Advisors can be found on page 4.

The financial statements of the Company are presented for the year ended 31st December 2024 and were authorised for issue by the Board on 20th February 2025.

### Basis of Accounting

The financial statements have been prepared in accordance with international accounting standards and the applicable legal requirements of the Companies Act 2006.

In preparing these financial statements, the Directors have considered the impact of climate change risk and concluded there was no impact as the values of investments are based on market quoted prices and therefore reflect market participants view of climate change risk. None of the Company's other assets and liabilities are considered to be potentially impacted by climate change.

Under international accounting standards, the AIC Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP") issued in July 2022 has no formal status, but the Company adheres to the guidance of the SORP.

### Going concern

The financial statements have been prepared on a going concern basis. In forming this opinion, the Directors have considered the general economic backdrop, the potential impact of the war in Ukraine and the hostilities in the Middle East on the going concern and viability of the Company. In making their assessment, the Directors have reviewed income and expense projections and the liquidity of the investment portfolio, and considered the mitigation measures which key service providers, including the Investment Manager, have in place to maintain operational resilience.

The Directors have a reasonable expectation that the Company has adequate operational resources to continue in operational existence for at least twelve months from the date of approval of these financial statements and up to 28th February 2026. Further information on the Company's going concern can be found on page 30.

### Significant accounting policies

#### *a. Accounting convention*

The accounts are prepared under the historical cost basis, except for the measurement of fair value of investments.

#### *b. Adoption of new IFRS standards*

There have been minor amendments to IAS 1 and 7 and IFRS 7 and 16 which were effective for annual periods beginning on or after 1st January 2024 and have not had any material impact on the accounts. Amendments to IAS 21 (The Effects of Changes in Foreign Exchange Rates) are effective for annual periods beginning on or after 1st January 2025 and are not anticipated to have any material impact on the accounts.

#### *c. Income*

Dividend income is included in the financial statements on the ex-dividend date. All other income is included on an accruals basis.

## Notes to the Financial Statements (*continued*)

for the year ended 31st December 2024

### *d. Expenses*

The Company's policy is to expense transaction costs on acquisition/disposal through the gains on investment at fair value through profit or loss. All other expenses are accounted for on an accruals basis and charged through the revenue account.

### *e. Taxation*

The charge for taxation is based on the net revenue for the year. Deferred taxation is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date to which there are none (2023: none). Investment trusts which have approval under section 1158 of the Corporation Tax Act 2010 are not liable for taxation on capital gains.

### *f. Dividends*

Dividends payable to shareholders are recognised in the financial statements when they are paid or, in the case of final dividends, when they are approved by the shareholders.

### *g. Cash and cash equivalents*

Cash comprises cash in hand and deposits payable on demand. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash.

### *h. Investments*

Investments are classified as fair value through profit or loss as the Company's business is investing in financial assets with a view to profiting from their total return in the form of interest, dividends or capital growth.

Changes in the value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Income Statement as "Gains or losses on investments held at fair value through profit or loss". Also included within this heading are transaction costs in relation to the purchase or sale of investments.

All investments, classified as fair value through profit or loss, are further categorised into the following fair value hierarchy:

Level 1 – Unadjusted prices quoted in active markets for identical assets and liabilities.

Level 2 – Having inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).

Level 3 – Having inputs for the asset or liability that are not based on observable data.

Investments traded on active stock exchange markets are valued at their fair value, which is determined by the quoted market bid price at the close of business at the balance sheet date. Where trading in a security is suspended, the investment is valued at the Board's estimate of its fair value.

The unquoted investment is valued by the Board at fair value using the International Private Equity and Venture Capital Valuation Guidelines.

### **Judgments, estimates or assumptions**

The Directors have reviewed matters requiring judgments, estimates or assumptions. The preparation of the financial statements require management to make judgments, estimates or assumptions that affect the amounts reported for assets and liabilities as at the year end date and the amounts reported for revenue and expenses during the year. However, the nature of the estimate means that actual outcomes could differ from those estimates. No significant judgments, estimates or assumptions have been made in the preparation of these financial statements.

