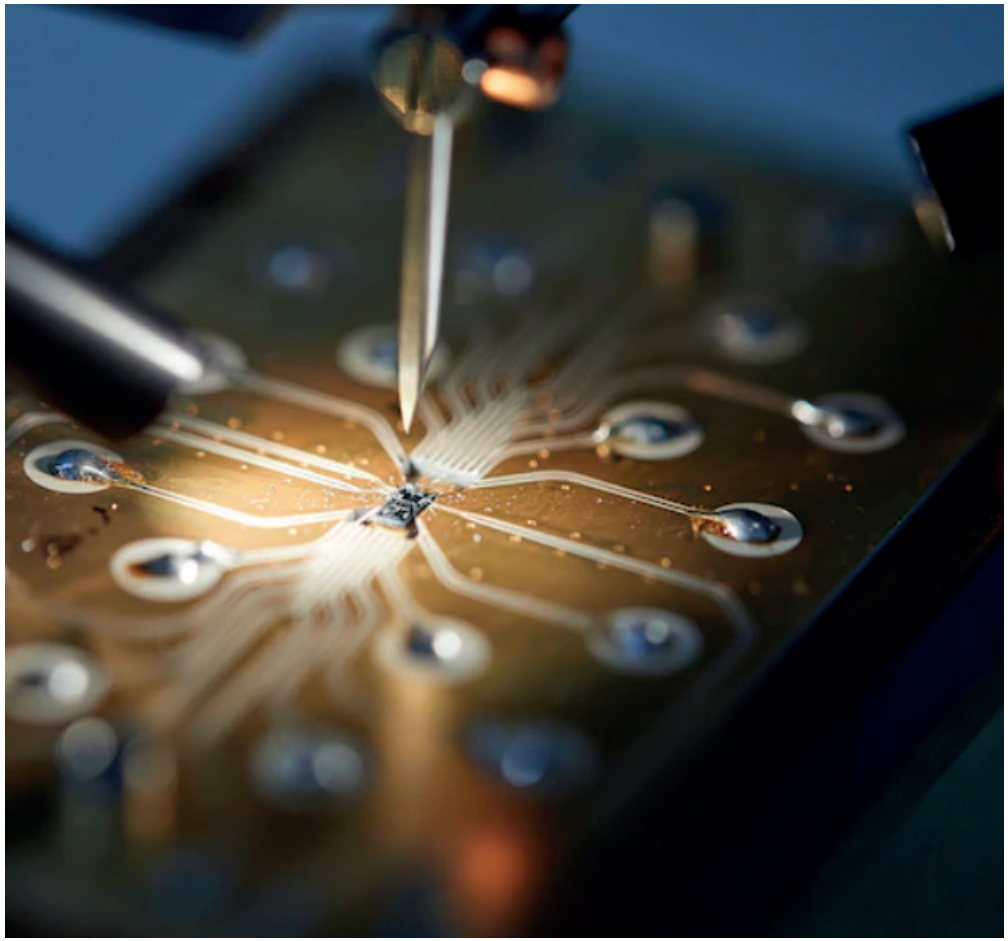
UIL LIMITED



HALF-YEARLY FINANCIAL REPORT

FOR THE SIX MONTHS TO 31 DECEMBER 2022

A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR

UK CONTACT
PO Box 208
Epsom Surrey
KT18 7YF

Telephone: +44 (0)1372 271486

www.uil.limited

REGISTERED OFFICE
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

UIL LIMITED

UIL/Int/22

MANAGED BY ICM

A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR



Utilico Emerging Markets Trust plc

The investment objective is to maximise shareholder returns by identifying and investing in compelling long-term investments worldwide, where the underlying value is not fully recognised.

SIX MONTHS TO 31 DECEMBER 2022

NET ASSET VALUE ("NAV") TOTAL RETURN PER ORDINARY SHARE*

-6.5%
(2021: -9.9%)

SHARE PRICE TOTAL RETURN PER ORDINARY SHARE*

-12.6%
(2021: -5.3%)

REVENUE EARNINGS PER ORDINARY SHARE

7.70p
(2021: 3.40p)

DIVIDENDS PER ORDINARY SHARE

4.00p
(2021: 4.00p)

*See Alternative Performance Measures on pages 46 to 48

UIL Limited ("UIL" or the "Company") is a Bermuda exempted closed-end investment company, whose joint portfolio managers are ICM Investment Management Limited ("ICMIM") and ICM Limited ("ICM"), together referred to as the "Investment Managers".

WHY UIL LIMITED?



Littlepay Mobility Limited

Stock selection remains our focus and ICM's proven bottom-up long-term approach should benefit UIL in changing times.

UIL OFFERS ORDINARY SHAREHOLDERS:

- A high conviction portfolio
- Diversified mix of investments
- Opportunity to currently buy UIL shares on the market at a significant discount to NAV
- Attractive quarterly dividends

UIL OFFERS ZERO DIVIDEND PREFERENCE ("ZDP") SHAREHOLDERS:

- Attractive capital growth
- Attractive asset, sector and geographical cover
- Structured as three ZDP classes - mitigating redemption risk

Past performance is not necessarily a guide to future performance and the value of an investment in the Company, and the income derived from it, if any, may go down as well as up.

CHAIRMAN'S STATEMENT



The half year to 31 December 2022 continued to be challenging for investors. UIL's performance was adversely impacted over the half year with UIL's NAV total return negative 6.5%. The FTSE All-Share total return Index ("FTSE") was up by 5.1% over the same period. Much of the difference in the half year's performance can be attributed to the FTSE being overweight energy stocks and the widening of Zeta Resources Limited's ("Zeta") discount. UIL's annual compound NAV total return since inception in 2003 was 8.9%, whilst the FTSE's return for the same period was 7.3%.

Since inception in August 2003, UIL has distributed £91.3m in dividends, invested £36.9m in ordinary share buybacks and made net gains of £230.1m for a total return of 423.3% (adjusted for the exercise of warrants and convertibles). Shareholders should note that the Board and the Investment Managers focus on longer term movements in market indices, whilst including short term comparisons for reference.

As shareholders are aware, Utilico Emerging Markets Trust plc ("UEM") and Zeta continue to be valued based on their market bid prices. As at 31 December 2022, discounts to published NAVs narrowed marginally to 13.3% for UEM and widened to 22.2% for Zeta. Together these discounts amount to £22.0m attributable to UIL. Adding these back would see UIL's adjusted NAV per share increase by 10.9% to 266.26p (30 June 2022: 286.89p) and UIL's implied discount widen to 39.9%.

A key milestone in the half year was the redemption of the 2022 ZDP shares. They were redeemed for £52.3m on 31 October 2022. To achieve this UIL sold down a third of its holding in UEM, realising £20.8m and saw repayments of Somers Limited ("Somers") and Zeta's loans to UIL of £35.8m.

The repayment of the 2022 ZDP shares has significantly reduced UIL's debt and gearing. As at 31 December 2022 bank loans and ZDP shares stood at £142.1m, down by £49.8m or 26.0% from £191.9m at the year-end. Gearing reduced to 73.4% from 89.5% as at 30 June 2022. The blended interest rate crept up to 4.8% for the half year from 4.7% as at 30 June 2022. As a result of the 2022 ZDP redemption, the cover for all three remaining ZDP shares improved over the half year.

Somers fared well over the half year. UIL moved to valuing Somers based on its daily NAV from June 2021. Adding back the dividends paid to UIL, Somers' valuation effectively increased by 10.8% although given the size of the dividend, Somers declined in absolute terms by 14.8%. Most of the gain was down to Waverton Investment Management Limited ("Waverton") which was ahead of budget in very challenging markets. Waverton's ability to add to its assets under management ("AUM") in these volatile markets is a credit to them.

Resimac Group Limited ("Resimac") declined in value in the face of net interest margin compression. This is understandable given their securitisation funding model and the rising interest rates. As interest rates decline, we would expect the net interest margins to expand again. Resimac's share price is down but should recover too as the headwinds reverse and become tailwinds.

Zeta's share price declined in the half year as concerns around China's zero-Covid policy, weaker outlook for global GDP growth and rising costs squeezing margins saw investors back away from mining companies. That said, Zeta should be well positioned to benefit from rising demand for commodities over the coming years, especially as China has reversed its zero-Covid policy.

It is pleasing to see UEM continue to perform strongly and UIL used the opportunity to realise its assets. The headwinds that the emerging markets ("EM") faced last year are certainly turning to be tailwinds and we anticipate UEM can continue to deliver for its shareholders.

The Board remains disappointed to see the ordinary shares trade at a discount of 33.3% as at 31 December 2022. In 2019, the Board determined, in agreement with the Investment Managers and the major shareholder, to target a lower discount level of 20.0% in the medium term and set 30.0% as an interim target. It was understandable that discounts were high through much of last year's uncertainties. It is hoped that given UIL's significantly improved profile that the discount will again narrow.

Total revenue income for the half year to 31 December 2022 was £8.5m, almost twice the £4.3m reported in the prior half year and this reflects Somers distributing its full year's revenue dividend in August 2022 (2021: paid semi annually), as part of a significant dividend distribution. It is expected Somers will revert to paying semi-annual dividends next year. The revenue return earnings per share ("EPS") of 7.70p represents an increase of 126.5% over the prior half year of 3.40p.

The Board has declared an unchanged second quarterly dividend of 2.00p per ordinary share in respect of the year ending 30 June 2023, which maintains the total for the half year at 4.00p, an annualised yield on the closing share price of 5.0%. The dividend was covered 1.93x by earnings in the half year and undistributed revenue reserves carried forward increased from £12.8m to £15.9m, equal to 19.02p per share. In the absence of unforeseen circumstances, the Board intends to pay a further 4.00p in dividends for the full year to 30 June 2023.

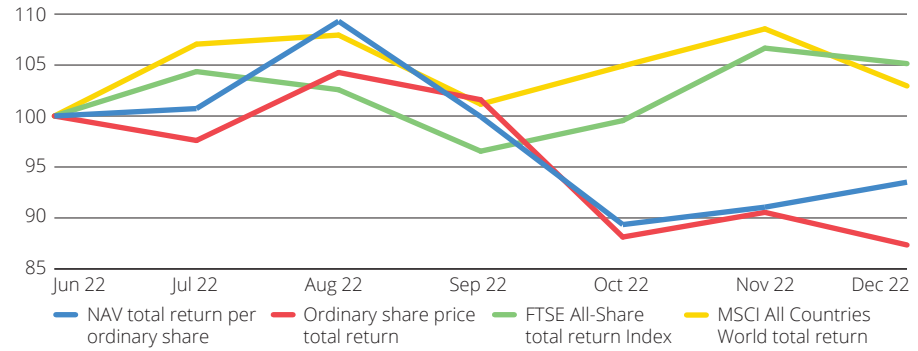
Following the capital losses of £144.1m for the year ended 30 June 2022, there was a further capital loss for the half year ended 31 December 2022 of £20.6m, partly due to the decline in Resimac and Zeta's valuation.

GLOBAL EVENTS

A number of themes dominated global events last year: Covid-19, heightened geopolitical tensions, the outlook for inflation and interest rates, commodities and climate change.

On Covid-19 it was astonishing to watch China pivot from zero tolerance to living with Covid. The resultant surge in infections and herd immunity achieved will put the economy back on the front foot. Undoubtedly the impact on China will be brutal and scare people for many years to come. China is now focused on recovering the economy and we should expect that to translate into a surge in demand as the housing market and consumers recover. With China now open, the world's economies should be able to return to normal whilst living with infections from Covid.

TOTAL RETURN COMPARATIVE PERFORMANCE* (pence)
from 30 June 2022 to 31 December 2022



* Rebased to 100 as at 30 June 2022

Source: ICM

Inflation remains elevated. This has been driven by the developed economies response to lockdowns which was to economically support the consumers. The consumer in turn saved much of this funding which led to a surge in demand as developed nations reopened. Supply chain disruptions created during the pandemic also added to the pricing pressure. This trend has been viciously reinforced by the Ukraine War which has led to energy supply challenges and highly inflated costs. Add to this tight labour markets with below trend unemployment rates. The response from central banks has been to raise interest rates to head off spiralling inflation. Our expectation is that the central banks have done enough and that 2023 will be characterised by falling inflation and interest rates. Our central case is for the global economy to post positive GDP for the year led by EM.

The ongoing friction between China and the USA is a clash of ideologies and is likely to continue between the two nations and their allies.

How is the world and in particular corporates responding to the challenges above? Simply put, they are diversifying their supply lines. Within EM, we are seeing a strong shift from China to nearshoring, and this is expected to continue for much of this decade. Countries such as Vietnam, Mexico and eastern Europe should therefore benefit.

Climate change is increasingly shifting to be a central focus and rightly so given the alarming evidence of a planet faced by the need to change its fossil fuel dependency. Over time we expect green policies will drive dramatic change. Short term security of energy supply is the key focus for most countries as they deal with the fallout from the Ukraine War and sanctions on Russia, but we expect renewable energy to accelerate in the coming years.

