

Ashoka WhiteOak Emerging Markets Trust plc

(Company registration number 14732678)

Initial Audited Report and Accounts prepared in accordance with Section 839 of the Companies Act 2006.

For the period from incorporation on 15 March 2023 to 30 September 2023

CONTENTS PAGE

CONTENTS PAGE.....	1
DIRECTORS, INVESTMENT MANAGER AND ADVISORS.....	2
REPORT OF THE INDEPENDENT AUDITOR	3
STATEMENT OF COMPREHENSIVE INCOME	4
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF CHANGES IN EQUITY	6
STATEMENT OF CASH FLOWS	7
NOTES TO THE FINANCIAL STATEMENTS.....	8
ALTERNATIVE PERFORMANCE MEASURES (unaudited)	22

DIRECTORS, INVESTMENT MANAGER AND ADVISORS

Directors	Martin Shenfield (Chair & Nominations Committee Chair) Howard Pearce (Audit Committee Chair) Tanit Curry (Management Engagement Committee Chair)
Investment Manager and AIFM	Acorn Asset Management Ltd (Acorn) 4 th Floor, 19 Bank Street Cybercity, Ebene 72201 Republic of Mauritius
Investment Adviser	White Oak Capital Partners Pte, Ltd (WhiteOak) 3 Church Street #22-04 Samsung Hub Singapore 049483
Broker	Ellora Partners 10 Old Burlington Street London W1S 3AG
Bankers & Custodian	HSBC Bank 8 Canada Square London E14 5HQ
Auditors	Ernst & Young LLP (EY) 25 Churchill Place Canary Wharf London E14 5EY
Registrar	Computershare Investor Services PLC (Computershare) The Pavilions Bridgwater Road Bristol BS99 6AH
Company Secretary & Administrator	JTC (UK) Limited The Scalpel, 18 th Floor 52 Lime Street London EC3M 7AF
Legal Adviser	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH
Registered Office	The Scalpel, 18 th Floor 52 Lime Street London EC3M 7AF
Registered Number	14732678
LEI Number	254900Z4X5Y7NTODRI75
Company Website	https://awemtrust.com

REPORT OF THE INDEPENDENT AUDITOR TO ASHOKA WHITEOAK EMERGING MARKETS TRUST PLC (under Section 839(5) of the Companies Act 2006)

Opinion

We have examined the initial accounts of Ashoka WhiteOak Emerging Markets Trust Plc ('the Company') for the period from 15 March 2023 to 30 September 2023 which comprise the statement of Comprehensive Income, the statement of Financial Position, the statement of Changes in Equity and Statement of Cash Flows and the related notes 1 to 20. The initial accounts have been prepared under the accounting policies set out therein.

In our opinion the initial accounts for the period from 15 March 2023 to 30 September 2023 have been properly prepared within the meaning of section 839(4) of the Companies Act 2006.

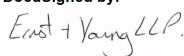
Respective responsibilities of Directors and auditors

The Directors are responsible for the preparation of the initial accounts in accordance with applicable United Kingdom law and Accounting Standards (UK-adopted international accounting standards).

Our responsibility is to report to you our opinion as to whether the initial accounts have been properly prepared within the meaning of section 839(4) of the Companies Act 2006.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 839(5) of the Companies Act 2006 and for no other purpose. 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.

DocuSigned by:

B78BCA23AF1B4ED...

Mike Gaylor (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor

25 Churchill Place
Canary Wharf
London
E14 5EY

13 December 2023

STATEMENT OF COMPREHENSIVE INCOME

For the period 15 March 2023 to 30 September 2023

		Revenue	Capital	Total
	Notes	£	£	£
Income				
Net gain on investments held at fair value through profit and loss	6	-	1,046,780	1,046,780
Income	7	192,613	-	192,613
Total Income		192,613	1,046,780	1,239,393
Expenses				
Administrative and other expenses	8	(312,401)	-	(312,401)
Total expenses		(312,401)	-	(312,401)
Profit/(loss) before taxation		(119,788)	1,046,780	926,992
Taxation		(153,976)		(153,976)
Profit/(loss) after tax and Total Comprehensive Income for the period		(273,764)	1,046,780	773,016
Earnings per share (basic and diluted)		(0.90)p	3.42p	2.53p

All Revenue and Capital items in the above statement are derived from continuing operations.