## Notes to the Financial Statements (*continued*)

for the year ended 31st December 2024

### 2. Income

	2024 £'000	2023 £'000
<b>Income from investments</b>		
Franked investment income	3,313	3,999
<b>Other operating income</b>		
Deposit interest	108	94
<b>Total income</b>	<b>3,421</b>	<b>4,093</b>
<b>Total income comprises:</b>		
Dividends	3,313	3,999
Interest	108	94
	<b>3,421</b>	<b>4,093</b>
<b>Income from investments</b>		
UK	3,313	3,990
Unlisted stock	—	9
	<b>3,313</b>	<b>3,999</b>

### 3. Investment Management fee

	2024 £'000	2023 £'000
Investment management fee	806	804
Operating expenses rebate	(134)	(134)
<b>Total</b>	<b>672</b>	<b>670</b>

Following the appointment of Jupiter as Investment Manager on 3rd October 2022 a management fee is payable quarterly to the Investment Manager on the following basis:

0.60% per cent per annum on the Company's NAV up to and including £200 million.

0.50% per cent per annum on the Company's NAV in excess of £200 million.

An operating expenses cap (rebate) will be applied, in respect of each financial year by means of a balancing charge, which will reduce the management fee payable to the Investment Manager with respect to the quarter ending 31st March of the following financial year. It will apply for a period of 5 years with effect from 3rd October 2022. The operating expenses cap will not apply to the extent that the management fee would be less than 0.50% of the Company's average daily NAV during any financial year. The Manager and the Board will review the operating expenses cap at least annually to determine whether the level of the cap remains appropriate.

Notes to the Financial Statements (*continued*)

for the year ended 31st December 2024

## 4. Other Expenses

	2024 £'000	2023 £'000
Staff costs (note 5)	7	4
Non-executive Directors' fees	128	147
Administration fees	94	94
Auditor's remuneration		
– Audit	66	19
Secretarial services	58	42
Other	169	164
	<b>522</b>	<b>470</b>
Capital expenses	131	156
<b>Total</b>	<b>653</b>	<b>626</b>

## 5. Staff Costs and Directors' Remuneration

	2024 £'000	2023 £'000
Social security costs	7	4
<b>Total</b>	<b>7</b>	<b>4</b>

	2024 £'000	2023 £'000
Directors' emoluments	128	139
Payments to former directors	–	8
	<b>128</b>	<b>147</b>

The Company has not had any employees since the appointment of JUTM as Investment Manager on 3rd October 2022.



## Notes to the Financial Statements (continued)

for the year ended 31st December 2024

### 6. Taxation

	Revenue £'000	2024 Capital £'000	Total £'000	Revenue £'000	2023 Capital £'000	Total £'000
Corporation tax at 25% (2023: 23.5%)	–	–	–	–	–	–
Profit before tax	2,227	9,575	11,802	2,953	641	3,594
Tax on profit at effective rate 25% (2023: 23.5%)	557	2,394	2,951	694	151	845
Factors affecting the recovery/charge for the year:						
Income not taxable	(828)	–	(828)	(940)	–	(940)
Capital items not taxable	–	(2,427)	(2,427)	–	(187)	(187)
Unutilised losses	271	33	304	246	36	282
<b>Current tax charge for the year</b>	–	–	–	–	–	–

At the year end there is a potential deferred tax asset of £2,486,287 (2023: £2,214,810) in relation to surplus management expenses of £9,945,149 (2023: £8,859,238). It is unlikely that the Company will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year. The Company has not provided for deferred tax on capital gains or losses arising on the revaluation or disposal of investments as it is exempt from tax on these items because of its status as an investment trust company.

#### Factors that may affect future tax charges

The Company has not recognised any deferred tax asset arising as a result of having unutilised management expenses. These expenses will only be utilised if the tax treatment of the Company's income and capital gains changes or if the Company's investment profile changes.

### 7. Dividends

Amounts recognised as distributions to equity holders in the year:

	2024 £'000	2023 £'000
<b>Paid</b>		
Final dividend for the year ended 31st December 2023 of 31.25p per share (year ended 31st December 2022: 29.25p)	1,702	1,767
Interim dividend for the year ended 31st December 2024 of 12p per share (year ended 31st December 2023: 11.75p)	624	676
	<b>2,326</b>	<b>2,443</b>
	2024 £'000	2023 £'000
<b>Proposed</b>		
Final dividend payable for the year ended 31st December 2024 of 32.00p per share (year ended 31st December 2023: 31.25p)	1,537	1,720

The final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

## Notes to the Financial Statements (continued)

### for the year ended 31st December 2024

#### 7. Dividends (continued)

Set out below is the total dividend paid and payable in respect of the financial year, which is the basis on which the requirements of section 1158 of the Corporation Tax Act 2010 are considered.