Flowing on from this there is likely to be an outsized demand for commodities: especially those in demand as China reopens and the need for a greener economy. Copper and lithium are certainly two examples and under investment in production is also likely to be a factor. Commodity led economies such as Australia, Canada, Chile and Brazil, should therefore benefit.

BOARD

The Board regularly gives consideration to succession planning and has reviewed Board composition in light of three Directors having joined the Company in 2015. The Board believes it would be preferable to have no more than one director leaving each year and, having regard to the balance of UK and overseas based directors, Christopher Samuel will step down from the Board on 31 May 2023 and will accordingly not be standing for re-election at this year's annual general meeting. On behalf of the Board, I would like to thank Christopher for his invaluable contributions to the Company over the years. We will miss his wise counsel and challenging questions and he leaves the Board with our very best wishes. The current intention is to continue with a Board of four Directors, although this will be kept under review and may increase to five Directors for a period to provide for an orderly succession in respect of future Board changes.

OUTLOOK

For 2023 we are optimistic for the global economy. If a recession emerges in the developed world, we expect it to be shallow. We anticipate inflation and interest rates to recede over the year. We believe demand for commodities, especially battery commodities to be elevated. Consequently, we believe that headwinds are turning into tailwinds, which should be positive for equities.

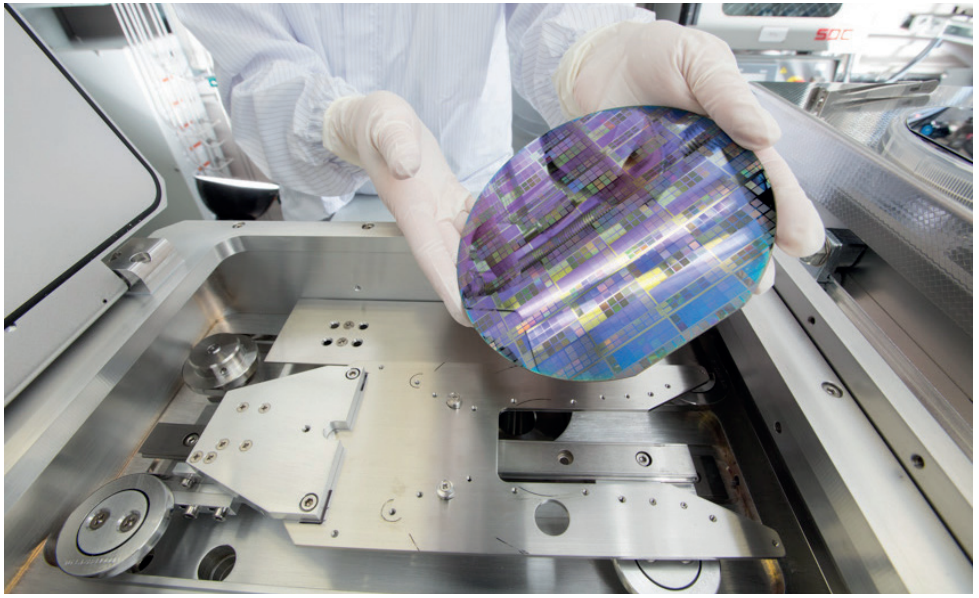
Peter Burrows AO
Chairman
21 February 2023

GROUP PERFORMANCE SUMMARY

	Half year 31 Dec 2022	Half year 31 Dec 2021	Annual 30 Jun 2022	% change Jun-Dec 2022
NAV total return per ordinary share (for the period)[1] (%)	**(6.5)**	(9.9)	(38.1)	n/a
Share price total return per ordinary share (for the period)[1] (%)	**(12.6)**	(5.3)	(27.6)	n/a
Annual compound NAV total return[1] (since inception[2]) (%)	**8.9**	12.1	9.5	n/a
NAV per ordinary share[1] (pence)	**240.02**	384.57	260.89	(8.0)
Ordinary share price (pence)	**160.00**	250.00	187.50	(14.7)
Discount[1] (%)	**33.3**	35.0	28.1	n/a
Returns and dividends (pence)				
Revenue return per ordinary share	**7.70**	3.40	8.35	126.5[3]
Capital return per ordinary share	**(24.58)**	(46.95)	(171.68)	47.6[3]
Total return per ordinary share	**(16.88)**	(43.55)	(163.33)	61.2[3]
Dividends per ordinary share	**4.00[4]**	4.00	8.00	0.0[3]
FTSE All-Share total return Index	**8,392**	8,364	7,981	5.1
Equity holders' funds (£m)				
Gross assets[5]	**343.3**	520.0	410.6	(16.4)
Bank loans	**50.0**	60.2	51.1	(2.2)
ZDP shares	**92.1**	136.9	140.8	(34.6)
Equity holders' funds	**201.2**	322.9	218.7	(8.0)
Revenue account (£m)				
Income	**8.5**	4.3	9.9	97.7[3]
Costs (management and other expenses)	**0.9**	0.8	1.7	12.5[3]
Finance costs	**1.1**	0.6	1.1	83.3[3]
Net income	**6.5**	2.9	7.0	124.1[3]
Financial ratios of the Group (%)				
Ongoing charges figure excluding performance fees[1]	**2.9[6]**	2.0[6]	2.2	n/a
Ongoing charges figure including performance fees[1]	**2.9[6]**	4.2[6][7]	2.2	n/a
Gearing[1]	**73.4**	60.7	89.5	n/a

(1) See Alternative Performance Measures on pages 46 to 48
(2) All performance data relating to periods prior to 20 June 2007 are in respect of Utilico Investment Trust plc, UIL's predecessor
(3) Percentage change based on comparative six month period to 31 December 2021
(4) The second quarterly dividend of 2.00p has not been included as a liability in the accounts
(5) Gross assets less current liabilities excluding loans and ZDP shares
(6) For comparative purposes the figures have been annualised
(7) Performance fees for the period are only incurred within underlying funds

INVESTMENT MANAGERS' REPORT



Allectus Capital Limited



The half year to 31 December 2022 has, as anticipated, been a challenging period marked by high volatility. UIL's portfolio reduced by £67.0m, mainly as a result of realisations to fund the 2022 ZDP redemption of £52.3m.

PORTFOLIO

The portfolio movements over the six months reflect three factors: investment losses of £13.5m, some 3.2% of the opening portfolio; realisations of £52.3m to meet the ZDP redemptions; and steps taken to increase UIL's directly held listed portfolio, thereby improving UIL's bank covenant ratios.

Within the portfolio, realisations included £20.8m from UEM and £35.8m from the repayment of Somers' and Zeta's loans.

Somers continues to be UIL's largest investment. Somers declared a significant dividend of USD 4.55 in the half year; adjusting for this, Somers' valuation grew by 10.8% during the six months to 31 December 2022. This was partly driven by an increase in Waverton and offset by a decrease in Resimac. Waverton exceeded its annual budget and continues to outperform in these challenging markets. Resimac's share price declined by 10.9% but continues to deliver good operational performance in difficult conditions. Despite seeing net interest margin compression, Resimac reported good profits and cashflow. We believe that Resimac's valuation is relatively modest at a historic price earnings ratio of 5.6x and when market conditions improve, Resimac's profitability is expected to recover.

UIL together with other Somers' shareholders bought out the minority shares in Somers at USD 21.00 per share in July 2022. Following this transaction, Somers declared a dividend of USD 4.55 per share and distributed a number of investments to its new shareholders to settle the dividend. UIL received shares in Resimac and The Market Herald Limited ("TMH"), an Australian Securities Exchange ("ASX") listed financial news service. UIL sold its unlisted holding in ICM Mobility Group Limited ("ICM Mobility") to Somers in exchange for various assets, including West Hamilton Holdings Limited ("West Hamilton"). See note 13 to the accounts for related party transactions.

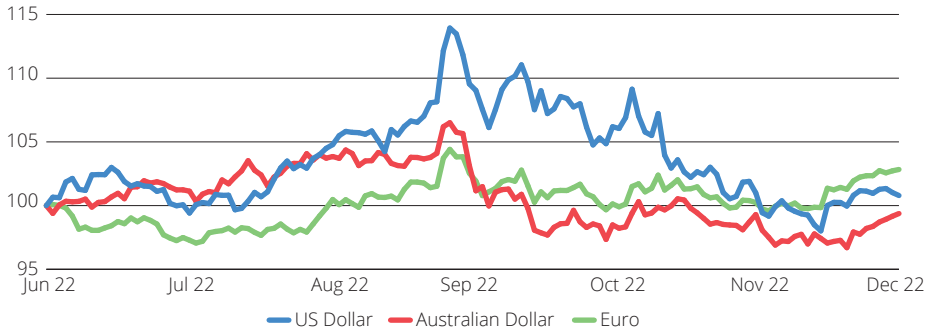
Somers also issued warrants to its shareholders on a one for four basis at USD 18.92 per share, maturing on 30 September 2023. All of Somers shareholders, apart from UIL, exercised their warrants, which resulted in UIL's holding in Somers decreasing from 47.0% to 41.7%. On exercise of the warrants UIL's holding would return to 47.0%. As at 30 September 2022, Somers NAV was USD 13.82, which is below the exercise price.

Zeta's share price reduced by 15.2% in the half year to 31 December 2022. This reflected concerns about commodity demand in the face of China's zero-Covid policy and rising interest rates globally reducing the world's economic activity. Both of these factors dragged sentiment down and, as expected, valuations reduced. Copper Mountain Mining Corporation ("Copper Mountain"), Zeta's largest investment, has seen its share price weaken, down 6.1% in the six months to 31 December 2022. We remain convinced that Copper Mountain is well positioned to outperform. While nickel was up 32.0% in the half year, Panoramic Resources Limited ("Panoramic") saw its share price decline by 10.3% reflecting weak market conditions.

UEM was a strong performer and UEM's NAV total return was positive over the half year at 2.0%. This was a good performance against the wider EM. The MSCI EM Index was down 2.4% in Sterling terms. In light of UEM's liquidity, UIL realised one third of its position.

The ten largest holdings section starting on page 18 provides more information on UIL's key investments, including new additions to

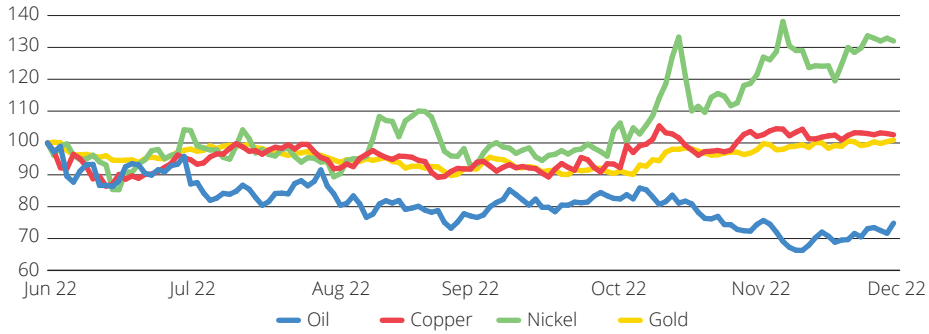
CURRENCY MOVEMENTS VS STERLING*
from 30 June 2022 to 31 December 2022



*Rebased to 100 as at 30 June 2022

Source: Bloomberg

COMMODITY PRICE MOVEMENTS*
from 30 June 2022 to 31 December 2022



*Rebased to 100 as at 30 June 2022

Source: Bloomberg

the portfolio. We are excited about our new investments and expect them to provide a mix of deep value operational performance opportunities which, combined with improving valuations, should deliver long term value to UIL shareholders.

FOREIGN EXCHANGE

As at 31 December 2022 UIL held no forward contract FX derivative positions. During the half year, the decision was taken to close out the positions in full, in light of the sheer volatility in the FX markets and the need to meet cash demands of the positions, all of which was increasingly difficult to accommodate at a time when UIL was focused on its 2022 ZDP redemption. A small position in currency options was held as at 31 December 2022. In the half year, forward contract FX and currency losses were £3.6m, but we are today less vulnerable to the volatility in the FX markets.

COMMODITIES

Commodities remained volatile. During the half year oil was down 25.2%. Copper was less volatile, ending the half year up 2.6%. Nickel was the standout performer, up 32.0% during the period.

PORTFOLIO ACTIVITY

During the half year to 31 December 2022, UIL invested £108.7m and realised £162.2m, including loans repaid by Somers and Zeta. Purchases included investments in the listed assets acquired from Somers; two of which are now in UIL's top ten investments as at 31 December 2022.

PLATFORM INVESTMENTS

UIL currently has four platform investments, Somers, Zeta, UEM and Allectus Capital Limited ("Allectus") in its top ten holdings. These investments account for 71.2% of the total portfolio as at 31 December 2022 (30 June 2022: 73.0%). During the half year to 31 December 2022, net withdrawals from these platforms amounted to £57.8m (30 June 2022: £37.4m).