The “Total” column of this statement is the profit and loss account of the Company prepared in accordance with UK adopted international accounting standards. The supplementary revenue and capital columns are presented for information purposes in accordance with the Statement of Recommended Practice issue by the Association of Investment Companies.

The return on ordinary activities after taxation is the total comprehensive income and therefore no additional statement of other comprehensive income is presented.

The notes on pages 8 to 22 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	Notes	As at 30 September 2023 £
Non-current assets		
Investments held at fair value through profit or loss	11	29,490,772
Current assets		
Cash and cash equivalents	12	1,573,414
Trade and other receivables	13	206,311
		1,779,725
Total assets		31,270,497
Non-current liabilities		
Capital gains tax provision		(83,385)
Current liabilities		
Trade and other payables	14	(364,095)
Total liabilities		(447,480)
Net assets		30,823,017
Shareholders' Equity		
Share capital	17	355,323
Revenue reserve		(273,764)
Capital reserve		1,046,780
Capital reduction reserve		29,694,678
Total equity		30,823,017
Net asset value per ordinary share		100.79p

The notes on pages 8 to 22 form an integral part of these Financial Statements.

The Initial accounts, prepared in accordance with S839 of Companies Act were approved by the board of directors and signed on its behalf by:

DocuSigned by:

 412721D242C7441...

Martin Shenfield

Chairman

13 December 2023

STATEMENT OF CHANGES IN EQUITY

For the period 15 March 2023 to 30 September 2023

		Share Capital	Share Premium	Revenue Reserve	Capital Reserve	Capital reduction reserve	Total
	Notes	£	£	£	£	£	£
Opening balance as at 15 March 2023		-	-	-	-	-	-
Transaction with owners:							
Issue of Ordinary shares	17	355,323	30,226,957	-	-	-	30,582,280
IPO (Initial Public Offering) Costs		-	(532,279)	-	-	-	(532,279)
Transfer from share premium to capital reduction reserve		-	(29,694,678)	-	-	29,694,678	-
Profit for the period		-	-	(273,764)	1,046,780	-	773,016
Closing balance as at 30 September 2023		355,323	-	(273,764)	1,046,780	29,694,678	30,823,017

The notes on pages 8 to 22 form an integral part of these Financial Statements.

The Company's distributable reserves consist of the Revenue Reserve and the Capital reduction reserve.

STATEMENT OF CASH FLOWS

For the period ended 30 September 2023

	For the period 15 March 2023 to 30 September 2023 £
Cash flows from operating activities	
Profit/(loss) after tax	773,016
Adjustment for:	
- Net income from financial assets at fair value through profit or loss	(1,046,780)
Operating loss before working capital changes	(273,764)
Increase in trade and other receivables	(82,946)
Increase in trade and other payables	195,188
Increase in capital gains tax provision	83,385
Net cash from operating activities	(78,137)
Cash flows from/(used in) investing activities	
Payment for purchases of investments	(57,910,645)
Proceeds from sale of investments	29,512,195
Net cash (used in) investing activities	(28,398,450)
Cash flows from/(used in) financing activities	
IPO Cost	(532,279)
Proceeds on issue of shares	30,532,280
Management shares	50,000
Net cash flow from financing activities	30,050,001
Net increase in cash and cash equivalents	1,573,414
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	1,573,414

The notes on pages 8 to 22 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Ashoka WhiteOak Emerging Markets Trust Plc is a public limited company, registered and incorporated in England and Wales on 15 March 2023. The Company's registered office is 18th Floor, The Scalpel, 52 Lime Street, London, United Kingdom, EC3M 7AF. Business operations commenced on 3 May 2023 when the Company's Ordinary Shares were admitted to trading on the London Stock Exchange. Its share capital is denominated in British Pounds Sterling (£) and currently consists of ordinary shares. The Initial audited report and accounts (the "Financial Statements") of the Company are presented for the period from 15 March 2023 to 30 September 2023.

The Company shall invest primarily in securities admitted to trading on any stock exchange (which may include stock exchanges in Developed Markets) that provide exposure to companies that are domiciled in Global Emerging Markets (EMs), or that are domiciled in Developed Markets but at the time of investment, derive a majority of their economic value, revenues or profits from, or whose assets or cost base are mainly located in EMs.