	2024 £'000	2023 £'000
Revenue available for distribution by way of dividend for the year	2,227	2,953
Interim dividend for the year ended 31st December 2024 of 12p per share (year ended 31st December 2023: 11.75p)	(624)	(676)
Proposed final dividend for the year ended 31st December 2024 of 32.00p per share (year ended 31st December 2023: 31.25p)	(1,537)	(1,720)
<b>Net addition to Revenue reserve</b>	<b>66</b>	<b>557</b>

#### 8. Return per Ordinary Share

	2024 £'000	2023 £'000
Return attributable to equity shareholders:		
Revenue return	2,227	2,953
Capital return	9,575	641
	<b>11,802</b>	<b>3,594</b>
	<b>P</b>	<b>P</b>
Revenue return per share	42.1	50.4
Capital return per share	181.2	11.0
	<b>223.3</b>	<b>61.4</b>

Return by share is calculated using the weighted average number of income shares in issue during the year of 5,249,524 (2023: 5,854,307).

#### 9. Investments

##### Analysis of the investments

The number of companies or institutions in which equities, convertibles or fixed interest securities were held was 22 (2023: 22).

	£'000	2024 %	£'000	2023* %
<b>Equity Groups</b>				
<b>Basic Materials</b>				
Chemicals	6,232	5.14	6,444	4.96
Industrial Metals and Mining	7,544	6.22	9,969	7.67
<b>Consumer Discretionary</b>				
Leisure Goods	1,397	1.15	3,339	2.57
<b>Consumer Staples</b>				
Food Producers	—	—	4,617	3.55
<b>Financials</b>				
Finance and Credit Services	5,666	4.67	6,501	5.00
Investment Banking and Brokerage Services	9,221	7.60	5,721	4.40

## Notes to the Financial Statements (continued)

for the year ended 31st December 2024

### 9. Investments (continued)

#### Analysis of the investments

	£'000	2024 %	£'000	2023* %
<b>Industrials</b>				
Construction and Materials	5,348	4.41	4,319	3.32
Electronic and Electrical Equipment	14,698	12.12	10,504	8.08
General Industrials	7,587	6.25	13,666	10.51
Industrial Engineering	—	—	6,268	4.82
Industrial Support Services	6,729	5.55	3,806	2.93
Industrial Transportation	7,665	6.32	14,906	11.47
<b>Technology</b>				
Software and Computer Services	—	—	2,714	2.09
<b>Telecommunications</b>				
Telecommunications Equipment	—	—	1,869	1.44
<b>Utilities</b>				
Electricity	7,387	6.09	7,401	5.69
<b>AIM Traded Stocks</b>	<b>41,780</b>	<b>34.45</b>	<b>27,909</b>	<b>21.47</b>
<b>Delisted</b>	<b>31</b>	<b>0.03</b>	<b>41</b>	<b>0.03</b>
<b>Fixed Interest</b>				
Preference	—	—	—	—
<b>Total UK</b>	<b>121,285</b>	<b>100.00</b>	<b>129,994</b>	<b>100.00</b>

\*The figures for 2023 have been reworked based on the latest categories as per the latest FTSE categorisation.

### 10. Investments held at fair value through profit or loss

	2024 £'000	2023 £'000	
Investments listed on a recognised investment exchange			
UK equity listed investments at fair value	79,474	96,323	
AIM traded stocks	41,780	33,630	
Unlisted stock	31	41	
	121,285	129,994	
	Listed 2024 £'000	AIM traded/ Unlisted 2024 £'000	Total 2024 £'000
Opening book cost	69,954	18,167	88,121
Opening unrealised appreciation	26,369	15,504	41,873
Opening valuation	96,323	33,671	129,994
Movement in the year:			
Purchases at cost	13,762	9,733	23,495
Sales - proceeds	(33,544)	(8,366)	(41,910)
Sales - realised gains on sales	11,474	3,622	15,096
Decrease/(increase) in unrealised appreciation	(8,541)	3,151	(5,390)
Closing valuation	79,474	41,811	121,285

## Notes to the Financial Statements (continued)

for the year ended 31st December 2024

### 10. Investments held at fair value through profit or loss (continued)

	Listed 2024 £'000	AIM traded/ Unlisted 2024 £'000	Total 2024 £'000
Closing book cost	61,646	23,156	84,802
Closing unrealised appreciation	17,828	18,655	36,483
	79,474	41,811	121,285
Realised gains on sales	11,474	3,622	15,096
Decrease/(increase) in unrealised appreciation	(8,541)	3,151	(5,390)
<b>Gains on investments</b>	<b>2,933</b>	<b>6,773</b>	<b>9,706</b>

With the exception of the unlisted stock, the Company's investments are Level 1 assets under the definition of IFRS 13 and comprise equity listed and AIM traded investments classified as held at fair value through profit or loss.

