Onward Opportunities Limited

(ONWD LN)

Report and Audited Financial Statements

For the year ended 31 December 2024

Contents

Highlights

Highlights for the financial year ended 31 December 2024 include:

	31 December 2024	31 December 2023	% change
NAV per share	129.4p	106.5p	+21.5%
Share price	137.5p	102.5p	+34.1%
Total Net Assets	£31.0m	£17.1m	+81.3%

- The Company's 12-month Total Shareholder Return ("TSR") of +34.1% and Net Asset Value ("NAV") return of +21.5% saw the Company as one of the top performing (2nd and 3rd ranking performance respectively) amongst the Association of Investment Companies ("AIC") UK Smaller Companies peer group.

- Audited NAV was 129.37 pence per share at 31 December 2024, +21.5% over 12 months, delivering another encouraging period of NAV outperformance.

  - Significantly outperformed the UK AIM All Share Total Return index by +25.4% (UK AIM All Share: -3.9%);

  - NAV outperformance amongst peers in the AIC UK Smaller Companies sector (3rd in UK Smaller Companies sector);

  - Materially outperformed all 44 small cap funds (Unit Trusts & OEICs) in the Investment Association ("IA") UK Smaller Companies table; and

  - Significantly outperformed the Company's stated target returns of 15% per annum.

- Top decile NAV performance of +35.2% since launch 21 months ago (2nd in Sector), further establishing the Company's track record of outperformance versus its target returns and comparator indices.

- Completed five accretive capital raises during FY24, each at a premium to prevailing NAV per share at the time to raise an aggregate additional £9.3 million during the year. As a result, the Company was amongst the top ten largest capital raisers on the London Stock Exchange amongst investment trusts in FY24.

Portfolio Update

- Top five contributors to returns in the period, in absolute terms, were Windward (+£2.13m), MPAC Group (+£1.72m), Synectics (+£1.0m), Transense Technologies (+£786k), and Alumasc (+£495k).

- Upon completion of the cash offer for Windward the estimated realised return on investment is expected to be 134.5% IRR, and a, 2.5x Multiple of Invested Capital ("MOIC"), underscoring the potential of the Company's stated investment strategy.

- Additional noteworthy profitable exits were from Team17 (+£509k), EKF Diagnostics (+£144k) and Speedy Hire (+£152k), all sold intentionally around the general election on AIM inheritance tax relief policy concerns.

- Only three noteworthy detractors from returns with investment losses at Ebiquity (-£428k), RBG Holdings (-£900k), where the two investments have been fully exited; and Comptoir (-£336k), where the Portfolio Manager continues to proactively work for profitable outcomes.

- Significant strategic progress at core holdings supported proactively by the Portfolio Manager, particularly at Angling Direct, MPAC Group, The Mission Group and Likewise, further details of which are set out in the Portfolio Managers' Report.

Highlights (continued)

Post year end Highlights (1 January 2025 – 18 March 2025)

- Significant strategic progress with a further £2.1m capital raise in March 2025, growing the Company's capacity for further investments by 6.9%, further demonstrating the Company's ability to continue to scale.
- Soft NAV performance post year-end in line with the wider equity market volatility of Q125. Areas of relative strength came from Audioboom in the nursery and Alumasc in the core portfolio.
- Further strategic progress supported proactively by the Portfolio Manager, particularly at Springfield Properties, The Mission Group and Angling Direct.
- A number of nursery holdings and core investment opportunities identified for use of Windward proceeds and capital raised.
- Lead manager Laurence Hulse nominated for 'Fund Manager of the Year 2024' at the PLC Awards and 'Investor of the Year' at the 2025 CityAM Awards.

Andrew Henton, Chair, commented:

"During its short period of existence to date, ONWD to some may seem perverse. Not only does the Company invest in an unloved sector of the market, but it successfully floated – and has continued to raise new money - at a time when new issuances on UK equity capital markets have sunk to historic lows. And notwithstanding such deviancy, it closed the calendar year as one of the top performing funds in the UK.

Your Board does not think the Company is perverse. Rather we think ONWD's success to date reflects the combination of cool-headed financial analysis on the one hand, and warmly supportive, proactive engagement with investee companies on the other. Whilst we are not complacent about the ongoing effort required to sustain and maintain investment performance, we are confident that the strategy, now proven, is capable of long-term application. We therefore believe the Company is deserving of further capital allocation by new investors.

On behalf of the Board, I thank all our investors for their support over the past year, and we look forward to welcoming many more new investors over the years and months to come."

Laurence Hulse, Lead Fund Manager, said:

"There has been so much to be concerned about as an investor in UK equities, but as is often the case this has created rich pickings for single minded investors. Onward Opportunities has successfully navigated a tough backdrop, outperforming an illustrious peer group through a focus on bottom lines in spite of the headlines. We are delighted to have delivered a NAV return of +21.5% for 2024 and these results add to the emerging record of significant market outperformance since launch. There have been some fantastic achievements by the management teams we have backed, and our thanks must also go to them. The takeover approach for Windward at a material premium is a great example of hidden gems in the UK public markets which we work hard to identify.

Looking forwards, an eclectic portfolio of opportunities has been built by the team to deliver returns in what is expected to be a tough 2025 domestically. Competition for investment is fiercer than ever, and UK shares will have to command capital on a case-by-case basis; reliance on earnings growth, business as usual or just being cheap is scant. The portfolio has been designed with a particular focus on what we see as two key themes for outperformance; global earnings purchasable at a London valuation or an underscored focus on domestic catalysts that are largely idiosyncratic to conditions in the UK.

Ever Onwards."

Chair's Statement

Onward Opportunities Limited ("ONWD" or "the Company") was incorporated on 31 January 2023, and the shares issued at its Initial Public Offering ("IPO") were admitted for trading on the Alternative Investment Market ("AIM") of the London Stock Exchange ("LSE") on 30 March 2023. These accounts have been prepared for the 12-month accounting period covering 1 January 2024 to 31 December 2024.

As at 28 February 2025 (the latest practicable date prior to the publication of this report) the net asset value ("NAV")[1] per share was 122.8p and the share price 135.5p, representing a premium to NAV of 10.3% and a NAV performance of 28.4% since inception.

Portfolio performance

During the year under review ONWD delivered a NAV return of 21.5%, outperforming the UK AIM All-Share index by over 25%. This performance reflects not only the assiduity of the Portfolio Manager, but also showcases how theory has in a number of instances been put into practice. I draw your particular attention to the following exemplars:

- Windward, a position first purchased at 45p per share and identified as a business whose value to private equity or strategic trade investors was materially in excess of its then market capitalisation. Sure enough, the company was subjected to a bid during Q4 2024 and ONWD expects to exit its position at a price of 215p per share. Whilst it is a shame that the LSE will lose a high growth company, the takeout price reflects the undervaluation of the business as a listed company.
- MPAC, a business identified as being on the cusp of delivering turn around performance and where the Portfolio Manager has been able to support a rejuvenated management team through proactive engagement. These turnaround efforts have already delivered investment returns akin to the takeout of Windward described above, with shares first purchased below 200p per share versus the recent highs of over 500p per share.

Whilst no portfolio will ever comprise solely winners, and ONWD has also had its share of detractors, those latter positions have been quickly sold down when new evidence has emerged which undermined the original investment thesis. To the extent the portfolio does carry positions trading below an entry price, the Portfolio Manager remains confident this is reflective of the very market inefficiency which the strategy seeks to exploit, and that identified value catalysts exist in every case.

Hubris has no place in the lexicon of a successful fund manager, and whilst the Board is very pleased with delivered performance during 2024, attention is rightly now focused on from where the returns in 2025 will be derived. We expect the Portfolio Manager to remain single minded in the continued application of the processes and disciplines that have underpinned returns over the past 24 months.

Portfolio positioning at the start of 2025

As the 2024 calendar year ended, the continued existence of a historically wide gap between US and UK market valuations did beg the question of what further risks might exist that have not already been priced into UK markets. A limited rally at the start of 2025, perhaps triggered by belief in interest rates cuts as growth in the UK economy falters, might be supportive of a view that downside risk is perhaps now being eclipsed by upside opportunity.

The Portfolio Manager, rightly, remains less sanguine and we are certainly a long way away from any heady days of "irrational exuberance" in the UK. Careful stock picking remains at the core of the ONWD strategy, and one noticeable feature of current portfolio construction is the weight of non-UK earnings (and particularly export earnings generated from sales to the US) across the totality of portfolio companies. This acts as a useful hedge against macroeconomic UK risk. One particular and noteworthy feature of successful smaller companies in the past has been their flexibility, and their ability to react more quickly than larger competitors to changing market forces. This ability and willingness to change is one of the features that the Portfolio Manager actively seeks out in prospective investee companies, and is a further hedge against disruptive events such as tariff imposition.

[1] The Net Asset Value ("NAV") is the amount of total assets less total liabilities, i.e., the difference between what the Company owns and what it owes., per share.

Chair’s Statement (continued)

Portfolio positioning at the start of 2025 (continued)

Trying to time the market and predict exactly when sentiment will turn in favour of small cap stocks is a fool’s errand, but the fact that private equity and strategic investors continue to buy AIM listed companies at significant premiums to their listed share price evidences the existence of value. Surely more mainstream market participants and asset allocators will follow. In the meantime, the ONWD portfolio is composed of names that the Portfolio Manager believes enjoy distinctive and idiosyncratic features that have the potential to catalyse value on a non-correlated basis.

Fund raising

The Company successfully concluded five separate fund raisings during the year. Whilst individually small, such new issuances reflect the pragmatism of the Board in tapping sources of liquidity when they are identified and are also reflective of the momentum building within the Company. New money has been deployed effectively and in a timely manner, and the strategy is capable of deploying significantly greater volumes of capital before reaching capacity. The Board fully understands that, in the context of ONWD, many professional investors are inhibited by a combination of (i) minimum size of investment into any particular fund; (ii) maximum size of position in any particular fund; and (iii) prohibition on investing into funds with a short period of track record. As ONWD enters its third year and moves through a market capitalisation of £30m (more than double that at IPO), the Board anticipates that these inhibitors will start to lessen and the Portfolio Manager will be able to take forward nascent conversations already taking place with curious institutional investors.

Service providers

In anticipation of the second anniversary of ONWD, the Board has taken the opportunity to review the range of services being received by the Company. Notwithstanding its relatively small market capitalisation, the differentiated nature of the investment strategy – and impressive NAV growth performance – have started to attract the attention both of institutional investors and market commentators. Both are trends that the Board wants to encourage further, and with that end in mind we have recently engaged SEC Newgate to support the development of the Company’s media profile and online presence. We will also be moving to a new administrator and AIFM in the second quarter of 2025. Both developments are positive and made in anticipation of sustained growth in the size of the Company over the coming years.

Conclusion

During its short period of existence to date, ONWD to some may seem perverse. Not only does the Company invest in an unloved sector of the market, but it successfully floated – and has continued to raise new money - at a time when new issuances on UK equity capital markets have sunk to historic lows. And notwithstanding such deviancy, it closed the calendar year as one of the top performing funds in the UK.

The Board does not think the Company is perverse. Rather we think ONWD’s success to date reflects the combination of cool-headed financial analysis on the one hand, and warmly supportive, proactive engagement with investee companies on the other. Whilst we are not complacent about the ongoing effort required to sustain and maintain investment performance, we are confident that the strategy, now proven, is capable of long-term application. We therefore believe the Company is deserving of further capital allocation by new and existing investors.

On behalf of the Board, I thank all of our investors for their support over the past year, and we look forward to welcoming many more new investors over the years and months to come.

Andrew Henton
Chairman
17 March 2025

Portfolio Manager's Report

It is a privilege to present Onward Opportunities Limited's (the "Company" or "ONWD") second annual set of audited financial statements. The success of the Company's launch in 2023 has been substantially built upon, as the Company again materially exceeded its 15% per annum return targets and garnered new shareholders, raising just under £10m from capital markets during the year. It has been a tenacious and determined effort by the team on both fronts. These achievements, which were delivered amidst adverse market conditions, are a testament to the Company's potential and its ability to independently create shareholder value – truly active management delivering alpha. Two achievements to highlight were:

1) The Company being one of the ten largest issuers of equity across all investment companies on the London Stock Exchange. There is growing confidence from a widening shareholder base, of institutions, family offices, and professional investors, in our ability to deliver strong returns through our active and differentiated investment approach, in spite of prevailing market conditions and sentiment.
2) The bid at a material premium for top-5 holding, Windward, vindicated both the market opportunity we have been so vocal about and our ability to pick out high quality opportunities in depressed wider markets.

We continue to demonstrate an ability to raise capital repeatedly despite market conditions, deploy that capital using a high-touch investment style, and invest profitably delivering strong absolute returns. With examples such as Windward we are now adding the next ingredient for the tonic, highly profitable realisations.

The Company's progress has built on our encouraging first year; delivering a total NAV return of +35.2% since inception (30/03/2023) and outperforming the UK AIM All-Share's total return by 43% (which like the wider UK equity market has been poor since we launched).

An eclectic portfolio of situations and opportunities has been built by the team to deliver returns and this process is described below. The investment portfolio has been designed to take us into a likely challenging 2025 and we have developed a particular focus on what we see as two key themes for outperformance in the medium term:

1) Global earnings purchasable at a London valuation; and
2) An underscored focus on catalysts that are largely idiosyncratic to market and macro conditions in the UK. Reliance on earnings growth, business as usual or just being cheap is scant.

Competition for capital is fiercer than ever and therefore multiple discounts or low single digit earnings growth will not be enough. UK shares will have to command capital on a case-by-case basis.

Top Holdings Table as at 31 December 2024

Holding	£ Value	Portfolio Weighting %	Thesis Summary	Catalysts	Total Return %	IRR %
MPAC Group plc (MPAC LN)	£4.0m	12.6%	Margin recovery, horizontal expansion	New CEO & sales team, pension buy-out, supply chain normalisation, Board evolution	95.1%	175.5%
Windward AI (WNWD LN)	£3.9m	12.2%	Organic growth, profitability	Contract wins, breakeven, private sector product roll outs	145.2%	185.9%
Synectics plc (SNX LN)	£3.2m	10.3%	Organic growth, end market cyclical capex recovery, disposal	Revised capital allocation, margin accretion, contract wins, Board changes	46.6%	311.5%*

Portfolio Manager's Report (continued)

Top Holdings Table as at 31 December 2024 (continued)

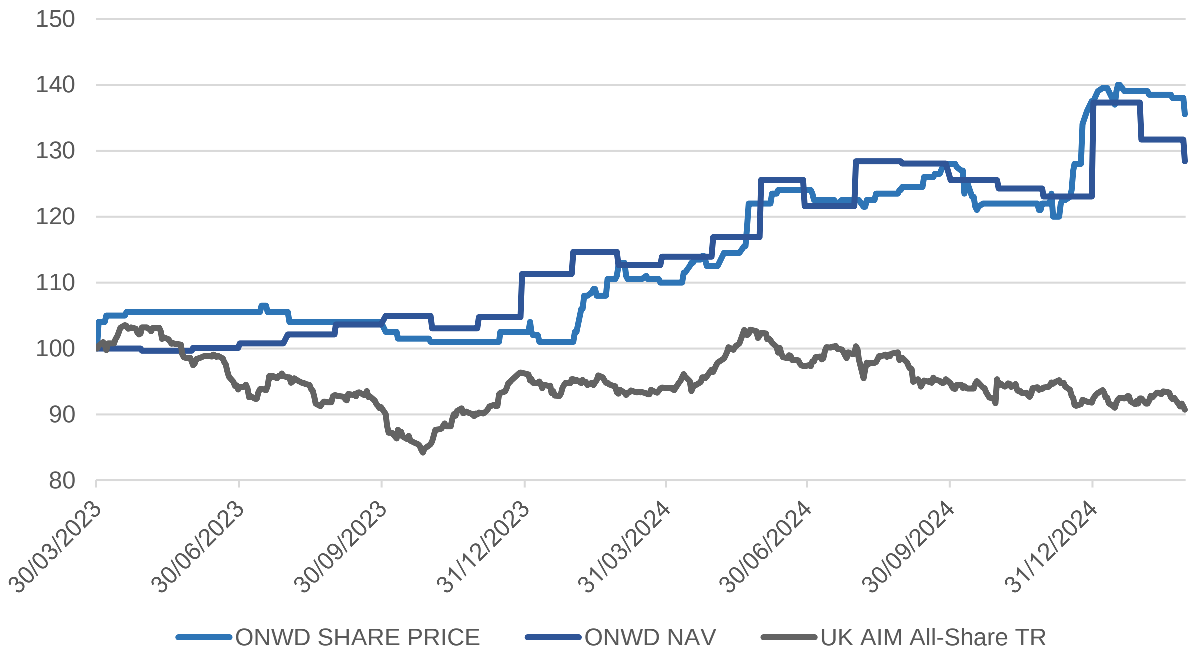
Holding	£ Value	Portfolio Weighting %	Thesis Summary	Catalysts	Total Return %	IRR %
Transense Technologies plc (TRT LN)	£2.2m	6.9%	Organic growth via groundbreaking technology	Sales pipeline execution, senior leadership hires, Board evolution	68.3%	59.4%
Alumasc plc (ALU LN)	£2.1m	6.6%	Discount to intrinsic value of building product brands	Construction sector recovery, margin recovery, market share gains	33.8%	69.8%
Angling Direct plc (ANG LN)	£2.0m	6.5%	Margin recovery, strategic refocus	Strategy review, end market recovery, uses of cash, Board evolution	29.3%	23.4%
Springfield Properties plc (SPR LN)	£1.8m	5.8%	De-leveraging, cycle recovery	Land disposals, social housing market share growth	17.4%	22.4%
React Group plc (REAT LN)	£1.8m	5.7%	Organic growth, bolt-on M&A	Bolt-on M&A, IR initiatives, uses of cash	17.5%	15.4%
The Mission Group (TMG LN)	£1.7m	5.5%	Disposals to deleverage, SOTP value	Return of Chair/major shareholder, disposals at premium to group multiple, buybacks	19.5%	53.9%*
Vianet Group (VNET LN)	£1.5m	4.7%	Geographic expansion & 5-G roll out drive organic growth, discounted to peers	US Contract wins, growth in recurring revenues	9.5%	18.4%
Eleven Nursery Holdings		22.5%				
Cash at Bank		<1%				

*Denotes holding period of less than 12-months for IRR calculation

Portfolio Manager's Report (continued)

Portfolio Performance (displayed to 31 December 2024 and rolled on to the last practicable date post period end; 28 February 2025)

The Company had a strong year, delivering a NAV return of +21.5%. This was the 3rd best performance in the sector, outperforming the UK AIM All-Share's total return by 25.4%, which fell during the same period. Perhaps most encouraging was the ongoing investment performance of the fund relative to its peers since inception - 2nd with a +35.2% return over 21 months and this outperformance has maintained through the volatility of the first few months of 2025.