2. Basis of preparation

Statement of compliance

The Financial Statements have been prepared in accordance with UK-adopted International Accounting Standards (IAS) and in conformity with the requirements of the Companies Act 2006 and also considers the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts", issued by the Association of Investment Companies, (the AIC (Association of Investment Companies) SORP) in July 2022. The Financial Statements are initial accounts prepared under requirements of section 839(4) of the Companies Act. The initial Financial Statements have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss, which are measured at fair value.

The principal accounting policies are set out in Note 5.

In terms of the AIC SORP, the Company presents an Income Statement which shows amounts split between those which are revenue and capital in nature. The determination of the revenue or capital nature of a transaction is determined by considering the underlying elements of the transaction. Capital transactions are considered to be those arising as a result of the appreciation or depreciation in the value of assets due to the fair value movements on investments held at fair value through profit and loss. Revenue transactions are all transactions, other than those which have been identified as capital in nature.

The Financial Statements are also prepared on the assumption that approval as an investment trust will continue to be granted.

Functional and presentation currency

The Financial Statements are prepared in sterling, which is the functional currency of the Company which is also the presentation currency. Monetary amounts in these Financial Statements are rounded to the nearest pound.

Comparatives

There are no comparatives as this is the Company's first accounting period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Basis of preparation (continued)

Going concern

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

The financial position of the Company, its cash flows, and liquidity position are described in the Financial Statements and related notes. In addition, note 16 to the Financial Statements includes the policies and processes for managing its capital, its financial risk management, details of its financial instruments and its exposure to credit risk and liquidity risk. The Directors consider the Company to have adequate resources to continue in operational existence for at least 12 months from the date of signing up to 31 December 2024.

As such, they have adopted the going concern basis in preparing the Financial Statements.

3. Use of estimates and judgements

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant judgements, estimates and assumptions included in these Financial Statements.

4. New and revised standard and interpretations

New and revised IFRSs in issue but not yet effective

A number of new standards, amendments to standards and interpretations are effective for the annual periods beginning on or after 1 January 2024. None of these are expected to have a material impact on the measurement of the amounts recognised in the financial statements of the Company

5. Accounting policies

The accounting policies used in the preparation of the Financial Statements have been consistently applied during the period ended 30 September 2023.

The principal accounting policies applied in the preparation of the Financial Statements are set out below.

(a) Income

Dividend income from shares is accounted for on the basis of ex-dividend dates. Overseas income is grossed up at the appropriate rate of tax.

Special dividends are assessed on their individual merits and may be credited to the Statement of Comprehensive Income as a capital item if considered to be closely linked to reconstructions of the investee company or other capital transactions.

All other investment income is credited to the Statement of Comprehensive Income as a revenue item within the "Revenue" column.

Interest on fixed income instruments is accounted on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Accounting policies (continued)

(b) Foreign currency

Transactions denominated in foreign currencies are translated into sterling at actual exchange rates as at the date of the transaction. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss to capital or revenue in the Statement of Comprehensive Income as appropriate. Foreign exchange movements on investments are included in the Statement of Comprehensive Income within "Net gains /(losses)".

(c) Reserves

Capital reserves

Profits achieved in cash by selling investments and changes in fair value arising upon the revaluation of investments that remain in the portfolio are all charged to the capital column of the Statement of Comprehensive Income and allocated to the capital reserve.

(d) Expenses

Operating expenses are the Company's costs incurred in connection with the on-going management of the Company's investments and administrative costs.

All expenses are accounted for on an accrual basis. Expenses are recognised through the Statement of Comprehensive Income as revenue items except those which are capital in nature, these include those which are incidental to the acquisition, disposal or enhancement of an investment, which are accounted for as capital items in the Statement of Comprehensive Income.

Performance fees

Performance fees, if any, are payable directly by reference to the capital performance of the Company and are therefore charged to the Statement of Comprehensive Income as a capital item. No other management fees are payable.

(e) Cash and cash equivalents

Cash comprises cash at hand and demand deposits. Cash equivalents, which include bank overdrafts, 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.

(f) Taxation

Irrecoverable taxation on dividends is recognised on an accrual basis in the Statement of Comprehensive Income.