Investments have been revalued over time and, until they are sold, any unrealised gains or losses are included in the fair value movement on investments.

During the year transaction costs of £75,583 were incurred on the acquisition of investments (2023: £133,196). Costs relating to disposals of investments during the year amounted to £19,154 (2023: £14,624). All transaction costs have been included within the capital column of the Income Statement.

### 11. Significant Interests in Investee Companies

The Company has a holding of 3% or more that is material in the context of the financial statements in the following investments as at 31st December 2024:

Name	% holding
Colefax Group	14.13
Renold	8.35
Elecosoft	5.38
Macfarlane Group	4.44
Vp	3.44

## Notes to the Financial Statements (*continued*)

for the year ended 31st December 2024

### 12. Other Receivables

	2024 £'000	2023 £'000
Amounts due from brokers	2	—
Prepayments and accrued income	455	556
	<b>457</b>	<b>556</b>

### Cash and cash equivalents

Cash at bank	<b>1,893</b>	1,051
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### 13. Other Payables

	2024 £'000	2023 £'000
Accruals	304	242
Outstanding share buybacks	184	—
	<b>488</b>	<b>242</b>

### 14. Share Capital

	2024 £'000	2023 £'000
<b>Allotted, Called Up and Fully Paid</b>		
4,841,803 Ordinary Shares of 25p each (2023: 5,620,684)	<b>1,210</b>	1,405
		<b>Number of Ordinary shares 2024</b>
Balance at beginning of year		5,620,684
Ordinary shares bought back and cancelled		(778,881)
		<b>4,841,803</b>

### 15. Reserves

	Capital redemption reserve £'000	2024 Capital reserve £'000	Revaluation reserve £'000	Revenue reserve £'000
Beginning of year	850	84,416	41,873	2,815
Ordinary shares bought back and cancelled	195	(17,688)	—	—
Decrease in unrealised appreciation	—	—	(5,390)	—
Net gains on realisation of investments	—	15,096	—	—
Expenses	—	(131)	—	—
Profit for year	—	—	—	2,227
Dividends	—	—	—	(2,326)
<b>End of year</b>	<b>1,045</b>	<b>81,693</b>	<b>36,483</b>	<b>2,716</b>

## Notes to the Financial Statements (continued)

for the year ended 31st December 2024

### 15. Reserves (continued)

	Capital redemption reserve £'000	2023 Capital reserve £'000	Revaluation reserve £'000	Revenue reserve £'000
Beginning of year	713	67,191	69,032	2,305
Ordinary shares bought back and cancelled	137	(10,575)	—	—
Decrease in unrealised appreciation	—	—	(27,159)	—
Net gains on realisation of investments	—	27,956	—	—
Expenses	—	(156)	—	—
Profit for year	—	—	—	2,953
Dividends	—	—	—	(2,443)
<b>End of year</b>	<b>850</b>	<b>84,416</b>	<b>41,873</b>	<b>2,815</b>

The capital reserve represents realised profits and losses arising on the disposal of investments. The revaluation reserve represents unrealised profits and losses arising on the revaluation of investments held. The revenue reserve represents accumulated revenue less the distributions paid. Both the capital reserve and revenue reserve together represent the total distributable reserves at the year end.

### 16. Net Asset Value per share

The net asset value per Ordinary share calculated in accordance with the Articles of Association was as follows:

	Net asset value per Ordinary share attributable		Net asset value attributable	
	2024 p	2023 p	2024 £'000	2023 £'000
Ordinary shares	<b>2543.4</b>	2337.1	<b>123,147</b>	131,359

The movements during the year attributable to each class of share were as follows:

	Ordinary shares 2024 £'000	Ordinary shares 2023 £'000
Total net assets at beginning of year	131,359	140,783
Shares bought back and cancelled	(17,688)	(10,575)
Total recognised gains for the year	9,575	641
Transfer to reserves	(99)	510
<b>Total net assets attributable at end of year</b>	<b>123,147</b>	<b>131,359</b>
<b>Number of shares in issue</b>	<b>4,841,803</b>	<b>5,620,684</b>

The Company may repurchase its own shares and then cancel them, reducing the freely traded shares ranking for dividends and enhancing returns and earnings per Ordinary Share to the remaining Shareholders. When the Company repurchases its share, it does so at a total cost below the prevailing NAV per share.

