Castelnau
GROUP

Interim Report and Unaudited Condensed Consolidated Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

Castelnau Group

We strive to compound shareholders' capital at high rates of return.

Castelnau Group was formed by Phoenix Asset Management Partners Limited in 2020. The listed structure provides the manager with a permanent capital vehicle with which to make long-term investments and acquisitions of all structures and sizes.

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Our Mission

At Castelnau Group we strive to compound shareholders' capital at high rates of return. The higher the better.

We aim to do this by collecting businesses which possess a competitive advantage, at attractive prices.

Our structure helps us clear away short-term pressures that inhibit value creation and nurture rational long-term capital allocation frameworks in our holdings.

Strategic Report

Summary Information

The Group

Castelnau Group Limited (the "Company", "Castelnau" or "CGL") and its subsidiary (collectively, the "Group" or "Castelnau Group") is a Guernsey domiciled closed-ended investment company which was incorporated on 13 March 2020 under the Companies (Guernsey) Law, 2008. The Company is classified as a registered fund under the Protection of Investors (Bailiwick of Guernsey) Law, 2020. Its registered office address is PO Box 255, Les Banques, Trafalgar Court, St. Peter Port, Guernsey GY1 3QL. The Company's Ordinary Shares were admitted to trading on the London Stock Exchange's Specialist Fund Segment ("SFS") on 18 October 2021.

This Interim Report and Unaudited Condensed Consolidated Interim Financial Statements (the "Interim Financial Statements") comprise the financial statements of Castelnau Group Limited and Castelnau Group Services Limited (incorporated on 14 June 2022).

Investment Objective

The Group's investment objective is to compound Shareholders' capital at a higher rate of return than the FTSE All-Share Total Return Index over the long term.

Investment Policy

The Group will seek to achieve a high rate of compound return over the long term by carefully selecting investments using a thorough and objective research process and paying a price which provides a material margin of safety against permanent loss of capital, but also a favourable range of outcomes.

The Group will follow a high conviction investment strategy. The expertise and processes developed by the Investment Manager can be applied to all parts of the capital structure of a business, both private and publicly quoted. These positions could be represented by a minority stake, a control position combined with operational involvement, full ownership of a company, a joint venture, a loan or convertible instrument, a short position or any other instrument which allows the Group to access value.

The Group may select investments from all asset classes, geographies and all parts of the capital structure of a business. Both private and public markets are within the scope of the Group's investment policy. The constraints on the Investment Manager lie in the high standards, strict hurdles and diligent processes used to select investments. These constraints help to maximise returns by reducing mistakes, enforcing a margin of safety and only accepting investments with a favourable range of outcomes.

The Group expects to hold a concentrated portfolio of investments and the Group will not seek to reduce concentration risk through diversification. The opportunity set will dictate the number of holdings and the weighting of investments in the Portfolio. The investments with the best return profiles will receive the largest weightings. The Group will therefore have no set diversification policies.

The volatility of mark-to-market prices does not affect the investment process. It is likely that volatility in the market price of a listed investment will provide attractive entry or exit points and so investors should expect high volatility to sit alongside the high long-term compounding rates that the Group is aiming to achieve.

The constituents of local indices, the weightings of investments in these indices and the volatility of the indices relative to the Group will not affect investment decisions. It is anticipated that agnosticism towards local indices will help focus research efforts, decision making and ultimately investment performance.

The Group may invest directly or through special purpose vehicles if considered appropriate.

Shareholder Information

As at 30 June 2024, the number of Ordinary Shares in issue was 319,189,834 (31 December 2023: 318,635,256). For further details, see note 10 to the Interim Financial Statements. The existing clients of Phoenix Asset Management Partners Limited (the "Investment Manager", "Phoenix" or "PAMP") made up 69.9% of the issued shares and the investment from SPWOne III Limited, 7.8%.

Summary Information - continued

Results and Performance

The results for the period are set out in the Unaudited Condensed Consolidated Statement of Comprehensive Income.

The Group's profit before tax for the period amounted to £85,784,789 (30 June 2023: loss of £15,301,815).

The benchmark is the FTSE All-Share Index (total return). The Group's performance since PAMP was appointed is shown below:

	Period ended 30 June 2024 pence	Year ended 31 December 2023 pence	Change/ return %
NAV per Ordinary Share*	99.46	72.58	37.03
Ordinary Share price	77.00	75.50	1.99
Benchmark return			7.43

Source: Bloomberg, Phoenix Asset Management Partners Limited.

The Ongoing Charges ratio was as follows:

	Period ended 30 June 2024 %	Year ended 31 December 2023 %
Ongoing charges ratio*	0.50	0.59

* These are Alternative Performance Measures ("APMs")

Alternative Performance Measures ("APMs")

The disclosures of performance above are considered to represent the Group's APMs. An APM is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. Definitions of these APMs together with how these measures have been calculated can be found on page 46.

Discount/Premium to NAV

The discount/premium of the Ordinary Share price to NAV per Ordinary Share is closely monitored by the Board. The Ordinary Share price closed at a 22.58% discount to the NAV per Ordinary Share as at 30 June 2024 (31 December 2023: premium of 4.02%), albeit important to note that the market had not had the opportunity to react to the higher June NAV at 30 June 2024 which was published subsequently.

Fees

The Investment Management Agreement ("IMA") with Phoenix Asset Management Partners Limited ("PAMP") creates significant Shareholder alignment, as PAMP does not earn a management fee but earns a performance fee only, which is paid in shares, and not in cash.

The Company's performance is measured over consecutive periods of not less than three years (each a "Performance Period") and the performance fee is equal to one-third of the relative outperformance of the NAV Total return to the FTSE All-Share Total Return Index ("Benchmark") for each Performance Period. The first Performance Period will run from Initial Admission to 31 December 2024. During the period, the IMA was revised to reference the audited closing NAV rather than the average NAV in the fee calculation and to include a provision such that no performance fee is earned until the NAV per Ordinary Share is above the original NAV per Ordinary Share at Initial Public Offering ("IPO") (100p), adjusted for the performance of the Benchmark. Further details on the revisions of the IMA with respect to performance fees can be found in the Directors' Report on pages 21 to 22. No performance fees have been earned to date.

Dividend

No dividend is being issued for the period.

Chair's Statement

Performance Review

This report covers a six-month period from 1 January 2024 to 30 June 2024.

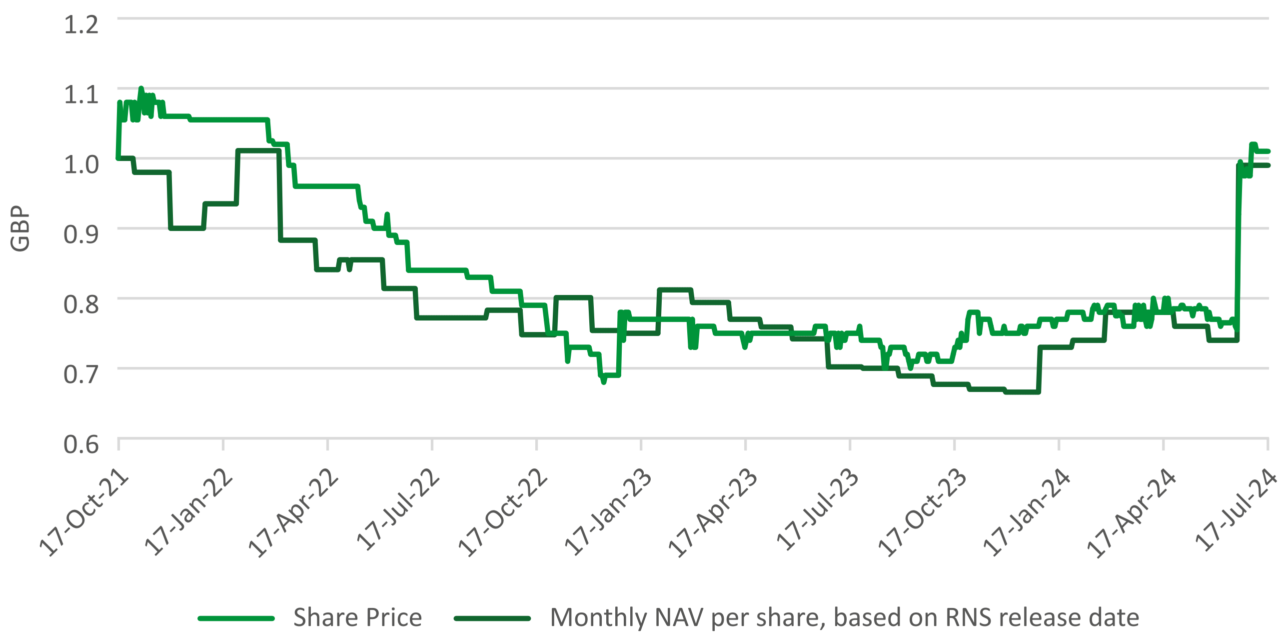
The total number of Ordinary Shares in the Company at the period end date was 319,189,834. This is a 0.2% increase compared to the previous reporting period (31 December 2023: 318,635,256) primarily driven by the 554,578 Ordinary Shares issued under the new blocklisting facility which became available on 16 May 2024. Additional information on the issuance of Ordinary Shares can be found in note 10 to the Interim Financial Statements.

The share price return was 2.0% and the NAV total return for the period was 37.0%, versus the benchmark FTSE All-Share Total Return Index of 7.4%, which equates to a 29.6% relative outperformance of the NAV. It should be noted that the 30 June NAV, which reflected the increase noted above, was notified to the market in July, and hence the uplift in the share price was reflected after the period end.

The main contributors to the NAV outperformance were Dignity Plc/Valderrama Limited ("Dignity/Valderrama") and Hornby Plc ("Hornby"). Dignity/Valderrama represents 83.6% of the portfolio and had a 45.7% increase. Hornby represents 4.8% of the portfolio and had a 25.0% increase. Additional commentary around the outperformance can be found in the Alternative Investment Fund Manager and Investment Manager's Report.

The CGL share price predominantly traded at a premium to NAV throughout the period. The Board, along with Panmure Liberum Capital Limited (the "Advisers") and the Investment Manager, monitor the share price and any corresponding premium or discount on an ongoing basis.

Castelnau Group Share Price & NAV per Ordinary Share



Past performance is not a reliable indicator of future performance.

Source: Bloomberg, Phoenix Asset Management Partners Limited

Outlook

As we reflect on the first half of 2024, Castelnau Group has seen significant leadership changes and structural adjustments across the portfolio, laying the groundwork for future stability and growth. The appointment of experienced leaders across our portfolio companies, such as Zillah Byng-Thorne as CEO at Dignity Plc ("Dignity") and experienced independent non-executives at Cambium International Ltd ("Cambium"), Hornby and Strand Collectibles Group Limited ("Strand Collectibles") is extremely encouraging, adding to the talent and experience in the Castelnau Group.

We were pleased to see the strong NAV growth during the period, primarily driven by the capital structure work that has been undertaken at Dignity. There has also been good progress at Ocula Technologies Holdings Ltd ("Ocula"), which grew revenues strongly and completed a fundraise post period end. However, the Group's diverse portfolio is showing varied progress with valuation reductions at Strand Collectibles, Cambium and Rawnet Limited ("Rawnet") during the period. Each of these businesses have required significant focus on their strategic direction, cost base and leadership (in the case of Strand Collectibles and Rawnet), and material changes have been made to right-size the businesses going forward.

Looking ahead to the second half of 2024, our focus will be on realising the benefits from recent leadership and structural changes, aiming for a more stable and predictable portfolio during 2025. While we are optimistic about the potential for value growth, particularly at Dignity and Hornby, we remain vigilant for any headwinds. Our commitment to transparency and open communication with shareholders remains steadfast as we navigate both opportunities and challenges in the coming months.

If you would like to get in touch directly with me, as the Chair of the Board; please email chair@castelnaugroup.com.