The Company is approved as an Investment Trust Company (ITC) under sections 1158 and 1159 of the Corporation Taxes Act 2010 and Part 2 Chapter 1 Statutory Instrument 2011/2999 for accounting periods commencing on or after 25 May 2018.

The approval is subject to the Company continuing to meet the eligibility conditions of the Corporations Tax Act 2010 and the Statutory Instrument 2011/2999. The Company intends to ensure that it complies with the ITC regulations on an ongoing basis and regularly monitors the conditions required to maintain ITC status.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Accounting policies (continued)

Current tax is the expected tax payable on any taxable income for the period, using tax rates enacted or substantively enacted at the end of the relevant period. The current tax rate is 25%.

The tax charges on Indian capital gains are shown in the Statement of Comprehensive Income, recognised on an accrual basis. The Company is not subject to UK capital gains tax.

Deferred taxat on

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the statement of financial position liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Investment trusts which have approval as such under Section 1158 of the Corporation Tax Act 2010 are not liable for taxation on capital gains.

(g) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently stated at amortised cost less loss allowance which is determined using the simplified approach to measuring expected credit losses, the effect of which is considered immaterial.

(h) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently stated at amortised cost.

(i) Equity

Equity instruments issued by the Company are recorded at the amount of the proceeds received, net of directly attributable issue costs. Costs not directly attributable to the issue are immediately expensed in the Statement of Comprehensive Income.

(j) Investments

Upon initial recognition, investments are recognised at fair value through profit or loss. They are accounted for on the date they are traded and are included initially at fair value which is taken to be their cost. Subsequently investments held are valued at fair value.

Changes in the fair value of investments held at fair value through profit or loss and gains or losses on disposal are included in the capital column of the Statement of Comprehensive Income within "Net gain on investments held at fair value through profit and loss".

Investments are derecognised on the trade date of their disposal, which is the point where the Company transfers substantially all the risks and rewards of the ownership of the financial asset.

Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised under gains/(losses) on investments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Accounting policies (continued)

(k) Financial instruments

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of amortised cost or fair value through profit or loss.

(l) Financial assets

The Company's financial assets, other than cash and cash equivalents and trade and other receivables, are measured at fair value through profit or loss as they are held in business model whose performance is evaluated and assessed on a fair value basis.

Financial liabilities measured at amortised cost

This category includes all financial liabilities, including short-term payables.

Recognition and derecognition

Financial assets are recognised on trade date, the date on which the Company commits to purchase or sell an asset. A financial asset is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Impairment of financial assets

The Company holds trade receivables with no financing component, and which have maturities of less than 12 months at amortised cost and, as such has chosen to apply the simplified approach to measuring expected credit losses, as permitted by IFRS 9, which uses a lifetime expected loss allowance for all trade receivables.

(m) Dividends payable

Dividends are recognised when they become legally payable, as a reduction in equity in the Financial Statements. Interim equity dividends are recognised when paid.

6. Net gain on investments held at fair value through profit and loss

**For the period 15 March
2023 to 30 September
2023**

£

The net gains on investments held during the period comprise:

Revaluation of investment market values	1,182,285
Currency losses	(135,505)
Net capital gains	1,046,780

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Revenue

	For the period 15 March 2023 to 30 September 2023
	£
Dividends	164,976
Bank interest	27,637
Total revenue	192,613

8. Administrative and other expenses

	For the period 15 March 2023 to 30 September 2023
	£
Administration Fees	65,210
AIC Annual Subscription	1,802
AIFM Fee	6,757
Auditors Remuneration	35,135
Custodian Fees	8,018
Director's Fees	40,768
Director's Insurance	6,054
Legal and professional fees	24,324
LSE (London Stock Exchange) Fees	35,945
Regulatory Expenses	330
Other expenses	67,452
Tax Advice Fee	13,164
Trade charges	7,442
Total operating expenses	312,401

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Performance Fee Provision

The Investment Manager does not receive a fixed management fee in respect of its portfolio management services to the Company. The Investment Manager will become entitled to a performance fee subject to the Company delivering excess returns versus the MSCI Emerging Markets NR index. The performance fee will be measured over periods of three years (Performance Period), with the first period ending on 31 March 2026. Each subsequent performance period will run for a full 3-year period. The performance fee in any Performance Period shall be capped at 12% of the time weighted average adjusted net assets during the relevant Performance Period. The performance fee is calculated at a rate of 30% of the excess returns between adjusted NAV per share on the last day of the performance period and the MSCI Emerging Markets Net Total Return Index (in Sterling) over the performance period, adjusted for the weighted average number of Ordinary Shares in issue during the performance period.