Performance was consistently positive throughout the year and accelerated at year end as post budget volatility subsided and there was an announced takeover approach for Windward.

Total Returns to 31 December 2024	FY24 – 12 months to 31 December 2024	Since inception – 21 months to 31 December 2024
ONWD NAV Total Return	21.50%	35.20%
ONWD Total Shareholder Return 'TSR'	34.20%	37.50%
ONWD NAV Relative performance to UK AIM All-Share Total Return Index	25.20%	42.70%
ONWD TSR Relative performance to UK AIM All-Share Total Return Index	37.90%	45.00%
AIC UK Smaller Companies Ranking for NAV Return	3rd/25	2nd/25
AIC UK Smaller Companies Ranking for TSR	2nd/25	3rd/25

Portfolio Manager's Report (continued)

Portfolio Performance (displayed to 31 December 2024 and rolled on to the last practicable date post period end; 28 February 2025) (continued)

The top five contributors to returns for the year, at 31 December 2024, were Windward (+£2.13m), MPAC Group (+£1.72m), Synectics (+£1.0m), Transense Technologies (+£786k), and Alumasc (+£495k). There were only three noteworthy detractors from returns in the year, with investment losses at RBG Holdings (-£900k), Ebiquity (-£428k) (where both the investments were fully exited) and Comptoir (-£336k).

Total Returns to 28 February 2025 (the last practicable date)	1YR	Since inception – 23 months to 28 February 2025
ONWD NAV Total Return	+13.9%	+28.4%
ONWD Total Shareholder Return 'TSR'	+20.4%	+35.5%
ONWD NAV Relative performance to UK AIM All-Share Total Return Index	+16.5%	+37.7%
ONWD TSR Relative performance to UK AIM All-Share Total Return Index	+23.0%	+44.8%
AIC UK Smaller Companies Ranking for NAV Return	4/23	4/23
AIC UK Smaller Companies Ranking for TSR	5/23	5/23

Market Commentary

If we were to build on the, topical at-the-time, football analogy used in our half-year report, then H2 '24 was most certainly not 'Fergie time' for the UK. Supposedly fresh legs came on to the pitch only to deliver missed sitters and own goals with more lettuce served in the stands to early murmurings of 'Starmer out'. We will try to end the analogy there and focus on our observations of the UK Small Cap market to avoid the need for sticking on some shin pads.

Markets and politics are both confidence games, much more than we might all like to pretend at times. The recent disparity between the US and Europe and more recent narrative shifts are giving us all a live spectacle of how powerful this '12th man' can be (or not). A year ago, investors began to believe they had missed a US recession. The soft or hard landing debate ebbed away amidst an economy that, despite slowing in Q1, followed through with +3% growth in Q2 and Q3. More recently inflation and recessionary risks, seemingly slain, have shown signs of renewed life.

Although the Fed's inflation credentials no longer look immaculate, they for now cling to a no-landing base case helped by a MAGA-inspired belief in American exceptionalism that is increasingly being questioned under the change of administration. Observers will argue this could prove complacent as Trump 2.0 looms over markets given recent volatility of consumer and small business confidence as well as harder data in the engine of the global economy. For the short to medium term at least the lofty earnings multiples that those US equities currently command must quickly be justified.

2024 was a year of elections outside of the US too, and predictably the UK got a new government. Less predictable was that it quickly trashed its economic competency rating, albeit blaming an inherited (and imagined) fiscal black hole. The thing with black holes is that nothing escapes them, so why anyone would invite one round for tea at number 10 is beyond belief. Either way, UK growth gravitated down to zero over the first three quarters and inflation rose from September's below-target print of 1.7% to 2.6% by November. As the year closed, Europe, including the UK, seemed increasingly haunted by the ghost of stagflation past.

The most significant bond market trend has been the steepening of yield curves. As central banks globally have lowered policy rates, longer-term bond yields have typically risen. Since September, the Fed Funds rate has been cut by 100 bps and the US 30-year benchmark yield (upon which mortgage rates depend) has increased by over 100 bps to levels not seen before the GFC. The picture is similar in other Western markets, including the UK.

Portfolio Manager's Report (continued)

Market Commentary (continued)

The strength of monetary metals prices (gold +30% and silver +27%) and other tradeable assets is worth noting. Such moves indicate ongoing investor debate about "traditional" monetary debasement as the likely means to settle the sovereign debt dilemma. As we enter 2025, these debasement trades remain underpinned by rising sovereign debt levels and stubbornly high refinancing yields. Until the US DOGE initiative works, or Argentina exports the Milei fiscal consolidation playbook, hard assets will remain better risk counterweights for equity portfolios than bonds.

Much like 2023, 2024 saw the UK deliver one of the weaker performances of developed world equity markets. The S&P was up 26%, NASDAQ 31%, its Mag Seven up 33%, and the small cap Russell 2000 up 15%. Most UK equity indices were up a more modest 6% (FTSE 100, 250 and small cap measures alike). However, the UK Budget impacted heavily on the AIM market, where Onward traditionally sources its investments, which ended down 5%. 2023's top performer, Japan, managed another +21% (albeit with increased volatility), and even China, widely now considered 'uninvestable', recorded a 14% gain.

The Onward share price and NAV performance compare well to these figures and demonstrate that there is value on offer, albeit there is a need for selective stock picking; identifying the gems in what remain unloved markets. Perhaps the most entertaining example from our portfolio is that Smiths News, a supposedly 'dying business' (as it delivers newspapers to newsagents amongst other things), generated a total shareholder return of +37.6%, outperforming all of the above markets.

While the UK equity market is unlikely to dominate the world's capital markets again, its recent extended relative decline looks overdone, and some adaptive revaluation is overdue. How quickly this happens remains unclear, but its current path to extinction will surely be interrupted at some point. For what it is worth, it is the Manager's view that the industry needs to reestablish its relevance to the national consciousness – 'the City' has been trivialised, marginalised and even at times demonised, despite being one of the country's trophy assets and financial services being something at which this nation remains world-beating.

There are two ways for individuals to grow wealth according to an adage from Warren Buffet; "set up a great business, or own shares in lots of them." The London Stock Exchange has been a fantastic, and at times only way for ordinary folk in the UK and around the world to invest directly into great companies via ISAs, SIPPs, brokerage accounts etc. The demise of such a market in the UK would reduce ordinary folk's ability to save, invest, retire, grow wealth, and only further the wealth inequality that has ballooned since 2008. We believe public markets are a public good and that this is the message that needs to be better communicated to governments, especially those whose understanding of capital markets and the circular flow of money is slightly one dimensional.

Indeed, stranded by the challenging trends of UK-listed equities lurk good but forgotten value opportunities - where both time and a functioning price mechanism have obscured the fact that they are available to all. Having had a decent year, Onward's 4th largest holding, AI data company Windward (an 8% position), received an agreed cash offer at a significant premium on Christmas Eve, delivering Onward and its investors an early Christmas present. Our strategy epitomises Charlie Munger's first rule of fishing: fish where the fish are, but not where everyone else is fishing. As the price mechanism for smaller listed companies fails, the strategic value of the better-quality survivors becomes more attractive.

Portfolio Manager's Report (continued)

Portfolio Commentary

This year's investment activity eased on the hyperactivity of cash deployment in 2023, intentionally building up cash balances between the election and the budget to 20%, before deploying into a new core holding (Synectics) and some dynamic opportunities in the nursery (Audioboom, Likewise). This meant that on 31 December 2024, the Company was again 'fully invested' into 10 core investments and 11 nursery holdings which represented 95% of the portfolio. A detailed description of the core investments in the top ten is provided overleaf. The Portfolio Manager exited Team17 (+£509k), EKF Diagnostics (+£144k) and Speedy Hire (+£152k) early, but profitably, over the summer as analysis of the new UK government's likely impact on the AIM market, yields and economic activity, threatened our thesis and returns on these investments. All three share prices remain materially below exit levels and this was a good example of the Investment Committee ("IC") process adding value, with sell decisions emerging from a post-election quarterly portfolio review. However, there were two further noteworthy exits that crystallised investment losses; RBG Holdings (-£900k) and Ebiquity (-£428k).

Both were thesis breaches that led the Portfolio Manager to withdraw capital from these companies in the interest of protecting the remaining value. Lessons have been learned by the IC with each and factored into processes going forward. Efforts combined to generate investment gains of £5.7m through the year and an invested portfolio that is tracking a 54.3% gross IRR.

We have an active and engaged approach to investee companies, and shareholders can expect us to be working hard to support profitable outcomes on our investments. Some of these workstreams are shared below. Pleasingly some of the 2023 vintage investments such as Angling Direct are starting to show real impact from our high-touch style that is directly creating value for all shareholders including Onward. The portfolio enters 2025 with an intentional skew to international earnings (Transense, Windward, Synectics, MPAC, Audioboom); global earnings exposure with a London multiple makes for compelling price-to-earnings-growth opportunities we believe. Domestic earnings exposure has been reserved for resilient names with strong market positions (Angling Direct, Michelmersh, Likewise, Smiths News, Alumasc) or where such headwinds are more than compensated for by the valuation (The Mission Group, React Specialist Cleaning, Springfield Properties).

MPAC Group plc (MPAC LN) – Date of first investment September 2023

MPAC Group plc ("MPAC") is a designer and assembler of automated robotic packaging lines with a strong foothold in defensive sectors globally, and a first-mover advantage in clean energy assemblies (EV batteries), due to its historic specialism in 'side-loading'. After a difficult 2022/23 that was worsened by global supply chain disruption, the business is on a strong footing under new management with a clear plan for earnings growth that we had been able to purchase initially on an EV/EBITDA of c.2.5x, and subsequently (with higher conviction added to) at multiples closer to 5x and 6x in 2024 – all at a discount to the 10x (or higher) multiples where private equity transactions take place. New CEO Adam Holland (referenced extensively at JCB & Rolls Royce) identified levers to recover margins to 10%+ (which is now complete) and grow earnings with an expanding sales team and abated supply chain headwinds of 2022/3.

At the point of first investment, we had modelled 12.5% EBIT margins by 2028 but now think this can be beaten materially at much nearer 15%. This first stage has more than doubled the value of MPAC as we anticipated it would in our 2023 report. We are pleased to report a very strong IRR of 176% over the 15-months since we invested. MPAC has been a great example of our screening process identifying emerging change in a company. There remains a longer-term opportunity in battery casing that if delivered could add significantly to returns beyond our base case, but we only ascribe hope value at this stage.

We are actively engaging with the company on a number of key initiatives including a pension 'buy-out' (as it is now in surplus) incentive arrangements for the new senior leadership team, board composition, M&A strategies and investor communications. We were delighted to see the company follow up with a strong trading update in January 2025 and are excited for what the integration of recent international expansion offers this year and beyond. This and further catalyst execution combined with sales and margin growth offer further material upside potential in line with private equity backed peers which we monitor.

Portfolio Manager's Report (continued)

Portfolio Commentary

Windward AI Limited (WNWD LN) - Date of first investment August 2023

We said over a year ago in our reports that Windward was *"perhaps the most exciting business model in the portfolio and has the potential to be one of the most value-creative investment theses too,"* that *"the recent FY23 and HY24 results … I would encourage shareholders to read; they are some of the best trading figures I have read on AIM in some time"* and "*if this level of execution were to be achieved the business would trade in line with similar businesses around 5x sales."* So, it has proven, and it seems others were reading too with the 215p/share all-cash offer for the company from STV Capital on Christmas Eve 2024.

Our due diligence had revealed how Windward harnesses marine traffic data to provide analytical insights to a growing list of household names and global operators in two key maritime markets; supply chain logistics and regulatory/legal compliance. Both these segments and the wider maritime industry are going through massive upheaval, and we believed Windward was extremely well placed to capitalise on this. Windward delivers these insights through an attractive subscription model via its Maritime AI TM platform that we believed had material intrinsic value. Customers include Interpol, the US military, Glencore, BP, Maersk, BMW and Transworld. This model and market backdrop have allowed the business to produce some very compelling operational metrics in the context of our sub-1.5x EV/Sales initial entry point (further purchases made higher on growing conviction). The business has been growing at 35% per annum, and this is a 99% contracted revenue base the company is building or 'adding to' each year.

The team wistfully supported the 215p/share all cash offer in December, which represented c.8% of the portfolio. The LSE will be a lesser place without the company, which was the fastest growing software stock on AIM this year because it is a world-beater led by Ami Daniel, their maverick CEO, who we had found so backable. However, the offer represented a 6.5x current price-to-sales multiple (right in the midst of our target 5 to 10x range) and a material premium to the 45p-120p spread which we had been paying for shares over the past 18-months.

A highly satisfactory early realised return for our strategy and shareholders. There is a lot of talk about the state of the LSE. Ways of incentivising more companies like Windward to float has got to be part of the answer. We extend a huge thanks to Windward its management team and board. A completed takeover at 215p/share at the end of Q125 would deliver a realised 134% IRR and 2.45x Money Multiple return for Onward Opportunities in c.18months.

Synectics plc (SNX LN) - Date of first investment September 2024

Synectics (SNX LN) is a leader in Advanced Security and Surveillance Systems. Its expertise is in providing solutions for specific markets where security and surveillance are critical to operations. Synectics' core IP comprises an open-architecture, proprietary 'Synergy' software and specialist 'COEX' cameras delivering highly technical, tailored solutions to a high-profile and blue-chip global customer base in markets including gambling, Oil & Gas, Infrastructure and Transport. It holds best-in-class and market leading positions in some of these sectors which, we believe, makes it a strategic asset at some stage.

The business used the pandemic to transform its strategy and focus of operations and this is now starting to bear fruit in the form of contract wins. It was this earnings transformation that some of our screening systems were flagging.
Anecdotally, the business has transformed over the past 15 years from one with seven employees in hardware and one software developer, to 50 in software, two in hardware and much higher margins. Over the last 10 years, the Synergy command and control technology platform has become a key driver to Synectics both winning and retaining customers as well as improving margins, primarily in Systems but also indirectly in Security. Synergy is (according to customers and former employees we have spoken to) a user-friendly command and control platform with good flexibility, expandability, and resilience that is 'world leading'. Contract wins such as Marina Bay Sands speak to this.

The mission critical nature of Synectics products makes this an interesting business to consider for investment now that the turnaround is completed. Two crucial aspects of the Synergy platform are that it increases customer retention stickiness by integrating into their operations but also generates a higher blended margin than a typical hardware only surveillance and security company.

Portfolio Manager’s Report (continued)

Portfolio Commentary (continued)

Synectics plc (SNX LN) - Date of first investment September 2024 (continued)

We have been able to acquire this world leading, sticky, high-margin product on a sub 10x price/earnings multiple through the second half of 2024, another great example of ‘gems amongst the rubble’. The business is now throwing off large amounts of excess cash and there is optionality around the hardware division that offers the potential for material capital returns to shareholders to supplement capital growth in the value of the company. We now look to new Chair Bob Holt and incoming CEO Amanda Larnder to maximise exaction of the material earning opportunities facing the business, particularly in data centres in the UK and new caisson openings around the world, particularly the UAE and far east.

Transense Technologies plc (TRT LN) - Date of first investment June 2023

Transense Technologies is a very different business, but we believe is another example of a small UK company quietly working up great prospects for growth. It is fair to say the business has had a checkered history of 'jam tomorrow' as a listed business, with a series of false dawns leading to cash consumption, funding requirements and shareholder value destruction. However, our screens and subsequent due diligence uncovered that over the past few years, prospects and crucially profits have tangibly changed, and that this success is partly obscured by perceptions from the past. The business has three core market leading technologies at various stages of execution and a valuation of £13m at the point of investment. In 2019 the first of these, iTrack, became profitable through a 10-year royalty deal with Bridgestone that is 100% profit margin, and we believe will peak at around £3m per annum versus £2m currently.

The future cashflows of this deal underpin the current value of the business. This deal, led by the now Executive Chairman Nigel Rogers, has been crucial as it has provided the group with visible long-term profits that have allowed development of its other two exciting technologies - Translogik and Surface Acoustic Wave ("SAW") sensors.

Translogik provides tyre wear monitoring equipment to fleet managers and revenues have more than doubled since 2020 when the new team started to deploy time and effort into the opportunity using iTrack profits. The technology generates a gross margin in excess of 50% for the group and we expect that under the recently appointed Managing Director, Ryan Maughan, revenues can at least double again in the next few years, if not more.

Lastly, the patent protected SAW technology, which is the least progressed but with the largest potential for earnings contribution, has started to make headway in some of the highest barriers to entry markets - US defence and high-performance motorsport. SAW is garnering industry and investor interest because of its ability to provide more specific and consistent torque readings in high-intensity and adverse operating environments. The team are targeting opportunities in the industrial, electric drivetrain and aerospace sectors and we are monitoring progress closely following early successes with McLaren and GE aviation. The business won two major pieces of work that set the scene for further progress with the technology: (i) SAW was selected as a key partner in an ambitious £11 million electric vehicle (EV) research and development programme, that will be part funded by the UK Government through the Advanced Propulsion Centre UK and joined an Aerospace Technology Institute supported project and; (ii) "LANDOne", with Airbus to provide SAWsense technology and support the development of next generation landing-systems technology. LANDOne is a £37.8 Million project looking into new lighter, lower maintenance landing gear systems. Officially launched in 2022, Transense has joined the project due to the SAWsense technology potentially allowing critical measurements to be made that were not possible with other technologies.

We were delighted to see Craig Wilson join the board in June, given his experience at Williams Advanced Engineering last year, where he spent 10 years and led the development of the business from its foundations in Formula One racing to provide innovative technology across a range of sectors, becoming recognised as a leader in electrification and energy storage. As an applied technology company, revenues generate an extremely high gross margin, north of 85%, and sales have been accelerating. We have been delighted to see a number of new hires and recent directors buying shares alongside those developments.