Joanne Peacegood
Chair

18 September 2024

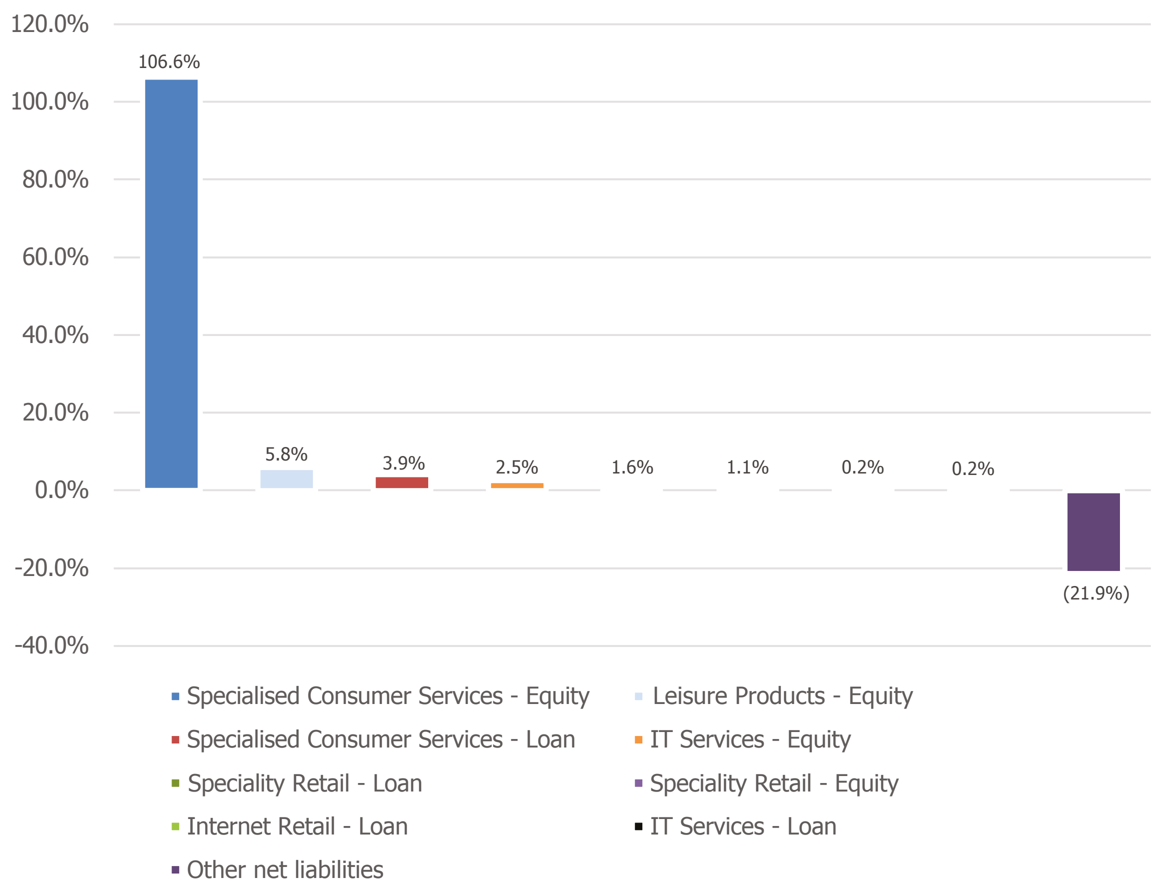
Holdings as at 30 June 2024

Company	Sector	Holdings	Cost	Valuation	% of net assets 30 Jun 2024	% of net assets 31 Dec 2023
Valderrama Ltd	Specialised Consumer Services - Equity	194,294,182	196,667,644	323,574,308	**101.9%**	96.0%
Hornby Plc	Leisure Products - Equity	92,406,448	39,061,617	18,481,290	**5.8%***	6.4%
Cambium International Ltd	Specialised Consumer Services - Loan	10,600,000	10,600,000	9,540,000	**3.0%**	3.1%
Cambium International Ltd	Specialised Consumer Services - Equity	19,370	22,679,471	8,015,017	**2.5%**	5.3%
Silverwood Brands Plc ("Silverwood")	Specialised Consumer Services - Equity	12,718,500	7,599,247	6,995,175	**2.2%***	1.1%
Ocula Technologies Holdings Ltd ("Ocula")	IT Services - Equity	9,326	700,367	5,360,000	**1.7%**	2.1%
Phoenix S.G. Ltd ("Strand Collectibles Group")	Speciality Retail - Loan	5,158,295	5,158,295	5,158,295	**1.6%**	1.1%
Phoenix S.G. Ltd	Speciality Retail - Equity	10,141	24,184,303	3,383,831	**1.1%**	4.5%
Rawnet Ltd ("Rawnet")	IT Services - Equity	284,173	5,500,001	2,434,000	**0.8%**	2.7%
Dignity Plc	Specialised Consumer Services - Loan	2,000,000	2,000,000	2,000,000	**0.6%**	N/A
Silverwood Brands Plc	Specialised Consumer Services - Loan	855,287	855,287	855,287	**0.3%***	1.9%
Rawnet Ltd	IT Services - Loan	1,072,255	1,072,255	513,845	**0.2%**	0.4%
Showpiece Technologies Ltd ("Showpiece")	Internet Retail - Loan	2,950,000	2,950,000	643,000	**0.2%**	0.3%
Showpiece Technologies Ltd	Internet Retail - Equity	8,000	8,000	—	**0.0%**	0.0%
Total holdings				**386,954,048**	**121.9%**	**124.9%**
Other net liabilities				(69,490,468)	(21.9%)	(24.9%)
Net assets				**317,463,580**	**100.0%**	**100.0%**

*As at 30 June 2024, Hornby Plc was a listed company and Silverwood Brands Plc, a listed company whose shares were temporarily suspended for the first quarter of the year, recommenced trading in April 2024. Further discussion on the suspension is found in the Alternative Investment Fund Manager and Investment Manager's Report. All other companies were unlisted companies. All companies are UK businesses.

Portfolio Analysis as at 30 June 2024

Sector	Percentage of Net Assets
Specialised Consumer Services - Equity	106.6%
Leisure Products - Equity	5.8%
Specialised Consumer Services - Loan	3.9%
IT Services - Equity	2.5%
Speciality Retail - Loan	1.6%
Speciality Retail - Equity	1.1%
Internet Retail - Loan	0.2%
IT Services - Loan	0.2%
Other net liabilities	(21.9%)
Total	**100.0%**



Refer to note 4 for additional disclosure on the valuation of the holdings.

The Alternative Investment Fund Manager ("AIFM") and Investment Manager's Report

The number of the Company's Ordinary Shares in issue has increased by 0.2%, primarily driven by shares issued under the new blocklisting facility. The NAV relative to the ASX index for the period was 29.6% and we were pleased to see the strong NAV growth during the period, primarily driven by the capital structure work that has been undertaken at Dignity.

Castelnau Group Track Record Performance	NAV return %	Share price total return** %	All-Share index** %	Relative NAV to ASX %
2024 (to 30 June)	37.0	2.0	7.4	29.6
2023	(3.3)	9.4	7.9	(11.2)
2022	(19.8)	(34.6)	0.3	(20.2)
2021*	(6.5)	5.5	2.5	(9.0)
Cumulative*	(0.5)	(23.0)	19.2	(19.8)

* From 18 October 2021.

** Share price return with dividends reinvested; All-Share index returns with dividends reinvested. Past performance is not a reliable indicator of future performance.

Source: Bloomberg, Phoenix Asset Management Partners Limited.

The table below reports the portfolio position and returns between 31 December 2023 and 30 June 2024:

Asset	Investment Value Table £ million 2024	2023	Investment Weight % 2024	2023	Investment Return % 2024
Dignity/Valderrama	323.6	222.1	83.6%	76.9%	45.7%
Hornby	18.5	14.8	4.8%	5.1%	25.0%
Cambium	8.0	12.2	2.1%	4.2%	(34.6%)
Silverwood	7.0	2.5	1.8%	0.9%	1.9%
Ocula	5.4	4.9	1.4%	1.7%	8.8%
Phoenix S.G	3.4	10.5	0.9%	3.6%	(67.8%)
Rawnet	2.4	6.2	0.6%	2.1%	(60.7%)
Showpiece	0.0	0.0	0.0%	0.0%	0.0%
Loans	18.7	15.6	3.7%	5.4%	N/A
Cash	0.1	0.1	0.0%	0.0%	N/A

Source: Phoenix Asset Management Partners Limited.

Performance

In performance terms, the outperformance was mainly driven by Dignity/Valderrama and Hornby. Dignity/Valderrama had a 45.7% increase and Hornby had a 25.0% price movement. Ocula was up 8.8% in the period. Partially offsetting this were movements in Cambium (down 34.6%), Strand Collectibles (down 67.8%), Rawnet (down 60.7%). Silverwood remained relatively unchanged.

Valderrama (Dignity Plc)

There has been a significant amount of change at Dignity during the first 6 months of 2024, both internally and in terms of the external environment.

A new CEO, Zillah Byng-Thorne, was appointed on 1 June 2024 and there have also been other senior management changes including Mike Seery's appointment as Dignity's new CTO, Zack Sullivan as

Managing Director of Funeral Plans and Steve Masters to lead the acceleration of property disposals.

From a wider market perspective, the death rate had been lower than expected at the start of the year, although this has started to normalise at the end of Q2.

The capital structure has been more leveraged than we initially intended, but during this period, we have made significant progress in reducing that leverage, primarily through the release of a £100 million surplus from the funeral plan trusts which has, after tax, allowed a repayment of £67 million of debt through a tender at a 3% discount, saving Dignity £1.6 million after fees and taxes. This is in addition to a £15.6 million repayment announced in May 2024. The debt repayments have significantly reduced the covenant hurdles to a level within which the business should be able to operate comfortably, and lowered the annual debt service by c.£9 million.

Dignity has been efficiently selling excess small freehold sites as a result of 67 branch closures between 2023 and June 2024, with a further 60 closed by the end of August 2024. This is a lower level than originally anticipated and reflects management's view that funeral branches that are break-even or even marginally loss-making are better to be kept open with attention being given to driving performance improvement – we are still seeing the financial benefit from closing the more materially loss-making branches. Dignity has been efficiently selling excess freehold sites and our expectations in terms of what will be received this year have increased. This has been a significant exercise which, if achieved, would see Dignity having disposed of more than 150 properties – a mix of both residential and trading premises.

These steps have necessitated a change in the valuation of the Dignity holding in Castelnau. This was reflected in the Castelnau NAV released on 4 July 2024, which had risen by c.35%. The valuation reflects that even with a lower death rate, the business is on course for rising profitability this year, but it gives little to no recognition to the future value of a successful execution of the strategy.

Silverwood

Silverwood's shares remained suspended from the Aquis Growth Market for the first quarter of the year; however, we were pleased to see them recommence trading in April. The shares were suspended as Silverwood went through the process of unwinding the acquisition of its 19.8% holding in Lush, which required a complex legal process including a capital reduction and shareholder vote. Silverwood received strong shareholder support for the unwinding of the transaction during March 2024.

During Q1, Castelnau agreed to convert its £4.4 million unsecured loan into 8.1 million ordinary shares in Silverwood as well as retaining £0.9 million of unsecured loan. The conversion means that following the capital reduction, Castelnau's ongoing ownership of Silverwood Brands is 29.9%. At the same time as this conversion, Andrew Gerrie, Silverwood's CEO subscribed for c.1.9 million shares raising gross proceeds of £1 million for the company, as well as providing a £0.5 million convertible loan.

In the underlying brands, Nailberry continued its growth, attracting new customers and opening new sales channels resulting in an increase of over 22% in sales revenue and near 100% increase in net profit to over £1 million. Performance in Q1 2024 continued in line with expectations. Sonotas launched Nailberry in Japan in Q4 2023, focused on pop-up events in premium locations such as Isetan department stores.

At Balmonds, while 2023 revenue fell 20% vs 2022, it still reflected a substantial uplift over 2021 and volatility in growth is expected with smaller brands. Investment in the brand continued through Q1 2024, with product development, new market launches and a well-received new look and packaging. A medical device license application has been made for Balmonds' Skin Salvation balm to allow more effective marketing.