The Performance Fee in respect of each Performance Period will be paid at the end of the three-year period. As at 30 September 2023, there was no provision for the performance fee liability to the Investment Manager.

The Company became liable to pay any performance fee following the investment of at least 70% of the initial net IPO proceeds, which occurred on 15 May 2023 as previously announced by the Company. From 15 May 2023 to 30 September 2023, no Alpha Fee has accrued as there was no outperformance over this period.

10. Taxation

The Company is recognised as an Investment Trust Company for accounting periods beginning on or after 15 March 2023 and is taxed at the main rate of 25%.

	30 September 2023
	£
a) Tax charge in profit or loss	
Indian Tax Charge	133,804
Withholding tax on dividends	20,172
b) Reconciliation of the tax charge for the period	
Profit before tax	926,992
Tax at UK main rate of 25%	231,748
Tax effect of:	
Fair value gains on investments not taxable	(261,695)
Unrecognised tax losses	29,947
Foreign tax	153,976
Tax charge for the period	153,976

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Taxation (continued)

Investment Trust Companies which have been approved by HM Revenue & Customs are exempt from UK corporation tax on their capital gains. Due to the Company's status as an approved Investment Trust Company, and the intention to continue meeting the conditions required to maintain that approval for the foreseeable future, the Company has not provided for deferred tax in respect of any gains or losses arising on the revaluation of its investments. Taxes are based on the UK Corporate tax rates which existed as of the balance sheet date which was 25%.

The Company has an unrecognised deferred UK Corporation tax asset of £29,947 based on the prospective UK corporation tax rate of 25%. This asset has accumulated because deductible expenses exceeded taxable income for the period ended 30 September 2023. No asset has been recognised in the accounts because, given the composition of the Company's portfolio, it is unlikely that this asset will be utilised in the foreseeable future.

The Company is liable to Indian capital gains tax under Section 115 AD of the Indian Income Tax Act 1961. A tax provision on Indian capital gains is calculated based on the long-term (securities held more than one year) or short-term (securities held less than one year) nature of the investments and the applicable tax rate at the period end. The short term tax rate is 15% and the long-term tax rate is 10%. A provision of £83,385 was raised at the end of the accounting period to account for this.

11. Investments held at fair value through profit or loss

	30 September 2023
	£
Investments held at fair value through profit or loss	29,490,772
Closing valuation	29,490,772

Under IFRS 13 'Fair Value Measurement', an entity is required to classify investments using a fair value hierarchy that reflects the significance of the inputs used in making the measurement decision.

The following shows the analysis of financial assets recognised at fair value based on:

Level 1

Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2

Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3

Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

The classification of the Company's investments held at fair value is detailed in the table below:

	As at 30 September 2023			
	Level 1	Level 2	Level 3	Total
Investments held at fair value through profit or loss – Quoted investments	29,490,772	-	-	29,490,772

There were no transfers between levels from incorporation on 15 March 2023 to 30 September 2023.

	30 September 2023
	£
Opening Balance	-
Add: purchases during the period	58,079,552
Less: Sales during the period	(29,635,560)
Total book cost	28,443,992
Total fair value movement through the profit or loss	1,046,780
Closing Balance	29,490,772

12. Cash and cash equivalents

	30 September 2023
	£
Cash in bank	1,573,414
Total cash and cash equivalents	1,573,414

13. Trade and other receivables

	30 September 2023
	£
Accrued income	12,829
Amount receivable for sale of securities	123,365
Management shares receivable	50,000
Prepaid expenses	20,117
Total receivables	206,311

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Trade and other payables

	30 September 2023
	£
Amount payable for purchase of securities	168,907
Expense Accruals	184,367
Forward exchange payable	105
IPO cost accrual payable	10,716
Total payables	364,095