## Notes to the Financial Statements (*continued*)

for the year ended 31st December 2024

### 16. Net Asset Value per share (*continued*)

The estimated percentage added to the NAV per share as a result of buybacks of 1.8% (2023: 1.6%) is derived from the repurchase of shares in the market at a discount to the prevailing NAV at the point of repurchase. The shares were bought back at a weighted average discount of 11.4% (2023: 16.0%).

	2024	2023	
Weighted average discount of buybacks	11.4%	16.0%	a
Percentage of shares bought back	13.9%	8.8%	b
NAV accretion from buyback	1.8%	1.6%	$(a*b)/(100-b)$

### 17. Related Party Transactions

Fees payable during the year to the Directors and their interests in shares of the Company are considered to be related party transactions. Details are disclosed within the Directors' Remuneration Report on pages 40 to 44. The balance of fees due to Directors at the year end was £nil (2023: £nil).

The Company has an agreement with Jupiter Unit Trust Managers Limited for the provision of Investment Management services. Details of fees earned during the year and balances outstanding at the year end are disclosed in note 3.

### 18. Financial assets and liabilities

The Company's financial assets and liabilities comprise securities, cash balances and debtors and creditors that arise from its operations, for example, in respect of sales and purchases awaiting settlement and debtors for accrued income.

The investment policy and objectives of the Company are stated on page 2.

As an investment trust, the Company invests in securities for the long term. Accordingly it is and has been throughout the year under review, the Company's policy that no short term trading in investments or other financial instruments should be undertaken.

The main risks arising from the Company's financial instruments are market price risk, liquidity risk and credit risk. The Board's policy for managing these risks is summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate.

#### *Market price risk*

Market price risk arises from uncertainty about future prices of financial instruments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. Market Risk comprises other price risk and interest rate risk.

#### *Other price risk*

The Board meets at least quarterly to consider the asset allocation of the portfolio in order to minimise the risk associated with industry sectors. The Investment Manager has responsibility for monitoring the existing portfolio selected in accordance with the Company's investment objectives and seeks to ensure that individual stocks meet an acceptable risk-reward profile.

Company's exposure to changes in market prices as at 31st December 2024 on its quoted equity investments was £121,254,000 (2023: £129,953,000).

If the price of the investments held increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £1,212,500 (2023: £1,299,530).



## Notes to the Financial Statements (*continued*)

for the year ended 31st December 2024

### 18. Financial assets and liabilities (*continued*)

#### *Interest rate risk*

The Company has limited exposure to Interest Rate risk on the underlying investments held. The only exposure to interest rate risk is from cash held at bank of £1,893,000 (2023: £1,051,000).

If the value of sterling increased or decreased by 10%, with all other variables held constant, then the net assets attributable to Shareholders would increase or decrease by approximately £189,300 (2023: £105,100).

#### *Liquidity risk*

Liquidity risk is not considered significant. All liabilities are payable within three months. The company's assets comprise mainly readily realisable securities which can be sold to meet funding requirements if necessary. The Company currently holds one unquoted security, Dyson, which is not quoted on the London Stock Exchange or AIM.

#### *Credit risk*

Credit risk is the failure of the counterparty to a transaction to discharge its obligations which could result in the Company suffering a loss. At the year end the Company's maximum exposure to credit risk was as follows:

	2024 £'000	2023 £'000
Receivables	457	556
Cash and cash equivalents	1,893	1,051
	<b>2,350</b>	<b>1,607</b>

The risk is managed by dealing only with brokers and banks which have satisfactory credit ratings and are approved by the Audit, Risk and Compliance Committee.

#### *Financial assets and liabilities*

All assets and liabilities are included at fair value.

### **Valuation of financial instruments**

IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The valuation techniques used by the Company are explained in the accounting policies note 1h Investments.

The fair value hierarchy has the following levels:

Level 1 – Unadjusted prices quoted in active markets for identical assets and liabilities.

Level 2 – Having inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).

Level 3 – Having inputs for the asset or liability that are not based on observable data.