Sonotas operates the SteamCream, Cigarro and Nailberry brands in Japan. SteamCream is moving away from owned retail to direct-to-consumer digital sales and this has impacted revenue. Sales have begun to improve and operating margins grew modestly in 2023. Cigarro's rapid growth slowed in 2023 with China supply chain issues affecting packaging sourcing; problems have since been resolved.

On 29 March 2024, Sonotas acquired the Japanese cosmetic OEM manufacturer Cosme Science and its subsidiary Dr. Baeltz. Started in 1984. Cosme provides formulation, production and distribution capabilities from a modern warehouse/production base of 6,700 sq. metres in Tokyo. The business has an IP catalogue of over 2,000 product formulae and employs over 100 full time equivalent staff including 6 research and development professionals.

Hornby Plc

Hornby released its annual results on 11 July 2024 for the period ended 31 March 2024, confirming group sales for the year of £56.2 million, marginally ahead of last year. Margins were behind due to higher tooling amortisation – albeit there was some improvement of margins in the last 6 months of the financial year. There has been significant investment in people, with a new sales and marketing team, alongside adding research, data and loyalty capabilities.

Stock remains too high at £14.6 million but it has reduced by £3 million since Hornby's half-year results. This remains one of the key areas of management focus.

In February, Frasers Group took their holding in Hornby to 9.1%, and Mike Ashley signed a consultancy agreement (for no compensation) that will see him support Olly Raeburn, particularly in relation to systems, operations, logistics and, where relevant, broader matters of strategy. Hornby's share price benefited from a significant uplift from this announcement, although this reduced somewhat in Q2. We are extremely excited about the potential for this relationship, and the impact Frasers' expertise in these areas of collaboration could have on Hornby.

Hornby acquired the assets and intellectual property of Corgi Model Club ("CMC") in March. CMC generates c.£2 million of revenue at 15% operating margin, and the deal was structured in a way to be broadly 'cash neutral' to Hornby. Future earnouts are based on delivery of profits in CMC and Corgi. Part of the CMC deal saw Guy Stainthorpe joining Hornby to be their Corgi brand Managing Director, and a brand Managing Director of Pocher has also been hired delivering on plans for the new management team structure initiated at the business at the end of 2023.

Digital sales continued to show solid growth, with digital revenue increasing by 18% and traffic to all sites increasing by 15% to just over 10 million visits. One of the deliberate changes in strategy across the year was to shift the focus of marketing and merchandising towards increasing in-stock orders (i.e. transactions for products that were immediately available) and relying less on advanced pre-orders. The result was a 38% uplift in in-stock orders and a 22% reduction in pre-order cancellations.

The company's 12 month focus can be summarised as:

Inventory Management: The current inventory position is still too high. Where outlets for excess stock can be found which do not damage value or future potential, they will continue to be used and future buying decisions will be firmly rooted in performance analysis and customer understanding, mitigating the likelihood of repeating or sustaining this over-stocked scenario.

Pricing and Subject Matter: The company is adopting a new approach to driving growth through testing and learning, based on customer and market insight, with pricing and approach to entry level products being reviewed across the brands. The business will develop strategies to acquire new customers that help build the brands into the future while continuing to serve the very loyal base of existing customers effectively.

Capital Allocation: Getting capital allocation right for investment in growth, strategic investments and approach to capex is critical to the company's strategy.

The journey to profitability: The overall financial results for the year are a long way from the desired outcomes for the business, but a turnaround of this nature requires investment and takes time. There has been very promising progress in many areas and the change in trajectory in the second half of the year gives early indications that the investments in people, processes and product are starting to make a positive impact. The commitment in the coming year is to get back towards profitability with a continued effort on delivering more of the revenue driving initiatives and a very clear focus on greater cost control, higher contribution and improved profitability.

Cambium

We were pleased that Richard Thompson has joined the Cambium board during this half year period as an independent non-executive director – Richard had a highly successful executive career, including being CEO of RWS Holdings Plc and CFO at Actix, he is currently an independent non-executive director at Languagewire.

In the core gift list business, registrations have been up 10% year on year, however, actual pledge revenue on product was down 9.1% year to date, as at end of May. This is due to a lower conversion rate which we believe is due to a number of reasons, including the current high cost of living, increased job insecurity, a preference to request more cash over product and the UK weather which is leading to more weddings abroad with guests paying for travel rather than gifts. Improving conversion is a key area of management focus.

A new version of the Rock My Wedding website launched in August 2024 and Cambium hopes that this will improve the customer funnel to its wedding brands. There are indications that conversion rates have bottomed out and are starting to improve.

A forensic 'unit economics' exercise was undertaken in Q4 2023, a key output of which is a path to profitability roadmap being agreed for implementation during 2024. This roadmap included productivity gains from automation and AI. The recent performance has led to management carrying out further cost cutting in Q2 which we expect to deliver £1.3 million of annual cost savings.

Little List has attracted many visitors who explore the site, register and create lists. However, many users end up making purchases elsewhere, resulting in lower than expected conversion rates, which are currently around 2%. It's still a relatively new concept in the UK versus being well established in the USA, and management is exploring the best strategies to improve conversion rates. Given the trend of practices like gender reveals, baby showers, and gifting becoming more common in the baby market, especially as trends often cross the Atlantic, there is significant potential for growth.

Rock My Wedding's business plan is evolving to offer suppliers three different pricing categories for being listed on their website. Additionally, they will continue to expand their venue listings without charging for the first year. The business is also now successfully writing articles that are getting high search engine optimisation ("SEO") content, thus higher Google positions organically.

Both Little List and Rock My Wedding are nascent businesses, but we feel with significant potential if we can get them right.

Strand Collectibles Group (formerly Stanley Gibbons)

Through the course of the first half of 2024, Strand Collectibles went through a period of extreme upheaval, working through a multi-jurisdictional administration process, the departure of the CEO and CFO. The business now has a new CFO, Jenni-Hughes Ward, and an interim CEO, Victoria Lajer, who has worked in the business for many years.

We are also pleased that Ian Griffiths joined the board as an independent non-executive director. Ian had an extremely successful executive career including being CFO of ITV Plc and Deputy CEO/CFO at Kantar. He is replacing Harry Wilson.

The Alternative Investment Fund Manager ("AIFM") and Investment Manager's Report - continued

The new management team are still evolving the business plan, but key areas of focus going forward include:

- Build out the Bullion business further.
- Drive multi-category auctions.
- Rebuild the dealing capability to some degree.
- Develop a digital, interactive catalogue and collecting capability.

Ocula Technologies

Ocula announced the successful conclusion of its Series A funding round on 22 July 2024, raising £3.25 million of investment led by Praetura Ventures, a UK based venture capital firm. This has been a particular area of focus for the management team during the first half of the year. Castelnau Group and Lloyds Banking Group also added to their existing investments. Ocula intend to use the investment to scale its sales and technology teams, as well as developing new and existing product teams.

We anticipate that this 24-month cash runway will be sufficient to support the company's next phase of growth.

Ocula is continuing to deliver on its growth trajectory for clients and annual recurring revenue ("ARR"). ARR has now hit £1.57 million with recent client wins including Oriflame, Princess Auto in Canada, Monoprix, The White Company, Bradfords, Coty, Lex Autolease and Tractor Supply.

The strong revenue growth is positive to see but is even more impressive given that it is being generated at the same time as the management team executing the Series A funding round. Ocula will continue to focus on winning new customers and sustaining its revenue growth.

Rawnet

Rawnet continues to work hard in what has been a tough market with client spending below expectations. The repositioning of the business towards strategy/UX work has taken place during Q2 to better place Rawnet for the demand it is seeing, however, it is expected that the company will make a loss this year. As part of the repositioning there has been a large cost cutting exercise leading to a reduction in headcount as well as practical changes, such as moving office, which is being implemented over the summer.

A new staff incentive scheme was introduced during Q2 to align the wider business with delivering profitability, and we continue to think about other mechanisms to further align Rawnet's performance to that of the Group.

In July 2024, the leadership of the business was changed, with Gyles Marshall and Sam Love becoming joint managing directors of the business. We hope to see a positive impact on the business from the reinvigorated leadership team.

Showpiece

Showpiece is a technology-driven company and very close to the Strand Collectibles team, operating out of their offices. During late 2023, the team migrated into the Strand Collectibles structure. Showpiece continues to present five existing assets on its platform: the Magenta 1c stamp, Charles Darwin Origin of Species 1st edition, Andy Warhol's Reigning Queens masterpiece, Edward VIII penny and Banksy Valentine's Day Mascara, albeit there is not currently any intention to add additional assets to the offering.

Phoenix Asset Management Partners Limited

18 September 2024

Governance

We intend to conduct ourselves at all times with integrity and fairness.

Board Members

Biographical details of the Directors are as follows:

Joanne Peacegood

Independent Chair

(aged 46)

Joanne has over 25 years of experience in the financial services/asset management sector. Joanne is a non-executive director with a portfolio of clients including Financial Services and Operating Businesses. Joanne's portfolio includes Listed, Private Equity, Debt, Utilities, Renewables, Hedge, Real Estate and Asset Managers. Prior to becoming a non-executive director, Joanne worked for PwC in the Channel Islands, UK and Canada and held leadership roles in Audit, Controls Assurance, Risk & Quality and Innovation & Technology.

Joanne is an FCA with the ICAEW, graduating with an honours degree in Accounting and holds the IOD Diploma. Joanne is the Deputy Chair of the Guernsey International Business Association and the immediate past Chair of the Guernsey Investment & Fund Association. Joanne resides in Guernsey.

Andrew Whittaker

Independent Non-Executive Director

(aged 51)

Andrew is an experienced director and currently sits on several investment manager and investment fund boards specialising in debt, venture, renewables and buyouts. Andrew has over 20 years of experience in the investment sector and the funds industry.

Andrew is currently the Managing Director of Aver Partners, having previously been Managing Director at Ipes (Barings/Apex) and preceding that, Managing Director at Capita (Sinclair Henderson/Link). He has held senior management roles at Moscow Narodny (VTB Capital), DML (Halliburton) and qualified whilst at Midland (HSBC/Montagu).

Andrew graduated from Cardiff University and Aix-Marseille Université. He is a Chartered Management Accountant and is a Member of the Chartered Institute for Securities and Investment (CISI). Andrew is currently Chair of the British Venture Capital Association (BVCA) Channel Islands Working Group and a member of the Association of Investment Companies' (AIC) Technical Committee. He is a previous Chair of the Guernsey Investment Fund Association (GIFA), Council member of Guernsey International Business Association (GIBA), member of the Association of Real Estate Funds (AREF) Regulatory Committee and of Invest Europe's (formally European Venture Capital Association's (EVCA)) Technical Group.

Joanna Duquemin Nicolle

Independent Non-Executive Director

(aged 54)

Joanna has over 30 years' experience working in the finance industry in Guernsey. Joanna is currently Chief Executive Officer of Elysium Fund Management Limited, having previously been a Director and the Company Secretary of Collins Stewart Fund Management Limited where she worked on, and led, numerous corporate finance assignments and stock exchange listings in addition to undertaking fund administration and company secretarial duties.

Joanna has extensive experience in the provision of best practice corporate governance and company secretarial services to a diverse range of companies traded on the AIM market of the London Stock Exchange, listed on the Main Market of the London Stock Exchange, Euronext and The International Stock Exchange. Joanna qualified as an associate of ICSA: The Chartered Governance Institute UK & Ireland in 1994 and was elected to Fellowship in May 2023.

David Stevenson

Non-Independent Non-Executive Director

(aged 58)

David Stevenson is a columnist for the Financial Times, Citywire and Money Week and author of a number of books on investment matters. He was the founding director of Rocket Science Group. Currently, he is a director of Aurora Investment Trust Plc, Secured Income Fund Plc, Gresham House Energy Storage Fund Plc, AltFi Limited and Workspace Group Limited, and a strategy consultant to a number of asset management firms and investment banks.