15. Categories of financial instruments

	30 September 2023
	£
Financial assets	
<u>Financial assets at fair value through profit and loss:</u>	
Investments at fair value	29,490,772
<u>Financial assets at amortised cost:</u>	
Trade and other receivables	206,311
Cash at bank	1,573,414
Total financial assets	31,270,497
Financial liabilities	
<u>Financial liabilities at amortised cost:</u>	
Trade and other payables	364,095
Total financial liabilities	364,095

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Financial risk management

The Company is exposed to certain risks through the ordinary course of business and the Company's financial risk management objective is to minimise the effect of these risks. The management of risks is performed by the Directors of the Company and the exposure to each financial risk considered potentially material to the Company, how it arises and the policy for managing it is summarised below:

i) Credit risk

The Company is exposed to third-party credit risk in several instances and the possibility that counterparties with which the Company contracts may fail to perform their obligations in the manner anticipated.

Cash and other assets that are required to be held in custody will be held at bank. Cash and other assets may not be treated as segregated assets and will therefore not be segregated from the bank's own assets in the event of the insolvency of a custodian. Cash held with the bank will not be treated as client money subject to the rules of the FCA (Financial Conduct Authority) and may be used by the bank in the ordinary course of its own business. The Company will therefore be subject to the creditworthiness of the bank. In the event of the insolvency of the bank, the Company will rank as a general creditor in relation thereto and may not be able to recover such cash in full, or at all.

ii) Currency risk

The Company's operating results and cash flow are significantly affected by changes in the various currencies in which they trade in. Revenue is also received in a number of different currencies given their diverse market exposure. While the company has implemented strategies to manage the risks, there can be no assurance that these strategies will be successful or that foreign exchange fluctuations will not negatively impact the Company's financial performance and results of operations in a material manner.

Management of currency risks

The Company's Investment Manager monitors the currency risk of the Company's portfolio regularly. Foreign currency exposure is regularly reported to the Board by the Investment Manager.

The Board does not intend to use hedge currency risk using any sort of foreign currency transactions, forward transactions or derivative instruments.

iii) Liquidity risk

Liquidity risk is that the Company will not be able to meet its obligations when due.

Management of liquidity risks

Liquidity risk is managed as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding requirements if necessary. The Company therefore does not consider the liquidity risk to be significant. The liquidity of the portfolio is reviewed regularly by the Investment Manager and the Board.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Financial risk management (continued)

The following table reflects the maturity analysis of financial assets and liabilities:

	<1 year	1 to 2 years	2 to 5 years	>5 years	Total
	£	£	£	£	£
Financial assets					
Financial assets at amortised cost:					
Trade and other receivables	206,311	-	-	-	206,311
Cash	1,573,414	-	-	-	1,573,414
Total financial assets	1,779,725	-	-	-	1,779,725
Financial liabilities					
Financial liabilities at amortised cost:					
Capital gains tax provision	-	-	-	-	-
Trade and other payables	364,095	-	-	-	364,095
Total financial liabilities	364,095	-	-	-	364,095

iv) Market risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate adversely due to changes in market prices. Market risk reflects: (i) other price risks, and (ii) interest rate risk. The objective is to minimise market risk through managing and controlling these risks to acceptable parameters, while optimising returns. The Company may use financial instruments in the ordinary course of business to manage market risks.

Price risk and sensitivity

The Company's investments are susceptible to market price risk arising from uncertainties about the future values of the instruments.

Price risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. At 30 September 2023, if the market prices of the securities had been 10% higher with all other variables held constant, the increase in net assets attributable to Shareholders for the period would have been £2,949,077 higher due to the increase in the fair value of financial instruments. A 10% decrease would have the equal and opposite effect.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Financial risk management (continued)

v) Interest rate risk

Interest rate risk is the risk of changes in the interest expense for debt, or interest received on deposits, as measured in the currency of that debt, due to movements in market interest rates. The Company does not have any borrowings as at 30 September 2023.

vi) Capital risk management

The capital structure of the Company at period end consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and accumulated gains and losses. The Board continues to monitor the overall capital structure's balance to maintain investor and market confidence. The Company is not subject to any external capital requirements.