DIRECT INVESTMENTS

UIL has six direct investments in its top ten holdings, Resimac, West Hamilton, TMH, Panoramic, Littlepay Mobility Limited ("Littlepay")

IN THE SIX MONTHS TO 31 DECEMBER 2022

AUSTRALIA AND NEW ZEALAND REMAINS UIL'S LARGEST EXPOSURE AT

39.5%

(37.2%)

UK IS UIL'S SECOND LARGEST COUNTRY EXPOSURE AT

15.9%

(13.8%)

BERMUDA IS UIL'S THIRD LARGEST COUNTRY EXPOSURE AT

8.8%

(4.8%)

AFRICA IS UIL'S FOURTH LARGEST EXPOSURE AT

8.0%

(11.2%)

ASIA IS UIL'S FIFTH LARGEST EXPOSURE AT

7.4%

(10.5%)

EUROPE IS UIL'S SIXTH LARGEST EXPOSURE AT

6.6%

(7.9%)

See pages 16 and 17 for the full geographical exposure

SECTOR SPLIT OF INVESTMENTS

Financial Services

44.3%

(38.5%)

Technology

20.5%

(25.8%)

Resources

15.1%

(15.4%)

Infrastructure Investments

10.5%

(12.7%)

Other

6.3%

(3.6%)

Gold Mining

3.3%

(4.0%)

Figures in brackets as at 30 June 2022

Source: ICM

and AssetCo plc ("AssetCo"). All are listed except for Littlepay. In the half year UIL sold ICM Mobility to Somers for assets. Resolute Mining Limited and Starpharma Holdings Limited fell out of the top ten on weak share price performance. The direct holdings in Resimac, AssetCo, West Hamilton and TMH increased following purchases from Somers and a dividend distribution by Somers.

GEOGRAPHIC REVIEW

The geographical split of the portfolio, on a look-through basis, shows Australia and New Zealand increasing to 39.5% of UIL's total investments (30 June 2022: 37.2%) reflecting the direct ownership of Resimac and TMH; and Bermuda nearly doubled to 8.8% (30 June 2022: 4.8%) reflecting the direct ownership of West Hamilton.

SECTOR REVIEW

Financial Services – 44.3% (30 June 2022: 38.5%)

Somers is UIL's largest investment and accounts for 36.6% of UIL's total investments as at 31 December 2022 (30 June 2022: 35.7%). The direct holdings in Resimac, AssetCo and TMH all contributed to the financial services percentage rising to 44.3%.

Technology – 20.5% (30 June 2022: 25.8%)

UIL holds a number of early-stage investments in the technology sector, both indirectly through Allectus (UIL's fourth largest investment), and directly including Littlepay (UIL's tenth largest investment). During the half year UIL sold ICM Mobility to Somers and this largely accounted for the reduction in technology's percentage interest to 20.5%.

Resources (excl. gold mining) – 15.1% (30 June 2022: 15.4%)

UIL's largest investment in resources is Zeta, which accounted for 15.6% of the total portfolio as at 31 December 2022 (30 June 2022: 15.5%). Zeta's share price weakened over the half year declining by 15.2% resulting in the sector percentage interest standing still.

Infrastructure Investments – 10.5% (30 June 2022: 12.7%)

This consists of Telecommunications, Infrastructure, Electricity, Ports, Road & Rail, Oil & Gas, Renewables, Water & Waste and Airports. UIL's infrastructure exposure is largely through UEM. While UEM's NAV rose, this was more than offset by UIL selling one third of its holding in UEM thus reducing the sector percentage to 10.5%.

LEVEL 3 INVESTMENTS

UIL's investment in level 3 companies reduced to 53.0% (30 June 2022: 57.4%).

COVID-19

The Board has returned to pre-Covid travel and physical meetings and expects this to continue for the future.

GEARING

As a result of the reduction in the ZDP liability following the redemption of the 2022 ZDP shares, and notwithstanding weak markets, gearing in the half year decreased to 73.4% (30 June 2022: 89.5%). This remains well inside UIL's target gearing of under 100.0%. UIL's total debt decreased over the half year from £195.7m to £147.7m as at 31 December 2022.

It is pleasing to see the continuing financing costs remain under 5.0%, with the blended interest rate of debt slightly increasing from 4.7% as at 30 June 2022 to 4.8% as at 31 December 2022. In the half year to 31 December 2022 the finance costs were £4.7m, up 6.8% on the prior half year's £4.4m.

ZDP SHARES

On a consolidated basis the ZDP shares decreased from £140.8m as at 30 June 2022 to £92.1m as at 31 December 2022, down 34.6% mainly as a result of the redemption of the 2022 ZDP shares. UIL continues to hold 2.3m 2026 ZDP shares and 0.6m 2028 ZDP shares as at 31 December 2022. With three ZDP issues, UIL has spread the redemption liabilities over five years.

DEBT

Bank debt was slightly reduced at £50.0m as at 31 December 2022 (30 June 2022: £51.1m). This was drawn in Sterling. Scotiabank Europe plc's £50.0m committed senior secured multi-currency revolving facility has been extended to 19 September 2023 and novated to the Bank of Nova Scotia, London Branch. The extension requires a reduction in the facility of £12.5m by 30 March 2023.

REVENUE RETURNS

Revenue income for the half year increased 97.7% to £8.5m from £4.3m in the six months to 31 December 2021. This largely reflects a significant dividend declaration by Somers.

Management and administration fees and other expenses were up at £0.9m from £0.8m as at 31 December 2021. Finance costs were up at £1.1m as at 31 December 2022 from £0.6m as at 31 December 2021.

Revenue profit increased by 124.1% to £6.5m (31 December 2021: £2.9m) and EPS increased by 126.5% to 7.70p (31 December 2021: 3.40p).

CAPITAL RETURNS

Capital total income was at a loss of £17.0m (31 December 2021: loss of £35.6m).

Finance costs decreased by 7.7% to £3.6m (31 December 2021: £3.9m) largely reflecting the lower number of ZDP shares in issue following the 2022 ZDP redemption in October 2022.

The resultant loss for the half year to 31 December 2022 on the capital return was £20.6m (31 December 2021: loss of £39.4m) and EPS loss was 24.58p (31 December 2021: loss of 46.95p).

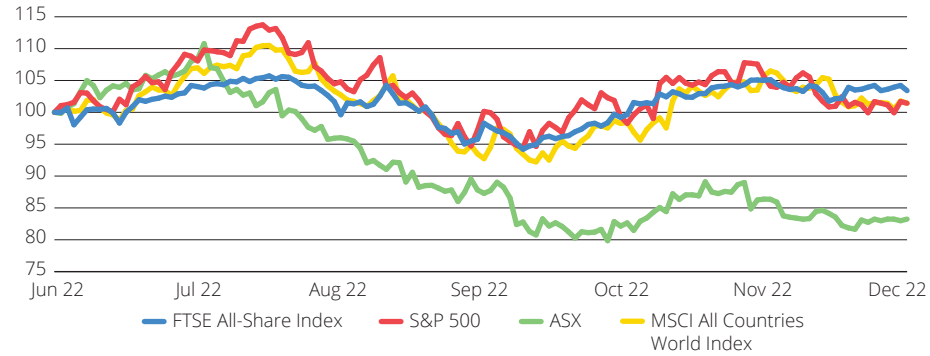
EXPENSE RATIO

The ongoing charges figure, including (fees paid in UIL's platform companies) and excluding performance fees, was 2.9% as at 31 December 2022 (30 June 2022: 2.2%). No performance fee was earned at UIL level.

All expenses are borne by the ordinary shareholders.

Charles Jillings
ICM Investment Management Limited
and ICM Limited
21 February 2023

INDICES MOVEMENTS*
from 30 June 2022 to 31 December 2022



*Rebased to 100 as at 30 June 2022

Source: Bloomberg

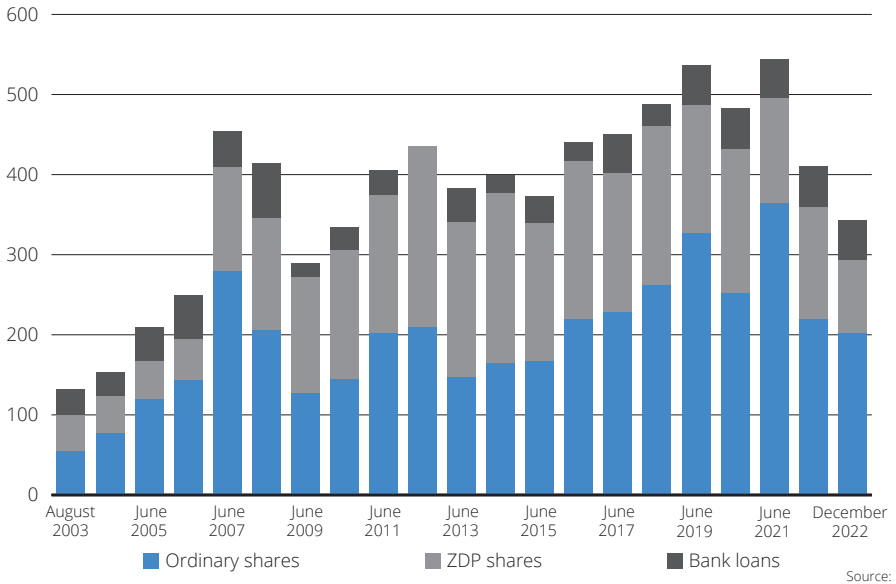
PERFORMANCE SINCE INCEPTION (14 AUGUST 2003) TO 31 DECEMBER 2022

ANNUAL COMPOUND NAV TOTAL RETURN*	NAV TOTAL RETURN PER ORDINARY SHARE*	ANNUAL COMPOUND ORDINARY SHARE PRICE TOTAL RETURN*
8.9%	423.3%	8.7%

REVENUE EARNINGS PER ORDINARY SHARE	DIVIDENDS PER ORDINARY SHARE	REVENUE RESERVES PER ORDINARY SHARE CARRIED FORWARD *
132.16p	102.83p	19.02p

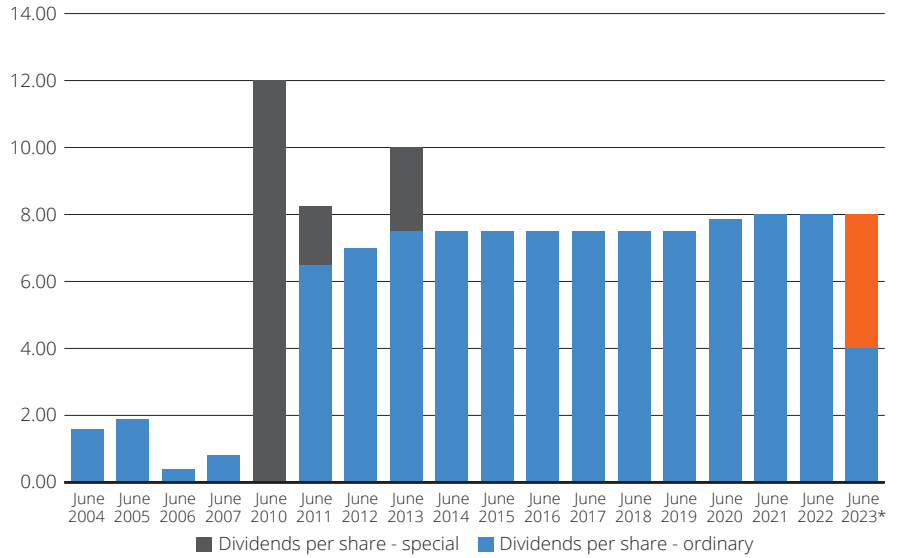
* See Alternative Performance Measures on pages 46 to 48

ALLOCATION OF GROSS ASSETS (£m)
from 14 August 2003 to 31 December 2022



Source: ICM

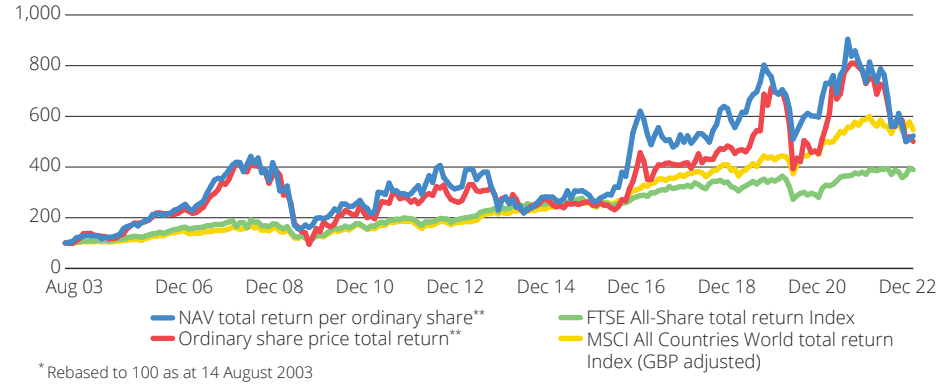
DIVIDENDS PER ORDINARY SHARE (pence)
from 30 June 2004 to 31 December 2022