Richard Brown

Non-Independent Non-Executive Director

(aged 40)

As a former investment banker at Morgan Stanley, Richard has over 14 years of corporate finance experience. He has advised firms ranging from the largest FTSE 100 companies to private businesses, UK-focused as well as international. Richard has also played an instrumental part in numerous high-profile M&A and ECM transactions and has significant experience of acting more generally as a key boardroom adviser. He has previously worked at Peel Hunt and Barclays, having initially qualified as a chartered accountant at KPMG. Richard currently acts as a non-executive director on the board of Dignity Plc.

Directors' Report

The Directors are responsible for preparing the Interim Report and the Unaudited Condensed Consolidated Interim Financial Statements in accordance with applicable law and regulations. The Directors consider that the AIFM and Investment Manager's Report on pages 10 to 14 of this Interim Report and Unaudited Condensed Consolidated Interim Financial Statements provide details of the important events which have occurred during the period and their impact on the financial statements. The following statement on the Principal Risks and Uncertainties, the Related Party Transactions, the Statement of Directors' Responsibilities and the AIFM and Investment Manager's Report together constitute the Directors' Report of the Group for the six months ended 30 June 2024. The outlook for the Group for the remaining six months of the year ending 31 December 2024 is discussed in the AIFM and Investment Manager's Report. Details of the investments held at the period end and the structure of the portfolio at the period end are provided on pages 8 to 9.

Principal Risks and Uncertainties

The principal risks faced by the Group, together with the approach taken by the Board towards them, have been summarised below.

Valuation of investments

Some of the Group's investments will include securities and other interests that are very thinly traded, for which no market exists or which are restricted as to their transferability under applicable laws and/or the relevant investment documentation. Whilst the valuations of the Group's investments will be in compliance with IFRS, some of the Group's investments will be difficult to value. Such valuations may be conducted on an infrequent basis, and are subject to a range of uncertainties. The risks associated with valuation of investments are managed by the Investment Manager and reviewed by the Board. The Board considered the valuation of the investments held by the Group as at 30 June 2024 to be reasonable based on information provided by the Investment Manager, underlying portfolio companies, AIFM, Administrator, Custodian and Depositary on their processes for the valuation of these investments, which were validated by an independent third party.

The Board reviewed the valuation policy and PAMP has agreed the valuation process/techniques with the Board around private asset investments. There has been no change to the valuation policy and the process remains the same which has also been confirmed with the Board. The Board is satisfied with the approach and the valuation policy and processes.

The Board receives the monthly NAV as well as quarterly detailed updates on the portfolio which include changes to the valuations. The Board is updated when there is/or potential to be significant changes in valuation. As part of the annual audit process and the Board signing off on the annual financial statements, the Board receives the valuation packs and also the third-party (Kroll) reports. The Board scrutinises the valuations/reports and ensures they are satisfied prior to sign off.

The Board also asks questions regularly (including during quarterly Board meetings, or ad hoc meetings) to understand performance and the impact on valuation and receives regular presentations from the portfolio executives. The Board has access to detailed valuation reports as and when requested.

Market risk

As a result of investments in publicly traded portfolio companies with a total value of £18,481,290 (31 December 2023: £14,785,032), the Group will be exposed to equity securities price risk. The market value of the Group's holdings in publicly traded portfolio companies could be affected by a number of factors, including, but not limited to: a change in sentiment in the market regarding such companies; the market's appetite for specific business sectors; and the financial or operational performance of the publicly traded portfolio companies which may be driven by, amongst other things, the cyclicality of some of the sectors in which some or all of the publicly traded portfolio companies operate. Equity prices and returns from investing in equity markets are sensitive to various factors, including but not limited to: expectations of future dividends and profits; economic growth; exchange rates; interest rates; and inflation.

The value of any investment in equity markets is therefore volatile and it is possible, even when an investment has been held for a long time, that an investor may not get back the sum invested. Any adverse effect on the value of any equities in which the Group invests from time to time could have a material adverse effect on the Group's financial condition, business, prospects and results of operations and, consequently, the Net Asset Value and/or the market price of the Ordinary Shares.

The Board receives updates on the Group's investment performance at quarterly Board meetings, or more frequently as required, and challenges the Investment Manager on investment performance, stock selection, and portfolio composition.

Liquidity risk

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. Investments made by the Group may be illiquid and this may result in delays/shortfall of expected cash flows to the Group.

Investments in private assets (including private portfolio companies) are highly illiquid and have no public market. There may not be a secondary market for interests in private assets. Such illiquidity may affect the Group's ability to vary its portfolio or dispose of, or liquidate part of, its portfolio, in a timely fashion (or at all) and at satisfactory prices in response to changes in economic or other conditions.

If the Group is required to dispose of or liquidate an investment on unsatisfactory terms, it may realise less than the value at which the investment was previously recorded, which could result in a decrease in Net Asset Value.

The performance of investments in private assets can also be volatile because those assets may have limited product lines, markets or financial reserves, or be more susceptible to major economic setbacks or downturns. Private assets may be exposed to a variety of business risks including, but not limited to: competition from larger, more established firms; advancement of incumbent services and technologies; and the resistance of the market towards new companies, services or technologies.

The crystallisation of any of these risks or a combination of these risks may have a material adverse effect on the development and value of a portfolio company and, consequently, on the portfolio and the Group's financial condition, results of operations and prospects, with a consequential adverse effect on the Net Asset Value and/or the market price of the Ordinary Shares.

Furthermore, repeated failures by portfolio companies to achieve success may adversely affect the reputation of the Group or Investment Manager, which may make it more challenging for the Group and the Investment Manager to identify and exploit new opportunities and for other portfolio companies to raise additional capital, which may therefore have a material adverse effect on the portfolio and the Group's financial condition, results of operations and prospects, with a consequential adverse effect on the Net Asset Value and/or the market price of the Ordinary Shares.

The Board and Investment Manager review liquidity needs (including operational costs, and loan repayments), quarterly or more frequently as required, relative to the value and liquidity of the Group's assets and the Group's portfolio income. The majority of the expected liquidity requirements are known (for example operational costs) while others are at the discretion of the Group (for example, share buybacks). The Board is satisfied that the Group's unexpected liquidity needs are not significant.

Credit risk

Counterparties such as financial institutions may not meet their obligations regarding foreign currency and cash balances. The Board ensures that counterparties have an acceptable long and short-term credit rating.

Concentration risk

The Group expects to hold a concentrated portfolio of investments and the Group will not seek to reduce concentration risk through diversification. The opportunity set will dictate the number of holdings and the weighting of investments in the portfolio. The investments with the best return profiles will receive the largest weightings. The Group will therefore have no set diversification policies.

Other Risks and Uncertainties

Cyber risk

The Board ensures they have a sufficient understanding of cyber risk to enable them to manage any potential unauthorised access into systems and identifying passwords or deleting data. The Board discusses cyber risks at the quarterly board meeting and also ensures they are continuing to keep themselves up to date on the risks through attending professional seminars on the topic, following good password practices and vigilance to any suspicious links or attachments. The Group is exposed to the cyber risks of its third-party service providers. The Audit Committee received the internal controls reports of the relevant service providers where available, and was able to satisfy itself that adequate controls and procedures were in place to limit the impact to the Group's operations.

Operational risk

The Group is exposed to the operational risks of its third-party service providers and considered the risk and consequences in the event that these systems failed during the period. The Investment Manager, Registrar, Depositary, Administrator and Company Secretary each have comprehensive business continuity plans which facilitate continued operation of the business in the event of a service disruption or major disruption. The Audit Committee received the internal controls reports of the relevant service providers where available, and was able to satisfy itself that adequate controls and procedures were in place to limit the impact to the Group's operations, particularly with regard to a financial loss. The performance of service providers is reviewed annually via its Remuneration and Management Engagement Committee. Each service provider's contract defines the duties and responsibilities of each and has safeguards in place including provisions for the termination of each agreement in the event of a breach or under certain circumstances. Each agreement also allows for the Board to terminate subject to a stated notice period. During the year ended 31 December 2023, the Board undertook a thorough review of each service provider and agreed that their continued appointment remained appropriate and in the Group's long-term interest. The Board's next review will be at the Management Engagement Committee meeting on 3 December 2024.

Regulatory risk

Poor governance, compliance or administration, including particularly the risk of loss of investment trust status and the impact this may have on the Group were considered by the Board. Having been provided with assurance from each of the key service providers during the year ended 31 December 2023, the Board was satisfied that no such breach had occurred. The Board's next review will be at the Management Engagement Committee meeting on 3 December 2024.

Geopolitical risk

Ongoing global conflicts and tensions continue to be risks to the global economy with potential to increase volatility in financial markets and alter economic and investment landscapes.

Environmental, Social and Governance ("ESG") matters

The Board recognises the importance of ESG factors in the investment management industry and the wider economy as a whole. It is the view of the Board that direct environmental and social impact of the Group is limited and that ESG considerations are most applicable in respect of the asset allocation decisions made for its portfolio.

The Group has appointed the Investment Manager to advise it in relation to all aspects relevant to the Investment Portfolio. The Investment Manager has a formal ESG framework which incorporates ESG factors into its investment process. The Board receives regular updates from the Investment Manager on its ESG processes and assesses their suitability for the Group. ESG factors are assessed by the Investment Manager for every transaction as part of their investment process. Climate risks are incorporated in the ESG analysis under environmental factors.

The Group has entered into contractual arrangements with a network of third parties (the "Service Providers") who provide services to it. The Board, through the Management Engagement Committee, undertakes annual due diligence on, and ongoing monitoring of, all such Service Providers including obtaining a confirmation that each such Service Provider complies with relevant laws regulations and good practice and has ESG policies in place.

Related Party Transactions

The Group's Investment Manager is Phoenix Asset Management Partners Limited, ("Phoenix" or "PAMP" or the "Investment Manager"). PAMP is considered a related party in accordance with the Listing Rules. The Investment Manager will not receive a management fee in respect of its portfolio management services to the Group. The Investment Manager will become entitled to a performance fee subject to meeting certain performance thresholds. Details of the investment management arrangements are shown on page 41.

The members of the Board are also considered related parties. Further details of the Board's remuneration and shareholdings can be found on pages 42 to 43.

Castelnau Group Services Limited

Castelnau Group Services Limited ("CGSL"), the 100% subsidiary of the Castelnau Group, retained the services of an average of five staff during the 6-month period to 30 June 2024, all deployed to portfolio companies or to PAMP. During the previous year, one member of staff transitioned to a permanent role in a portfolio company, as this was more suited to the role, however we expect this member of staff to return to CGSL in October 2024.

Review of Performance Fee Arrangements

As shareholders will be aware, the Investment Manager does not charge a management fee to the Company and is instead incentivised solely via a performance-based fee arrangement. In summary, the performance fee arrangement is measured over consecutive periods of not less than three years with first period commencing on the Company's IPO on 18 October 2021 and ending on 31 December 2024. The performance fee payable is one third of the outperformance of the Net Asset Value total return after adjustment for inflows and outflows, over the FTSE All-Share Total Return Index (the "Benchmark") with, subject to certain regulatory considerations, the performance fee being satisfied through the issuance of new Ordinary Shares.

The Directors consider that the performance fee, measured over a three-year period and receivable in shares, remains a significant point of alignment between the Company, its shareholders and the Investment Manager; however, during the period, the performance fee arrangement was reviewed to ensure this alignment is equitable to all parties. Pursuant to the terms of the Investment Management Agreement ("IMA") prior to the review, the performance fee was to be paid based on the outperformance over the Benchmark, calculated by reference to the average adjusted net assets of the Company over each performance period. The averaging of the net asset value over the performance period does not fully take into account the outperformance that has been delivered by the Investment Manager and principally for this reason, it was proposed that a limited number of adjustments would be made to the IMA, with the Group entering into a revised agreement. This revised agreement took effect from 31 May 2024, and the revisions are summarised below:

- The fee will remain as one third of the outperformance over the Benchmark, however, the fee will be calculated by reference to the audited closing net asset value ("Closing NAV") rather than the average net asset value, and will be compared to the 'Benchmark NAV'.
- The Closing NAV is the reported audited net asset value of the Company at the period end, excluding any accrued performance fees. This will be compared to the Benchmark NAV, which is the Company's opening audited NAV for the performance period to which the Benchmark return is applied. The Benchmark NAV will also be adjusted for the impact of inflows and outflows to the share capital of the Company, to ensure that

both the Closing NAV and Benchmark NAV reflect performance adjusted for the impact of these events.