17. Share capital

	As at 30 September 2023	
	No. of shares	£
Ordinary shares of 1p each	30,532,279	305,323
Management shares	50,000	50,000
Total	30,582,279	355,323

On incorporation, 15 March 2023, the issued share capital of the Company was 1 ordinary share of 1 penny and 50,000 Management Shares of nominal value £1.00 each. On 3 May 2023, 30,532,278 ordinary shares were allotted and issued to Shareholders as part of the placing and offer for subscription in accordance with the Company's prospectus dated 18 April 2023. Following admission of the Company's Ordinary Shares to trading on the London Stock Exchange, the Directors applied to the Court to cancel the amount standing to the credit of the share premium account of the Company. On 12th September 2023, the share premium amount of £29,694,678 had been cancelled and credited to the Capital reduction reserve.

Reserves

The nature and purpose of each of the reserves included within the total equity of the Company as at 30 September 2023 are as follows:

- Share premium reserve: represents the surplus of the gross proceeds of share issues over the nominal value of the shares, net of the direct costs of equity issues and net of conversion amount.
- Capital reduction reserve: represents a distributable reserve created following a Court approved reduction in capital. This reserve is distributable and may be used, where the Board considers it appropriate, by the Company for the purpose of paying dividends to Shareholders.
- Revenue reserve: represents a distributable reserve of cumulative net gains and losses recognised in the Revenue account of the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Share capital (continued)

- Capital Reserves: represents a non-distributable reserve of cumulative net capital gains and losses recognised in the Statement of Comprehensive Income.

The only movements in these reserves during the period are disclosed in the statement of changes in equity.

18. Net Asset per share (basic and diluted)

Basic NAV per share is calculated by dividing the Company's net assets as shown in the statement of financial position that are attributable to the ordinary equity holders of the Company by the number of ordinary shares outstanding at the end of the period. As there are no dilutive instruments outstanding, basic and diluted NAV per share is identical.

	30 September 2023
	£
Net assets per Statement of Financial Position	30,823,017
Ordinary shares in issue as at 30 September 2023	30,532,279
Management shares in issue	50,000
NAV per share – Basic and diluted (Pence)	100.79

19. Related party transactions

There are no fees payable to the Investment Manager.

Since commencement of operations on 3 May 2023 fees have been payable at an annual rate of £35,000 to the Chairman, £30,000 to the Chair of the Audit Committee, and £27,500 to the other Director.

As at period end, there are no fees payable to the Investment Manager. Refer to Note 9 for detail on the Investment Manager's performance fee.

The Directors had the following shareholdings in the Company, all of which are beneficially owned.

Martin Shenfield	40,000 shares
Tanit Curry	20,000 shares
Howard Pearce	20,000 shares

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. Post balance sheet events

Subsequent to 30 September 2023 the Company issued the following new Ordinary Shares of one penny each pursuant to its block listing facility at a premium to the prevailing net asset value per Ordinary Share.

Date of issue	No. of shares issued	Price per Ordinary Share
5 October 2023	998,530	101.00 pence
21 November 2023	100,000	104.00 pence
23 November 2023	200,000	103.90 pence
30 November 2023	135,000	102.70 pence
1 December 2023	130,000	102.40 pence
5 December 2023	100,000	101.30 pence

Following the above issue of Ordinary Shares, the Company's issued share capital comprised 32,195,809 Ordinary Shares and this is the total number of Ordinary Shares with voting rights in the Company.

The Company operates a voluntary redemption facility through which Shareholders may request the redemption of all or part of their holding of redeemable ordinary shares of one penny each in the Company for cash on the last Business Day in December each year. As at 6 December 2023, the latest date for receipt of Redemption Requests, 14,014 shares were submitted for redemption.

ALTERNATIVE PERFORMANCE MEASURES (unaudited)

Ordinary share price to NAV discount (unaudited)

The amount, expressed as a percentage, by which the share price is less than the Net Asset Value per Ordinary Share.

As at 30 September 2023

NAV per share (a)	100.79
Share price (b)	100.00
Discount (unaudited) (a÷b)-1	0.79%

Share price/NAV total Return (unaudited)

A measure of performance that includes both income and capital returns. This takes into account capital gains and reinvestment of dividends paid out by the Company into the Ordinary Shares of the Company on the ex-dividend date.

Period from 3 May 2023 until 30 September 2023

	Share Price	NAV
Opening - 3 May 2023 (a)	100.00	98.26
Closing - 30 September 2023 (b)	100.00	100.79
Total Return (b÷a)-1	0.00%	2.60%