Portfolio Manager's Report (continued)

Portfolio Commentary (continued)

Angling Direct plc (ANG LN) – Date of first investment May 2023

Angling Direct is the UK's leading retailer of fishing equipment and tackle. This position gives us an opportunity to provide investors with some insights to our investment strategy in action. We believe we have captured dual optionality on the upside on our investment into Angling Direct, which creates an attractive asymmetric risk profile for shareholders' capital, initially investing between 24 and 30 pence per share. This position represents either a growth or value investment, depending on various strategic decisions that are taken in the coming months.

The business has a dominant market position in the UK, where it is profitable and cash generative from a repeat customer base of 'anglers'. These metrics are improving materially under new management, and look to benefit from both a UK consumer recovery and growth from additional store rollout.

More recently, the business has been attempting to enter the much larger European market to provide additional earnings growth. Success has been limited so far, with annual losses that are material in the context of overall group profits, whereas the UK business generates a profit that is significantly more than the current group number (which factors in European losses). Our returns thesis is that either the European strategy starts to bear fruit in the near-term and contributes profitable growth to the group, or it can be reviewed to remove the opportunity cost to management and losses from group profits. Either outcome would be shareholder value creative to our investment and we would be happy for our initial skepticism about the European opportunity to be proved wrong during the remainder of the calendar year.

Eighteen months on from first investing, it would be natural to expect this debate is approaching conclusion following the recent capital allocation commentary by the company. Fishing is a sport of probability maximisation, and in that sense shares many similarities with investment management. Investors can expect the ANG team to be on a path to reducing European losses for shareholders one way or the other, creating material value in the process.

Anglers buy tackle to maximise their chances of catching fish predictably and ONWD shareholders can expect a similar mindset in our strategic discussions with the company in order to maximise shareholder returns.

The Onward approach has made a material impact this year on ANG's strategy, increasing shareholder value. The team has been highly engaged with the company for over 12 months on a number of strategic matters and the recently announced capital allocation policy, including a £4m buyback, was well received by shareholders. Behind the scenes, there has been a refinement of operational elements within the strategy under new CEO Steve Crowe, the benefits of which are beginning to reveal themselves in some cracking UK divisional figures and increased growth rates. We are excited by what we identify to be potential further 'wins' for shareholder value in 2025 as the company seeks to capitalise on this UK success, which would not be possible without the hard work and savvy tactics of Steve and his team. ANG delivered some of the best UK retailer figures on the public markets this year and we are thankful for their efforts and engagement. We have in this context noted with interest the consolidation of angling retailers in the USA and Nordic countries in recent years at much higher multiples than that which ANG trades on.

React Group plc (REAT LN) - Date of first investment May 2023

With React we believe we have captured a defensive growth opportunity at a value price and invested c.6% NAV into the company. It is a business the team has been researching since September 2022 (pre-launch) and was an early pipeline priority. Through a mix of specialist cleaning services for UK corporates, the business has a highly attractive earnings profile.

Portfolio Manager's Report (continued)

Portfolio Commentary (continued)

React Group plc (REAT LN) - Date of first investment May 2023 (continued)

The business now has four core divisions:

1. React – the heritage of the group, reactive specialist cleaning often needed for emergencies or callouts requiring specialist cleaning techniques, high margin but less predictable.
2. LaddersFree – large glass pane and cladding cleaning for UK corporates, executed through a capital-light membership model.
3. Fidelis – contract cleaning focused on public services. The business operates over 80% of its sales on contracted terms of one to five years and has been organically growing at 17%+ per annum for the past four years under a new management team. Sales are highly cash generative and yield a high contribution margin, whilst CAPEX, depreciation and amortisation are all insignificant.
4. Aquaflow – A recently acquired drainage and plumbing services company.

Crucially now, as a result of a mix of organic and acquisitive growth and the upcoming cessation of deferred consideration payments, the business is beginning to generate strong profits and free cash flow growth from contribution margin as it exploits inherent operational gearing. If one were to look away for a moment - not knowing the company cleans large glass facades, rolling stock, and prisons – its characteristics mean it could easily be mistaken for a small, successful software company. Yet we have been able to acquire shares in React on very low P/E multiples. We expect the company to now use these multiplying cash flows to acquire further earnings on a non-or very slightly dilutive self-funding basis and compound value creation over the medium to long term. We are engaged with the company as to how best accelerate where possible both organic and inorganic strategies to maximise shareholder value from what is an attractive core business model.

Springfield Properties plc (SPR LN) - Date of first investment July 2023

Springfield Properties is one of Scotland's largest housebuilders and crucially owns the largest land bank with planning approval in the country. Over the past 24-months the Scottish government has helpfully (for ONWD at least!) self-inflicted a number of headwinds to the housebuilding market to complement the well-documented impact of rising interest rates and consumer pressures on the sector.

These include rent-controls, unrealistic terms of business for social housing construction contracts and wider political uncertainty. These challenges resulted in Springfield properties having to materially cut earnings guidance, which in turn left its balance sheet looking stretched. The shares followed and the company traded at a nearly 50% discount to NAV (of which the main asset is the previously mentioned land bank). Whilst these were all fascinating reasons to create a potential entry point, it is of course a recovery that we as capital allocators are interested in. We have invested with a line of sight on a number of catalysts for value recovery.

Firstly, the regulatory environment is improving; the Scottish government is ending rent controls which should see the build to rent market improve for Springfield and social housing contract terms have been adjusted to reflect inflationary pressures. Springfield is seeing and winning work in both these areas again. The near-term likelihood of Scottish independence has also reduced materially which again provides more certainty for business and investors. Most crucially however are the self-help initiatives that we are proactively supporting. The company has removed £4m from the central cost base - which is material in the context of a historic EBITDA of around £20m. Secondly, and really to the core of our thesis, is the disposal of land parcels which transfer enterprise value to equity value in the form of monetising a portion of the balance sheet assets to pay down debt ahead of forecasts.

The company has already announced a number of profitable disposals, and we expect these efforts to continue to progress for the rest of the calendar year. As these de-risking catalysts complete it is not unreasonable to expect Springfield to re-rate from around 0.6x NAV at the point of investment to nearer 1.2-1.3x where the sector typically trades through the cycle.

Portfolio Manager's Report (continued)

Portfolio Commentary (continued)

Springfield Properties plc (SPR LN) - Date of first investment July 2023 (continued)

From this point the investment is likely to become a healthy compounder for the portfolio through the next housebuilding cycle, where Scottish properties are much more appealingly priced relative to average earnings than most parts of the UK and SPR's locations close to the Scottish freeport, and Green Power Line could prove lucrative.

The Mission Group (TMG LN) - Date of first investment July 2024

The Mission Group is a classic special situation which we have been able to obtain for the portfolio; a business now trading at a material discount to its sum of the parts valuation and a deep discount to historic and sector multiples. TMG is an advertising agency focussed on the UK market, which for the past eight years has been something of a disadvantage but is now increasingly looking like a great geography in which to be 'overweight'. The business had still been growing against this backdrop until 2022/23, when a sector slowdown caught the business over geared, especially its property and technology sector facing agencies. The high levels of operational gearing in these businesses and their cyclical nature led to a material earnings downgrade and resultant short-term impact on the share price, which our long-term valuation approach has been able to take advantage of.

One of the founders, David Morgan MBE, has returned as Chair to help deliver cost take-outs and a disposal strategy to recover value for shareholders, of which he is one with a 5% equity stake. The Board now has a publicly stated strategy of disposals to reduce debt and our analysis of the goodwill on the balance sheet suggests that three of the 15+ agencies in the group are worth significantly more than the current c£40m EV. We look forward to progress in this area, which ought to drive both a transfer of EV to equity value, if executed correctly, but also an improvement of the earnings multiple on which the business is valued. We also estimate any earnings lost from disposals can be almost fully recovered to profits in the form of a materially reduced interest line as debt is paid down.

The value we have spotted has not gone unnoticed - the business has received two approaches from a peer at 29p and 35p per share; a 45% and 75% premium respectively to our 20p entry price. Our thesis took a big step forward just after the period end, as TMG completed the sale of April Six Limited for a total gross consideration of up to £17.4m. The disposal of April Six marks the completion of the Group's Value Restoration Plan ("VRP") announced on 20th December 2023.Through self-help actions the VRP has delivered £5 million of annualised operational improvements in 2024 and has significantly strengthened the company's financial position with two business disposals. Net bank debt has thus reduced from £17.0 million to £6.5 million pre deferred payments; a material deleveraging event delivered by a board fully aligned with shareholder interests through their own stakes.

Vianet Group plc (VNET LN) - Date of first investment January 2024

Vianet is a recovery and growth situation into which we have invested at a material discount (5x EBITDA) to listed peers and transaction values for high recurring revenue businesses that are returning to growth. The investment case is focused upon scaling its proprietary platforms in two key operating segments; smart vending ("Smart Machines'") and hospitality ("Smart Zones"). In Smart Zones, the recent launch of SmartDraught as well as the BMI acquisition have expanded the UK addressable market by c.4x, and accelerated US expansion plans respectively. In Smart Machines, the evolution of SmartVend should further differentiate the platform, and enable expansion into a possible 15m machines worldwide. Proven hardware with longstanding customers creates very low churn levels, and 3 to 5-year contracts deliver over 80% of recurring revenue for Vianet.

In the medium term, we expect the scaling of SaaS solutions will drive gross margin to over 70%, create strategically valuable data, and deliver platform economies of scale. Delivering these levels of operating metrics left the team concluding 5x EBITDA was a mis-pricing opportunity and if the anomaly persists, Vianet's embedded large market share will prove hard to resist for consolidators higher up the value-chain. The team has performed pleasingly since, and the number of growth opportunities are what stood out most at the last update.

Portfolio Manager's Report (continued)

Outlook

The Company has delivered a year to be proud of as investment theses at core holdings started to play-out. Synectics, Windward, Alumasc, Angling Direct, Audioboom and MPAC all had a particularly strong series of updates that demonstrated the improving operational activity and strategic changes we had identified. Hard work has been put in by the Manager to source and verify these opportunities, and also by the management teams to execute business plans, with our support where appropriate. Our thanks must go to the portfolio companies for a strong year set against a sterile backdrop.

The portfolio and the Manager will both have to work even harder this year to deliver a strong performance as several UK specific headwinds, often self-inflicted, have developed in the second half of 2024. These have only worsened in the early weeks of 2025. Without a major global tailwind such as a resolution to the crisis in Ukraine or dramatically lower energy prices, it is likely to be a tough operating environment in the UK; higher taxes than expected, higher costs of debt than expected, lower consumer confidence than expected and lower consumption than expected. Onward shareholders can be comforted by our strategy's focus on catalysts for value creation rather than circumstances and the current particular focus on global earnings exposure and domestic defensiveness. We believe this resolve has enabled the Company to continue to raise capital in 2025 in the thick of recent equity market volatility.

Onwards,

Laurence Hulse
Lead Fund Manager and Founder
17 March 2025

Investment Objective and Policy

Investment objective

The Company was incorporated with limited liability in Guernsey under The Companies (Guernsey) Law, 2008 (the "Companies Law") on 31 January 2023 as a non-cellular (closed-ended) company limited by shares. The Company's investment objective is to generate risk-adjusted absolute returns for shareholders through investments in UK smaller companies. Returns are expected to be principally derived from capital growth over a target three to five-year holding period with an appropriate diversification of investment risk.

Investment policy

The Company will seek to achieve its investment objective by investing primarily in equity and equity-related securities of UK smaller companies that are predominantly listed or admitted to trading on markets operated by the London Stock Exchange, and where it is considered that there is a material potential valuation upside that can be delivered from catalysing strategic, operational or management initiatives.

In order to ensure that the Company is able to maintain its approach of active engagement with investee companies, and to encourage and support value creation, the Company will typically target meaningful minority stakes in investee companies of between 5% and 25% of the issued share capital.

Whilst the Company has no limitation on the size of the companies in which it can invest, the Company typically expects to invest in companies with market capitalisations of no more than £250 million (with particular focus on those below £100 million) at the time of investment. The Company will therefore focus on investments in the 'micro' smaller companies sector and on companies admitted to trading on AIM.

Investee companies will typically have certain of the following characteristics:

- balance sheet asset backing;
- a competitive advantage and/or strong management track record;
- attractive cash flow potential;
- visibility of earnings/future earnings improvement;
- potential for liquidity and/or exit in line with the Company's targeted hold period;
- scope for an active shareholder to trigger value creation; and/or
- foreseeable events and catalysts to unlock intrinsic value.

Investments may be either direct investments made by the Company, or indirect investments made by the Company through similar funds or investment vehicles. The Company may make its investments for cash or for share consideration. Although investments will not be restricted to specific sectors, the Company does not expect to pursue or make investments into companies in the biotechnology sector or in companies directly involved in extractive industries (such as mining or oil and gas).

Whilst the Company will initially seek to take minority stakes in investee companies of between 5% and 25% and will not typically seek to take majority positions in investee companies, it will not be restricted from taking a majority position if considered appropriate by the Portfolio Manager.

The Company's portfolio is expected to be relatively concentrated, with a typical investment being between 2% and 10% of Net Asset Value at the time of investment. This is expected over time to result in a portfolio of approximately 10 to 15 high conviction investments and a further 5 to 10 smaller portfolio holdings, in companies operating in a number of industries and geographic locations.

Whilst the Company will target an investment holding period of three to five years, actual holding periods and exit strategies will depend on the underlying investment, the availability of exit opportunities and the size of the Company's investment. The Company may therefore dispose of investments outside of the target timeframe should an appropriate opportunity arise.

Investment Objective and Policy (continued)

Investment policy (continued)

The Company may hold cash in its portfolio from time to time to maintain investment flexibility. There is no limit on the amount of cash which may be held by the Company at any time.

Investment restrictions

The Company will observe the following investment restrictions:

- the maximum investment in any single investee company will be no more than 15% of Net Asset Value at the time of investment;
- no more than 10% of Gross Asset Value at the time of investment will be invested in securities listed or quoted on listing venues other than markets operated by the London Stock Exchange (without the explicit written consent of the Board);
- no more than 25% of Gross Asset Value at the time of investment(s) will be in unquoted securities including, inter alia, in unlisted shares or other unlisted instruments such as convertible loan notes issued by quoted companies, rights, options, warrants, bonds and notes; and
- no more than 20% in aggregate, of the Gross Asset Value at the time of investment will be in other listed closed-ended investment funds.

Corporate Governance Statement

The Company is listed on AIM and became a member of the Association of Investment Companies (AIC) on 4 April 2023. The Directors recognise the importance of sound corporate governance and the Directors intend to observe the requirements of the AIC Code so far as is practicable.

The Guernsey Financial Services Commission's ("GFSC") Financial Sector Code of Corporate Governance (the "Code") applies to the Company. The GFSC has stated in the Code that companies which report against the UK Corporate Governance Code, or the AIC Code are deemed to meet the requirements of the Code and need take no further action. Accordingly, as the Company will report against the AIC Code, it will be deemed to meet the requirements of the Code.

The Board has established an Audit and Risk Committee and a Management Engagement Committee. These committees undertake specific activities through delegated authority from the Board. Terms of reference for each committee have been adopted and will be reviewed on a regular basis by the Board. The Board as a whole will undertake the functions of remuneration and nomination committees and as such no separate remuneration or nomination committee has been established.

Key Governance Disclosures

Section 172(1) Statement

Through adopting the AIC Code, the Board acknowledges its duty to apply and demonstrate compliance with section 172 of the UK Companies Act 2006[2] and to act in a way that promotes the success of the Company for the benefit of its Shareholders as a whole, having regard to (amongst other things):

a) consequences of any decision in the long-term;
b) the need to foster business relationships with suppliers, customers and others;
c) impact on community and environment;
d) maintaining reputation; and
e) acting fairly as between members of the Company.

The Board considers its duties under section 172 to be integrated within the Company's culture and values. The Company's culture is one of respect for the opinions of stakeholders, with an aim of carrying out its operations in a fair and sustainable manner that is both instrumental to the Company's long-term success and upholds the Company's ethical values. The Board encourages diversity of thought and opinion and would like to encourage stakeholders to engage freely with the Board of Directors on matters that are of concern to them. Stakeholders may contact the Company via the Company's dedicated e-mail address ool@apexgroup.com or by post via the Company Secretary on any matters that they wish to discuss with the Board of Directors.

The Company does not have a formal diversity policy. This is a function of the fact that the Company's remunerated officers are limited to the directors. The composition and effectiveness of the Board is internally assessed on an annual basis. The periodic rotation or retirement of directors is a trigger event which initiates a formal search and selection process. This prioritises professional experience relevant to the needs of the Company over other more subjective factors which do not lend themselves to formal assessment and testing. Whilst the Company does not therefore have any policy of positive discrimination in relation to age, gender or race, the Company does recognise the value that different perspectives and outlooks can bring to the quality of decision making. Accordingly, whilst remaining focused on merit-based appointments, the Board encourages and seeks to identify candidates who can also enhance the diversity of its composition.

The Board has continued to work closely with its service providers during 2024 in order to support the maintenance of high standards of service. As part of its annual review process, the Management Engagement Committee enquires about any incidents, breaches or other occurrences within its service providers that might create a reputational risk or other negative consequences for the Company. Further details relating to the service providers can be found within the Directors' Report.

The Board considers that there is a very low risk of modern slavery or human trafficking associated with the Company's activities, given it has no employees, premises, manufacturing or other physical operations. Its suppliers are professional services providers, most of whom are regulated and none of whom operate in jurisdictions that have a poor record on modern slavery or human trafficking. The Company is an externally managed investment company, has no employees, and as such is operationally quite simple.

[2] The section 172 of the Companies Act 2006 applies directly to UK domiciled companies. Nonetheless, the intention of the UK Code and the AIC Code is that the matters set out in section 172 are reported on by all companies, irrespective of domicile, provided this does not conflict with local company law.

Key Governance Disclosures (continued)

Section 172(1) Statement (continued)

The Board does not believe that the Company has any material stakeholders other than those set out in the following table.