- In addition, the revised fee arrangement will include a provision such that no performance fee would be earned until the net asset value ("NAV") per Ordinary Share is above the original NAV per Ordinary Share at IPO (100p), adjusted for the performance of the Benchmark.
- The fee will continue to be paid in new Ordinary Shares.

For avoidance of doubt, no performance fee for the period to 31 December 2024 would currently be payable under either the original or revised performance fee calculation. In addition, no additional changes to the IMA (other than in respect of the performance fee) were made.

Going Concern

The Directors having considered the Group's investment objective (as detailed on page 3), financial risk management strategies, and principal risks are confident the Group remains a going concern. Additionally, the Directors have taken into account the Group's access to potential additional funding from the Phoenix UK fund, the liquidity of its investments, and the income generated from these investments. Based on this review, the Directors believe the Group has sufficient financial resources and effective management arrangements to continue its operations and meet its obligations as they come due for at least twelve months from the date of approval of the Unaudited Condensed Consolidated Interim Financial Statements.

Joanne Peacegood
Director

Andrew Whittaker
Director

Statement of Directors' Responsibilities

The Directors confirm that to the best of their knowledge:

- These Interim Financial Statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" and give a true and fair view of the assets, liabilities, equity and profit or loss of the Group as required by the UK Listing Authority's Disclosure and Transparency Rule ("DTR") 4.2.4R.
- The Interim Management Report includes a fair review of the information required by:
  - (a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority, being an indication of important events that have occurred during the period from 1 January 2024 to 30 June 2024 and their impact on the Interim Financial Statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - (b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority, being related party transactions that have taken place during the period from 1 January 2024 to 30 June 2024 and that have materially affected the financial position or performance of the Group during that period as included in note 14 and any changes in the related party transactions described in the Annual Report and Audited Consolidated Financial Statements for the year ended 31 December 2023 that could do so.

By order of the Board,

Joanne Peacegood	**Andrew Whittaker**
Director	Director

18 September 2024

Financial Statements

Unaudited Condensed Consolidated Statement of Comprehensive Income

For the period from 1 January 2024 to 30 June 2024

	Notes	For the period from 1 January 2024 to 30 June 2024 Total (Unaudited) GBP	For the period from 1 January 2023 to 30 June 2023 Total (Unaudited) GBP	For the year ended 31 December 2023 Total (Audited) GBP
Income		894,428	966,768	1,992,093
Expenses	6	(1,199,456)	(2,702,113)	(3,924,089)
		(305,028)	**(1,735,345)**	**(1,931,996)**
Finance costs	14	(3,712,466)	(6,739,310)	(10,710,140)
Impairment of financial assets at amortised cost		–	(1,985,000)	–
Movement in expected credit loss provision		(806,432)	–	(3,118,978)
Net gains on foreign currency		–	171	171
Net gains/(losses) on financial assets at fair value through profit or loss	4	90,608,715	(4,842,331)	7,988,621
Profit/(loss) before tax		**85,784,789**	**(15,301,815)**	**(7,772,322)**
Tax expense		–	–	(3,081)
Total comprehensive income/(loss) for the period/year		**85,784,789**	**(15,301,815)**	**(7,775,403)**
		Pence	Pence	Pence
Earnings/(loss) per Ordinary Share – Basic and diluted	11	26.91	(6.67)	(2.83)

All items in the above statement derive from continuing operations. All revenue is attributable to the equity holders of the Group.

The accompanying notes on pages 29 to 45 form an integral part of these Interim Financial Statements.

Unaudited Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	30 June 2024 (Unaudited) GBP	30 June 2023 (Unaudited) GBP	31 December 2023 (Audited) GBP
NON-CURRENT ASSETS				
Investments - equity	4	368,243,621	258,177,754	273,134,906
Investments - loans	4	8,013,582	11,188,008	8,269,277
Interest receivable - loans		53,075	–	795,616
Office equipment		1,819	1,170	1,819
		376,312,097	**269,366,932**	**282,201,618**
CURRENT ASSETS				
Investments - loans	4	10,696,845	–	7,350,000
Trade and other receivables	7	602,432	584,909	261,233
Cash and cash equivalents		50,876	8,926,543	130,954
		11,350,153	**9,511,452**	**7,742,187**
TOTAL ASSETS		**387,662,250**	**278,878,384**	**289,943,805**
CURRENT LIABILITIES				
Earn-out liability	8	–	2,482,395	2,522,126
Loans payable	14	57,984,429	48,199,020	47,676,429
Finance costs payable	14	11,890,940	4,207,643	8,178,474
Other payables	9	323,301	269,560	314,989
		70,198,670	**55,158,618**	**58,692,018**
TOTAL LIABILITIES		**70,198,670**	**55,158,618**	**58,692,018**
NET ASSETS		**317,463,580**	**223,719,766**	**231,251,787**
EQUITY				
Share capital	10	285,538,255	285,105,642	285,111,251
Retained earnings/(deficit)		31,925,325	(61,385,876)	(53,859,464)
TOTAL EQUITY		**317,463,580**	**223,719,766**	**231,251,787**
Number of Ordinary Shares in issue	10	319,189,834	318,627,777	318,635,256
NAV per Ordinary Share (pence)	12	99.46	70.21	72.58

The Interim Financial Statements on pages 25 to 45 were approved and authorised for issue by the Board of Directors on 18 September 2024 and signed on its behalf by:

Joanne Peacegood
Director

Andrew Whittaker
Director

The accompanying notes on pages 29 to 45 form an integral part of these Interim Financial Statements.

Unaudited Condensed Consolidated Statement of Changes in Equity

For the period from 1 January 2024 to 30 June 2024

	Note	Share Capital GBP	Retained (Deficit)/ Earnings GBP	Total GBP
Opening equity		285,111,251	(53,859,464)	231,251,787
Profit for the period		–	85,784,789	85,784,789
Issue of new Ordinary Shares		427,004	–	427,004
Closing equity	10	285,538,255	31,925,325	317,463,580

For the period from 1 January 2023 to 30 June 2023 (Unaudited)

	Note	Share Capital GBP	Retained Deficit GBP	Total GBP
Opening equity		184,116,761	(46,084,061)	138,032,700
Loss for the period		–	(15,301,815)	(15,301,815)
Issue of new Ordinary Shares		100,988,881	–	100,988,881
Closing equity	10	285,105,642	(61,385,876)	223,719,766

For the year ended 31 December 2023 (Audited)

	Note	Share Capital GBP	Retained Deficit GBP	Total GBP
Opening equity		184,116,761	(46,084,061)	138,032,700
Loss for the year		–	(7,775,403)	(7,775,403)
Issue of new Ordinary Shares		100,994,490	–	100,994,490
Closing equity	10	285,111,251	(53,859,464)	231,251,787

The accompanying notes on pages 29 to 45 form an integral part of these Interim Financial Statements.

Unaudited Condensed Consolidated Statement of Cash Flows

For the period from 1 January 2024 to 30 June 2024

	Notes	For the period from 1 January 2024 to 30 June 2024 (Unaudited) GBP	For the period from 1 January 2023 to 30 June 2023 (Unaudited) GBP	Year to 31 December 2023 (Audited) GBP
Operating activities				
Total comprehensive income/(loss) for the period/year		85,784,789	(15,301,815)	(7,775,403)
Impairment of financial assets at amortised cost		–	1,985,000	–
Movement in expected credit losses	4	806,432	–	3,118,978
Net (gains)/losses on financial assets at fair value through profit or loss		(90,608,715)	4,842,331	(7,988,621)
Net gains on foreign currency		–	(171)	(171)
Finance costs*	14	3,712,466	6,739,310	10,710,140
Depreciation of office equipment		–	–	598
(Increase)/decrease in trade and other receivables	7	(341,199)	(227,807)	95,869
(Decrease)/increase in provisions	8	(2,522,126)	135,747	175,478
Increase/(decrease) in payables	9	8,312	(6,297)	39,132
Decrease/(increase) in interest receivable - loans		742,541	–	(795,616)
Net cash used in operating activities		**(2,417,500)**	**(1,833,702)**	**(2,419,616)**
Investing activities				
Purchases of equity and bonds		(100,000)	(200,071,666)	(140,961,546)
Loans issued	4	(8,297,582)	(4,920,000)	(10,486,000)
Sale/maturity of equity and bonds	4	–	59,736,320	–
Cash received from repayment of loans		–	1,707,624	208,377
Purchase of office equipment		–	(1,170)	(2,417)
Net cash used in investing activities		**(8,397,582)**	**(143,548,892)**	**(151,241,586)**
Financing activities				
Issue of Ordinary Shares	10	427,004	100,988,881	100,994,490
Finance costs paid*	14	–	(2,531,667)	(2,531,666)
Proceeds from loans received	14	10,308,000	85,301,968	89,217,968
Repayment of loans received	14	–	(37,102,948)	(41,541,539)
Net cash flow from financing activities		**10,735,004**	**146,656,234**	**146,139,253**
(Decrease)/increase in cash and cash equivalents		**(80,078)**	**1,273,640**	**(7,521,949)**
Cash and cash equivalents at beginning of period/year		130,954	7,652,732	7,652,732
Exchange gain on cash and cash equivalents		–	171	171
Cash and cash equivalents at end of period/year		**50,876**	**8,926,543**	**130,954**

*The 30 June 2023 amounts have been presented to conform with the current year presentation of separate disclosure for finance costs charged during the period of £6,739,310 as disclosed in the Unaudited Condensed Statement of Comprehensive Income and actual finance costs paid during the period of £2,531,667. The finance costs were previously shown as a net amount of £4,207,643 under 'Increase in finance costs payable'.

The change in presentation was done so as to provide comparable information.

The accompanying notes on pages 29 to 45 form an integral part of these Interim Financial Statements.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

1. General information

Castelnau Group Limited (the "Company") is a Guernsey domiciled closed-ended investment company which was incorporated in Guernsey on 13 March 2020 under the Companies (Guernsey) Law, 2008. The Company is classified as a registered fund under the Protection of Investors (Bailiwick of Guernsey) Law 2020. Its registered office address is PO Box 255, Les Banques, Trafalgar Court, St. Peter Port, Guernsey GY1 3QL. The Company's Ordinary Shares were admitted to trading on the London Stock Exchange's Specialist Fund Segment ("SFS") on 18 October 2021.

These Unaudited Condensed Consolidated Interim Financial Statements (the "Interim Financial Statements") comprise the financial statements of Castelnau Group Limited and Castelnau Group Services Limited (the "Subsidiary") (incorporated on 14 June 2022), together referred to as the "Group".

The Group's principal activity is to seek to achieve a high rate of compound return over the long term by carefully selecting investments using a thorough and objective research process and paying a price which provides a material margin of safety against permanent loss of capital, but also a favourable range of outcomes.

Details of the Directors, Investment Manager and Advisers can be found on page 47.

The Interim Financial Statements of the Group are presented for the six months ended 30 June 2024 and were authorised for issue by the Board on 18 September 2024.

2. Material accounting policies

a. Statement of compliance

The Interim Financial Statements of the Company for the period 1 January 2024 to 30 June 2024 have been prepared in accordance with IAS 34, "Interim Financial Reporting", together with applicable legal and regulatory requirements of the Companies (Guernsey) Law, 2008 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority. The Interim Financial Statements do not include all the information and disclosure required in the annual financial statements and should be read in conjunction with the Annual Report and Audited Consolidated Financial Statements for the year ended 31 December 2023, which were prepared in accordance with International Financial Reporting Standards as issued by the IASB ("IFRS") and which received an unqualified audit report.

These Interim Financial Statements are presented in Sterling ("GBP" or "£"), which is also the Group's functional currency.