No dividends were paid between 2007 and 2010
2010 refers to a cash distribution
* Pro forma, based on dividends for Q1 and Q2 and, in the absence of unforeseen circumstances, dividends of 2.00p per share for each of Q3 and Q4

Source: ICM

HISTORIC TOTAL RETURN NAV AND SHARE PRICE PERFORMANCE* (pence)
Since inception to 31 December 2022



* Rebased to 100 as at 14 August 2003
** Adjusted for the exercise of warrants and convertibles

Source: ICM and Bloomberg

ZDP SHARES

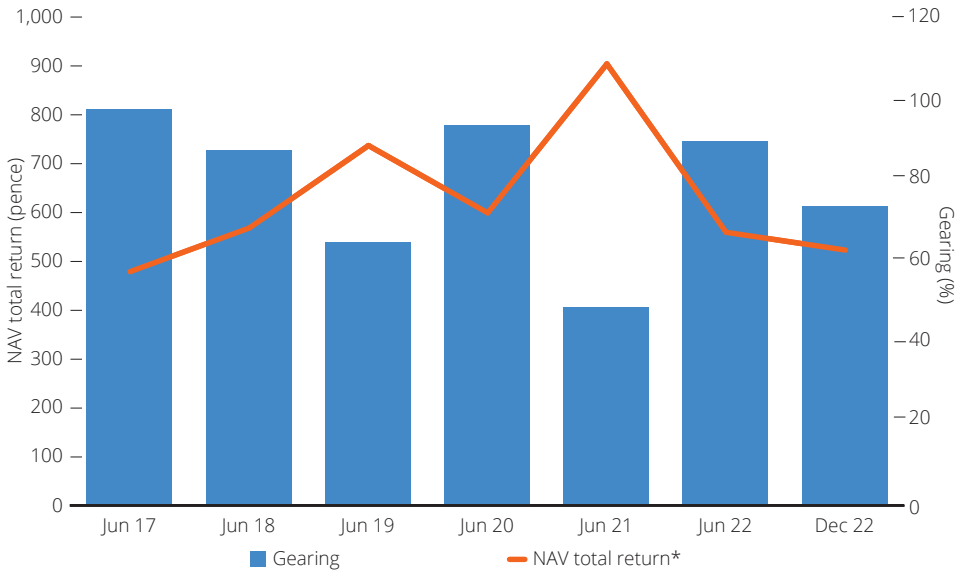
ZDP SHARES[1] – CAPITAL ENTITLEMENT AND SHARE PRICE (PENCE)

	Half year 31 Dec 2022	Half year 31 Dec 2021	Annual 30 Jun 2022	% change Jun-Dec 2022
2022 ZDP shares				
Capital entitlement per ZDP share	n/a	139.77	143.98	n/a
ZDP share price	n/a	142.50	144.00	n/a
2024 ZDP shares				
Capital entitlement per ZDP share	127.06	121.31	124.14	2.4
ZDP share price	125.00	122.50	122.50	2.0
2026 ZDP shares				
Capital entitlement per ZDP share	125.65	119.69	122.62	2.5
ZDP share price	114.50	117.00	115.50	(0.9)
2028 ZDP shares				
Capital entitlement per ZDP share	109.91	103.95	106.87	2.8
ZDP share price	95.50	98.50	99.00	(3.5)

(1) Issued by UIL Finance Limited, a wholly owned subsidiary of UIL

GEARING/NAV TOTAL RETURN

from 30 June 2017 to 31 December 2022



*Rebased to 100 as at 14 August 2003

Source: ICM

TOTAL BORROWINGS

	Jun 2017 £'000s	Jun 2018 £'000s	Jun 2019 £'000s	Jun 2020 £'000s	Jun 2021 £'000s	Jun 2022 £'000s	Dec 2022 £'000s
2018 ZDP	72,622	50,858					
2020 ZDP	48,704	51,940	55,387	59,087			
2022 ZDP	52,452	55,873	59,499	63,407	48,052	51,166	
2024 ZDP		29,408	31,582	33,250	34,996	36,833	37,790
2026 ZDP		11,275	13,474	24,791	25,299	27,589	28,300
2028 ZDP					23,726	25,225	26,011
Total	173,778	199,354	159,942	180,535	132,073	140,813	92,101
Bank and other debt	47,846	28,495	50,971	54,660	48,548	54,915	55,694
Total debt	221,624	227,849	210,913	235,195	180,621	195,728	147,795
Blended interest rate %	6.2	6.1	5.5	5.2	4.5	4.7	4.8

ZDP SHARES – TIMES COVERED BY UIL'S GROSS ASSETS*

	Jun 2017	Jun 2018	Jun 2019	Jun 2020	Jun 2021	Jun 2022	Dec 2022
2018	3.51	6.50					
2020	2.38	3.71	4.92	4.23			
2022	1.72	2.44	2.97	2.58	5.41	3.89	
2024		1.84	2.42	2.11	3.83	2.80	3.58
2026		1.63	2.08	1.81	3.03	2.23	2.58
2028					2.50	1.85	2.01

*Gross assets divided by the aggregate redemption liabilities of the ZDP shares and any bank debt or other borrowings ranking in priority to the ZDP shares.

GEARING METRICS

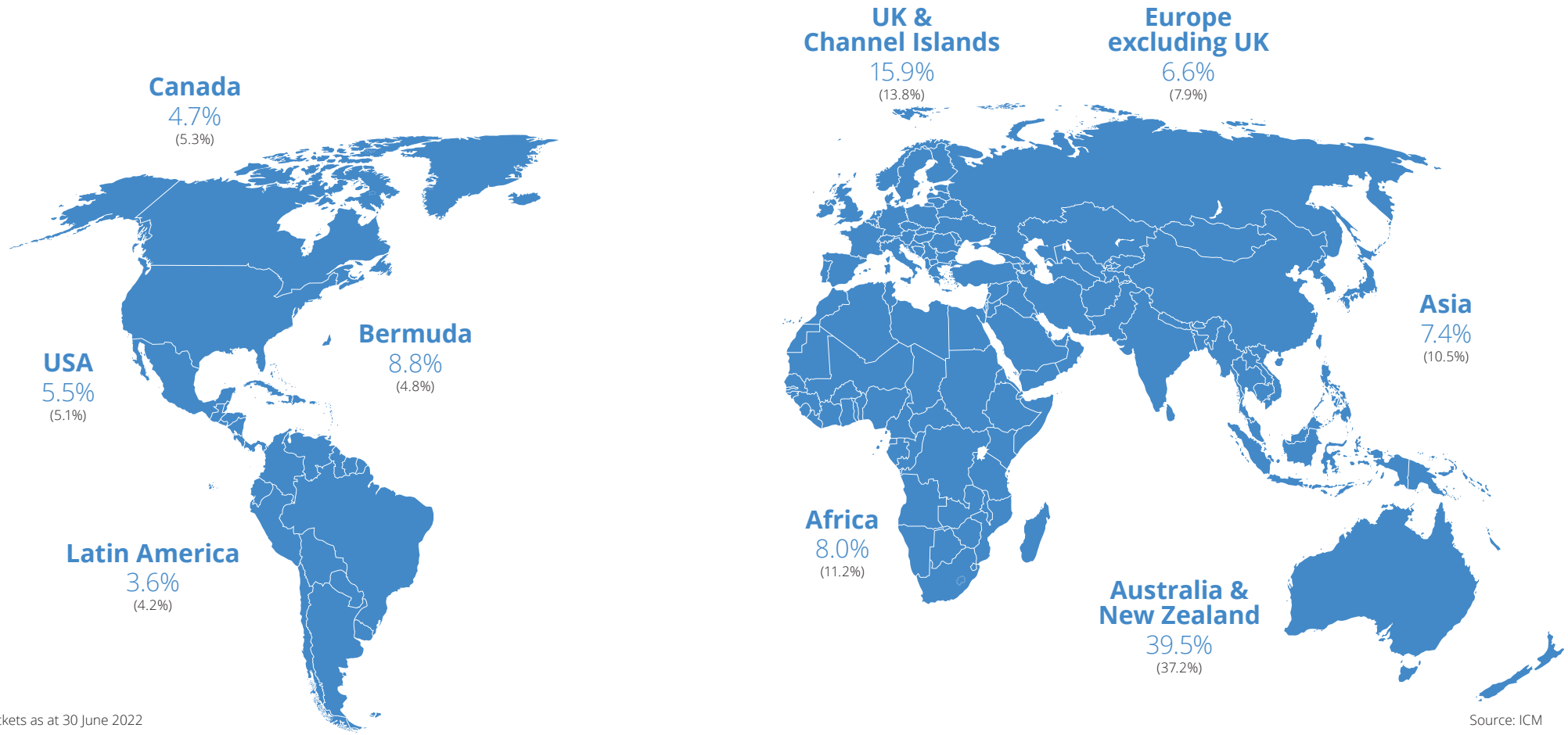
TOTAL ZDP AND BANK DEBT AS AT 31 DECEMBER 2022	GEARING AS AT 31 DECEMBER 2022	TOTAL DEBT DECREASE DURING THE HALF YEAR	AVERAGE COST OF DEBT FUNDING
£147.8m	73.4%+	£47.9m	4.8%

+ See Alternative Performance Measures on pages 46 to 48

Source: ICM

GEOGRAPHICAL INVESTMENT EXPOSURE

(% OF TOTAL INVESTMENTS ON A LOOK-THROUGH BASIS)

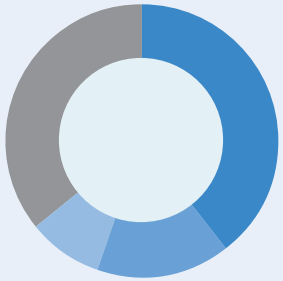


Figures in brackets as at 30 June 2022

Source: ICM

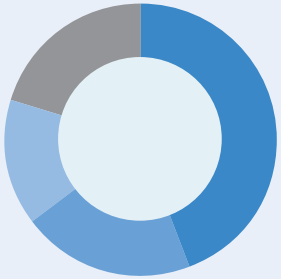
THREE LARGEST GEOGRAPHIES:

39.5% Australia and New Zealand
15.9% UK
8.8% Bermuda
35.8% Other



THREE LARGEST SECTORS:

44.3% Financial Services
20.5% Technology
15.1% Resources
20.1% Other



TEN LARGEST HOLDINGS

1 SOMERS LIMITED

36.6%

Somers Limited

Financial Services

A financial services investment platform, which primarily invests in the banking, wealth management and asset financing sectors.

127,989
Fair value £'000s

2 ZETA RESOURCES

15.6%

Zeta Resources Limited

Resources

A resources-focused investment platform, which invests in a range of resource entities and base metals exploration and production companies.

54,392
Fair value £'000s

3 UTILICO Emerging Markets Trust plc

12.0%

Utilico Emerging Markets Trust plc

Investment Fund

A UK closed-end investment trust dedicated to investments in infrastructure, utility and related sectors including technology infrastructure in the emerging markets.

42,078
Fair value £'000s

4 ALLECTUSCAPITAL

7.0%

Allectus Capital Limited

Technology

An investment platform with a growth-stage portfolio of technology companies.

24,378
Fair value £'000s

5 resimac

6.0%*

Resimac Group Limited

Financial Services

A lender for residential mortgages and asset finance in Australia and New Zealand.

20,891
Fair value £'000s

6 WEST HAMILTON HOLDINGS LIMITED

4.5%

West Hamilton Holdings Limited

Property

A Bermuda property holding and management company.

15,585
Fair value £'000s

7 The Market Herald

4.1%

The Market Herald Limited

Financial Services

A multi-platform and financial news business operating in Australia, Canada and Germany, and the owner of a number of classified online listing businesses.

14,363
Fair value £'000s

8 PANORAMIC RESOURCES LTD

1.6%

Panoramic Resources Limited

Resources

A nickel mining company headquartered in Perth, Western Australia.

5,710
Fair value £'000s

9 littlepay

1.6%

Littlepay Mobility Limited

Technology

A global provider of payment infrastructure for transport and mobility.

5,663
Fair value £'000s

10 AssetCo

1.4%

AssetCo plc

Financial Services

Primarily involved in acquiring, managing and operating asset and wealth management activities and interests, together with other related services.

4,804
Fair value £'000s

Note: % relates to % of total investments

*17.8% on a look-through basis

SOMERS LIMITED

VALUATION
14.8% ↓

Somers' shareholders' equity was USD 337.4m as at 30 September 2022 (30 September 2021: USD 617.8m) and Somers' NAV per share was USD 13.82 (30 September 2021: USD 27.70) which is after a special dividend in August of USD 4.55 per share. The NAV decrease resulted principally from a decrease in the value of Somers' largest investment, Resimac, whose share price decreased and Somers also incurred USD 62.7m of primarily unrealised foreign exchange losses for the year to 30 September 2022.