Investors	Service providers	Community and environment
Issues that matter to them		
Performance of the shares Growth of the Company Liquidity of the shares Corporate Governance	Reputation of the Company Compliance with Law and Regulation Remuneration	Compliance with Law and Regulation Impact of the Company and its activities on third parties
Engagement process		
Annual General Meeting Frequent meetings with investors by brokers and the Portfolio Manager and subsequent reports to the Board Quarterly factsheets Key Information Document	The main service providers engage with the Board in formal quarterly meetings, giving them direct input to Board discussions. Communication between the Board and service providers also occurs informally on an ongoing basis during the year.	Adherence to principles of appropriate ESG policies exists at both Company and investment level.
Rationale and example outcomes		
The Board has engaged with shareholders in relation to the Company's business over the course of the year.	The Company relies on service providers as it has no systems or employees of its own. The Board seeks to act fairly and transparently with all service providers, and this includes such aspects as prompt payment of invoices.	The Portfolio Manager works to ensure that sustainability and ESG factors are carefully considered and reflected in the Company's investment decisions. The Board of Directors travel as infrequently as possible and instead communicate, where they are able to, by video and conference call.

Going Concern Statement

The Going Concern Statement is made on page 29.

Long-Term Viability Statement

The Long-Term Viability Statement is made on pages 29 to 30.

Fair, Balanced and Understandable Statement

The annual report and accounts taken as a whole are considered by the Board to be fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy. Further information on how this conclusion was reached can be found within the Audit and Risk Committee Report.

Key Governance Disclosures (continued)

Continuing Appointment of the Portfolio Manager

Further details relating to the continuing appointment of the Portfolio Manager and how this is in the interests of shareholders as a whole can be found within the Directors' Report on pages 33 and 34.

Assessment of Principal and Emerging Risks

The Board has undertaken a robust assessment of the Company's principal and emerging risks, together with the procedures that are in place to identify emerging risks. Further information on this assessment and an explanation on how these risks are being mitigated and managed can be found on pages 31 to 33.

Review of Risk Management and Internal Control

The Audit and Risk Committee is responsible for ensuring that the financial performance of the Company is properly reported and monitored. The Audit and Risk Committee reviews the Company's annual and interim accounts, the accounting policies of the Company and key areas of accounting judgment, management information statements, financial announcements, internal control systems, risk management and the continuing appointment of auditors. It also monitors the whistle blowing policy and procedures over fraud and bribery of the Administrator.

Due to its size, structure and the nature of its activities, the Company does not have an internal audit function. The Audit and Risk Committee will continue to keep this matter under review.

The Board is ultimately responsible for the Company's system of internal controls and for reviewing its effectiveness. The Board has developed a framework that is designed to manage, rather than to eliminate, the risk of failure to achieve the Company's business objectives. The framework involves identifying sources of risk, the potential significance (financial and operational) of any risk impacts, and the associated controls in place to identify, pre-empt and mitigate those potential impacts. This is documented in a Business Risk Assessment which is considered at least annually by the Board. The framework is discussed with the Portfolio Manager, and members of the Management Engagement Committee conduct a detailed meeting with the Portfolio Manager to review the effectiveness of controls and any breaches / errors that have occurred since the last inspection visit. Any such control failures are also recorded on an exceptions basis and reported at quarterly Board meetings or in real time if sufficiently significant. No significant failings or weaknesses have been identified to date. These processes ensure an at least annual review of the Company's system of internal controls, including financial, operational, compliance and risk management. The system can only provide reasonable and not absolute assurance against material misstatements.

The Board has delegated the management of the Company's investment portfolio, the provision of custody services, the administration (including the independent calculation of the Company's NAV), share registration, corporate secretarial functions and the production of the half-yearly and annual independently audited financial reports. The Board retains accountability for the functions it delegates. Formal contractual arrangements have been put in place between the Company and the providers of these services. Compliance reports are provided by the Company's Compliance Officer at each quarterly Board meeting. The Board considers that its internal control processes meet current industry best practice.

Regulatory Compliance

The Company keeps abreast of regulatory and statutory changes and responds appropriately. The Board continues to take advice on Alternative Investment Fund Managers Directive ("AIFMD") from external professional advisers and to implement necessary measures to ensure compliance with relevant requirements of the AIFMD Regulations. The AIFM is also a resource relied upon by the Board in this regard. Although the majority of the obligations associated with AIFMD are applicable to the AIFM, the Board is satisfied that the Company as an Alternative Investment Fund ("AIF") complies fully with its relevant obligations under the AIFMD and the UK's AIFMD Regulations 2013. Key Information Documents ("KIDs") have been updated in accordance with the EU's Packaged Retail and Insurance-based Investment Products Regulations ("PRIIPs") and the UK's amended version thereof and are available at https://onwardopportunities.co.uk/wp-content/uploads/2024/09/UK-KID-en-GB-GG00BMZR1514-28-Jun-2024.pdf

Board Members

The Board is responsible for the determination of the Company's investment objective and investing policy and has overall responsibility for the Company's activities including the review of investment activity and performance and the control and supervision of the AIFM, the Portfolio Manager and the other service providers.

The Directors meet at least four times a year, and at such other times as may be required. The Directors (including the Chair) are all independent non-executive directors. Given the size of the Board it has not been considered necessary to appoint a senior independent director at this stage in the Company's lifecycle.

The Board has been assembled to ensure that the Company has the appropriate breadth of skills and experience in order to ensure that it can be governed effectively and comprises the following persons:

Director Biographies

Andrew Henton (Independent Non-Executive Chair)

Andrew graduated from Oxford University in 1991 and subsequently qualified as a Chartered Accountant with PricewaterhouseCoopers in London, specialising as a corporate tax consultant. He spent eight years working in the City as a corporate finance advisor with HSBC Investment Bank and as a principal of the Baring English Growth Fund, a private equity Fund focussed on mid-market transactions sponsored by ING Barings. In 2002 Andrew was relocated to Guernsey by Close Brothers Group plc to take responsibility for integrating and reorganising a number of regulated banking, custody, asset management and fiduciary administration businesses that the bank had acquired in Jersey, Guernsey and Isle of Man.

He was Head of Offshore Businesses for Close until the division he managed was sold in 2011. Thereafter he chose to remain in Guernsey and to work with a portfolio of companies as a non-executive director. He has wide board experience of both regulated and non-regulated businesses (including listed funds and venture backed companies) in both executive and non-executive capacities. Andrew is British and resident in Guernsey.

Susan Norman (Independent Non-Executive Director)

Susan has over 25 years of boardroom experience formerly in company secretarial roles and most recently through non-executive director roles across a wide range of companies in multiple jurisdictions. Susan started her career within the private banking and fund of hedge funds sectors and now runs her own consultancy business providing company secretarial, governance and independent directorship services to a broad range of clients across various jurisdictions. Susan's board experience covers public and private equity investment companies, venture capital, real estate investment companies and impact investment funds, amongst others.

Susan holds an LLB (Hons) degree in Scots Law from the University of Strathclyde, is a Fellow of the Chartered Governance Institute and holds the Institute of Directors' Diploma in Company Direction.

Henry Freeman (Independent Non-Executive Director, Chair of Management Engagement Committee)

Henry is an investment professional with over 25 years of investment decision making and over 10 years of Board experience. During his executive career as an investment manager with Lloyds Private Banking/Hill Samuel and Forsyth Partners, and then an investment banker with Liberum and Investec Securities, Henry managed institutional and private client funds, investing across equities, investment trusts and alternative investments; and advised London-listed investment companies and funds on strategy, structuring, IPOs and M&A. Henry has also built technology and investment businesses and sat on UK parliamentary policy groups and Downing Street roundtables for fintech and social finance. Henry was a founding member of Innovate Finance.

In addition to Onward Opportunities, Henry sits on a number of commercial fund and investment company boards, as well as the Crown Dependency of Guernsey's sovereign wealth and pension funds. He is proud to have established the GIFA Schools Investment Challenge, encouraging financial literacy and investment education among young people. Henry holds the Institute of Directors' Diploma in Company Direction.

Board Members (continued)

Director Biographies (continued)

Luke Allen (Independent Non-Executive Director, Chair of Audit and Risk Committee)

Luke is an independent non-executive director with over 30 years' experience working in the financial services sector, the majority of which have been spent in the investment funds industry. Until December 2019 he was the chief executive and managing director of Man Group plc's Guernsey office, which serviced an extensive range of hedge funds and funds of hedge funds. His primary role was to lead Man Group's operations in Guernsey, chairing the local management company boards, setting strategy and ensuring effective risk management, outsourced service provider oversight, and compliance with laws and regulations. He has well over a decade's experience (in both an executive and independent non-executive capacity) of working with, and sitting on the boards of, a wide range of fund and management company structures across various asset classes and international jurisdictions.

He is a chartered accountant (ICAEW) and, prior to running Man Group's Guernsey office, he headed up their fund financial reporting and liquidations team, with responsibility for the production of fund financial statements and for fund terminations across their entire product range. He has completed the Institute of Directors' Diploma in Company Direction and is the holder of a personal fiduciary licence issued by the Guernsey Financial Services Commission.

Public Company Directorships

The following details are of all other public company directorships and employment held by each Director and shared directorships of any commercial company held by two or more Directors:

Andrew Henton

Pershing Square Holdings Limited

Susan Norman

None to be disclosed

Henry Freeman

None to be disclosed

Luke Allen

Global Private Equity One Limited

Board Members (continued)

Director Attendance

During the year ended 31 December 2024, the Board and Committee meetings held and attended by the Directors were as follows:

	Quarterly Board Meeting	Audit and Risk Committee Meeting	Management Engagement Committee Meetings	Ad-hoc Meetings
Director	Attended/ Eligible	Attended/ Eligible	Attended/ Eligible	Attended/ Eligible
Andrew Henton	4/4	3/3	2/2	9/10
Susan Norman	4/4	3/3	2/2	10/10
Henry Freeman	4/4	3/3	2/2	10/10
Luke Allen	4/4	3/3	2/2	10/10

Division of Responsibilities

A schedule of matters reserved for the Board is maintained by the Company and can be summarised as follows:

- Strategic Issues;
- Financial Items such as approval of the annual and half-yearly reports and any preliminary announcement of the final results and the annual report and accounts including the corporate governance statement;
- Legal, Administration and Other Benefits;
- Communications with Shareholders;
- Board Appointments and Arrangements;
- Miscellaneous such as to approve the appointments of professional advisers for any Group company in addition to the Company's Auditors;
- Monetary Limits and payment approvals.

The Directors have also delegated certain functions to other parties such as the Portfolio Manager, the Administrator, the Company Secretary, the Custodian and the Registrar. In particular, the Portfolio Manager has been granted discretion over the management of the investments comprising the Company's portfolio.

The Portfolio Manager reports to the Board on a regular basis both outside of and during quarterly board and Committee meetings, where the operating and financial performance of the portfolio, together with valuations, are discussed at length between the Board and the Portfolio Manager. The Directors have responsibility for exercising supervision over the Portfolio Manager.

Board Members (continued)

Board Committees

The Company has established an Audit and Risk Committee and a Management Engagement Committee (together the "Committees"). The Terms of Reference for each committee are available on the Company's website.

The Board believes that its established Committees are adequately composed, and that each member has the necessary skills and experience to discharge their duties effectively. The relevant Committee and the actions carried out by each Committee since the previous quarterly board meeting are reported at each meeting to the Board of Directors by the respective Committee chair. Each Committee meeting is attended by the Company Secretary and minutes are kept, as well as a schedule of the action points arising from each meeting.

The Audit and Risk Committee comprises all of the Directors and is chaired by Luke Allen who is considered to have recent and relevant financial experience. The Audit and Risk Committee meets at least twice a year. There are likely to be a number of regular attendees at meetings of the Audit and Risk Committee, including the Company's external auditors. A full report regarding the Audit and Risk Committee's activities during the year can be found in the Audit and Risk Committee Report on pages 40 - 45.

The Management Engagement Committee comprises all of the Directors and is chaired by Henry Freeman. The Management Engagement Committee meets at least once a year or more often, if required. Its principal duties are to consider and review the management engagement terms on which each of the AIFM and the Portfolio Manager is engaged. Those terms are reviewed by the Committee annually, scrutinising and holding to account the performance of each of the AIFM, the Portfolio Manager and other service providers prior to the annual results announcement being released. Details of the Management Engagement Committee's activities during the year can be found on page 36.

Investment Committee

Laurence Hulse (Investment Director and Founder)

Laurence joined Dowgate Wealth in September 2022 as an Investment Director. Laurence started his career at Gresham House in 2015, around the time of its inception, and worked on a number of outperforming equity products as part of a small team during that time. At the time of his departure from Gresham House, he had co-managed or deputised on a number of equity funds; namely Gresham House Strategic plc (now called Rockwood Strategic plc), Strategic Public Equity Fund LP and Gresham House Smaller Companies Fund. He was awarded both AAA and AA-ratings by Citywire during this time and two of these co-managed funds achieved FE '5-crown' ratings while he was part of the team working on them. During his tenure, the company grew from a handful of employees and less than £50m assets to over 200 employees and in excess of £7.5 billion of assets. Gresham House was bid for by Searchlight Capital in Q3 2023 for a value of c.£500m, generating a total return to Gresham House Shareholders since the management buy-in in December 2014 of over 300%.

Laurence joined Dowgate to pursue a long-held ambition to build and manage an investment vehicle tailored for HNWIs and Family Offices focused on special situations in the UK, which perfectly aligns with the Dowgate ethos. The first step of this ambition was achieved with the floatation of Onward Opportunities in March 2023.

As an investor, Laurence strongly believes in creating value through change; whether that be strategic, operational or personnel within a business – particularly in small and micro-cap companies where the impacts of these changes tend to be most tangible. He prides himself on working actively with the Boards and Executive teams of investee companies to drive shareholder value through the investment cycle. He holds a truly active approach to investment management by applying private equity techniques to publicly listed companies. His enthusiasm and drive have allowed him to successfully garner a track record of outperformance and close industry network throughout his early career in the City.

Career highlights for Laurence include when he was nominated for the rising star of investment companies award in 2021 and the flotation of Onward Opportunities, the investment vehicle he founded, on the London stock market in 2023. This subsequently won the 2024 IPOI of the Year award and was followed by a nomination for Fund Manager of the Year 2024 at the illustrious plc awards. His biggest achievement away from work was climbing Mount Kilimanjaro for charity at the age of 16. In addition to his duties as Investment Director, Laurence loves cycling, driving, and vintage cars.

Tom Teichman (Investment Committee Chair)

Tom started his career at Willis Faber & Dumas and then William Brandt's Sons & Co., becoming head of European merchant banking. Over the next 40 years he has sat on various credit and investment committees whilst working at Bankers Trust Company, Credit Suisse, Finanz AG, Mitsubishi Finance International, Bank of Montréal Nesbitt Thomson, NewMedia Investors, SPARK Ventures (which he co-founded), The Garage Soho (which he co-founded) and Gresham House Strategic, where he worked directly with Laurence Hulse. Tom was personally, or through investment vehicles he established, a very early-stage investor in MAID, Argonaut Games, ARC Risc Cores, lastminute.com, mergermarket.com, System C, Notonthehighstreet.com, made.com, moshimonsters.com, Kobalt Music Group and IMI Mobile.

He served on the boards of most of these companies, in some cases as chairman, advising on growth, funding and exit strategy. Some of these eventually went public or were acquired by major corporations, including The Financial Times and Oracle, and/or achieved valuations of over £1 billion.

Tom has a B.Sc. (Econ.) Hons. from University College, London and was born in Hungary. He has over 30 years' experience in venture capital and banking and has chaired or been a member of several credit and investment committees including the Gresham House Strategic Public Equity Investment Committee where he worked directly with Laurence Hulse from its inception.

Investment Committee (continued)

David Poutney (Investment Committee Member)

David is Chief Executive of Dowgate Capital and Chairman of, Dowgate Wealth, and Dowgate Group. His early career was in commercial banking and asset finance, after completing a history degree from Cardiff University in 1974. He made the transition into stockbroking a few years ahead of the Big Bang, becoming a number one rated financials analyst for 15 years at a number of well-known firms including BZW, James Capel and UBS. He moved into a broader role in corporate broking during the Dotcom boom of the 1990s and was involved in the flotation of a number of companies which survived the crash, notably Sports Internet Group which was taken over by Sky. After joining Numis in 2001 as head of corporate broking, he was responsible for a number of growth companies such as Domino's Pizza, Alliance Pharma and Learning Technologies Group. Overall, he was involved in the flotation of over 30 companies.

In addition to his positions at Dowgate Group, David is a non-executive director of AIM-quoted Franchise Brands plc and Belluscura plc and previously of Be Heard plc which also quoted on AIM before being sold to a private equity firm.

Jeremy McKeown (Investment Committee Member)

After obtaining an economics degree from Georgia State University, Jeremy began his career as a trainee investment analyst at the South Yorkshire Pension Fund in 1982. Over the following forty years, Jeremy worked on both the buy and sell sides of the UK stock market, including with companies such as Abbey Life, British Gas Pension Fund, Midland Bank, Charterhouse, Merril Lynch, Investec, Liberum and Royal Bank of Canada. Jeremy obtained an MBA from the City University Business School during this time. Jeremy built a reputation for independent advice to institutional small and mid-cap investors and worked on many equity capital market transactions. He led award-winning teams at Charterhouse, Merrill Lynch and Investec. Since 2020 Jeremy has worked as a consultant for a number of clients, including Dowgate and Progressive Equity Research. Jeremy is passionate about understanding the investment landscape from the macroeconomic backdrop to the entrepreneurs capable of delivering exceptional returns. He started writing a blog during the pandemic and launched a podcast series covering investment issues. Jeremy is a non-executive director at Cranfield University spinout, Loxham Precision.

Jay Patel (Investment Committee Member)

Jay is the Vice President and General Manager of Cisco's Webex CPaaS initiative and joined Cisco when the company he ran, IMIMobile, was acquired for US$730m in 2021. He helped start IMImobile PLC in 2003, as CEO led it to a successful IPO in 2014 and then delivered its exit to Cisco. Today Jay is working on combining the IMI platforms with relevant technologies from Webex to create solutions that help clients deliver the world's best customer experiences.

Jay is an experienced technology executive with over 25 years' commercial experience through operational, investment and advisory roles. He has had a successful career working with fast growth businesses and has served as both an executive and non-executive director on the boards of both private and public companies over the last 20 years.

Previously, Jay was a co-founder of venture capital firm Spark Ventures PLC (an early stage venture capital firm), where he led several successful investments, restructurings and exits in the technology sector across digital media and publishing, B2B software and B2C eCommerce. Jay has also worked in corporate finance roles at UBS Warburg and BSkyB and qualified as a Chartered Accountant with KPMG. He has an MBA from INSEAD and an Economics degree from London School of Economics.