There are no accounting pronouncements which have become effective from 1 January 2024 that have a significant impact on the Group's Interim Financial Statements.

b. Basis of preparation

The Interim Financial Statements have been prepared under the historical cost basis, except for financial assets held at fair value through profit or loss ("FVTPL"). The principal accounting policies adopted in the preparation of these Interim Financial Statements are consistent with the accounting policies stated in notes 2 and 3 of the Audited Consolidated Financial Statements for the year ended 31 December 2023. The preparation of these Interim Financial Statements is in conformity with IAS 34, "Interim Financial Reporting", and requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Interim Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could materially differ from those estimates.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements – continued

c. New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the Interim Financial Statements are consistent with those followed in the preparation of the Group's Audited Consolidated Financial Statements for the year ended 31 December 2023, which were prepared in accordance with IFRS. There has been no early adoption, by the Group, of any other standard, interpretation or amendment that has been issued but is not yet effective.

d. Basis of consolidation

The Group's Interim Financial Statements consolidate those of the parent company and its subsidiary as of 30 June 2024. The annual reporting date for the Group is 31 December.

A subsidiary is an entity over which the Company exercises control. A subsidiary is fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of the Subsidiary have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of the Subsidiary is recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The main purpose and activities of the Subsidiary are providing services that relate to the Group's investment activities and therefore the entity is required to consolidate the Subsidiary.

Set out below are the details of the Subsidiary held directly by the Company:

Name of Subsidiary	Date of acquisition	Domicile	Ownership
Castelnau Group Services Limited "CGSL"	14 June 2022	United Kingdom	100%

Castelnau Group Limited acquired 50,000 ordinary shares in CGSL at a total cost of £50,000. No goodwill, bargain purchase or other gains were recognised on the acquisition of CGSL.

As at 30 June 2024, the net asset value of CGSL is negative £106,123 (31 December 2023: positive £72,183) which is made up of assets of £64,875 and liabilities of £170,998 (31 December 2023: assets of £257,466 and liabilities of £185,283).

The objective of CGSL is to provide skilled services to the Group's portfolio companies. Additional background information can be found in the Directors' Report on page 21.

3. Judgements, estimations or assumptions

The assessment of the Group as an investment entity is consistent with that made in the Audited Financial Statements for the year ended 31 December 2023 and therefore the Company has classified its investments at fair value through profit or loss in the Statement of Financial Position, with the exception of the subsidiary. An investment entity is still required to consolidate a subsidiary where that subsidiary largely provides services that relate to the investment entity's activities. The Subsidiary is discussed in note 2d.

All other estimates and judgements made by the Board of Directors are consistent with those made in the Audited Financial Statements for the year ended 31 December 2023.

Going concern

The Directors having considered the Group's investment objective (as detailed on page 3), financial risk management strategies, and principal risks are confident the Group remains a going concern. Additionally, the Directors have taken into account the Group's access to potential additional funding from the Phoenix UK fund, the liquidity of its investments, and the income generated from these investments. Based on this review, the Directors believe the Group has sufficient financial resources and effective management arrangements to continue its operations and meet its obligations as they come due for at least twelve months from the date of approval of the Unaudited Condensed Consolidated Interim Financial Statements.

4. Investments in unconsolidated subsidiaries/associates

For the period ended 30 June 2024	FVTPL Equity (Unaudited) GBP	Amortised cost Loans (Unaudited) GBP	Total (Unaudited) GBP
INVESTMENTS			
Opening portfolio cost	291,883,601	18,738,255	310,621,856
Purchases at cost	4,500,000	8,297,582	12,797,582
Proceeds on maturity/principal repayment	–	(4,400,000)	(4,400,000)
Cost	**296,383,601**	**22,635,837**	**319,019,438**
Unrealised gains on investments	128,989,345	–	128,989,345
Unrealised losses on investments*	(57,129,325)	(3,925,410)	(61,054,735)
Fair value/carrying amount	**368,243,621**	**18,710,427**	**386,954,048**
Movement in unrealised gains on investments	98,608,724	–	98,608,724
Movement in unrealised losses on investments*	(8,000,009)	(806,432)	(8,806,441)
Net gains/(losses) on financial assets	**90,608,715**	**(806,432)**	**89,802,283**

* £3,925,410 of unrealised losses on financial assets at amortised cost represents expected credit losses on loan facilities with Showpiece Technologies Limited, Cambium International Limited and Rawnet Limited.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements – continued

For the year ended 31 December 2023	FVTPL Equity (Audited) GBP	Amortised cost Loans (Audited) GBP	Total (Audited) GBP
INVESTMENTS			
Opening portfolio cost	163,111,446	12,960,632	176,072,078
Purchases at cost	199,447,865	10,486,000	209,933,865
Proceeds on maturity/principal repayment	(56,986,319)	(1,708,377)	(58,694,696)
Realised losses on sale/maturity/write-off	(13,689,391)	(3,000,000)	(16,689,391)
Cost	**291,883,601**	**18,738,255**	**310,621,856**
Unrealised gains on investments	30,380,621	–	30,380,621
Unrealised losses on investments*	(49,129,316)	(3,118,978)	(52,248,294)
Fair value/carrying amount	**273,134,906**	**15,619,277**	**288,754,183**
Realised losses on sale/maturity/write-off	(13,689,391)	(3,000,000)	(16,689,391)
Movement in unrealised gains on investments	24,467,275	–	24,467,275
Movement in unrealised losses on investments*	(2,789,263)	(118,978)	(2,908,241)
Net gains/(losses) on financial assets	**7,988,621**	**(3,118,978)**	**4,869,643**

* £3,118,978 of unrealised losses on financial assets at amortised cost represents expected credit losses on loan facilities with Showpiece Technologies Limited, Cambium International Limited and Rawnet Limited.

Name of investee company	Date of acquisition	Domicile	Ownership
Rawnet Limited	12 February 2021	United Kingdom	100.00%
Showpiece Technologies Limited	12 November 2021	United Kingdom	80.00%
Hornby Plc	14 October 2021	United Kingdom	54.4%
Ocula Technologies Holdings Limited	22 January 2021	United Kingdom	49.3%
Silverwood Brands Plc	13 October 2022	United Kingdom	29.9%
Phoenix S.G. Limited	14 October 2021	Cayman Islands	64.1%
Cambium International Limited	14 October 2021	Cayman Islands	60.3%
Valderrama Limited	14 April 2023	Channel Islands	65.4%

Loans

The Group has a loan facility of £2,000,000 dated 5 June 2024 with Dignity Group Holdings Limited as borrower. The termination date is 31 December 2026. Interest shall accrue at 15% per annum.

The Group had a loan facility of £4,399,999 dated 13 October 2022 with Silverwood Brands Plc as borrower. The termination date was 12 April 2024. Interest was accrued at 15%. On 29 January 2024, the loan (excluding £855,287 accrued interest) was converted into equity in Silverwood at conversion price of 54 pence per Ordinary Share. The accrued interest of £855,287 still remains as an outstanding loan, in line with the original loan terms, accruing interest at 15%, with termination date 29 January 2026. The Group held 4.7% of the equity in Silverwood following the conversion. By the end of the period the Group held 29.9% of the equity of Silverwood as a result of the Capital Reduction of Silverwood on 30 April 2024.

The Group had a loan facility of £450,000 dated 15 November 2023 with Phoenix S.G. Limited as borrower. The facility was extended to account for the costs of the administration process for Stanley Gibbons, and the initial working capital required for the Strand Collectibles entity which reacquired the assets from administration. The termination date was 31 December 2023. Interest was accrued at 5% and remains payable. On 4 January 2024, the loan facility was increased to £6,066,000, the termination date was extended to 31 December 2025 and interest rate was amended to 15% per annum.

The Group had a loan facility of £2,000,000 with Cambium International Limited as borrower. The termination date was 11 March 2023. On this date, the loan facility was increased to £7,500,000 and the termination date was extended to 11 March 2025. A further increase to £9,400,000 was made on 12 December 2023 and a third increase to £10,600,000 was made on 6 February 2024. An amount of £1,060,000 is recognised as expected credit loss. No interest was accrued or payable.

The Group has a loan facility of £1,186,795 with Rawnet Limited as borrower. An amount of £558,410 is recognised as expected credit loss. The termination date is 16 February 2025. No interest shall accrue or be payable.

The Group has a loan facility of £4,200,000 with Showpiece Technologies Limited as borrower. An amount of £2,307,000 is recognised as expected credit loss. The termination date is 19 November 2024. No interest shall accrue or be payable.

The utilised amounts on each facility are disclosed in the portfolio holdings disclosed on page 8.

The following table analyses, within the fair value hierarchy, the Group's investments measured at fair value through profit and loss:

	30 June 2024 (Unaudited) GBP	30 June 2023 (Unaudited) GBP	31 December 2023 (Audited) GBP
Classification			
Level 1	18,481,290	16,720,065	14,785,032
Level 2	–	3,427,765	–
Level 3	349,762,331	238,029,924	258,349,874
Total non-current investments held at 'FVTPL'	**368,243,621**	258,177,754	273,134,906

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfers have occurred. There were no transfers between levels during the period (31 December 2023: £2,467,991 transferred from Level 2 to Level 3). During the year ended 31 December 2023, due to the temporary suspension of trading of Silverwood Brand Plc's ordinary shares on the Aquis Growth Market, the Group classified its holding in Silverwood as Level 3. Silverwood recommenced trading in April 2024, however due to the low trading volumes, these shares are not considered to be actively trading and therefore the listed price is not considered to be representative of the fair value. As such, the Group's holding in Silverwood continues to be classified as Level 3 and the measurement of its fair value is discussed on the following page.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements – continued

The following table presents the movement in Level 3 investments measured at fair value through profit and loss:

	30 June 2024 (Unaudited) GBP	30 June 2023 (Unaudited) GBP	31 December 2023 (Audited) GBP
Level 3 investments			
Opening balance	258,349,874	51,198,247	51,198,247
Purchases of financial assets	4,500,000	195,722,418	197,837,646
Net realised losses for the period/year	–	–	(3)
Net unrealised gains/(losses) for the period/year	86,912,457	(8,890,741)	6,845,993
Transfers from Level 2 to Level 3	–	–	2,467,991
Closing balance	**349,762,331**	238,029,924	258,349,874

Measurement of fair value of investments for the period ended 30 June 2024
The same valuation methodology and process was deployed for the year ended 31 December 2023.