As at 30 September 2022, Somers' three largest investments, which make up 82.2% of its portfolio were a 53.8% holding in Resimac, a leading non-bank Australian financial institution, with over AUD 16.0bn AUM, a 61.8% holding in Waverton, a UK wealth manager with £12.4bn funds under management and administration ("FUMA"), and a 49.0% holding in Thorn Group, an Australian financial services organisation. Somers' gearing ratio was 24.1% up from 13.1% in the previous year. Resimac announced record annual home loan settlements of AUD 6.3bn, home loan AUM of AUD 15.3bn and normalised net profit after tax of AUD 104.4m for the year ended 30 June 2022, while Waverton's FUMA and revenues have grown strongly up to 31 December 2022.

ZETA RESOURCES

SHARE PRICE
15.2% ↓

Zeta's net assets decreased by 7.0% to AUD 204.9m in the half year to 31 December 2022 and net assets per share fell by 6.9% to AUD 0.363. Zeta's share price closed 31 December 2022 at a discount of 22.8% (30 June 2022: 15.3%) to NAV per share. It was a volatile period for commodity prices, with the nickel price ending the half year up 32.0% and Brent crude oil down 25.2%. Copper and gold ended the half year up 2.6%, and 0.9%, respectively.

Zeta's strongest performing investment during the period under review was Horizon Gold, which was up 19.2%. Gains in its Horizon investment were offset by GME Resources and Panoramic which fell 14.0% and 10.3% respectively.

UTILICO Emerging Markets Trust plc

SHARE PRICE
0.5% ↓

UEM's NAV increased by 2.0% on a total return basis and dividends were increased by 3.8% to 4.15p per share in the period. EM continued to weaken in the six months to 31 December 2022 with the MSCI EM total return Index (GBP adjusted) declining by 2.4%. UIL's shareholding in UEM decreased by 32.3% in the six months to 31 December 2022.

EM indices were mixed in the six months to 31 December 2022. Chinese markets lagged materially as the social and economic impact of the zero-Covid policy and rolling lockdowns weighed on sentiment for most of the period. This was exacerbated by governance concerns as Xi Jinping broke precedent by securing a third term as leader of the Chinese Communist Party. The Hong Kong Hang Seng Index dropped 9.5% in the six months. Meanwhile there were better performances elsewhere, with the India Sensex Index up 14.8% as the country's GDP growth remained robust and India was seen as a beneficiary of "friendshoring" with major corporates such as Apple looking to move production facilities into the country. There was also a good performance in Brazil, with the Bovespa Index up 11.4% notwithstanding a bitterly contested election which saw the remarkable return of Lula to the Presidency.

ALLECTUSCAPITAL

VALUATION
5.3% ↑

Allectus invests in growth-stage companies developing potentially disruptive technologies. Its key verticals comprise fintech, AI, digital health, and deep tech. Allectus maintains a selective approach to high-conviction opportunities in technology, which leverage its global relationships and synergies with other portfolio companies in the ICM Group.

Allectus made a number of new investments during the half year to 31 December 2022, which included YouPay (Australian payment fintech enabling e-commerce multiplayer checkouts) and Artius Global (Singapore reg-tech solution for shareholding disclosure in the capital markets).

In July 2022, Allectus's portfolio company Cohort Go, was acquired by Flywire at a significant multiple of its entry cost, reflecting the huge progress and leadership in the education payments space by Cohort Go and its management. During the half year, Allectus also made several follow-on investments into its portfolio companies including GeoX (Israeli platform for 3D property data powered by AI & Aerial Imagery) and Novafori (UK B2B marketplace). Allectus remains tightly focused on its investment mandate, with a high bar to invest, including requiring a viable path to profitability, given market volatility and flight to quality in the technology space.

resimac

SHARE PRICE
10.9% ↓

Resimac's share price decreased despite continuing to report solid underlying operational performance, though the price reduction was consistent with the share price decreases seen across the wider listed alternate banking sector in Australia.

Resimac operates in targeted market segments and asset classes in Australia and New Zealand. Its primary activities are as a mortgage manager and in originating, servicing and securitising mortgage assets. Resimac saw record settlements and AUM growth across home loans and asset finance during fiscal 2022. As at 30 June 2022, principally funded loans and advances to customers increased by 12.6% to AUD 15.7bn with total AUM of AUD 16.9bn. Net profit after tax was AUD 102.1m and Resimac issued AUD 5.8bn of Australian and New Zealand Prime and Specialist residential mortgage-backed securities. These solid results were recorded despite the continued industry pressure on net interest margin, driven by the aggressive pricing strategies of the large Australian banks.

The difficult operating environment has continued post year end and the rate of new loan origination has contracted and was AUD 1.9bn in the four months to 31 October 2022. Resimac announced in November 2022 that it expects first half 2023 normalised net profit after tax in the range of AUD 36m – AUD 40m. Against a fiercely competitive environment, Resimac has made substantial progress on overhauling its core banking systems including rolling out a new originations platform resulting in faster turnaround times. Resimac is also offering additional products such as asset finance through its new Resimac Asset Finance division and has targeted reaching AUD 1.0bn of asset finance originations in fiscal 2024.

WEST HAMILTON HOLDINGS LIMITED

NEW ENTRY

West Hamilton is a Bermuda Stock Exchange listed property investment and management company with property assets in Bermuda. The Belvedere Residences, West Hamilton's mixed-use building, is fully occupied with all commercial space let, seven apartments let on leases and two apartments sold. The 308-space car park facility is fully occupied with a significant waiting list. The Belvedere Building is approximately 80% occupied which in the post Covid-19 commercial property environment with a great proportion of employees working from home is positive. West Hamilton has received planning permission for a

second mixed use building next to the Belvedere Residences which would contain ten apartments and a penthouse commercial space. However, work has not yet commenced due to the increase in building costs driven by inflation and supply chain issues.

For the six months ended 31 March 2022, West Hamilton reported strong results with revenue of USD 1.5m and net income of USD 0.9m. Total assets amounted to USD 51.5m (30 September 2021: USD 50.4m). Total liabilities were USD 10.7m (30 September 2021: USD 10.5m) and net debt was USD 6.4m (30 September 2021: USD 7.7m).

NEW ENTRY

TMH is a classified advertising and financial media firm. It operates three divisions, online listing marketplaces, financial news publishing and strategic consultancy. The former was created by acquiring Adevinta's Australian classified advertising business, comprising Gumtree, Carsguide, and Autotrader ("GCA"), in October 2022 for AUD 87m. The eponymous news masthead, The Market Herald, keeps over 3.0m self-directed retail investors up-to-date with financial markets via video, website and print content. Advisir provides investor relations services to 400 corporate clients, as well as advertising consulting services to luxury brands. THM is based in Perth, Australia, with its shares listed on the ASX.

The acquisition of GCA is expected to be transformative for TMH, with TMH announcing that it expects pro-forma revenue of AUD 120.1m and EBITDA AUD 19.2m, compared to AUD 27.9m and AUD 6.5m achieved in FY22. Listings marketplace Gumtree is used by 1 in 3 Australians and 10.0m households monthly. Carsguide and Autotrader, combined, are the second most popular online automotive sites in Australia.

SHARE PRICE
10.3% ↓

Panoramic's share price in the six months to 31 December 2022 decreased 10.3% despite production improvements at its Savannah project and continued gains in nickel pricing. During the period, Panoramic produced a total 38,284 tonnes of concentrate, containing 2,855 tonnes of nickel, 1,647 tonnes of copper, and 192 tonnes of cobalt, with quarterly production increases of 28.0% and 13.0% respectively in the September and December quarters. Panoramic completed five shipments of concentrate over the six months to 31 December 2022. The mine's ramp-up to nameplate capacity continues and is expected to reach full steady state production by 2024.

As at 1 July 2022, Panoramic had proven and probable reserves of 102,700 tonnes of nickel, 49,400 tonnes of copper and 7,200 tonnes of cobalt. Additionally, Panoramic has an active exploration drilling program at Savannah underway. As at 30 September 2022, Panoramic had cash on hand of AUD 25.1m (30 September 2021: AUD 45.2m).

VALUATION
3.4% ↑

Littlepay provides payment services to the public transit sector through its proprietary API-based modular payments platform. The platform can connect with various Europay, Mastercard and Visa readers, fare systems and financial institutions, allowing transit operators, authorities, and agencies to implement a seamless multimodal contactless payment system across a transport network, making fare payments simpler and boarding faster for public transport users. Littlepay also offers a range of fare management and data analytics products as add-on solutions on its platform. Littlepay is working with over 250 transit providers globally and has implemented contactless ticketing systems from small, regional operators up to multi-modal, city-wide networks and national rollouts.

Littlepay has outperformed its budget for 2022, driven by strong growth in the number of payment transactions from existing customers, partially offset by delays in new projects. Littlepay has a strong pipeline of projects in 2023 which is expected to drive Littlepay's top-line growth for the year.

SHARE PRICE
17.3% ↓

AssetCo acquires, manages and operates fund and wealth management businesses in the UK. AssetCo adopted this strategy in January 2021 when Aberdeen Asset Management founder Martin Gilbert and various associates, in combination with Toscafund, acquired a 29.8% stake in AIM-listed cash-shell AssetCo, a former emergency services leasing business. Martin Gilbert was appointed chairman and is supported by Campbell Fleming, who became CEO in September 2021.

Under the new strategy, AssetCo has made several acquisitions; the largest being the active fund management business River & Mercantile ("RIV") in a £100.0m all-share acquisition in May 2022. RIV is expected to contribute the majority of AssetCo's revenue and earnings – and whilst currently loss-making, management expects it to generate a profit in 2023 following improvement in operational performance. Other acquisitions have provided AssetCo with exposure to secular industry growth trends, such as thematic investing and exchange traded funds as well as managed portfolios designed for financial advisors.

The current investee portfolio provides potential to deliver significant valuation upside following its recent acquisitions. At the same time, AssetCo remains alert to new acquisition opportunities, focusing on undervalued businesses with potential for both secular growth and operational improvement.

OUR INVESTMENT APPROACH



Resimac Group Limited

ICM is a long-term investor and typically operates focused portfolios with narrow investment remits. ICM has several dedicated research teams who have deep knowledge and understanding in their specific sectors, which improves the ability to source and make compelling investments. ICM has approximately USD 1.8bn of assets directly under management and is responsible indirectly for a further USD 22.2bn of assets in subsidiary investments.

ICM looks to exploit market and pricing opportunities and concentrates on absolute performance. The investments are not market index driven and the investment portfolio comprises a series of bottom-up decisions. ICM typically does not participate in either an IPO or an auction unless there is compelling value.

UIL seeks to leverage ICM's investment abilities to both identify and make investments across a range of industries. New investments usually offer an attractive valuation with strong risk/return expectations at the time of investment.

When reviewing investment opportunities, as part of the investment process ICM will look to understand the material ESG factors. ICM incorporates ESG factors into the investment process in three key ways.

- **Understanding:** in-depth analysis of the key issues that face potential and current holdings, as well as a deep understanding of the industry in which they operate.
- **Integration:** incorporate the output of the 'Understanding' component into the full company analysis to ensure a clear and complete picture of the investment opportunity is obtained.
- **Engagement**: engage with investee companies on the key issues on a regular basis both virtually and where possible on location, to discuss and identify any gaps in their ESG policy to further develop and improve their ESG disclosure and implementation.

ICM works to create value by harnessing our experience and expertise to generate and grow strong relationships with our stakeholders

We are focused on creating sustainable long-term value for our shareholders, team and the broader community through our:

VALUES

ICM's origins date back to 1988 and our organisation has evolved with offices now spanning the globe. We are focused on our values of:

- Independence and Integrity
- Creativity and Innovation
- Excellence
- Accountability

TEAM

We are proud of our diverse and inclusive environment for our teams to work in, which reflects the diversity of our communities.

INVESTMENT PRACTICES

Our deep and extensive research and understanding of the companies, sectors and markets we invest in moderates our risk and creates value for our investors. Our status as a signatory of the United Nations-supported Principles of Responsible Investment emphasises our commitment to integrating ESG factors into our investment decision making process.

FINANCIAL

Strong balance sheet and disciplined capital allocation to drive sustainable growth and shareholder value.

PLATFORMS

Technology, and digital and analytics enable our investment platforms to deliver growth for our shareholders.

COMMUNITIES

ICM supports the ICM Foundation, which has identified sustainable, effective and focused education where the biggest impact can be made on individuals and in communities. Over the past decade ICM and its stakeholders have contributed over USD 16.5m to not-for-profit and community organisations.

HALF-YEARLY FINANCIAL REPORT AND RESPONSIBILITY STATEMENT

The Chairman's Statement on pages 2 to 4 and the Investment Managers' Report on pages 6 to 11 give details of the important events which have occurred during the period and their impact on the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

Most of UIL's principal risks and uncertainties are market related and are similar to those of other investment companies investing mainly in listed equities in developed countries.

The principal risks and uncertainties were described in more detail under the heading "Principal Risks and Risk Mitigation" within the Strategic Report section of the annual report and accounts for the year ended 30 June 2022 and have not changed materially since the date of that document.

The principal risks faced by UIL include not achieving long-term total returns for its shareholders, adverse market conditions leading to a fall in NAV, loss of key management, its shares trading at a discount to NAV, losses due to inadequate controls of third-party service providers, gearing risk and regulatory risk. In addition, the emergence of geopolitical risk and climate risk, and the ongoing risk of the Covid-19 pandemic continue to be monitored.