Directors' Report

The Directors present their Report and the Audited Financial Statements of the Company for the year ended 31 December 2024.

Principal Activities and Business Review

The investment objective of the Company is to generate long term capital growth through investing in a portfolio consisting primarily of equity investments in quoted companies.

The Directors do not envisage any change in these activities for the foreseeable future. A description of the activities of the Company in the year under review is given in the Chair's Statement and the Portfolio Manager's Report.

Business and Tax Status

The Company has been registered with the GFSC as a closed-ended investment company under the Registered Collective Investment Schemes Rules and Guidance, 2021 ("the RCIS Rules) and the Protection of Investors (Bailiwick of Guernsey) Law, 2020 ("POI") Law and was incorporated in Guernsey on 31 January 2023. The Company operates under The Companies (Guernsey) Law, 2008 (the "Law").

The Company's shares are listed and traded on AIM.

The Company's management and administration takes place in Guernsey and the Company has been granted exemption from income tax within Guernsey by the Administrator of Income Tax. It is the intention of the Directors to continue to operate the Company so that each year this tax-exempt status is maintained.

In respect of the Criminal Finances Act 2017, which has introduced a new corporate criminal offence of 'failing to take reasonable steps to prevent the facilitation of tax evasion', the Board confirms that they are committed to zero tolerance towards the criminal facilitation of tax evasion.

Foreign Account Tax Compliance Act ("FATCA")

FATCA requires certain financial institutions outside the United States ("US") to pass information about their US customers to the US tax authorities, the Internal Revenue Service (the "IRS"). A 30% withholding tax is imposed on the US source income and disposal of assets of any financial institution within the scope of the legislation that fails to comply with this requirement.

The Board of the Company has taken all necessary steps to ensure that the Company is FATCA compliant and confirms that the Company is registered and has been issued a Global Intermediary Identification Number ("GIIN") by the IRS. The Company will use its GIIN to identify that it is FATCA compliant to all financial counterparties.

Common Reporting Standard

The Common Reporting Standard is a global standard for the automatic exchange of financial account information developed by the Organisation for Economic Co-operation and Development ("OECD"), which has been adopted in Guernsey and which came into effect in January 2016.

The Company is subject to Guernsey regulations and guidance on the automatic exchange of tax information and the Board will therefore take the necessary actions to ensure that the Company is compliant in this regard.

Going Concern

The Directors have adopted the going concern basis in preparing the Audited Financial Statements.

In assessing the going concern basis of accounting, the Directors have assessed the guidance issued by the Financial Reporting Council and considered the Company's own financial position, recent market volatility, the on-going impact of the Russian war on Ukraine and conflict in the Middle East, the prospect of tariffs and a global "trade war" and other uncertainties impacting on the financial position and liquidity requirements of the Company's investments.

At year end the Company had a net asset position of £31,021,000 comprising cash of £362,000, a convertible loan note of £500,000 and listed investments of £30,789,000.

The Company generates liquidity by raising capital and exiting investments. It uses liquidity by making new and follow-on investments and paying company expenses. The Directors ensure it has adequate liquidity by regularly reviewing its financial position and forward-looking liquidity requirements. In assessing its going concern status, the Directors have considered the level of ongoing operating expenses relative to net assets, such expenses approximating to 3% of net assets as at 31 December 2024.

Long-Term Viability Statement

The principal risks facing the Company are documented in the Business Risk Assessment and are described later in this report. The business model and investment strategy are described and evaluated in the Portfolio Manager's report. The Board's review of the effectiveness of the Company's risk management and internal control systems is described in the Audit Committee's report.

Given the liquid, tradeable nature of its assets it would take a general failure in the effective and ongoing operation of financial markets (cessation of market liquidity) to threaten the Company's solvency. Such a market failure could prevent investments held by the Company from being redeemed and thereby leave it potentially unable to meet its financial obligations as they fall due. Notwithstanding the uncertainty caused by recent market volatility, the on-going impact of the Russian war on Ukraine and conflict in the Middle East, the prospect of tariffs and a global "trade war" and other uncertainties impacting on the Company's investments, the fact that the operating expenses (excluding performance fees) of the Company approximate to 3% of its NAV on an annual basis makes this risk remote.

The Board has conducted a robust assessment of the principal and emerging risks and uncertainties facing the Company and has also assessed its long-term viability. The ongoing impact of the Russian war on Ukraine, the conflict in the Middle East and possible widespread imposition of tariffs have formed part of this assessment. The key risk to the Company has been identified as a failure of the investment decision making process to generate NAV accretion that is in line with investors' expectations, and which is attractive on a risk adjusted basis when compared with alternative managed investment opportunities.

The Company's performance is measured on a monthly basis via both the NAV of its underlying investments and its share price. Key data inputs used by the Portfolio Manager when making investment decisions comprise company earnings, macro factors and indicators of sentiment. The Company's performance is compared primarily to peer group funds on a regular basis, and performance fees payable to the Portfolio Manager are calculated annually.

The significant majority of investment positions taken by the Company are in relatively liquid assets that can be converted to cash readily in the market and a great effort is made by the Portfolio Manager to minimise drawdowns and to maintain liquidity. Given that the Company's operating costs as a percentage of its realisable investment portfolio are low and that it is a closed-ended fund, the Directors consider there to be significant liquidity headroom available in all but the most extreme market failure scenarios.

Despite the emphasis on short-term performance and resilience described above, not all investment positions are entered into with the expectation of them being unwound within twelve months. Moreover, the 'repeatability' of the investment process is of fundamental importance.

Long-Term Viability Statement (continued)

The Portfolio Manager has developed analytical tools and processes that it seeks to apply on a consistent basis over time when making investment decisions. In this way it seeks to generate positive risk adjusted returns using strategies that are sustainable for the medium to long term. The time frame over which it is necessary to identify and respond to 'paradigm shifts' in economic markets is long term in nature. Factors such as government or central bank policies (e.g. quantitative easing) or external events (including wars and regional instability) can cause significant changes in investor sentiment, which can in turn alter market assessments of intrinsic value and correlations between different asset types. For these reasons, the Board considers a three-year time horizon to 31 March 2028 as being the appropriate period over which to assess future prospects and viability.

On the basis of the relevant and rigorous assessment described above, the Board believes that the Company will remain viable as a closed-ended investment company for at least the period ending 31 March 2028.

Results and Dividends

The results attributable to shareholders for the year are shown in the Statement of Comprehensive Income on page 50. The Directors have neither declared nor paid a dividend for the year (2023: £nil).

Directors

The Directors of the Company who served during the year and to date are set out on pages 22 to 23.

Directors' Interests

The Directors held the following interests in the share capital of the Company either directly or beneficially as at 31 December 2024, and as at the date of signing these Audited Financial Statements:

	Number of Ordinary Shares	% Ordinary Shares in issue as at 31 December 2024
Andrew Henton	100,000	0.4170
Susan Norman	45,104	0.1881
Henry Freeman	15,000	0.0626
Luke Allen	25,052	0.1045
Adrian Norman (husband of Susan Norman)	4,878	0.0203

As at 31 December 2023 the following Directors had holdings in the Company:

	Number of Ordinary Shares	% Ordinary Shares in issue as at 31 December 2023
Andrew Henton	100,000	0.6239
Susan Norman	20,000	0.1248
Henry Freeman	15,000	0.0936
Luke Allen	-	-
Adrian Norman (husband of Susan Norman)	4,878	0.0304

Under their terms of appointment, the Directors' total remuneration (including one-off fees) are as disclosed below:

The Directors' compensation is reviewed annually and at present each Director is paid a basic fee of £27,500 (2023: £27,500) per annum by the Company. In addition to this, the Chair receives an extra £11,500 (2023: £11,500) per annum and the Audit and Risk Committee Chair receives an extra £3,500 (2023: £3,500) per annum.

Directors’ Report (continued)

Procedures for Identifying Risks

Principal Risks and Uncertainties

There are several potential risks and uncertainties which could have a material impact on the Company's performance and could cause actual results to differ materially from expected and historical results.

The AIFM has overall responsibility for risk management and control within the context of achieving the Company’s objectives. The Board agrees the strategy for the Company, approves the Company’s risk appetite and the AIFM monitors the risk profile of the Company. The AIFM also maintains a risk management process to identify, monitor and control risk concentration.

The Board’s responsibility for conducting a robust assessment of the principal and emerging risks is embedded in the Company’s risk map, which helps position the Company to ensure compliance with the Association of Investment Companies Code of Corporate Governance (the “AIC Code”).

The principal risks that the Company faces arising from its financial instruments are:

(i) market risk, including:

- Price risk, being the risk that the value of investments will fluctuate because of changes in market prices;
- interest rate risk, being the risk that the future cash flows of a financial instrument will fluctuate because of changes in interest rates;

(ii) credit risk, being the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered with the Company.

(iii) liquidity risk, being the risk that the Company will not be able to meet its liabilities when they fall due. This may arise should the Company not be able to sell its investments.

(iv) company failure, being the risk that companies invested in may fail and result in loss of capital invested.

To manage such risks the Company complies with the investment restrictions and diversification limits provided for in its Admission Document.

The Company invests and manages its assets with the objective of spreading risk. Further to the investment restrictions referenced, the Company also seeks to manage risk by:

- not incurring debt over 25% of its NAV, calculated at time of drawdown. The Company will target repayment of such debt within twelve months of drawdown; and

- not using derivatives for investment purposes. It is expected that the Company’s assets will be predominantly denominated in Sterling and, as such, the Company does not intend to engage in hedging arrangements, although the Company may do so if the Board deems it appropriate for efficient portfolio management purposes.

Principal Risks and Uncertainties (continued)

Other operational related risks identified by the Board include the following:

Portfolio concentration risk

The majority of the Company's portfolio is expected to be invested in approximately 10 to 15 companies, with a further 5 to 10 smaller portfolio holdings existing from time to time. As a result, the portfolio carries a higher degree of stock-specific risk than a more diversified portfolio.

This is mitigated by position sizing being relatively evenly spread across the portfolio to ensure that there isn't a disproportionately high level of exposure to a small number of assets within the portfolio itself. In addition, both the AIFM and the Portfolio Manager monitor that the investment restrictions as set out in its Admission Document are adhered to at all times.

Key person risk

At present the Company's investment selection, portfolio management and marketing functions are heavily reliant upon a single individual employed by the Portfolio Manager. This individual presents a key person risk as their departure or inability to continue to provide services to the Company could be significantly detrimental to its performance. This risk is mitigated by the fact that the key individual is reputationally and financially linked to the success of the Company, that there are other staff employed by the Portfolio Manager who could provide cover in the event of any unexpected absence, that there is a plan to procure additional staff resources as the Company grows in size and that contractual notice periods are in place in order to enable the Company sufficient time to find a replacement Portfolio Manager in the event that this became necessary.

Share price risk

There is a risk that the Company's shares trade at a discount to their prevailing Net Asset Value and that any discount may become embedded if it persists for a significant length of time, albeit that this is a function of supply and demand for the Company's shares in the market which cannot be controlled by the Board. The discount risk is mitigated by the fact that the Portfolio Manager, AIFM and Brokers review market conditions on an ongoing basis and will report to the Board if a persistent discount appears to be materialising. In addition, consideration has been given to discount management options as set out in the Company's Admission Document and the Company is committed to ensuring that secondary market liquidity is maintained via the issuance of informative investor communications and the engagement of active Brokers.

Conflicts of interest

The Portfolio Manager and/or companies with which it is associated may act as advisor in relation to, or be otherwise involved with, other investment funds or accounts which presents the risk of a conflict of interest. There is also a risk that key individuals at the Portfolio Manager may spend time on other structures rather than on providing services to the Company. This risk is mitigated by the fact that the Company has put a formal Conflicts of Interest Policy in place and that it has access to, and receives regular reporting from, the Portfolio Manager.

Emerging Risks

Emerging risks, along with all other risks the directors have identified the Company as being exposed to, are monitored via the Company's Business Risk Assessment. During the year, as part of their regular review and assessment of risk, the Directors have continued to consider the impact of the emerging risks of climate change, the use of artificial intelligence, the impact of rising tariffs on EU economies, and the potentially changing fiscal environment in the UK on the Company's business model and viability, but do not consider these to be material risks at this time.

With respect to climate change risk in particular, the Directors consider that the pricing of the underlying portfolio of the Company's investments reflects market participants' views of climate change risk and that there are no further climate related influences on the NAV of the Company at this point in time.

ESG and Climate Change Risks and Considerations

The momentum of ESG adoption in the asset management industry continued in 2024, as incoming regulations pushed asset owners to increase their demand for transparency. As ESG processes are further embedded within the wider investment sector the hope is that improving environmental outcomes will be realised as compliant companies find it easier to access capital via the public markets and to grow relative to their less or non-compliant peers.

Climate change risk has been considered within the Emerging Risks section above.

Ongoing Charges

The ongoing charges figure for the year was 3%. The ongoing charges represent annualised ongoing expenses of £706,348 divided by the average Net Asset Value for the year of £22,634,774. The ongoing charges calculation has been prepared in accordance with the recommended methodology provided by the Association of Investment Companies where performance fees of £481,296 have been excluded and represents the percentage reduction in shareholder returns as a result of recurring operational expenses.

Service Providers

Portfolio Management Agreement and Fees

The Portfolio Management Agreement between the Company, the AIFM, the Portfolio Manager and Laurence Hulse, pursuant to which the Portfolio Manager has been appointed, with effect from Admission, to act as the portfolio manager to the Company and the AIFM, was executed on 23 March 2023.

The initial term of the Portfolio Management Agreement is three years commencing on Admission (the "Initial Term"). The Company may terminate the Portfolio Management Agreement by giving the Portfolio Manager not less than 12 months' prior written notice such notice not to be served prior to the end of the Initial Term. The Portfolio Manager may terminate the Portfolio Management Agreement by giving the Company not less than 12 months' prior written notice such notice not to be served prior to the end of the Initial Term. The Portfolio Management Agreement may be terminated with immediate effect on the occurrence of certain events, including insolvency or material and continuing breach.

Under the terms of the Portfolio Management Agreement, the Portfolio Manager is entitled to an annual management fee, and in certain circumstances the payment of a Performance Fee, together with reimbursement of all reasonable costs and expenses incurred by it in the performance of its duties.

Directors’ Report (continued)

Service Providers (continued)

Portfolio Management and Administration Fees (continued)

In addition, in the event that the Key Man ceases to be involved in a material respect with the Portfolio Manager, the Company shall be entitled to terminate the Portfolio Management Agreement immediately without penalty by notice in writing if the Portfolio Manager, within 90 days of being requested by the Company to do so, is unable to present a proposal which is reasonably acceptable to the Board to replace the departed Key Man. The ‘Key Man’ shall be Laurence Hulse or any person approved as a replacement Key Man by the Board.

The Company has given an indemnity in favour of the Portfolio Manager (subject to customary exceptions) in respect of the Portfolio Manager’s potential losses in carrying on its responsibilities under the Portfolio Management Agreement.

Laurence Hulse is a party to the Portfolio Management Agreement to take the benefit of certain provisions. The Portfolio Management Agreement is governed by the laws of England and Wales. The Board has reviewed the performance of the Portfolio Manager since the date of its appointment and is satisfied that the continued appointment of the Portfolio Manager on the terms agreed is in the interests of the shareholders.

Administrator and company secretary

Apex Fund and Corporate Services (Guernsey) Limited (formerly Apex Administration (Guernsey) Limited) (the “Administrator”) will be responsible for the day to day administration and company secretarial functions of the Company (including but not limited to the maintenance of the Company’s accounting records, the calculation and publication of the Net Asset Value and the production of the Company’s annual and interim report). Prospective investors should note that it is not possible for the Administrator to provide any investment advice to investors.

The Administrator will be responsible for monitoring regulatory compliance and providing support to the Board’s corporate governance process and its continuing obligations under UK Market Abuse Regulation (UK MAR).

The Administrator is a company incorporated in Guernsey with limited liability on 9 January 1998, with registered number 33475, and is licensed by the GFSC under the provisions of the POI Law to conduct certain restricted investment and administrative activities in relation to collective investment schemes. The Administrator, for the purposes of the POI Law and the RCIS Rules, is the ‘designated administrator’ of the Company. The Administrator’s ultimate holding company is Apex Group Limited.

See note 18 for details of a change in the Administrator that will take place in the period subsequent to the Statement of Financial Position date.

Alternative Investment Fund Managers Directive

The Company has appointed FundRock Management Company (Guernsey) Limited as the AIFM of the Company, pursuant to the AIFM Agreement. The AIFM will act at the Company’s alternative investment fund manager for the purposes of the UK AIFM Regime.

The AIFM has formally delegated portfolio management functions to the Portfolio Manager as portfolio manager to the Company and the AIFM. The AIFM retains risk management functions in relation to the Company and is responsible for oversight of the portfolio management functions delegated to the Portfolio Manager.

The AIFM works closely with the Portfolio Manager in implementing appropriate risk measurement and management standards and procedures. The AIFM carries out the on-going oversight functions and supervision of the Portfolio Manager. The AIFM is legally and operationally independent of the Company and the Portfolio Manager.

Directors' Report (continued)

Service Providers (continued)

Alternative Investment Fund Managers Directive (continued)

See note 18 for details of a change in the AIFM that will take place in the period subsequent to the Statement of Financial Position date.

Custodian

The Custodian of the Company is Butterfield Bank (Guernsey) Limited.

Registrar

Link Market Services (Guernsey) Limited was appointed as registrar to the Company pursuant to the Registrar Agreement dated 24 March 2023. In such capacity, the Registrar is responsible for the transfer and settlement of shares held in certificated and uncertificated form. The Register may be inspected at the office of the Registrar.

Corporate Governance Statement

The Corporate Governance Statement forms part of the Directors' Report.

Board Responsibilities

The Board comprises four non-executive Directors, who meet at least quarterly to consider the affairs of the Company in a prescribed and structured manner. All Directors are considered independent of the Portfolio Manager for the purposes of the AIC Code. Biographies of the Directors for the year ended 31 December 2024 appear on pages 22 and 23 which demonstrate the wide range of skills and experience they bring to the Board.

The Directors, in the furtherance of their duties, may take independent professional advice at the Company's expense, which is in accordance with principle 13 of the AIC Code. The Directors also have access to the advice and services of the Company Secretary through its appointed representatives who are responsible to the Board for ensuring that the Board's procedures are followed, and that applicable rules and regulations are complied with.