Quantitative information of significant unobservable inputs and sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy
The significant unobservable inputs used in fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity as at 30 June 2024 are shown below:

As at 30 June 2024 (Unaudited)

Description	Significant unobservable input	Estimate of the input	Sensitivity of fair value to changes in unobservable inputs
Investment in Valderrama	Discount rate	14%	An increase to 15%/(decrease to 13%) would (decrease)/increase fair value by (-8%)/+9.5%
	Terminal growth rate	2%	An increase to 2.5%/(decrease to 1.5%) would increase/(decrease) fair value by +1.5%/(-1.5%)
	Trust real returns	3.5%	An increase to 4%/(decrease to 3%) would increase/(decrease) fair value by +2.7%/(-2.5%)
	Group EBIT margin*	n/a	An increase of 1%/(decrease of 1%) would increase/(decrease) fair value by +4.5%/(-5%)
	Group sales rate*	n/a	An increase of 0.5%/(decrease of -0.5%) would increase/(decrease) fair value by +4.5%/(-4%)
Investment in Phoenix S.G.	Discount rate	15%	An increase to 16%/(decrease to 14%) would (decrease)/increase fair value by (-13%)/+15%
	Terminal growth rate	2%	An increase to 3%/(decrease to 1%) would increase/(decrease) fair value by +5%/(-5%)
	Annual operating profit	n/a	An increase of 5%/(decrease of -5%) would increase/(decrease) fair value by +34%/(-35%)
Investment in Rawnet	FY22-27 Compound sales Growth rate	5%	An increase to 6%/(decrease to 4%) would increase/(decrease) fair value by +25.6%/(-25.6%)

Description	Significant unobservable input	Estimate of the input	Sensitivity of fair value to changes in unobservable inputs
Investment in Silverwood	Discount rate	15%	An increase to 16%/(decrease to 14%) would (decrease)/increase fair value by (-27%)/+31%
	Terminal growth rate	5%	An increase to 6%/(decrease to 4%) would increase/(decrease) fair value by +15%/(-15%)
Investment in Cambium	Discount rate	15%	An increase to 16%/(decrease to 14%) would (decrease)/increase fair value by (-11%)/+13%
	Revenue growth rate	11% & 9%	An increase to 12% & 10%/(decrease to 10% & 8%) would increase/(decrease) fair value by +5%/(-6%)
	Group product margin	45%	An increase to 46%/(decrease to 44%) would increase/(decrease) fair value by +6%/(-6%)

* Pre funeral plan releases and no central cost change

The significant unobservable inputs used in fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity as at 31 December 2023 are shown below:

As at 31 December 2023 (Audited)

Description	Significant unobservable input	Estimate of the input	Sensitivity of fair value to changes in unobservable inputs
Investment in Valderrama	Discount rate	15%	An increase to 16%/(decrease to 14%) would (decrease)/increase fair value by (-10%)/+10%
	Inflation	2%	An increase to 3%/(decrease to 1%) would increase/(decrease) fair value by +25%/(-27%)
	Funeral plan excess return	2.5%	An increase to 3.5%/(decrease to 1.5%) would increase/(decrease) fair value by +16%/(-20%)
	Terminal growth rate	2%	An increase to 3%/(decrease to 1%) would increase/(decrease) fair value by +4%/(-4%)
	Annual operating profit	n/a	An increase of 5%/(decrease of -5%) would increase/(decrease) fair value by +8%/(-9%)
Investment in Phoenix S.G.	Discount rate	15%	An increase to 16%/(decrease to 14%) would (decrease)/increase fair value by (-7%)/+9%
	Terminal growth rate	2%	An increase to 3%/(decrease to 1%) would increase/(decrease) fair value by +3%/(-3%)
	Annual operating profit	n/a	An increase of 5%/(decrease of -5%) would increase/(decrease) fair value by +5%/(-5%)
Investment in Rawnet	Discount rate	15%	An increase to 18%/(decrease to 12%) would (decrease)/increase fair value by (-16%)/+19%
	FY22-27 Compound sales Growth rate	9%	An increase to 13%/(decrease to 8%) would increase/(decrease) fair value by +100%/(-65%)

Notes to the Unaudited Condensed Consolidated Interim Financial Statements – continued

Description	Significant unobservable input	Estimate of the input	Sensitivity of fair value to changes in unobservable inputs
Investment in Cambium	Discount rate	15%	An increase to 16%/(decrease to 14%) would (decrease)/increase fair value by (-9%)/+10%
	Revenue growth rate	12%	An increase to 14%/(decrease to 10%) would increase/(decrease) fair value by +9%/(-8%)
	Group product margin	45%	An increase to 46%/(decrease to 44%) would increase/(decrease) fair value by +4%/(-4%)

5. Segment reporting

The Group had two reportable segments which are Castelnau Group Limited (an investment company with an objective to compound Shareholders' capital at a higher rate of return than the FTSE All-Share Total Return Index over the long term) and Castelnau Group Services Limited (a company that provides marketing and branding services). In identifying these operating segments, management follows the objectives of Castelnau Group Limited and Castelnau Group Services Limited.

Segment information for the period is as follows:

	Castelnau Group Limited (Unaudited) GBP	Castelnau Services Group Limited (Unaudited) GBP	Total 30 June 2024 (Unaudited) GBP
Income			
Consultancy services	–	443,088	443,088
Interest income	450,237	–	450,237
Other income	1,103	–	1,103
Segment income	**451,340**	**443,088**	**894,428**
Gross wages	–	(569,803)	(569,803)
Other expenses	(578,852)	(50,801)	(629,653)
	(578,852)	(620,604)	(1,199,456)
Finance costs	(3,712,466)	–	(3,712,466)
Net gains on financial assets	89,802,283	–	89,802,283
Segment profit/(loss) before tax	**85,962,305**	**(177,516)**	**85,784,789**
Taxation	–	–	–
Segment comprehensive income/(loss)	**85,962,305**	**(177,516)**	**85,784,789**
Segment assets	387,601,731	60,519	387,662,250
Segment liabilities	(70,110,025)	(88,645)	(70,198,670)
Segment net assets	**317,491,706**	**(28,126)**	**317,463,580**

Segment information for the year ended 31 December 2023 is as follows:

	Castelnau Group Limited (Audited) GBP	Castelnau Services Group Limited (Audited) GBP	Total 31 December 2023 (Audited) GBP
Income			
Consultancy services	–	1,122,884	1,122,884
Interest income	864,209	–	864,209
Other income	–	5,000	5,000
Segment income	**864,209**	**1,127,884**	**1,992,093**
Gross wages	–	(592,014)	(592,014)
Other expenses	(2,812,456)	(519,619)	(3,332,075)
	(2,812,456)	(1,111,633)	(3,924,089)
Finance costs	(10,710,140)	–	(10,710,140)
Net gains on foreign currency	171	–	171
Net gains on financial assets	4,869,643	–	4,869,643
Segment (loss)/profit before tax	**(7,788,573)**	**16,251**	**(7,772,322)**
Taxation	–	(3,081)	(3,081)
Segment comprehensive (loss)/income	**(7,788,573)**	**13,170**	**(7,775,403)**
Segment assets	289,685,742	258,063	289,943,805
Segment liabilities	(58,537,391)	(154,627)	(58,692,018)
Segment net assets	**231,148,351**	**103,436**	**231,251,787**

Notes to the Unaudited Condensed Consolidated Interim Financial Statements – continued

6. Expenses

	30 June 2024 (Unaudited) GBP	30 June 2023 (Unaudited) GBP	31 December 2023 (Audited) GBP
Administrator's fee	60,733	48,680	107,231
Audit fees	39,574	32,194	72,198
Change in fair value of earn-out liability	(57,765)	135,747	175,478
Depositary fee	26,248	23,390	49,475
Depreciation of office equipment	–	–	598
Directors' fee	67,500	67,500	135,000
Employee benefits*	569,803	344,317	592,014
Investment transaction charges	–	–	11
Legal and professional fees	322,175	1,911,275	2,490,902
Operating expenses	68,355	64,430	135,114
Sundry costs	80,940	57,641	128,288
Trustee fee	21,893	16,939	37,780
	1,199,456	**2,702,113**	**3,924,089**

6.1 Employee benefits

	30 June 2024 (Unaudited) GBP	30 June 2023 (Unaudited) GBP	31 December 2023 (Audited) GBP
***Included in expenses**			
Wages and salaries	503,754	298,106	515,694
Employers' national insurance contributions	65,158	38,282	61,682
Pension costs	6,338	7,061	12,412
Employee healthcare	1,028	868	2,226
HMRC employers' allowance	(6,475)	–	–
	569,803	**344,317**	**592,014**

7. Trade and other receivables

	30 June 2024 (Unaudited) GBP	30 June 2023 (Unaudited) GBP	31 December 2023 (Audited) GBP
Prepayments	254,990	66,986	44,486
Income receivable	343,943	471,740	11,770
Trade receivables	3,499	46,183	204,977
	602,432	**584,909**	**261,233**

8. Earn-out liability

	30 June 2024 (Unaudited) GBP	30 June 2023 (Unaudited) GBP	31 December 2023 (Audited) GBP
Earn-out liability - Current	–	2,482,395	2,522,126
	–	**2,482,395**	**2,522,126**

The earn-out liability at 31 December 2023 was calculated as the fair value of the liability related to the potential future payment of the Rawnet earn-out. The total earn-out payment was to be crystallised over three different periods, with a maximum payment of £903,311 at each crystallisation date. Payments for all three years were due to be made within 5 days of 12 February 2024. The amount of the earn-out was conditional on the growth and performance of certain Rawnet clients (other Castelnau portfolio companies). It was considered likely that the earn-out would be paid in full based on expectations as of the valuation date. While full payment of the first and second tranches was effectively guaranteed, there was some uncertainty with regards to the final tranche.

In February 2024, an earn-out payment of £2,464,361 was made in accordance with the terms of the Sale and Purchase Agreement dated 19 August 2020.

9. Other payables

	30 June 2024 (Unaudited) GBP	30 June 2023 (Unaudited) GBP	31 December 2023 (Audited) GBP
Other accrued expenses	271,488	132,642	149,546
Trade payables	6,297	111,308	134,788
Social security and other taxes	45,516	25,610	30,655
	323,301	**269,560**	**314,989**

10. Share capital

	30 June 2024 (Unaudited) GBP	30 June 2023 (Unaudited) GBP	31 December 2023 (Audited) GBP
Share capital at the beginning of the period/year	285,111,250	184,116,760	184,116,760
Issue of Ordinary Shares	427,004	100,988,881	100,994,490
Allotted, called up and fully paid Ordinary Shares*	**285,538,254**	**285,105,641**	**285,111,250**
Class B Share held by the Investment Manager**	1	1	1
Total Share capital at the end of the period/year	**285,538,255**	**285,105,642**	**285,111,251**

Notes to the Unaudited Condensed Consolidated Interim Financial Statements – continued

	30 June 2024 (Unaudited) Number of Ordinary shares	30 June 2023 (Unaudited) Number of Ordinary shares	31 December 2023 (Audited) Number of Ordinary shares
Ordinary Shares at the beginning of the period/year	318,635,256	183,996,058	183,996,058
Issue of Ordinary Shares	554,578	134,631,719	134,639,198
Total Ordinary Shares in issue at the end of the period/year*	**319,189,834**	**318,627,777**	**318,635,256**
Class B Share held by the Investment Manager**	**1**	**1**	**1**

* No par value with one voting right per share
** Held by the Investment Manager with no voting rights

On 10 May 2024, a resolution was passed to issue a new Block Listing facility for 31,863,526 Ordinary Shares of no par value. During the period ended 30 June 2024, the Company issued 554,578 Ordinary Shares.

The Group did not purchase any of its own shares during the period ended 30 June 2024 or during the year ended 31 December 2023. No shares were cancelled during either period/year.

No shares were held in Treasury or sold from Treasury during the period ended 30 June 2024 or during the year ended 31 December 2023.

11. Earnings/(loss) per Ordinary Share

Earnings/(loss) per Ordinary Share is based on the profit of £85,784,789 (30 June 2023: loss of £15,301,815) attributable to the weighted average of 318,821,131 (30 June 2023: 229,369,179) Ordinary Shares in issue during the period.

There is no difference between the weighted average diluted and undiluted number of Ordinary Shares. There is no difference between basic and diluted earnings/(loss) per Ordinary Share as there are no diluted instruments.

12. Net Assets per Ordinary Share

The figure for net assets per Ordinary Share is based on £317,463,580 (31 December 2023: £231,251,787) divided by 319,189,834 voting Ordinary Shares in issue at 30 June 2024 (31 December 2023: 318,635,256).

13. Material agreements

Details of the management, administration and secretarial contracts can be found in the Directors' Report of the Group's Audited Consolidated Financial Statements for the year ended 31 December 2023. There were no transactions with Directors other than disclosed in note 14. As at 30 June 2024, there were no fees payable to PAMP.

a) Investment Manager and Alternative Investment Fund Manager ("AIFM")

The Investment Manager will not receive a management fee in respect of its portfolio management services to the Group. The Investment Manager will become entitled to a performance fee subject to meeting certain performance thresholds.

The Performance Fee is equal to one third of the outperformance of the Net Asset Value total return (on an undiluted basis and excluding any accrual or payment of the Performance Fee) after adjustment for inflows and outflows (such inflows and outflows including, for the avoidance of doubt, tender payments and buybacks), with dividends reinvested, over the FTSE All-Share Total Return Index ("Benchmark"), for each Performance Period (or, where no performance fee is payable in respect of a financial year, in the period since a Performance Fee was last payable). The Net Asset Value total return is based on the weighted number and Net Asset Value of the Ordinary Shares in issue over the relevant Performance Period.