31st December 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial assets at fair value through profit or loss</b>				
UK Equity Listed	79,474	–	–	79,474
AIM traded stocks	41,780	–	–	41,780
Unlisted stock	–	31	–	31
<b>Net fair value</b>	<b>121,254</b>	<b>31</b>	<b>–</b>	<b>121,285</b>

## Notes to the Financial Statements (*continued*)

for the year ended 31st December 2024

### 18. Financial assets and liabilities (continued)

31st December 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial assets at fair value through profit or loss</b>				
UK Equity Listed	96,323	—	—	96,323
AIM traded stocks	33,630	—	—	33,630
Unlisted stock	—	41	—	41
<b>Net fair value</b>	<b>129,953</b>	<b>41</b>	<b>—</b>	<b>129,994</b>

There were no transfers between Level 1 and Level 2 during the period.

The fair value of the Company's investment in Dyson which is classified above as Level 2, is determined using the outsourced provider S&P Global with their valuation techniques and price assessed and agreed by the governance process in place by the Unlisted Assets Valuation Committee of the Investment Manager and ratified by the Board.

### 19. Capital management policies and procedures

The Company's capital comprises the equity share capital, share premium and reserves as shown in the Statement of Financial Position.

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

- The need to buy back Ordinary shares, either for cancellation or to hold in treasury, 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); and
- The extent to which revenue in excess of that which is required to be distributed should be retained. During the period, the Company complied with the externally imposed capital requirements:
- As a public company, the Company has a minimum share capital of £50,000; and
- In order to be able to pay dividends out of profits available for distribution, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by Company law

### 20. Post Balance Sheet events

Between the year end and 19th February 2025, the latest practicable date before the publication of the financial statements, the Company has bought back and cancelled 39,120 Ordinary shares for a cost of £848,653.

## Glossary of Terms

### Alternative performance measures

The European Securities and Markets Authority ('ESMA') published its guidelines on Alternative Performance Measures ('APMs'). APMs are defined as being a 'financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable accounting framework.' The guidelines are aimed at promoting the usefulness and transparency of APMs included in regulated information and aim to improve comparability, reliability and/or comprehensibility of APMs. The following APMs (indicated by \*) are used throughout the annual report, financial statements and notes to the financial statements.

### Annualised dividend yield

The annualised dividend yield is the amount paid to shareholders in the form of dividends (pence per share) as a percentage of the share price as at 31st December each year. The calculation is shown on page 14.

### Benchmark

The Company's benchmark is the FTSE All-Share Index.

### Benchmark Total Return Index

A total return index is a type of equity performance index that tracks both the capital gains of a group of stocks over time and assumes that any cash distributions, such as dividends, are reinvested back into the index.

### Discount\*

The amount, expressed as a percentage, by which the share price is less than the net asset value per share. As at 31st December 2024, the share price was 2,380.00p and the net asset value per share was 2,543.40p, the discount therefore being (6.4%). As at 31st December 2023, the share price was 2,130.00p and the net asset value per share was 2,337.10p, the discount therefore being (8.9%).

### Discount management

Discount management is the process of the buyback and issue of Company shares by the Company with the intention of managing any imbalance between supply and demand for the Company's shares and thereby the market price. The aim is to ensure that, in normal market conditions, the market price of the Company's shares will not materially vary from its NAV per share. The authority to repurchase the Company's shares is voted upon by the shareholders at each annual general meeting.

### Jupiter or JUTM

Jupiter Unit Trust Managers Limited, the Company's Investment Manager and Alternative Investment Fund Manager.

### Mid market price

The mid-market price is the mid-point between the buy and the sell prices.

### NAV per share

The net asset value ('NAV') is the value of the investment Company's assets less its liabilities. The NAV per share is the NAV divided by the number of shares in issue. The calculation is shown in Note 16 on page 66. The difference between the NAV per share and the share price may be referred to as the discount or premium, as defined within this glossary.

### Ongoing charges\*

Ongoing charges are the total expenses including both the investment management fee and other costs, as a percentage of average NAV. The calculation is shown on page 15.

### Premium\*

The amount, expressed as a percentage, by which the share price is more than the net asset value per share. The Company's shares were trading at a discount for both 2024 and 2023.

### Smaller company

A smaller company is defined as a company which has a market capitalisation smaller than the market capitalisation of the 100th company of the FTSE 100.





Registered in England No. 00736898

Typeset and Printed by Serif Design and Communications

Using environmentally friendly materials