To enable the Board to function effectively and allow the Directors to discharge their responsibilities, full and timely access is given to all relevant information. Whilst no limit has been imposed on the overall length of service of the Directors, at each annual general meeting of the Company, each director shall retire from office and each director may offer themselves for election or re-election by the shareholders.

Conflicts of Interest

None of the Directors nor any persons connected with them had a material interest in any of the Company's transactions, arrangements or agreements at the date of this report and none of the Directors has or had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company, and which was affected by the Company during the reporting period.

At the date of this Report, there are no outstanding loans or guarantees between the Company and any Director.

The Audit and Risk Committee

Luke Allen is the Chair of the Audit and Risk Committee. A full report regarding the Audit and Risk Committee can be found in the Audit and Risk Committee Report.

Directors' Report (continued)

Management Engagement Committee

The Management Engagement Committee comprises all of the Directors and is chaired by Henry Freeman. The Management Engagement Committee meets at least once a year or more often, if required. Its principal duties are to consider the terms of appointment of the AIFM and the Portfolio Manager and it reviews these appointments and the terms of the AIFM Agreement and the Portfolio Management Agreement annually. The Management Engagement Committee also reviews the terms of appointment of other key service providers to the Company. Details of the management and performance fees can be found in note 6.

The Management Engagement Committee met twice during the year ended 31 December 2024 to review all service providers. In addition, members of the Management Engagement Committee carried out three separate on-site and in person meetings with service providers, including the Manager, the Administrator and the AIFM.

In anticipation of the Company's second anniversary, the Board, through the Management Engagement Committee, took the opportunity to review the range of services being received by the Company. Consequently in Q4 2024, competitive tender processes for Administrator, AIFM and Public Relations / Communications services were initiated. Following these processes the Company has engaged SEC Newgate to support the development of the Company's media profile and online presence. The Company will also be moving to a new administrator and AIFM in the second quarter of 2025. Both developments are positive and made in anticipation of sustained growth in the size of the Company over coming years.

Substantial Shareholdings

On 17 March 2025, the latest practicable date for disclosure in this Report, the Company's only shareholders with a holding greater than 5% were Dowgate Capital Limited (11.92%) and Dowgate Wealth Limited (26.79%).

Shareholder Communication

The Company's main method of communication with Shareholders is through its published Half Yearly and Annual Reports which aim to provide Shareholders with a fair, balanced and understandable view of the Company's results and objectives. This is supplemented by the publication of the Company's monthly net asset values on its ordinary shares on AIM and quarterly factsheets.

In line with principle 16 of the AIC Code, the Portfolio Manager communicates with both the Chair and shareholders and is available to communicate and meet with major shareholders. The Company has also appointed Cavendish Capital Markets Limited to liaise with all major shareholders together with the Portfolio Manager, all of whom report back to the Board at quarterly board meetings ensuring that the Board is fully aware of shareholder sentiment, expectations and analyst views. The Company's website, which is maintained by the Portfolio Manager, is regularly updated with news and announcements. Information published online is accessible in many countries each with differing legal requirements relating to the preparation and dissemination of financial information.

Users of the Company's website are responsible for informing themselves of how the requirements in their own countries may differ from those of Guernsey.

Relations with Shareholders

All holders of Ordinary Shares in the Company have the right to receive notice of, attend and vote at the general meetings of the Company.

At each general meeting of the Company, the Board and the Portfolio Manager will be available to discuss issues affecting the Company.

Directors' Report (continued)

Relations with Shareholders (continued)

Shareholders are additionally able to contact the Board, Portfolio Manager and the Chair directly outside of meetings via the Company's dedicated e-mail address (ool@apexgroup.com) or by post via the Company Secretary. The Company has adopted a zero-tolerance policy towards bribery and is committed to carrying out business fairly, honestly and openly.

Voting and Stewardship code

The Portfolio Manager is committed to the principles of the Financial Reporting Council's UK Stewardship Code and this also constitutes the disclosure of that commitment required under the rules of the FCA (Conduct of Business Rule 2.2.3).

Signed on behalf of the Board by:

Andrew Henton
Chair
17 March 2025

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Report and Audited Financial Statements in accordance with applicable law and regulations.

Guernsey Companies Law requires the Directors to prepare Audited Financial Statements for each financial year. Under that law they are required to prepare the Audited Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applicable law.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Audited Financial Statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

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

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

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware; and that each Director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Responsibility statement of the Directors in respect of the Report

We confirm that to the best of our knowledge:

- the Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the management report (comprising the Chair's Statement, the Portfolio Manager's Report, and Directors' 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.

Statement of Directors’ Responsibilities (continued)

Responsibility statement of the Directors in respect of the Report (continued)

We consider the Report and Audited Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company’s position and performance, business model and strategy.

Signed on behalf of the Board by:

Andrew Henton
Chair
17 March 2025

Audit and Risk Committee Report

Role and Responsibility of the Committee

This is the report of the Audit and Risk Committee (herein the "Committee") which has been prepared with reference to the AIC Code and describes the work of the Committee in discharging its responsibilities.

The Committee meets formally at least twice each year and on an ad hoc basis when required and reports to the Board. It has formally delegated duties and responsibilities with written terms of reference which are reviewed and reapproved at least annually. Those terms of reference are published on the Company's website at https://onwardopportunities.co.uk/wp-content/uploads/2024/10/3.1-Audit-and-Risk-Committee-Terms-of-Reference-revised-5-Sep-2024-1.pdf

The Committee is mandated by the Board to investigate any activity within its terms of reference and to consult externally with legal or other independent professional advisors, as required, to ensure that the Committee adequately discharges its duties and responsibilities, which include:

a) considering the appointment of the external auditor, its letter of engagement and the terms thereof, the audit fee, and any questions of resignation or dismissal of the external auditor;

b) reviewing from time to time the effectiveness of the audit and the independence and objectivity of the external auditor;

c) developing and implementing policy on the engagement of the external auditor to supply non-audit services where necessary, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm; and report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken;

d) reviewing the Company's half-yearly and annual financial reports, not excepting the full Board's responsibility over the reports, focusing particularly on:

- Any changes in accounting policies and practice;
- Major judgmental areas;
- Significant adjustments arising from the audit;
- The going concern assumption;
- Compliance with accounting standards (and in particular accounting standards adopted in the financial year for the first time);
- Compliance with applicable legal and regulatory requirements;
- A risk management review; and
- Assessing the effectiveness of internal controls.

e) discussing any problems and reservations arising from the final audit, and any other matters which the auditor may wish to discuss (in the absence of the Company's agents where necessary);

f) reviewing the external auditor's Report to the Committee and determining whether any changes have to be implemented as a result;

g) reviewing, on behalf of the Board, the Company's systems of internal controls (including financial, operational, compliance and risk management) and making recommendations to the Board;

h) considering the major findings of internal investigations and management's response;

i) reviewing the Company's operating, financial and accounting policies and practices;

j) considering any other matters specifically delegated to the Committee by the Board from time to time;

k) reporting to the Board on how it performs its duties; and

Audit and Risk Committee Report (continued)

Role and Responsibility of the Committee (continued)

l) confirming to the Board as to whether the annual report and audited Financial Statements taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

The Committee may review any matter that it considers appropriate not withstanding that it is not specifically mentioned in the above list of duties.

Composition

The Committee is comprised of all of the Directors with Luke Allen acting as permanent Chair. The membership of the Committee and its terms of reference are kept under review. All members of the Committee have relevant competence in the sector in which the Company operates in addition to relevant financial experience as required by the Code.

Only independent non-executive Directors serve on the Committee and the members do not have any links with the Company's external auditor. They are also independent of the management teams of the Portfolio Manager, administrator and all other service providers. Notwithstanding that Andrew Henton is Chair of the Board, he was independent upon appointment, so is a member of, but may not chair, the Committee.

The Committee meets the external auditor at least twice a year.

Oversight of Controls and Risk Management Systems

The Board, via its Management Engagement Committee, conducts an annual Business Risk Assessment in conjunction with the Portfolio Manager and the AIFM. The intention of this exercise is to identify and articulate the material risks that might affect the Company and its trading prospects, the likelihood of them occurring and their assessed impact. As part of this process the explicit controls intended to mitigate either or both of the risk of occurrence, or the impact of an occurrence, are also articulated. In this way a residual net impact assessment is derived.

The Management Engagement Committee will hold meetings with the Portfolio Manager, the AIFM and the Administrator on a regular basis, to review and inspect operations. The Management Engagement Committee will review senior staff members responsible for the internal control and oversight functions, and who report as to the proper conduct of the business in accordance with the regulatory environment in which both the Company and the Portfolio Manager operate.

The oversight programme will follow a preplanned agenda involving reviews of, inter alia (i) changes that have taken place within operations; (ii) IT systems and controls, including cyber security arrangements; (iii) regulatory compliance; (iv) investor relations; (v) the valuation of any unquoted investments; (vi) the risk register, complaints, errors and breaches logs and business continuity arrangements; (vii) ESG and responsible investment policies; and (vii) the impact of external factors such as the Russia / Ukraine conflict and the conflict in the Middle East. The results of the oversight visits and questionnaires will be documented and discussed at a meeting of the Management Engagement Committee.

As part of the oversight programme, the Portfolio Manager, the AIFM and the Administrator report formally to the Committee at least annually on their systems of internal controls. In accordance with the provisions of the Code, the Committee has conducted a review of those systems of internal controls and is satisfied that they are sufficient to withstand the risks to which the Company is subject.

Audit and Risk Committee Report (continued)

Oversight of Controls and Risk Management Systems (continued)

As the Company is a closed-ended investment company, all of whose Directors are non-executive, and as all executive functions have been delegated to professional third party advisors, the Committee does not consider it necessary for the Company to have its own internal audit function. Whilst no reliance can be placed on them, reviews conducted on the Portfolio Manager's operations by independent custodians, and on-site due diligence visits by prospective investors and their professional advisers provide a degree of additional third party comfort.

Whilst the Company does not have any staff, the Committee considers that the arrangements by which staff of the Portfolio Manager, the AIFM and the Administrator may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters are of great importance. The Committee reviews such arrangements annually and, as required by the Code, is satisfied that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action.

Significant Risks in Relation to the Report and Audited Financial Statements

In discharging its responsibilities, the Committee has specifically considered the following significant issues relating to the Financial Statements:

Valuation of Investments

The Board reviews portfolio valuations on a regular basis throughout the year, and at quarterly meetings with the Portfolio Manager seeks assurance that the pricing basis is appropriate and in line with relevant accounting standards. The Company's net asset value is calculated on a monthly basis by the Administrator.

The impact of the Russia / Ukraine conflict and the conflict in the Middle East on financial markets has been significant, reflecting disruption to international supply chains, the interruption of production generally, higher short and long-term interest rates, inflationary pressures, delays in corporate activity and investment, uncertainty about the availability of financing and increased volatility in the value of financial instruments. The Committee has considered the particular circumstances of the Company in light of these issues, in particular the associated risk exposures and implications for financial reporting.

As an investment company, the Company does not have employees, customers or suppliers in a conventional sense as a trading/operating company does. Reliance is, however, placed on service providers, principally the Portfolio Manager, the AIFM and the Administrator. The Committee has been kept appraised of business continuity measures enacted by these key service providers and is receiving updates in relation to any emergent risks, vulnerabilities and the continued effectiveness of internal controls. Information flows between the Portfolio Manager and other advisers have been effective and a key component of oversight in prevailing conditions. Both the Board and the Portfolio Manager are maintaining dialogue with shareholders in order to provide transparency.

Completeness and accuracy of the disclosures in the Financial Statements

The Committee concluded that all appropriate and required disclosures have been incorporated in the Financial Statements and drew comfort from the fact that multiple layers of oversight exist to achieve this objective. Specifically, the administrator, Portfolio Manager and external auditor have all performed their own checks for completeness.

The Committee continues to give particular attention to the extent of disclosures about the Company's underlying portfolio. Risk measures, sensitivities and performance are driven by the make-up of the portfolio and hence detailed disclosures about it are appropriate to permit a full understanding of the accounts.

Audit and Risk Committee Report (continued)

Significant Risks in Relation to the Report and Audited Financial Statements (continued)

Presentation of Financial Statements

The Committee considered the complexity of the Financial Statements in their entirety, and the descriptive narrative supporting the financial disclosures. It was recognised that the sophistication of the investment strategy pursued by the Company does not lend itself to description in 'plain English' and that the use of technical terminology was not always consistent with the goals of ensuring transparency and maximising ease of understanding.

On balance the Committee concluded that the benefits of accurate - but detailed - descriptive narrative outweighed the possible benefit of simplified summaries. The nature of the shareholder base (predominantly sophisticated professional investors) was an important factor in reaching this conclusion.

Performance fee payable to the Portfolio Manager

The Portfolio Manager will be entitled to a performance fee (the "Performance Fee") in certain circumstances.

The Company's performance fee is measured over the 12 month period ending on 31 December in each year (or in respect of a Performance Period in which the Portfolio Management Agreement is terminated, the effective date of such termination) (each a "Performance Period").

A Performance Fee is payable if the Net Asset Value per Ordinary Share on the relevant calculation date on 31 December in each year (or in respect of the Performance Period in which this Agreement is terminated, the effective date of such termination) ("Calculation Date"); as adjusted to: (i) adding back the aggregate value of any dividends per Ordinary Share paid (or accounted as paid for the purposes of calculating the Net Asset Value) to Shareholders since Admission; (ii) removing any enhancement to Net Asset Value per Ordinary Share resulting from the issue or buy back of Ordinary Shares; and, (iii) excluding any accrual for unpaid Performance Fee accrued in relation to the relevant Performance Period) (the "Net Asset Value Total Return per Share") exceeds the higher of:

(a) on any Calculation Date, 100p as increased by a non-compounding rate of 6 per cent. per annum, calculated from Admission, and as adjusted from time to time to take into account: (i) any change in the accounting reference date of the Company from 31 December, (ii) any consolidation or sub-division of the Ordinary Shares and/or any C Shares, or (iii) any material change in the Company's normal accounting policies, each of paragraphs (i), (ii), or (iii) being a "Triggering Adjustment Event"), or (iv) any other event agreed between the Company and the Portfolio Manager as constituting a Triggering Adjustment Event (the "Performance Hurdle Price"); and
(b) the highest previously recorded Net Asset Value per Ordinary Share as at a Calculation Date in respect of which a Performance Fee was last paid (or the Net Asset Value per Ordinary Share as at Admission, if no Performance Fee has been paid) (the "High Watermark"),

with any resulting excess amount being known as the "Excess Return" and the Excess Return multiplied by the time weighted average number of Ordinary Shares in issue during the relevant Performance Period to which the Calculation Date relates will be known as the "Excess Return Amount."

The Audit Committee annually reviews the calculation of the performance fee.

Going concern

The Committee reviewed the assumptions upon which it is assumed that the Company can continue to operate on a going concern basis as set out in the Directors' Report. In so doing, it assessed outstanding financial obligations and calls on the Company's resources, investment performance and the meeting of shareholders' expectations.

Audit and Risk Committee Report (continued)

Assessment of the External Audit Process

The Company's auditor was appointed immediately prior to the launch of the Company in March 2023. The Committee, in conjunction with the Board, is committed to reviewing this appointment on a regular basis to ensure that the Company is receiving an optimal level of service. The appointment of the auditor is reviewed on an annual basis. There are no contractual obligations which restrict the Company's choice of auditor and the Board is satisfied that the auditor remains independent.

The Committee does not award any non-audit work and the full Board would have to approve any other non-audit work. Where non-audit services are provided by the auditor, these engagements are pre-approved by the Committee to ensure that the auditor's independence and objectivity is not breached, and a recommendation is made to the Board

The Committee considered the experience and tenure of the audit partner and staff and the nature and level of services provided. The Committee received confirmation from the auditor that it had complied with the relevant Guernsey professional and regulatory requirements on independence.

The Committee considers the nature, scope and results of the auditor's work and monitors the independence of the external auditor. Formal reports are received from the auditor on an annual basis relating to the extent of their work. The work of the auditor in respect of any significant audit issues and consideration of the adequacy of that work is discussed.

The Chair of the Committee liaises with the Portfolio Manager and the Administrator to discuss the extent of audit work completed to ensure all matters of risk are covered, while the Committee assesses the quality of the draft Financial Statements prepared by the Administrator.

The Committee has an active involvement in and oversight of the preparation of both half yearly and annual Financial Statements. Ultimate responsibility for reviewing and approving the Report and Audited Financial Statements remains with the Board.

The table below summarises the remuneration for services provided to the Company by Grant Thornton Limited Channel Islands for audit and non-audit services during the year ended 31 December 2024.

	31 December 2024 £	31 December 2023 £
Annual audit fee	21,430	20,000
Interim review	-	16,000
	21,430	36,000

Audit and Risk Committee Report (continued)

Conclusion in respect of the Report and Audited Financial Statements

The production of the Company's Report and Audited Financial Statements is a comprehensive process requiring input from a number of different parties. One of the key governance requirements is that the Company's Report and Audited Financial Statements be fair, balanced and understandable. The Board has requested that the Committee advise on whether it considers that the Report and Audited Financial Statements fulfils these requirements.

As a result of the work performed, the Committee recommended that the Board should conclude that the Report and Audited Financial Statements for the Year, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy and has reported on these findings to the Board. The Board's conclusions in this respect are set out in the Directors' Report above.

Luke Allen
Chair of Audit & Risk Committee
17 March 2025

Independent Auditor's Report to the Shareholders of Onward Opportunities Limited

Opinion

We have audited the financial statements of Onward Opportunities Limited (the "Company") for the year ended 31 December 2024, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, and the Statement of Cash Flows, and notes to the financial statements for the year then ended, including material accounting policy information. The financial statements framework that has been applied in their preparation is applicable law and IFRS Accounting Standards as adopted by the European Union (EU).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cashflows for the year then ended;
- are in accordance with IFRS Accounting Standards as adopted by the EU; and
- comply with the Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
Existence and Valuation of Quoted Investments - Equity Instruments £30,789,000 Due to the use of a custodian, accounting records may not match the custodian's records with respect to securities held; and The fair value measurements at the reporting date may be inaccurate due to the use incorrect inputs. The portfolio of investments is mostly comprised of quoted investments which are held by using publicly available quoted market prices, in accordance with IFRS 9 Financial Instruments and IFRS 13 Fair Value Measurement. Whilst the valuation of these investments is not considered complex, nor does it involve significant judgements and estimates to be made by management, the market value of investments is material to the Company, as it represents 99% of the net asset value as at 31 December 2024 and represents a balance considerably larger than any other reported balance within the Company's financial statements.	In responding to the key audit matter, we performed the following audit procedures: • We obtained confirmation, from the Custodian, of securities held at the reporting date that are owned by the Company. • We reviewed information about the trading history of the investee companies to determine whether the shares are traded in an active market to verify the accuracy of an external Custodian and valued the classification as level 1 instruments. • We obtained the quoted prices as at the reporting date from independent publicly available sources and compared them to the share prices used by management. • We recalculated the valuation per the accounting records using the quoted share prices obtained from the relevant stock exchanges and the confirmed number of shares.