The annual report and accounts is available on the Company's website, **www.uil.limited**

RELATED PARTY TRANSACTIONS

Details of related party transactions in the six months to 31 December 2022 are set out in note 13 to the accounts.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Chapter 4 of the Disclosure Guidance and Transparency Rules, the Directors confirm that to the best of their knowledge:

- The condensed set of financial statements contained within the report for the six months to 31 December 2022 has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and gives a true and fair view of the assets, liabilities, financial position and return of the Group;
- The half-yearly financial report, together with the Chairman's Statement and Investment Managers' Report, includes a fair review of the important events that have occurred during the first six months of the financial year and their impact on the financial statements as required by DTR 4.2.7R;
- The Directors' statement of principal risks and uncertainties above is a fair review of the principal risks and uncertainties for the remainder of the year as required by DTR 4.2.7R; and
- The half-yearly report includes a fair review of the related party transactions that have taken place in the first six months of the financial year as required by DTR 4.2.8R.

On behalf of the Board
Peter Burrows
Chairman
21 February 2023

UNAUDITED STATEMENTS



We remain bottom-up investors looking for compelling long-term value from our investee portfolio companies.

CONDENSED GROUP INCOME STATEMENT (UNAUDITED)

Notes		Six months to 31 December 2022			Six months to 31 December 2021			Year to 30 June 2022		
		Revenue return £'000s	**Capital return £'000s**	**Total return £'000s**	Revenue return £'000s	Capital return £'000s	Total return £'000s	Revenue return £'000s	Capital return £'000s	Total return £'000s
	Losses on investments	**–**	**(13,471)**	**(13,471)**	–	(35,029)	(35,029)	–	(120,524)	(120,524)
	Losses on derivative financial instruments	**–**	**(2,099)**	**(2,099)**	–	(310)	(310)	–	(10,532)	(10,532)
	Foreign exchange losses	**–**	**(1,460)**	**(1,460)**	–	(236)	(236)	–	(5,264)	(5,264)
	Investment and other income	**8,532**	**–**	**8,532**	4,329	–	4,329	9,879	–	9,879
	Total income/(loss)	**8,532**	**(17,030)**	**(8,498)**	4,329	(35,575)	(31,246)	9,879	(136,320)	(126,441)
2	Management and administration fees	**(434)**	**–**	**(434)**	(468)	–	(468)	(852)	–	(852)
	Other expenses	**(500)**	**(3)**	**(503)**	(381)	(3)	(384)	(819)	(3)	(822)
	Profit/(loss) before finance costs and taxation	**7,598**	**(17,033)**	**(9,435)**	3,480	(35,578)	(32,098)	8,208	(136,323)	(128,115)
	Finance costs	**(1,144)**	**(3,571)**	**(4,715)**	(557)	(3,870)	(4,427)	(1,132)	(7,790)	(8,922)
	Profit/(loss) before taxation	**6,454**	**(20,604)**	**(14,150)**	2,923	(39,448)	(36,525)	7,076	(144,113)	(137,037)
3	Taxation	**–**	**–**	**–**	(66)	–	(66)	(63)	–	(63)
	Profit/(loss) for the period	**6,454**	**(20,604)**	**(14,150)**	2,857	(39,448)	(36,591)	7,013	(144,113)	(137,100)
4	**Earnings per ordinary share – pence**	**7.70**	**(24.58)**	**(16.88)**	3.40	(46.95)	(43.55)	8.35	(171.68)	(163.33)

The Group does not have any income or expense that is not included in the profit for the period and therefore the profit for the period is also the total comprehensive income for the period, as defined in International Accounting Standard 1 (revised).

All items in the above statement derive from continuing operations.

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

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Notes	for the six months to 31 December 2022	Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total £'000s
	Balance at 30 June 2022	**8,384**	**37,874**	**233,866**	**(74,230)**	**12,846**	**218,740**
	(Loss)/profit for the period	**–**	**–**	**–**	**(20,604)**	**6,454**	**(14,150)**
5	Ordinary dividends paid	**–**	**–**	**–**	**–**	**(3,354)**	**(3,354)**
	Balance at 31 December 2022	**8,384**	**37,874**	**233,866**	**(94,834)**	**15,946**	**201,236**

	for the six months to 31 December 2021	Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s	Non-distributable reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total £'000s
	Balance at 30 June 2021	8,430	6,986	233,866	32,069	69,883	12,547	363,781
9,10	Transfer of reserves	–	32,069	–	(32,069)	–	–	–
	(Loss)/profit for the period	–	–	–	–	(39,448)	2,857	(36,591)
5	Ordinary dividends paid	–	–	–	–	–	(3,360)	(3,360)
	Shares purchased by the Company	(34)	(900)	–	–	–	–	(934)
	Balance at 31 December 2021	8,396	38,155	233,866	–	30,435	12,044	322,896

	for the year to 30 June 2022	Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s	Non-distributable reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total £'000s
	Balance as at 30 June 2021	8,430	6,986	233,866	32,069	69,883	12,547	363,781
9,10	Transfer of reserves	–	32,069	–	(32,069)	–	–	–
	(Losses)/profit for the year	–	–	–	–	(144,113)	7,013	(137,100)
5	Ordinary dividends paid	–	–	–	–	–	(6,714)	(6,714)
	Shares purchased by the Company	(46)	(1,181)	–	–	–	–	(1,227)
	Balance at 30 June 2022	8,384	37,874	233,866	–	(74,230)	12,846	218,740

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION (UNAUDITED)

Notes	As at	31 Dec 2022 £'000s	31 Dec 2021 £'000s	30 Jun 2022 £'000s
	Non-current assets			
6	Investments	**349,472**	518,326	416,516
	Current assets			
	Other receivables	**209**	575	444
6	Derivative financial instruments	**78**	874	620
	Cash and cash equivalents	**111**	1,070	8
		398	2,519	1,072
	Current liabilities			
7	Loans	**(50,000)**	(49,623)	(51,080)
	Other payables	**(6,533)**	(11,070)	(4,393)
6	Derivative financial instruments	**–**	(363)	(2,562)
	Zero dividend preference shares	**–**	(49,609)	(51,166)
		(56,533)	(110,665)	(109,201)
	Net current liabilities	**(56,135)**	(108,146)	(108,129)
	Total assets less current liabilities	**293,337**	410,180	308,387
	Non-current liabilities			
	Zero dividend preference shares	**(92,101)**	(87,284)	(89,647)
	Net assets	**201,236**	322,896	218,740
	Equity attributable to equity holders			
8	Ordinary share capital	**8,384**	8,396	8,384
9	Share premium account	**37,874**	38,155	37,874
	Special reserve	**233,866**	233,866	233,866
	Capital reserves	**(94,834)**	30,435	(74,230)
	Revenue reserve	**15,946**	12,044	12,846
	Total attributable to equity holders	**201,236**	322,896	218,740
11	**Net asset value per ordinary share**			
	Basic – pence	**240.02**	384.57	260.89

CONDENSED GROUP STATEMENT OF CASH FLOWS (UNAUDITED)

	Six months to 31 Dec 2022 £'000s	Six months to 31 Dec 2021 £'000s	Year to 30 Jun 2022 £'000s
Operating activities:			
Loss before taxation	**(14,150)**	(36,525)	(137,037)
Deduct investment income - dividends*	**(8,286)**	–	(7,539)
Deduct investment income - interest*	**(243)**	–	(2,338)
Deduct bank interest	**(3)**	–	(2)
Add back bank interest charged	**1,144**	–	1,132
Add back losses on investments	**13,471**	35,029	120,524
Add back losses on derivative financial instruments	**2,099**	310	10,532
Add back foreign exchange losses	**1,460**	236	5,264
Deduct non-cash flows on income	**–**	(2,969)	–
Decrease in accrued income	**–**	383	–
Increase in other debtors	**(45)**	(39)	(4)
Increase/(decrease) in creditors	**280**	(29)	10
Deduct ZDP shares finance costs	**3,571**	3,870	7,790
Tax on overseas income	**–**	66	–
Net cash (outflow)/inflow from operating activities before dividends and interest	**(702)**	332	(1,668)
Dividends received*	**1,962**	–	3,039
Investment income - interest received*	**91**	–	369
Bank interest received	**3**	–	2
Interest paid	**(1,144)**	–	(1,141)
Taxation paid	**–**	–	(63)
Cash flows from operating activities	**210**	332	538
Investing activities:			
Purchases of investments	**(10,003)**	(30,699)	(40,733)
Sales of investments	**70,333**	20,690	51,150
Settlement of derivatives	**(4,119)**	(401)	(8,170)
Cash flows from investing activities	**56,211**	(10,410)	2,247

* Disclosed under "non-cash flows on income" in the six months to 31 December 2021

CONDENSED GROUP STATEMENT OF CASH FLOWS (UNAUDITED) (continued)

	Six months to 31 Dec 2022 £'000s	Six months to 31 Dec 2021 £'000s	Year to 30 Jun 2022 £'000s
Financing activities:			
Equity dividends paid	**(3,354)**	(3,360)	(6,714)
Drawdowns of bank loans	**50,000**	1,074**	1,894
Repayment of bank loans	**(53,572)**	–	(3,147)
Cash flows from issue of ZDP shares	**–**	950	950
Cash flows from redemption of ZDP shares	**(52,283)**	–	–
Cost of shares purchased for cancellation	**–**	(934)	(1,227)
Cash flows from financing activities	**(59,209)**	(2,270)	(8,244)
Net decrease in cash and cash equivalents	**(2,788)**	(12,348)	(5,459)
Cash and cash equivalents at the beginning of the period	**(3,827)**	3,111	3,111
Effect of movement in foreign exchange	**1,032**	(235)	(1,479)
Cash and cash equivalents at the end of the period	**(5,583)**	(9,472)	(3,827)
Comprised of:			
Cash	**111**	1,070	8
Bank overdraft	**(5,694)**	(10,542)	(3,835)
Total	**(5,583)**	(9,472)	(3,827)

** Disclosed as "Movement on loans" in the six months to 31 December 2021

NOTES TO THE ACCOUNTS (UNAUDITED)

1. SIGNIFICANT ACCOUNTING POLICIES

The Company is an investment company incorporated in Bermuda, with its ordinary shares traded on the Specialist Fund Segment of the Main Market of the London Stock Exchange and listed on the Bermuda Stock Exchange.

The Group accounts comprise the results of the Company and UIL Finance Limited.

This condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK.

The annual financial statements of the Group for the year ended 30 June 2023 will be prepared in accordance with UK-adopted international accounting standards which comprise standards and interpretations approved by the IASB, and International Accounting Standards and Standing Interpretations Committee interpretations approved by the IASC that remain in effect. As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published consolidated financial statements for the year ended 30 June 2022.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by the Directors in applying the Group's accounting policies and key sources of uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 30 June 2022.

The unaudited condensed Group accounts do not include all of the information required for full annual accounts and should be read in conjunction with the consolidated accounts of the Group for the year ended 30 June 2022, which were prepared under full IFRS requirements.

2. MANAGEMENT AND ADMINISTRATION FEES

The Company has appointed ICM Investment Management Limited ("ICMIM") as its Alternative Investment Fund Manager and joint portfolio manager with ICM Limited ("ICM"), for which they are entitled to a management fee and a performance fee. The aggregate fees payable by the Company are apportioned between the joint portfolio managers as agreed by them.

The relationship between ICMIM and ICM is compliant with the requirements of the UK version of the EU Alternative Investment Fund Managers Directive as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended and also such other requirements applicable to ICMIM by virtue of its regulation by the Financial Conduct Authority.

The annual management fee is 0.5% per annum based on total assets less current liabilities (excluding borrowings and excluding the value of all holdings in companies managed or advised by the Investment Managers or any of their subsidiaries from which they receive a management fee), calculated and payable

quarterly in arrears. The agreement with ICM and ICMIM may be terminated upon one year's notice given by the Company or by ICM and ICMIM, acting together.

In addition, the Investment Managers are entitled to a capped performance fee payable in respect of each financial period, equal to 15% of the amount by which the Company's NAV attributable to holders of ordinary shares outperforms the higher of (i) 5.0%, and (ii) the post-tax yield on the FTSE Actuaries Government Securities UK Gilts 5 to 10 years' index, plus inflation (on the RPIX basis) (the "Reference Rate"). The opening equity funds for calculation of the performance fee are the higher of (i) the equity funds on the last day of a calculation period in respect of which a performance fee was last paid, adjusted for capital events and dividends paid since that date (the "high watermark"); and (ii) the equity funds on the last day of the previous calculation period increased by the Reference Rate during the calculation period and adjusted for capital events and dividends paid since the previous calculation date. In a period where the Investment Managers or any of their associates receive a performance fee from any ICM managed investment in which UIL is an investor, the performance fee payable by UIL will be reduced by a proportion corresponding to UIL's percentage holding in that investment applied to the underlying investment performance fee, subject to the provision that the UIL performance fee cannot be a negative figure. In calculating any performance fee payable, a cap of 2.5% of closing NAV (adjusted for capital events and dividends paid) will be applied following any of the above adjustments and any excess over this cap shall be written off. A performance fee was last paid in respect of the year to 30 June 2019. As at that date the equity shareholders' funds were £326.3m. As at 30 June 2021, the attributable shareholders' funds were above the high watermark. However, after adjusting for the allocated share of performance fees (paid and accrued) from ICM managed investments in which UIL is an investor, no performance fee was accrued.