During the period, the Group entered into a revised agreement with the Investment Manager, with the revisions summarised below:

- The fee remains as one third of the outperformance over the Benchmark, however, the fee will be calculated by reference to the closing net asset value ("Closing NAV") rather than the average net asset value, and will be compared to the 'Benchmark NAV'.
- The Closing NAV is the reported net asset value of the Company at the period end, excluding any accrued performance fees. This will be compared to the Benchmark NAV, which is the Company's opening NAV for the performance period to which the Benchmark return is applied. The Benchmark NAV will also be adjusted for the impact of inflows and outflows to the share capital of the Company, to ensure that both the Closing NAV and Benchmark NAV reflect performance adjusted for the impact of these events.
- In addition, the revised fee arrangement includes a provision such that no performance fee would be earned until the net asset value ("NAV") per Ordinary Share is above the original NAV per Ordinary Share at IPO (100p), adjusted for the performance of the Benchmark.
- The fee will continue to be paid in new Ordinary Shares.

For the avoidance of doubt, no performance fee for the period to 31 December 2024 would currently be payable under either the original or proposed revisions to the performance fee calculation. In addition, no additional changes to the IMA (other than in respect of the performance fee) were made.

During the period, performance fees of £Nil (30 June 2023: £Nil) were charged to the Group, of which £Nil (31 December 2023: £Nil) remained payable at the end of the period/year.

b) Administrator and Secretary

Northern Trust International Fund Administration Services (Guernsey) Limited (the "Administrator") is entitled to: (i) an administration fee of 0.05% of the Net Asset Value of the Group up to £200 million, 0.03% of the Net Asset Value of the Group between £200 million and £400 million, and 0.02% of the Net Asset Value of the Group over £400 million (subject to a minimum administration fee of £60,000); (ii) a financial reporting fee of £10,000; (iii) a company secretarial services fee of £10,000; and (iv) an additional fee of £2,000 while the Administrator acts as the Group's nominated firm (as described in the FCA Handbook), in each case per annum (exclusive of VAT). In addition, the Administrator is entitled to certain other fees for ad hoc services rendered from time to time. During the period, fund administration and secretarial fees of £55,733 (30 June 2023: £48,680) were charged to the Group, of which £81,695 (31 December 2023: £52,550) remained payable at the end of the period/year.

c) Depositary

Northern Trust (Guernsey) Limited (the "Depositary") is entitled to: (i) a custody fee of 0.02% of the Net Asset Value of the Group (subject to a minimum of £20,000); and (ii) a depositary services fee of 0.02% of the Net Asset Value of the Group up to £200 million, falling to 0.01% of the Net Asset Value of the Group over £200 million (subject to a minimum depositary services fee of £20,000), in each case per annum (exclusive of VAT). In addition, the Depositary is entitled to certain other fees for ad hoc services rendered from time to time. During the period, depositary fees of £26,248 (30 June 2023: £23,390) were charged to the Group, of which £7,171 (31 December 2023: £13,650) remained payable at the end of the period/year.

d) Registrar

The Group utilises the services of Link Market Services (Guernsey) Limited as Registrar in relation to the transfer and settlement of Ordinary Shares. Under the terms of the Registrar Agreement, the Registrar is entitled to a fee calculated on the basis of the number of Shareholders and the number of transfers processed (exclusive of VAT). In addition, the Registrar is entitled to certain other fees for ad hoc services rendered from time to time. During the period, registrar fees of £20,086 (30 June 2023: £18,806) were charged to the Group, of which £12,807 was prepaid at the end of the period (31 December 2023: £3,145 was prepaid).

14. Related parties

Directors' remuneration & expenses

The Directors' fees for the period/year are as follows:

	30 June 2024 (Unaudited) GBP	30 June 2023 (Unaudited) GBP	31 December 2023 (Audited) GBP
Joanne Peacegood	20,000	20,000	40,000
Andrew Whittaker	17,500	17,500	35,000
Joanna Duquemin Nicolle	15,000	15,000	30,000
David Stevenson	15,000	15,000	30,000
Richard Brown	–	–	–
	67,500	**67,500**	**135,000**

£Nil Directors' fees were outstanding as at 30 June 2024 (31 December 2023: £Nil).

Shares held by related parties

The number of Ordinary Shares held by the Directors were as follows:

	30 June 2024 (Unaudited) Number of Ordinary Shares	30 June 2023 (Unaudited) Number of Ordinary Shares	31 December 2023 (Audited) Number of Ordinary Shares
Joanne Peacegood	10,000	10,000	10,000
Andrew Whittaker	40,000	40,000	40,000
Joanna Duquemin Nicolle	75,000	75,000	75,000
David Stevenson	–	–	–
Richard Brown	–	–	–

As at 30 June 2024, the Investment Manager held zero Ordinary Shares and 1 Class B Share (31 December 2023: zero Ordinary Shares and 1 Class B Share) of the Issued Share Capital. Partners and employees of the Investment Manager held 138,832 Ordinary Shares at 30 June 2024 (31 December 2023: zero Ordinary Shares).

Dignity

The Group and SPWOne V Limited ("SPWOne") are currently Valderrama's sole controlling shareholders, with the company having been incorporated for the purposes of a 50:50 joint venture between the Group and SPWOne, pursuant to which the Group and SPWOne agreed to invest in Valderrama for the purposes of making investments in line with the Group's investment objectives and investment policy, namely the acquisition of Dignity Plc. In this joint venture, economic interests are divided as approximately one-third versus two-thirds. Despite this asymmetry in ownership, governance within the joint venture operates on an equal footing, with decisions and responsibilities split evenly between the parties. This ensures that despite the difference in economic stakes, each party has an equal say in the direction and management of the venture, fostering a balanced and collaborative approach to decision-making.

Mr. Steven Tatters, who is COO of Phoenix Asset Management Partners Limited, the Investment Manager, is a director of Valderrama and all the Valderrama subsidiaries. Mr. Tatters is also a director of Dignity Group Holdings Limited and Dignity Funerals Limited.

Loans

The Group has an unsecured term loan facility of £60,000,000 made available through Phoenix UK Fund Limited, with Morgan Stanley Bank N.A. as original lender. As at 30 June 2024, the outstanding debt was £57,984,429 (31 December 2023: £47,676,429). Interest is accrued at SONIA+7.3% per annum. The loan amount is payable on demand. During the period, £Nil facility fees were charged, and interest accrued of £3,712,466, which remains payable at 30 June 2024.

Total interest and facility fees outstanding on the loan facility with Phoenix UK Fund Limited at the end of period was £11,890,940 (31 December 2023: £10,710,140).

Notes to the Unaudited Condensed Consolidated Interim Financial Statements – continued

The changes in the Group's liabilities arising from financing activities is disclosed below:

	30 June 2024 (Unaudited) GBP	30 June 2023 (Unaudited) GBP	31 December 2023 (Audited) GBP
Loans payable at the beginning of the period/year	47,676,429	–	–
Proceeds from loans received	10,308,000	85,301,968	89,217,968
Repayment of loans received	–	(37,102,948)	(41,541,539)
Loans payable at the end of the period/year	**57,984,429**	**48,199,020**	**47,676,429**
Finance costs payable at the beginning of the period/year	8,178,474	–	–
Finance costs charged	3,712,466	6,739,310	10,710,140
Repayment of finance costs	–	(2,531,667)	(2,531,666)
Finance costs payable at the end of the period/year	**11,890,940**	**4,207,643**	**8,178,474**

Other

Mr. Richard Brown is a Non-Executive Director of the Group, director and Chief Executive Officer of the Subsidiary since 13 September 2023. Mr. Brown also became a director of Dignity Group Holdings Limited and Dignity Finance Plc on 15 February 2024.

Roderick Manzie is a director of the Subsidiary. Mr. Manzie is also a director of some of the portfolio holding companies. Mr. Manzie is a director of Stanley Gibbons Group Plc, Showpiece Technologies Limited, Ocula Technologies Holdings Limited, and Ocula Technologies Limited. Mr. Manzie was a director of Strand Collectibles Group Ltd until 18 April 2024.

Lorraine Smyth is a director of the Subsidiary. Ms. Smyth is also a director of Rawnet Ltd, a portfolio company.

A number of other Phoenix Asset Management Partners Limited employees hold directorships at certain Group portfolio companies. The directorships are held in the normal course of business and enable Phoenix Asset Management Partners Limited to be represented on the boards of the portfolio companies.

The Group is in agreement with Ocula, to provide services to some of the Group's portfolio companies. Ocula charged the Group £250,000 for the 6 months to 30 June 2024.

On 28 June 2024, the Subsidiary entered a short-term loan agreement with Phoenix Asset Management Partners Limited, for an amount of £20,000 to cover cash flow. The loan was repaid post period end on 10 July 2024.

15. Financial risk management

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

These Interim Financial Statements do not include the financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's Audited Consolidated Financial Statements for the year ended 31 December 2023.

16. Post period end events

These Interim Financial Statements were approved for issuance by the Board on 18 September 2024. Subsequent events have been evaluated to this date.

Subsequent to period end and up to the date of signing of the Unaudited Condensed Consolidated Interim Financial Statements, the following events took place:

On 2 August 2024, 193,985 Ordinary Shares of no par value were issued pursuant to the block listing facility. Following this, the Company's issued share capital comprised 319,383,819 Ordinary Shares with voting rights.

On 24 August 2024, a new loan agreement was established between the Company and the Phoenix UK Fund for £4 million, with an interest rate of 7%. The repayment date is set for 31 August 2025, or upon a 6-month notice period. This agreement is designed to support the Company's short-term funding needs and may be extended by mutual consent.

Alternative Performance Measures (Unaudited)

In accordance with ESMA Guidelines on Alternative Performance Measures ("APMs"), the Board has considered what APMs are included in the Interim Report and Interim Financial Statements which require further clarification. APMs are defined as a financial measure of historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. The APMs included in the interim report are unaudited and outside the scope of IFRS.

Discount/Premium

If the share price of an investment company is lower than the NAV per Ordinary Share, the shares are said to be trading at a discount. The size of the discount is calculated by subtracting the share price at period end of 77.00p (31 December 2023: 75.50p) from the NAV per Ordinary Share at period end of 99.46p (31 December 2023: 72.58p) and is usually expressed as a percentage of the NAV per Ordinary Share of 22.58% (31 December 2023: premium of 4.02%). If the share price is higher than the NAV per Ordinary Share, the shares are said to be trading at a premium.

Ongoing Charges

The ongoing charges represent the Group's operating expenses, excluding finance costs, expressed as a percentage of the average of the monthly net assets during the period/year. The Board continues to be conscious of expenses and works hard to maintain a sensible balance between good quality service and cost.

	Period ended 30 June 2024 (Unaudited) GBP	Year ended 31 December 2023 (Audited) GBP
Average NAV for the period/year (A)	254,579,574	195,994,634
Operating expenses (annualised) (B)	1,278,639	1,159,512
Ongoing charges (B/A)	0.50%	0.59%

NAV Total Return

NAV total return is the percentage increase or decrease in NAV, inclusive of dividends paid and reinvested, in the reporting period/year. It is calculated by adding the increase or decrease in NAV per Ordinary Share with the dividend per Ordinary Share when paid and reinvested back into the NAV, and dividing it by the NAV per Ordinary Share at the start of the year.

	Period ended 30 June 2024 (Unaudited) pence	Year ended 31 December 2023 (Audited) pence
Opening NAV per share (A)	72.58	75.02
Closing NAV per share	99.46	72.58
Increase/(decrease) in NAV per share (B)	26.88	(2.44)
NAV total return (B/A)	37.03%	(3.25%)

NAV per Ordinary Share

NAV per Ordinary Share is calculated by dividing the total Net Asset Value of £317,463,580 (31 December 2023: £231,251,787) by the number of Ordinary Shares at the end of the period of 319,189,834 Ordinary Shares (31 December 2023: 318,635,256). This produces a NAV per Ordinary Share of 99.46p (31 December 2023: 72.58p), which was an increase of 37.03% (31 December 2023: decrease of 3.25%).

Group Information

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Andrew Whittaker
Joanna Duquemin Nicolle
David Stevenson
Richard Brown

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