Independent Auditor’s Report to the Shareholders of Onward Opportunities Limited (continued)

The key audit matter (continued)	How the matter was addressed in our audit
In addition, due to the regular/frequent trading of investment positions held by the Company, there is a risk that the reported investment portfolio at the year end, may be misstated. Due to the financial significance of the investments held at the year-end, an error or misstatement regarding the recognition/ inclusion of a single investment could lead to a material misstatement.	**Our result** We did not note any material issues from our procedures

Other information in the Annual Report

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Audited financial statements but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors’ Responsibilities set out on page 38, the Directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, 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 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.

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Cyril Swale.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the 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.

Independent Auditor's Report to the Shareholders of Onward Opportunities Limited (continued)

Matters on which we are required to report by exception

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

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

Grant Thornton Limited

Grant Thornton Limited
Chartered Accountants
St Peter Port
Guernsey

Date: 17 March 2025

Statement of Comprehensive Income

For the year ended 31 December 2024

		Year ended 31 December 2024			Period from 31 January 2023 to 31 December 2023		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net gains on investments held at fair value through profit or loss	10	–	5,745	5,745	–	1,843	1,843
Net investment gains		**–**	**5,745**	**5,745**	**–**	**1,843**	**1,843**
Interest income	5, 11	7	19	26	8	14	22
Dividend income		–	233	233	–	127	127
Total income		**7**	**252**	**259**	**8**	**141**	**149**
Portfolio management and performance fees	6	(344)	(481)	(825)	(156)	(28)	(184)
Other expenses	7	(352)	–	(352)	(275)	–	(275)
Total (loss) / gain and comprehensive (loss) / income for the year / period		**(689)**	**5,516**	**4,827**	**(423)**	**1,956**	**1,533**
(Deficit) / earnings per Ordinary Share (pence)	8	**(3.60)**	**28.87**	**25.27**	**(3.81)**	**17.56**	**13.75**

The total column of this statement represents the Statement of Comprehensive Income of the Company prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

The supplementary revenue and capital return columns are prepared under guidance published by the Association of Investment Companies ("AIC").

All items in the above statement derive from continuing operations.

The notes on pages 54 to 72 form an integral part of these Audited Financial Statements.

Statement of Financial Position

As at 31 December 2024

	Notes	31 December 2024 £'000	31 December 2023 £'000
Non-current assets			
Investments held at fair value through profit or loss	10	30,789	16,695
Convertible loan note	11	500	-
Current assets			
Interest receivable on convertible loan note	11	10	-
Cash and cash equivalents		362	407
Other receivables		25	38
Unsettled trades	12	-	157
		397	602
Total assets		**31,686**	**17,297**
Current liabilities			
Management fee payable	6	(40)	(22)
Performance fee payable	6	(481)	(28)
Unsettled trades	12	(95)	(132)
Other payables		(49)	(46)
Total liabilities		**(665)**	**(228)**
Net assets		**31,021**	**17,069**
Equity			
Share capital	13	24,661	15,536
Capital reserve		7,472	1,956
Revenue reserve		(1,112)	(423)
Total equity		**31,021**	**17,069**
Net Asset Value per Ordinary Share: basic and diluted (pence)	14	129.37	106.50
Number of Ordinary Shares in issue	13	23,979,754	16,027,290

Approved by the Board of Directors and authorised for issue on 17 March 2025 and signed on their behalf:

Director

The notes on pages 54 to 72 form an integral part of these Audited Financial Statements.

Statement of Changes in Equity

For the year ended 31 December 2024

	Share capital £'000	Revenue reserve £'000	Capital reserve £'000	Total £'000
For the year ended 31 December 2024				
At 1 January 2024	15,536	(423)	1,956	17,069
Share issue (note 13)	9,450	–	–	9,450
Share issue costs (note 13)	(325)	–	–	(325)
Total (loss) / gain and comprehensive (loss) / income for the year	–	(689)	5,516	4,827
At 31 December 2024	**24,661**	**(1,112)**	**7,472**	**31,021**

	Share capital £'000	Revenue reserve £'000	Capital reserve £'000	Total £'000
For the period 31 January 2023 to 31 December 2023				
At 31 January 2023	–	–	–	–
Share issue (note 13)	16,109	–	–	16,109
Share issue costs (note 13)	(573)	–	–	(573)
Total (loss) / gain and comprehensive (loss) / income for the period	–	(423)	1,956	1,533
At 31 December 2023	**15,536**	**(423)**	**1,956**	**17,069**

The notes on pages 54 to 72 form an integral part of these Audited Financial Statements.

Statement of Cash Flows

For the year ended 31 December 2024

	Notes	Year ended 31 December 2024 £'000	Period from 31 January 2023 to 31 December 2023 £'000
Cash flows from operating activities			
Other expense payments	15	(678)	(274)
Dividend income		221	-
Interest income		16	22
Purchase of UK Government Debt	10	-	(15,556)
Sale of UK Government Debt	10	-	15,736
Purchase of investments	10, 12	(27,373)	(17,543)
Sale of investments	10, 12	19,144	2,486
Purchase of convertible loan note	11	(500)	-
Net cash outflow from operating activities		**(9,170)**	**(15,129)**
Cash flows from financing activities			
Issue of Ordinary Shares	13	9,450	16,109
Share issue costs	13	(325)	(573)
Net cash inflow from financing activities		**9,125**	**15,536**
Net (decrease) / increase in cash and cash equivalents		**(45)**	**407**
Cash and cash equivalents at beginning of year / period		**407**	–
Cash and cash equivalents at end of year / period		**362**	**407**
Cash and cash equivalents comprise of the following:			
Cash at bank		**362**	407
		362	**407**

The notes on pages 54 to 72 form an integral part of these Audited Financial Statements.

Notes to the Audited Financial Statements

For the year ended 31 December 2024

1. Reporting Entity

Onward Opportunities Limited (the "Company") is registered in Guernsey and was incorporated on 31 January 2023, with registered number 71526. The Company's registered office is 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL.

The Company is a Registered Closed-ended Collective Investment Scheme regulated by the Guernsey Financial Services Commission ("GFSC"), with reference number 2804577, pursuant to the Protection of Investors (Bailiwick of Guernsey) Law 2020, as amended and the Registered Collective Investment Scheme Rules and Guidance, 2021. The Company is also a member of the AIC.

The Company's had 16,027,290 shares in issue under ticker ONWD, SEDOL BMZR151 and ISIN GG00BMZR1514 on 31 December 2023. During the current year, the Company admitted a further 7,935,616 shares through 5 separate fundraises for a gross consideration of £9,431,237. An addition 16,848 shares were admitted in respect of the Portfolio Manager's performance fee for the year ended 31 December 2024. The Audited Financial Statements of the Company are presented for the year ended 31 December 2024.

The Company and its Alternative Investment Fund Manager received discretionary portfolio management services directly from Dowgate Wealth Limited ("DWL") during the year ended 31 December 2024. The administration of the Company is delegated to Apex Fund and Corporate Services (Guernsey) Limited (formerly Apex Administration (Guernsey) Limited) (the "Administrator"). See note 18 for details of a change in the AIFM and the Administrator that will take place subsequent to the Statement of Financial Position date.

2. Material accounting policies

(a) Basis of accounting

The Audited Financial Statements have been prepared in compliance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). The Audited Financial Statements give a true and fair view and comply with the Companies (Guernsey) Law, 2008.

Where presentational guidance set out in the Statement of Recommended Practice ("SORP") for investment companies issued by the Association of Investment Companies ("AIC") updated in July 2022 is consistent with the requirements of IFRS, the Directors have sought to prepare the Audited Financial Statements on a basis compliant with the recommendations of the SORP.

(b) Going concern

The Directors have adopted the going concern basis in preparing the Audited Financial Statements.

In assessing the going concern basis of accounting, the Directors have assessed the guidance issued by the Financial Reporting Council and considered the Company's own financial position, recent market volatility, the on-going impact of the Russian war on Ukraine and conflict in the Middle East, the prospect of tariffs and a global "trade war" and other uncertainties impacting on the financial position and liquidity requirements of the Company's investments.

At year end the Company had a net asset position of £31,021,000 comprising cash of £362,000, a convertible loan note of £500,000 and listed investments of £30,789,000.

The Company generates liquidity by raising capital and exiting investments. It uses liquidity by making new and follow-on investments and paying company expenses. The Directors ensure it has adequate liquidity by regularly reviewing its financial position and forward-looking liquidity requirements. In assessing its going concern status, the Directors have considered the level of ongoing operating expenses relative to net assets, such expenses approximating to 3% of net assets as at 31 December 2024.

2. Material accounting policies (continued)

(c) Segmental reporting

The chief operating decision maker is the Board of Directors. The Directors are of the opinion that the Company is engaged in a single segment of business with the primary objective of investing in securities to generate capital growth for shareholders. Consequently, no business segmental analysis is provided.

The key measure of performance used by the Board is the Net Asset Value of the Company (which is calculated under IFRS). Therefore, no reconciliation is required between the measure of profit or loss used by the Board and that contained in these Audited Financial Statements.

(d) Functional and presentational currency

The Audited Financial Statements of the Company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the Audited Financial Statements, the results and financial position of the Company are expressed in pound sterling ("£"). All amounts have been rounded to the nearest thousand, unless otherwise indicated.

(e) Income

Interest income is accounted for on an accruals basis and recognised in profit or loss in the Audited Statement of Comprehensive Income. Interest income includes interest earned on convertible loan and senior notes (UK treasury debts), cash held at bank on call, on deposit and cash held as cash equivalents.

(f) Expenses

Expenses are accounted for on an accruals basis. The Company's portfolio management and administration fees, finance costs and all other expenses are charged through the Audited Statement of Comprehensive Income and are charged to revenue. Performance fee is charged to the capital column in the Audited Statement of Comprehensive Income.

(g) Dividends to shareholders

Dividends are recognised in the year in which they are paid.

(h) Taxation

The Company has been granted exemption from liability to income tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 amended by the Director of Income Tax in Guernsey for the current year. Exemption is applied and granted annually and is subject to the payment of a fee which was £1,600 for the year.

2. Material accounting policies (continued)

(i) Financial instruments

Recognition and derecognition of financial assets

The Company recognises a financial asset at its fair value, plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss which are directly attributable to the acquisition are capitalised.

A financial asset (in whole or in part) is derecognised either (i) when the Company has transferred substantially all the risks and rewards of ownership; or (ii) when it has neither transferred nor retained substantially all the risks and rewards and when it no longer has control over the assets or a portion of the asset; or (iii) when the contractual right to receive cash flow has expired. The derecognised investments are measured at the weighted average method. Any gain or loss on derecognition is recognised in the Net gains on investments held at fair value through profit or loss in the Audited Statement of Comprehensive Income.

Classification

The Company's financial assets are classified in the following measurement categories:

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

At initial recognition, the Company measures a financial asset at its fair value, plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of financial assets

Financial assets held at amortised cost

Assets that are held in order to collect contractual cash flows give rise to cash flows that are solely payments of principal and interest are measured at amortised cost. These assets are subsequently measured at amortised cost using the effective interest method.

The Company has elected to apply the simplified approach permitted by IFRS 9 in respect of trade and other receivables. This approach requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company's financial assets held at amortised cost include trade and other receivables and cash and cash equivalents.

Financial assets at fair value through profit or loss

For investments actively traded in organised financial markets, fair value will generally be determined by reference to Stock Exchange quoted market bid prices at the close of business on the valuation date, without adjustment for transaction costs necessary to realise the asset.

The Company has adopted a valuation policy for unquoted securities to provide an objective, consistent and transparent basis for estimating the fair value of unquoted equity securities in accordance with IFRS as well as IPEVC.

2. Material accounting policies (continued)

(i) Financial instruments (continued)

Financial assets at fair value through profit or loss (continued)

The Company considers it impractical to perform an in-depth valuation analysis for every unquoted investment on a daily basis (whether internally or with the assistance of an independent third party). Therefore, it is expected that an in-depth valuation of each investment will be performed: (i) on an annual basis; and (ii) where DWL determines that a Triggering Event has occurred.

A "Triggering Event" may include any of the following:
- a subsequent round of financing (whether pro rata or otherwise) by the relevant investee company;
- a significant or material milestone achieved by the relevant investee company;
- a secondary transaction involving the relevant investee company on which sufficient information is available;
- a change in the makeup of the management of the relevant investee company;

A "Triggering Event" may include any of the following:
- a material change in the recent financial performance or expected future financial performance of the relevant investee company;
- a material change in the market environment in which the relevant investee company operates; or
- a material movement in market indices or economic indicators.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The change in fair value is recognised in profit or loss and is presented within the "net gains on investments held at fair value through profit or loss" in the Audited Statement of Comprehensive Income.

IFRS requires the Company to measure fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements. IFRS establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of fair value hierarchy under IFRS are as follows:
- Level 1 reflects financial instruments quoted in an active market.
- Level 2 reflects financial instruments whose fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets.
- Level 3 reflects financial instruments whose fair value is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data. For investments that are recognised in the Audited Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing the categorisation (based on the lowest material input) at the date of the event that caused the transfer.

Impairment of financial assets

The Company recognises lifetime expected credit losses (ECL) for other receivables and related party receivables, as the receivables are from loans with non-contractual payment terms. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

2. Material accounting policies (continued)

(i) Financial instruments (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

(j) Cash and cash equivalents

Cash comprises cash and demand deposits. Cash equivalents, are short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant risks of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Included in cash and cash equivalents at the year end was cash at bank of £362,000 (2023: £407,000).

(k) Other receivables

Other receivables do not carry interest and are short-term in nature and are accordingly recognised at amortised cost.

(l) Foreign currency

Transactions and balances

At each Statement of Financial Position date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date fair value is measured. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the year in which they arise. Transactions denominated in foreign currencies are translated into pound sterling (£) at the rate of exchange ruling at the date of the transaction.

Foreign exchange gains and losses arising from translation are included in the Audited Statement of Comprehensive Income.

Where foreign currency items are held at fair value, the foreign currency movements are presented as part of the fair value change.

(m) Capital reserve

Profits achieved by selling investments and changes in fair value arising upon the revaluation of investments that remain in the portfolio are all charged to profit or loss in the capital column of the Audited Statement of Comprehensive Income and allocated to the capital reserve. The capital reserve is also used to fund dividend distributions.

2. Material accounting policies (continued)

(n) Revenue reserve

The balance of all items allocated to the revenue column of the Audited Statement of Comprehensive Income for the year is transferred to the Company's revenue reserve.

(o) Investment entities

In accordance with IFRS 10 an investment entity is an entity that:

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

The Directors are satisfied that the Company meets each of these criteria and hence is an investment entity in accordance with IFRS 10.

3. Use of estimates and critical judgements

The preparation of Audited Financial Statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the Audited Financial Statements and the reported amounts of income and expenses during the year. Actual results could differ from those estimates and assumptions.

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

Climate Change

In preparing the Company's Financial Statements the Directors have considered the impact of climate change risk as a principal risk as set out in the Principal and Emerging Risks and Uncertainties section of the Directors' Report and have concluded that it does not have a material impact on the value of the Company's investments. In line with IFRS, investments are valued at fair value as disclosed in Note 10. The Directors consider that the pricing of the underlying portfolio of the Company's investments reflects market participants' views of climate change risk and that there are no further climate related influences on the NAV of the companies in which the Company invests.

There are no estimates or critical accounting judgements to note in the current year.

4. New and revised standards

New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Company.

- The Effects of Changes in Foreign Exchange Rates (Amendments to IAS 21) that become effective for periods beginning on or after 1 January 2025;
- Annual improvement to IFRS Accounting Standards – Volume 11 – Gain or loss on derecognition that become effective for the period beginning on or after 1 January 2026;
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IRFS 7 that become effective for the period beginning on or after 1 January 2026;
- Annual improvements to the IFRS Accounting Standards – Volume 11 Cost method that become effective for the period beginning on or after 1 January 2026; and

4. New and revised standards (continued)

New standards and interpretations not yet adopted (continued)

- IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies that become effective for the period beginning on or after 1 January 2027.

Standards, amendments and interpretations effective during the year

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2024 that have a material effect on the financial statements of the Company.

5. Interest income

Interest is accounted for using the effective interest method. Interest income (net of withholdings tax) totalling £18,849 (2023: £nil) was earned from the OTAQ Convertible Loan, £7,595 (2023: £7,531) was earned from Butterfield bank accounts.

6. Portfolio management and performance fees

	Year ended 31 December 2024 £'000	**31 January 2023 to 31 December 2023 £'000**
Portfolio management fees [3]	344	156
Portfolio performance fees	481	28
Total portfolio management and performance fees	**825**	**184**

The Company procures portfolio management services directly from DWL, under the Portfolio Management Agreement.

Management fee

The monthly management fee is equal to 1.5% of the Net Asset Value is up to and including £50m and 1% of the Net Asset Value that is above £50 million (the "Management Fee"). The management fee is calculated and paid monthly in arrears.

As at 31 December 2024, an amount of £40,194 (2023: £21,818) was outstanding in respect of management fees.

Performance fee

For the year ended 31 December 2024, a performance fee may be payable, the sum of which is equal to 12.5% of the amount by which the Adjusted Net Asset Value at the end of a Calculation Period exceeds the higher of: (i) the Performance Hurdle; and (ii) the High Water Mark (the "Performance Fee"). The calculation period for the current year will be the period commencing on 1 January 2024 and ending on 31 December 2024 (the "Calculation Period").

As at 31 December 2024, the Company had exceeded the High Water Mark and Performance Hurdle therefore an accrual of £481,296 (2023: £28,350) for performance fees has been reflected within these Audited Financial Statements.