In the period to 31 December 2022, UIL's NAV return is below the required hurdle calculated at 15.2% return to entitle the Investment Managers to a performance fee and therefore no performance fee has been accrued. The final amount payable is dependent upon the performance of the Company, adjusted for the allocated share of any performance fees from ICM managed investments in which UIL is an investor, in the year to 30 June 2023.

ICM also provides company secretarial services to the Company, with the Company paying 45% of the incurred costs associated with this post.

JP Morgan Chase Bank N.A. – London Branch has been appointed Administrator and ICMIM has appointed Waverton Investment Management Limited to provide certain support services (including middle office, market dealing and information technology support services). The Company or the Administrator may terminate the agreement with the Administrator upon six months' notice in writing.

3. TAXATION

The revenue taxation charge of £nil (31 December 2021: £66,000 and 30 June 2022: £63,000) relates to overseas taxation suffered on interest income. Except as stated above, profits of the Company and subsidiaries for the period are not subject to any taxation within their countries of residence.

4. EARNINGS PER ORDINARY SHARE

The calculation of earnings per ordinary share from continuing operations is based on the following data:

	Six months to 31 Dec 2022 £'000s	Six months to 31 Dec 2021 £'000s	Year to 30 Jun 2022 £'000s
Revenue	**6,454**	2,857	7,013
Capital	**(20,604)**	(39,448)	(144,113)
Total	**(14,150)**	(36,591)	(137,100)
	Number	Number	Number
Weighted average number of shares in issue during the period for earnings per share calculations	**83,842,918**	84,015,278	83,942,540
	pence	pence	pence
Revenue return per ordinary share	**7.70**	3.40	8.35
Capital return per ordinary share	**(24.58)**	(46.95)	(171.68)
Total return per ordinary share	**(16.88)**	(43.55)	(163.33)

5. DIVIDENDS

	Record date	**Payment date**	**Six months to 31 Dec 2022 £'000s**	Six months to 31 Dec 2021 £'000s	Year to 30 Jun 2022 £'000s
2021 Fourth quarterly interim of 2.000p	03-Sep-21	30-Sep-21	**–**	1,680	1,680
2022 First quarterly interim of 2.000p	03-Dec-21	23-Dec-21	**–**	1,680	1,680
2022 Second quarterly interim of 2.000p	04-Mar-22	31-Mar-22	**–**	–	1,677
2022 Third quarterly interim of 2.000p	06-Jun-22	30-Jun-22	**–**	–	1,677
2022 Fourth quarterly interim of 2.000p	02-Sep-22	30-Sep-22	**1,677**	–	–
2023 First quarterly interim of 2.000p	02-Dec-22	22-Dec-22	**1,677**	–	–
			3,354	3,360	6,714

The Directors have declared a second quarterly dividend in respect of the year ending 30 June 2023 of 2.00p per ordinary share payable on 31 March 2023 to shareholders on the register at close of business on 3 March 2023. The total cost of this dividend, which has not been accrued in the results for the six months to 31 December 2022, is £1,677,000 based on 83,842,918 ordinary shares in issue as at the date of this half-yearly report.

6. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

The tables below set out the fair value measurements hierarchy at the relevant period end.

These fair value measurements are categorised into a hierarchy consisting of the following three levels:

Level 1 – valued using unadjusted quoted prices in active markets for identical assets and liabilities.
Level 2 – valued by reference to valuation techniques using other observable inputs not included within level 1.
Level 3 – valued by reference to valuation techniques using unobservable inputs.

	Level 1 £'000s	**Level 2 £'000s**	**Level 3 £'000s**	**31 Dec 2022 Total £'000s**
Financial assets held at fair value through profit or loss				
Investments	**104,880**	**59,378**	**185,214**	**349,472**
Derivative financial instruments – foreign currency options	**–**	**78**	**–**	**78**

During the period, holdings of value £65,586,000 were transferred from level 1 to level 2 due to the investee company shares having irregular trading in the period and a holding of value £3,511,000 was transferred from level 2 to level 1 due to changes in the trading liquidity of the investee company. The book cost and fair values were transferred using the 30 June 2022 balances.

	Level 1 £'000s	Level 2 £'000s	Level 3 £'000s	31 Dec 2021 Total £'000s
Financial assets held at fair value through profit or loss				
Investments	120,041	86,762	311,523	518,326
Derivative financial instruments – forward foreign currency contracts	–	874	–	874
Financial liabilities held at fair value through profit or loss				
Derivative financial instruments – forward foreign currency contracts	–	363	–	363

During the period, holdings of value £78,050,000 were transferred from level 1 to level 2 due to the investee company shares having irregular trading in the period. The book cost and fair values were transferred using the 30 June 2021 balances.

	Level 1 £'000s	Level 2 £'000s	Level 3 £'000s	30 Jun 2022 Total £'000s
Financial assets held at fair value through profit or loss				
Investments	173,206	4,389	238,921	416,516
Derivative financial instruments – forward foreign currency contracts	–	620	–	620
Financial liabilities held at fair value through profit or loss				
Derivative financial instruments – forward foreign currency contracts	–	2,562	–	2,562

In the year to 30 June 2022, holdings with value of £11,723,000 were transferred from level 2 to level 1 due to the changes in the trading liquidity of the investee companies. The book cost and fair value were transferred using the 30 June 2021 balances.

A reconciliation of fair value measurements in level 3 is set out in the following table:

	Six months to 31 Dec 2022 £'000s	Six months to 31 Dec 2021 £'000s	Year to 30 June 2022 £'000s
Investments brought forward			
Cost	**199,073**	219,605	219,605
Gains	**39,848**	103,259	103,259
Valuation	**238,921**	322,864	322,864
Purchases	**59,035**	28,597	53,378
Sales	**(120,175)**	(21,445)	(71,449)
Gains/(losses) on investments	**7,433**	(18,493)	(65,872)
Valuation carried forward	**185,214**	311,523	238,921
Analysed			
Cost	**164,642**	221,091	199,073
Gains	**20,572**	90,432	39,848
Valuation carried forward	**185,214**	311,523	238,921

7. BANK LOANS

The Company has a committed loan facility of £50,000,000 from Bank of Nova Scotia, London Branch, reducing to £37.5m on 30 March 2023 and expiring on 19 September 2023. Commissions are charged on any undrawn amounts at commercial rates. The terms of the loan facility, including those related to accelerated repayment and costs of repayment and the loan covenants, are typical of those normally found in facilities of this nature. Scotiabank has a floating charge over the assets of the Company in respect of amounts owing under the loan facility. As at 31 December 2022 £50,000,000 (31 December 2021: £49,623,000 and 30 June 2022: £51,080,000) was drawn down.

8. ORDINARY SHARE CAPITAL

Equity share capital:	Number	£'000s
Ordinary shares of 10p each with voting rights		
Authorised	250,000,000	25,000

	Total shares in issue Number	Total shares in issue £'000s
Balance as at 31 December 2022 and 30 June 2022	**83,842,918**	**8,384**

No ordinary shares have been purchased for cancellation since the period end.

9. SHARE PREMIUM ACCOUNT

	31 Dec 2022 £'000s	31 Dec 2021 £'000s	30 Jun 2022 £'000s
Balance brought forward	**37,874**	6,986	6,986
Purchase of ordinary shares	**–**	(900)	(1,181)
Transfer from Non-distributable Reserve (see note 10)	**–**	32,069	32,069
Balance carried forward	**37,874**	38,155	37,874

10. NON-DISTRIBUTABLE RESERVE

	31 Dec 2022 £'000s	31 Dec 2021 £'000s	30 Jun 2022 £'000s
Balance brought forward	**–**	32,069	32,069
Transfer to Share Premium Account	**–**	(32,069)	(32,069)
Balance carried forward	**–**	–	–

The Non-distributable Reserve was created when the warrants issued in 2007 were exercised, following the recommendation by the SORP in issue at that time. The current SORP no longer requires this accounting treatment and the reserve has therefore been transferred back to the Share Premium Account. There was no impact to distributable reserves under Bermuda Law as a result of this transfer.

11. NET ASSET VALUE PER SHARE

Net asset value per ordinary share is based on net assets as at the period end of £201,236,000 (31 December 2021: £322,896,000 and 30 June 2022: £218,740,000) and on 83,842,918 ordinary shares in issue as at the period end (31 December 2021: 83,962,718 and 30 June 2022: 83,842,918).

12. OPERATING SEGMENTS

The Directors are of the opinion that the Group's activities comprise a single operating segment, namely that of investing in equity, debt and derivative securities to maximise shareholder returns.

13. RELATED PARTY TRANSACTIONS

The following transactions were carried out during the half year to 31 December 2022 between the Company and its related parties above:

Subsidiaries of UIL

Allectus Capital Limited ("Allectus Capital") - Pursuant to a loan agreement dated 1 September 2016 under which UIL agreed to loan monies to Allectus Capital, UIL advanced to Allectus Capital a loan of USD 0.3m and Allectus Capital repaid USD 6.9m. The balance of the loan as at 30 June 2022 was USD 6.6m and as at 31 December 2022 USD 0.4m. The loan is interest free and is converted into equity on an annual basis as at 30 June each year. Pursuant to a separate loan agreement dated 23 September 2022 under which UIL agreed to loan monies to Allectus Capital, UIL advanced to Allectus Capital a loan of USD 0.8m. The balance of the loan as at 31 December 2022 was USD 0.8m. The loan is interest free.

Allectus Quantum Holdings Limited ("Allectus Quantum") - Pursuant to a loan agreement dated 20 April 2022 under which UIL has agreed to loan monies to Allectus Quantum, UIL advanced to Allectus Quantum a loan of £2.4m. As at 31 December 2022 the loan balance was £2.4m. The loan is interest free and is converted into equity on an annual basis.

Elevate Platform Limited ("Elevate") - Pursuant to a loan agreement dated 1 January 2019 under which UIL agreed to loan monies to Elevate, no further funds were advanced to Elevate during the period. As at 31 December 2022, the balance of the loan was £1.6m. The loan bears interest at an annual rate of 6.0% and is repayable on 31 December 2023.

Newtel Holdings Limited ("Newtel") - The loan to Newtel was converted into equity during the period, bringing the loan balance to £nil as at 31 December 2022 (30 June 2022: £5.5m).

West Hamilton Holdings Limited ("West Hamilton") - In October 2022, Somers Limited ("Somers") acquired UIL's holding in ICM Mobility Group Limited ("ICM Mobility") and Snapper Services (UK) Limited for £45.6m. In exchange Somers sold to UIL its holding in West Hamilton for USD 19.7m, WT Financial Group Limited for AUD 5.7m and BNK Banking Corp Ltd for AUD 3.9m. Somers funded the balance of the transaction (£22.3m) via the loan account (see Somers on page 42). As at 31 December 2022, UIL owns 57.1% of the ordinary shares of West Hamilton.

Zeta Resources Limited ("Zeta") - Pursuant to loan agreements dated 1 September 2016 (AUD loan) and 1 May 2018 (CAD loan), under which UIL agreed to loan monies to Zeta, UIL advanced to Zeta loans of AUD 2.2m and CAD 17.5m, capitalised interest of AUD nil and CAD 0.2m and received from Zeta repayments of AUD 2.2m and CAD 17.7m. As at 31 December 2022, the balance of the loans and interest outstanding was AUD nil and CAD nil. The AUD loan bears interest at an annual rate of 7.5% and the CAD loan bears interest at an annual rate of 7.25%. The loans are repayable on not less than 12 months' notice.

Associated undertakings:

Carebook Technologies Inc ("Carebook") - Pursuant to a convertible loan agreement dated 21 December 2021, amended and restated on 28 September 2022, UIL advanced to Carebook an additional loan tranche of CAD 500k. UIL received interest of CAD 17k. The loan bears an interest rate of the Canadian Variable Rate plus 10.0% and is repayable by 21 December 2026. Pursuant to a convertible loan agreement dated 15 December 2022, UIL advanced to Carebook a loan of CAD 1.25m. The loan bears an interest rate of the Canadian Variable Rate plus 10.0% and is repayable by 22 December 2026.

ICM Mobility - Pursuant to a loan agreement dated 1 June 2021, under which UIL has agreed to loan monies to ICM Mobility, UIL advanced to ICM Mobility loans of £0.6m and received from ICM Mobility £0.1m. In October 2022, UIL sold its loan to ICM Mobility (£0.5m) to Somers as part of the transaction where UIL sold its interest in ICM Mobility to Somers - see West Hamilton on page 41.