[3] Portfolio management fees were only accrued from 30 March 2023 being the launch date of the Company

7. Other expenses

	Year ended 31 December 2024 £'000	31 January 2023 to 31 December 2023 £'000
Directors' fees	125	95
Administration fee	86	61
Auditor's remuneration for:		
– audit fees	21	20
– non-audit fees	(4)	16
Custodian fees	11	10
Broker fees	10	8
Registrars' fees	9	4
Listing fees	16	9
Regulatory fees	17	28
Legal and professional fees:		
– ongoing operations	30	12
Directors' liability insurance	4	3
Depositary Fee	2	–
Sundry expenses	25	9
Total other expenses	**352**	**275**

8. (Deficit) / Earnings per Ordinary Share

	31 December 2024		31 December 2023	
	Net return £'000	Per share pence	Net return £'000	Per share pence
Revenue return	(689)	(3.60)	(423)	(3.81)
Capital return	5,516	28.87	1,956	17.56
At 31 December	**4,827**	**25.27**	**1,533**	**13.75**
Weighted average number of Ordinary Shares		19,109,864		11,144,294

The return per share is calculated using the weighted average number of Ordinary Shares.

9. Dividends

The Board has not declared or paid any dividends during the year (2023: nil).

10. Investments held at fair value through profit or loss

	Equity instruments 31 December 2024 £'000	UK Government Debt 31 December 2023 £'000	Equity instruments 31 December 2023 £'000
Opening book cost	15,032	–	–
Opening investment holding unrealised gains	1,663	–	–
Opening valuation	**16,695**	–	–
Movements in the year / period			
Purchases at cost	27,336	15,556	17,675
Sales – proceeds	(18,987)	(15,736)	(2,643)
Net gains on investments held at fair value through profit or loss	5,745	180	1,663
Closing valuation	**30,789**	**–**	**16,695**
Closing book cost	23,381	–	15,032
Closing investment holding unrealised gains	7,408	–	1,663
Closing valuation	**30,789**	**–**	**16,695**
Movement in unrealised gains during the year / period	16,298	–	3,259
Movement in unrealised losses during the year / period	(10,100)	–	(1,873)
Realised (loss) / gain on sale of investments	(453)	180	277
Net gain on investments held at fair value through profit or loss	**5,745**	**180**	**1,663**
Total net gain on investments held at fair value through profit or loss	**5,745**	–	1,843

11. Convertible loan note

	Year ended 31 December 2024 £'000	31 January 2023 to 31 December 2023 £'000
Convertible loan note - Principal amount	**500**	**-**
Convertible loan note interest receivable		
Interest earned	19	-
Interest received	(9)	-
Total interest receivable	**10**	**-**

11. Convertible loan note (continued)

On 12 July 2024, the Company purchased a convertible loan note in OTAQ plc for a consideration of £500,000. The loan note earns interest at 10% per annum for the first three years and 12.5% for the next two years if the loan has not yet converted. Interest is receivable quarterly in arrears based on calendar quarters. The conversion price on the loan note is £0.03 per share with an option to receive the principal loan amount if the conversion rate is unfavourable. The convertible loan is secured against OTAQ's inventory at a rate of 2.2x. The fair value of the convertible loan note approximates to its carrying amount as presented above.

12. Unsettled trades

At year end, the net amount in relation to trades that were settled post year end is £94,700 (2023: £24,900). The table below summarises these trades.

	31 December 2024 £'000	**Settlement date**
Payable		
Mpac Group plc	(24)	3 January 2025
Springfield Properties plc	(5)	2 January 2025
Synectics plc	(30)	3 January 2025
Likewise Group plc	(36)	2 January 2025
Total unsettled trades payable	**(95)**	

	31 December 2023 £'000	**Settlement date**
Payable		
Mpac Group plc	(31)	3 January 2024
Springfield Properties plc	(57)	3 January 2024
Transense Technologies plc	(10)	3 January 2024
Windward plc	(34)	2 January 2024
Total unsettled trades payable	**(132)**	
Receivable		
Pinewood Technologies plc	157	2 January 2024
Total unsettled trades receivable	**157**	
Net unsettled trades	**25**	

13. Share capital

Ordinary Shares at no par value	No of shares	£'000
Opening balance as at 31 January 2023	–	–
Issue of shares	16,027,290	16,109
Issue costs	–	(573)
At 31 December 2023	**16,027,290**	**15,536**
Issue of shares	7,952,464	9,450
Issue costs	–	(325)
At 31 December 2024	**23,979,754**	**24,661**

The holders of Ordinary Shares have the right to receive notice of and attend, speak and vote in general meetings of the Company. They are also entitled to participate in any dividends and other distributions of the Company.

14. Net Asset Value per Ordinary Share

The Net Asset Value per Ordinary Share and the Net Asset Value at the year end calculated in accordance with the Articles of Incorporation were as follows:

	31 December 2024		31 December 2023	
	NAV per share pence	NAV attributable £'000	NAV per share pence	NAV attributable £'000
Ordinary Shares: basic and diluted	**129.37**	**31,021**	**106.50**	**17,069**

The Net Asset Value per Ordinary Share is based on 31,021,477 (2023: 16,027,290) Ordinary Shares, being the number of Ordinary Shares in issue at the year end.

The NAV per Ordinary Share as shown above differs from the unaudited NAV per Ordinary Share as published by the Company by way of RNS on 2 January 2025 (131.37 pence) following the audit of the crystallised performance fee payable by the Company as at 31 December 2024.

15. Other expense payments

	31 December 2024 £'000	31 December 2023 £'000
Total gains for the year / period	4,827	1,533
Net gains on investments held at fair value through profit or loss	(5,745)	(1,843)
Dividend income	(233)	-
Interest income	(26)	(22)
Movement in working capital		
Decrease / (increase) in other receivables	25	(38)
Increase in payables	474	96
Total other expense payments	**(678)**	**(274)**

16. Financial instruments and capital disclosures

The Company's activities expose it to a variety of financial risks; market risk (including other price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk.

Certain financial assets and financial liabilities of the Company are carried in the Audited Statement of Financial Position at their fair value. The fair value is the amount at which the asset could be sold, or the liability transferred in a current transaction between market participants, other than a forced or liquidation sale. For investments actively traded in organised financial markets, fair value is generally determined by reference to Stock Exchange quoted market mid prices and Stock Exchange Electronic Trading Services ("SETS") at last trade price at the year end date, without adjustment for transaction costs necessary to realise the asset. Other financial instruments not carried at fair value are typically short-term in nature and reprice to the current market rates frequently. Accordingly, their carrying amount is a reasonable approximation of fair value. This includes cash and cash equivalents, other receivables and other payables.

The Company measures fair values using the following hierarchy that reflects the significance of the inputs used in making the measurements.

The Company measures fair values using the following hierarchy that reflects the significance of the inputs used in making the measurements. Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant assets as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

An active market is a market in which transactions for the asset or liability occur with sufficient frequency and volume on an ongoing basis such that quoted prices reflect prices at which an orderly transaction would take place between market participants at the measurement date. Quoted prices provided by external pricing services, brokers and vendors are included in Level 1, if they reflect actual and regularly occurring market transactions on an arm's-length basis.

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

Level 2 inputs include the following:

- quoted prices for similar (i.e., not identical) assets in active markets;
- quoted prices for identical or similar assets or liabilities in markets that are not active. Characteristics of an inactive market include a significant decline in the volume and level of trading activity, the available prices vary significantly over time or among market participants or the prices are not current;

16. Financial instruments and capital disclosures (continued)

Level 2 inputs include the following:

- inputs other than quoted prices that are observable for the asset (for example, interest rates and yield curves observable at commonly quoted intervals); and
- inputs that are derived principally from, or corroborated by, observable market data by correlation or other means (market-corroborated inputs).

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

At 31 December 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Equity instruments	30,789	–	–	30,789
Convertible loan note	–	–	500	500
	30,789	**–**	**500**	**31,289**

At 31 December 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Equity instruments	16,695	–	–	16,695
	16,695	**–**	**–**	**16,695**

The Company has exposure to both level 1 and level 3 instruments in the current year.

The following table shows a reconciliation of the opening balance to the closing balance for fair values:

	December 2024 £'000 Level 1	**December 2024 £'000 Level 3**	**December 2023 £'000 Level 1**
Opening balance	16,695	–	–
Purchases at cost	27,336	500	33,231
Sales at cost	(18,987)	–	(18,379)
Total gains included in net gains on investments in the Audited Statement of Comprehensive Income			
– on assets sold	(453)	–	457
– on assets held at year end	6,198	–	1,386
	30,789	**500**	**16,695**

16. Financial instruments and capital disclosures (continued)

Investments are transferred between levels at the point of the trigger event.

The main risks that the Company faces arising from its financial instruments are:

(i) market risk, including:

- other price risk, being the risk that the value of investments will fluctuate as a result of changes in market prices;
- interest rate risk, being the risk that the future cash flows of a financial instrument will fluctuate because of changes in interest rates;

(ii) credit risk, being the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company; and

(iii) liquidity risk, being the risk that the Company will not be able to meet its liabilities when they fall due. This may arise should the Company not be able to liquidate its investments.

Market and other price risk

The management of price risk is part of the portfolio management process and is characteristic of investing in equity securities. The investment portfolio is managed with an awareness of the effects of adverse price movements through detailed and continuing analysis with an objective of maximising overall returns to shareholders. Although it is the Company's current policy not to use derivatives, they may be used from time to time for the purpose of efficient portfolio management and managing any exposure to assets denominated in currencies other than pound sterling.

If the investment portfolio valuation rose or fell by 10% at 31 December 2024, the impact on the net asset value would have been £3,128,900/-£3,128,900 (2023: £1,669,500/-£1,669,500). The calculations are based on the investment portfolio valuation as at the Audited Statement of Financial Position date and are not necessarily representative of the year as a whole.

Interest rate risk

The financial assets and financial liabilities exposed to interest rate risk are as shown below:

2024	**In one year or less £'000**	**Greater than one year £'000**	**Total £'000**
Convertible loan note	–	500	500
Cash at bank	362	–	362
Total	**362**	**500**	**862**
2023			
Cash at bank	407	–	407
Total	**407**	**–**	**407**

16. Financial instruments and capital disclosures (continued)

Interest risk table

The following tables detail the Company's remaining contractual maturity for its current financial assets and liabilities.

2024	Interest rate %	Year 1 £'000	Year 1 – 2 £'000	Over 2 years £'000	Total £'000
Assets					
Convertible loan note	10%	10	–	500	510
Cash at bank	Daily bank	362	–	–	362
Other receivables	Interest free	25	–	–	25
Total		**397**	**–**	**500**	**897**

2024	Interest rate %	Year 1 £'000	Year 1 – 2 £'000	Over 2 years £'000	Total £'000
Liabilities					
Other current liabilities	Interest free	665	–	–	665
Total		**665**	**–**	**–**	**665**

2023	Interest rate %	Year 1 £'000	Year 1 – 2 £'000	Over 2 years £'000	Total £'000
Assets					
Cash at bank	Daily bank	407	–	–	407
Unsettled trades	Interest free	157	–	–	157
Other receivables	Interest free	38	–	–	38
Total		**602**	**–**	**–**	**602**
Liabilities					
Other current liabilities	Interest free	228	–	–	228
Total		**228**	**–**	**–**	**228**

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Audit and Risk Committee has in place a monitoring procedure in respect of counterparty risk which is reviewed on an ongoing basis.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the Audited Statement of Financial Position date, and the main exposure to credit risk is via the Company's Custodian who is responsible for the safeguarding of the Company's cash balances.

16. Financial instruments and capital disclosures (continued)

Credit risk (continued)

At the reporting date, the Company's financial assets exposed to credit risk amounted to the following:

	2024 Total £'000	2023 Total £'000
Convertible loan note (fair value)	500	–
Convertible loan note interest receivable	10	–
Cash at bank	362	407
Unsettled trades	–	157
Other receivables	25	38
Total	**897**	**602**

All the assets of the Company which are traded on a recognised exchange are held on its behalf by Butterfield Bank (Guernsey) Limited, the Company's Custodian. Bankruptcy or insolvency of the Custodian may cause the Company's rights with respect to securities held by the Custodian to be delayed or limited.

The credit risk on cash is controlled through the use of counterparties or banks with high credit ratings, rated B or higher, assigned by international credit rating agencies. Bankruptcy or insolvency of such financial institutions may cause the Company's ability to access cash placed on deposit to be delayed, limited or lost.

Cash of £362,000 (2023: £407,000) was held with Butterfield Bank (Guernsey) Limited and Alpha FX Group plc at year end.

The credit rating of Butterfield Bank (Guernsey) Limited was A2 and Alpha FX Group plc was B at the year end[4].

The convertible loan note is secured against inventory at a 2.2x level at year end therefore mitigating the credit risk.

Liquidity risk

Liquidity risk is defined as the risk that the Company does not have sufficient liquid resources to meet its obligations as they fall due. In managing the Company's assets, the Company will seek to ensure that it holds at all times a portfolio of assets (including cash) to enable the Company to discharge its payment obligations as they fall due. The Company may also maintain a short-term overdraft facility that it may utilise from time to time to manage short-term liquidity.

The Company's liquidity risk is maintained by the Board in accordance with established policies, procedures and governance structures in place. Cash flow forecasting is reviewed by the Board to ensure that it has sufficient cash to meet obligations as they fall due.

[4] Credit rating obtained from Standard & Poor's (S&P). S&P is a leading index provider and data source of independent credit ratings.

16. Financial instruments and capital disclosures (continued)

Liquidity risk (continued)

The maturity profile of the Company's current assets and liabilities is presented in the following table.

2024	Up to 3 months £	Between 3 and 12 months £	Between 1 and 5 years £	Total £
Assets				
Cash at bank	362	–	–	362
Other receivables	25	–	–	25
Convertible loan note	10	–	500	510
Liabilities				
Current liabilities	(665)	–	–	(665)
Total	**(268)**	–	**500**	**232**

2023	Up to 3 months £	Between 3 and 12 months £	Between 1 and 5 years £	Total £
Assets				
Cash at bank	407	–	–	407
Unsettled trades	157	–	–	157
Other receivables	38	–	–	38
Liabilities				
Current liabilities	(228)	–	–	(228)
Total	**374**	–	–	**374**

The Board, ensure that a robust assessment of the principal risks facing the Company has been undertaken (including those risks that would threaten its business model, future performance, solvency or liquidity) and provide advice on the management and mitigation of those risks.

Capital management objectives, policies and procedures

The structure of the Company's capital is described in note 13 and details of the Company's reserves are shown in the Audited Statement of Changes in Equity on page 52.

The Company's capital management objectives are:

- to ensure that it is able to continue as a going concern; and
- to generate long-term capital growth through investing in a portfolio consisting primarily of equity or equity related securities of UK smaller companies that are predominantly listed or admitted to trading on markets operated by the London Stock Exchange.

The Board, with the assistance of the Portfolio Manager, regularly monitors and reviews the broad structure of the Company's capital. These reviews include:

- the extent to which revenue reserves should be retained or utilised; and
- ensuring the Company's ability to continue as a going concern.

17. Related parties

DWL provides portfolio management services to the Company.

	Year ended 31 December 2024 £'000	31 January 2023 to 31 December 2023 £'000
Fees charged / (recharged) by DWL:		
Management fees		
Total management fee charged	**344**	156
Management fee outstanding	**40**	22
AIFM recharge		
Total AIFM fee recharged	**(55)**	(38)
AIFM fee recharge outstanding	**(5)**	(4)
Performance fees		
Total Performance fees charged	**481**	28
Performance fees outstanding	**481**	28
AIFM fee charged by FundRock:		
Total AIFM fee charged	**55**	38
AIFM fee outstanding	**5**	4
Directors' fees:		
Total Directors' fees charged	**125**	95
Directors' fees outstanding	**–**	–

As at 31 December 2024 the following Directors had holdings in the Company:

	Number of Ordinary Shares	% Ordinary Shares in issue as at 31 December 2024
Andrew Henton	100,000	0.4170
Susan Norman	45,104	0.1881
Henry Freeman	15,000	0.0626
Luke Allen	25,052	0.1045
Adrian Norman (husband of Susan Norman)	4,878	0.0203

As at 31 December 2023 the following Directors had holdings in the Company:

	Number of Ordinary Shares	% Ordinary Shares in issue as at 31 December 2023
Andrew Henton	100,000	0.6239
Susan Norman	20,000	0.1248
Henry Freeman	15,000	0.0936
Luke Allen	-	-
Adrian Norman (husband of Susan Norman)	4,878	0.0304

18. Post Statement of Financial Position events

On 31 January 2025 the Administrator of the Company changed from Apex Administration (Guernsey) Limited to Apex Fund and Corporate Services (Guernsey) Limited following the amalgamation of corporate bodies of these two entities. All pre-existing contractual arrangements in place between the Company and the Administrator currently remain in force.

Also on 31 January 2025 the Board of the Company resolved to serve 3 months' notice of termination of services to the Administrator and the AIFM with the intention of replacing them, effective 2 May 2025, with NSM Funds Limited and Global Fund Management Services Limited respectively. This decision was taken following a comprehensive review of all service providers to the Company and is considered to be in the best interests of all of the Company's stakeholders.

There has been no other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in the future financial year.

Corporate Information

Directors

Andrew Henton, Chair
Henry Freeman
Luke Allen
Susan Norman

Registered office

1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey, GY1 2HL

Portfolio Manager

Dowgate Wealth Limited ("DWL")
15 Fetter Lane
London
EC4A 1BW

AIFM

FundRock Management Company (Guernsey) Limited
1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey, GY1 2HL

Nominated Advisor and Joint Broker

Cavendish Capital Markets Limited
6-8 Tokenhouse Yard
London
EC2R 7AS

Joint Broker

Dowgate Capital Limited
15 Fetter Lane
London
EC4A 1BW

Administrator and Company Secretary

Apex Fund and Corporate Services (Guernsey) Limited
(formerly Apex Administration (Guernsey) Limited)
1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey, GY1 2HL

Corporate Information (continued)

Registrar
Link Market Services (Guernsey) Limited
Mont Crevelt House
Bulwer Avenue
St Sampson
GY2 4LH
Guernsey

Custodian
Butterfield Bank (Guernsey) Limited
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St Peter Port
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GY1 3AP

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Gowling WLG (UK) LLP
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Guernsey Legal Adviser to the Company
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Independent Auditor
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St James Place
St James Street
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