Novareum Blockchain Asset Fund Ltd ("Novareum") - As at 31 December 2022, UIL's holding represented 36.7% of Novareum's units in issue and had a fair value of £0.7m (30 June 2022: 57.5% of units in issue and was classified as a subsidiary of UIL).

Somers - On 12 July 2022 UIL sold to Somers, at fair value, 2,953,446 Resimac Group Limited ("Resimac") shares for AUD 3.5m and received in exchange 134,153 AssetCo plc shares for £1.0m and 2,691,811 MJ Hudson Group plc shares for GBP 1.0m.

On 5 August 2022 Somers paid a distribution of USD 4.55 per share. In settlement, UIL received at fair value 38,451,000 Resimac shares for AUD 50.4m and 42,183,103 The Market Herald shares for AUD 16.0m. The distribution has been recognised as a return of capital of USD 38.7m and a revenue dividend of USD 7.6m. At the same time, Somers issued 5,412,314 warrants pro-rata to all of its shareholders on a one for four basis (the "Warrants"). The exercise price of the Warrants is USD 18.92 per share and can be converted at any time until maturity on 30 September 2023. These were issued for no consideration and UIL received and continues to hold 2,542,233 warrants as at 31 December 2022.

On 8 August 2022, as part of a group restructure, UIL sold to Somers at fair values, 16,472,685 Resimac shares for AUD 21.6m and in exchange UIL advanced loans to Zeta for AUD 2.2m and CAD 17.5m (included within Zeta data on page 41).

Pursuant to a loan agreement dated 22 June 2018 under which UIL has agreed to loan monies to Somers, UIL advanced to Somers loans of £23.2m (see West Hamilton on page 41) and Somers repaid loans of £23.2m. UIL received interest of £39k. As at 31 December 2022, the balance of the loans and interest outstanding was £nil. The loan bears interest at an annual rate of 6.0% and is repayable on not less than 12 months' notice.

Key management entities and persons:
ICM and ICMIM are joint portfolio managers of UIL. Other than investment management fees and company secretarial costs as set out in note 2, and reimbursed expenses of £41,000, there were no other transactions with ICM or ICMIM or ICM Corporate Services (Pty) Ltd. As at 31 December 2022, £147,000 remained outstanding to ICM and ICMIM in respect of management and company secretarial fees and £nil in respect of performance fees.

Mr Jillings received dividends from UIL of £14,000. There were no other transactions during the six months with Alasdair Younie, Charles Jillings, Duncan Saville and Sandra Pope and UIL.

The Board
The fees paid to Directors for the six months to 31 December 2022: Chairman £25,000; Chairman of Audit & Risk Committee £23,875; Directors £18,500. The Board received aggregate remuneration of £104,000 for services as Directors. As at 31 December 2022, £nil remained outstanding to the Directors. In addition to their fees, the Directors received dividends totalling £61,570. There were no other transactions during the six months with the Board and UIL.

Companies controlled by key management persons:
General Provincial Life Pension Fund Limited received dividends of £2,194,000 from UIL, Union Mutual Pension Fund Limited received dividends of £307,000 from UIL and Mitre Investments Limited received dividends of £105,000 from UIL. There were no other transactions between companies controlled by key management and UIL during the six months to 31 December 2022.

14. FINANCIAL RISK MANAGEMENT – LEVEL 3 FINANCIAL INSTRUMENTS

Valuation methodology
The objective of using valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The Company uses proprietary valuation models, which are compliant with IPEV guidelines and IFRS 13 and which are usually developed from recognised valuation techniques.

The Directors have satisfied themselves as to the methodology used, the discount rates and key assumptions applied, and the valuations. The methodologies used to determine fair value are described in the 2022 annual report. The level 3 assets comprise of a number of unlisted investments at various stages of development and each has been assessed based on its industry, location and business cycle. The valuation methodologies include net assets, discounted cash flows, cost of recent investment or last funding round, listed peer comparison or peer group multiple or dividend yield, as appropriate. Where applicable, the Directors have considered observable data and events to underpin the valuations. A discount has been applied, where appropriate, to reflect both the unlisted nature of the investments and business risks.

UIL currently has investments in a number of closed-end investment companies including Allectus Capital and Somers. These closed-end fund interests are valued on a net assets basis, estimated based on the managers' NAVs. Managers' NAVs use recognised valuation techniques consistent with IFRS and are normally subject to audit. The fund valuations included in these financial statements were based principally on the 31 December 2022 managers' NAVs and these NAVs have been reviewed to ensure that the economic impact of the rising interest rate environment, inflation, the Ukraine war and Covid-19 have been considered.

Sensitivity of level 3 financial investments measured at fair value to changes in key assumptions

Level 3 inputs are sensitive to assumptions made when ascertaining fair value. While the Directors believe that the estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. The sensitivities shown in the table below give an indication of the effect of applying reasonable and possible alternative assumptions.

In assessing the level of reasonably possible outcomes consideration was also given to the impact on valuations of the increased level of volatility in equity markets during 2022, principally reflecting concerns about increasing rates of inflation, tightening energy supplies, rising interest rates and the Ukraine war. The impact on the valuations has been varied and largely linked to their relevant sectors and this has been reflected in the level of sensitivities applied.

The following table shows the sensitivity of the fair value of level 3 financial investments to changes in key assumptions as at 31 December 2022.

Investment	Investment type	Valuation methodology	Risk weighting	Sensitivity +/-	Carrying amount £'000s	Sensitivity £'000s
Somers	Equity	NAV	Low	10%	127,989	12,799
Allectus Capital	Equity	NAV	Medium	20%	24,378	4,876
West Hamilton	Equity	Fair value of assets	Medium	20%	15,585	3,117
Littlepay	Equity	Peer multiples	Medium	20%	5,663	1,133
Allectus Quantum	Equity	Price of recent investment	High	30%	4,659	1,398
Arria NLG Limited ("Arria")*	Equity	Peer multiples	High	400%	1,188	4,751
Other investments	Equity	Various	Medium	20%	4,372	874
Other investments	Loans	Various	Low	10%	1,380	138
Total					185,214	29,086

* Valuation of investment in Arria

UIL holds 6.6m ordinary shares in Arria which it valued at £1.2m as at 31 December 2022. The cost of this investment was £0.7m. In arriving at its valuation, UIL applied a peer revenue multiple to estimated recurring revenue. According to its most recent published accounts, Arria was materially loss making, cash flow negative and it may have insufficient cash reserves if its expected capital raise activities do not proceed as planned. Against this, Arria's revenues have recently gained traction and appear to be growing very strongly. Arria has also had historic success in raising funds. In arriving at the valuation, the Directors considered Arria's historic financial track record, its recent uplift in revenues and Arria's reliance on a successful future capital raising. The Directors assessed that while the valuation uncertainty over Arria was high, should Arria's recent growth trajectory continue and should it have success in raising capital this would be expected to contribute to a valuation uplift. Accordingly, Arria's fair value has been given a sensitivity of 400% to reflect the high level of uncertainty over the future position of Arria.

15. GOING CONCERN

Notwithstanding that the Group has reported net current liabilities of £56,135,000 as at 31 December 2022 (31 December 2021: £108,146,000 and 30 June 2022: £108,129,000), the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Board's going concern assessment has focused on the forecast liquidity of the Group for 12 months from the date of approval of the financial statements. This analysis assumes that the Company will meet some of its short term obligations through the sale of level 1 securities, which represented 30.0% of the Company's total portfolio as at 31 December 2022. As part of this assessment the Board has considered a severe but plausible downside that reflects the impact of the key risks set out in the Strategic Report of the 2022 Annual Report and an assessment of the Company's ability to meet its liabilities as they fall due (including the loan liabilities), assuming a significant reduction in asset values and accompanying currency volatility.

The severe but plausible downside assumes a breach of bank loan covenants leading to the repayment of bank loan liabilities and a significant reduction in asset values in line with that experienced during the emergence of the Covid-19 pandemic in the first quarter of 2020. The Board also considered reverse stress testing to identify the reduction in the valuation of liquid investments that would cause the Group to be unable to meet its net current liabilities, being primarily the bank loan of £50,000,000. The Board is confident that the reduction in asset values implied by the reverse stress test is not plausible even in the current volatile environment.

As at the period end, the Company had a £50m multicurrency loan facility with Bank of Nova Scotia expiring on 19 September 2023 with the facility reducing to £37.5m on 30 March 2023. Post 19 September 2023, the Company will either extend or replace the facility or repay the outstanding debt when due from portfolio realisations.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Accordingly, the Board considers it appropriate to continue to adopt the going concern basis in preparing the accounts.

16. RESULTS

The condensed set of financial statements, forming the half year accounts, has been neither audited nor reviewed by the Company's auditors. The latest published accounts are for the year ended 30 June 2022; the report of the auditors thereon was unqualified. The condensed financial statements shown above for the year ended 30 June 2022 are an extract from those accounts.

ALTERNATIVE PERFORMANCE MEASURES

The European Securities and Markets Authority defines an Alternative Performance Measure ("APM") as being a financial measure of historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable accounting framework. The Group uses the following APMs:

Discount/Premium – if the share price is lower than the NAV per ordinary share, the shares are trading at a discount. Shares trading at a price above NAV per ordinary share are said to be at a premium. As at 31 December 2022 the ordinary share price was 160.00p and the NAV per ordinary share was 240.02p, the discount was therefore 33.3%.

Gearing – represents the ratio of the borrowings less cash and cash equivalents of the Company to its net assets.

	page	**31 Dec 2022 £'000s**	31 Dec 2021 £'000s	30 Jun 2022 £'000s
Bank overdraft	34	**5,694**	10,542	3,835
Cash and cash equivalents	32	**(111)**	(1,070)	(8)
Bank loans	32	**50,000**	49,623	51,080
ZDP shares	32	**92,101**	136,893	140,813
Total debt		**147,684**	195,988	195,720
Net assets attributable to equity holders	32	**201,236**	322,896	218,740
Gearing		**73.4%**	60.7%	89.5%

NAV per ordinary share – the value of the Group's net assets divided by the number of ordinary shares in issue (see note 11 to the accounts).

NAV/share price total return – the return to shareholders calculated on a per ordinary share basis by adding dividends paid in the period to the increase or decrease in the NAV or share price in the period. The dividends are assumed to have been re-invested in the form of net assets or shares, respectively, on the date on which the dividends were paid.

Six months to 31 December 2022	**Dividend rate (pence)**	**NAV (pence)**	**Share price (pence)**
30 June 2022	**n/a**	**260.89**	**187.50**
30 September 2022	**2.00**	**258.73**	**188.50**
22 December 2022	**2.00**	**233.15**	**155.00**
31 December 2022	**n/a**	**240.02**	**160.00**
Total return		**(6.5%)**	**(12.6%)**

Six months to 31 December 2021	Dividend rate (pence)	NAV (pence)	Share price (pence)
30 June 2021	n/a	431.51	268.00
30 September 2021	2.00	387.13	267.00
23 December 2021	2.00	372.95	245.00
31 December 2021	n/a	384.57	250.00
Total return		(9.9%)	(5.3%)

Year to 30 June 2022	Dividend rate (pence)	NAV (pence)	Share price (pence)
30 June 2021	n/a	431.51	268.00
30 September 2021	2.00	387.13	267.00
23 December 2021	2.00	372.95	245.00
31 March 2022	2.00	370.02	240.00
30 June 2022	2.00	260.89	187.50
30 June 2022	n/a	260.89	187.50
Total return		(38.1%)	(27.6%)

NAV/share price total return since inception – the return to shareholders calculated on a per ordinary share basis by adding dividends paid in the period and adjusting for the exercise of warrants and Convertible Unsecured Loan Stock ("CULS") in the period to the increase or decrease in the NAV/share price in the period. The dividends are assumed to have been re-invested in the form of net assets or shares on the date on which the dividends were paid. The adjustment for the exercise of warrants and CULS is made on the date the warrants and CULS were exercised.

	Six months to 31 Dec 2022		Six months to 31 Dec 2021		Year to 30 Jun 2022	
	NAV	**Share price**	NAV	Share price	NAV	Share price
NAV/share price 14 August 2003 (pence)	**99.47**	**85.67**	99.47	85.67	99.47	85.67
Total dividend, warrants and CULS adjustment factor	**2.1685**	**2.6823**	2.106	2.5712	2.1336	2.6203
NAV/share price at period end (pence)	**240.02**	**160.00**	384.57	250.00	260.89	187.50
Adjusted NAV/share price at period end (pence)	**520.49**	**429.16**	809.92	642.80	556.63	491.30
Total return since inception	**423.26**	**400.96**	714.2%	650.4%	459.6%	473.5%

Annual compound NAV/share price total return since inception – the annual return to shareholders using the same basis as NAV/share price total return since inception.

	Six months to 31 Dec 2022		Six months to 31 Dec 2021		Year to 30 Jun 2022	
	NAV	**Share price**	NAV	Share price	NAV	Share price
Annual compound NAV total return since inception	**8.9%**	**8.7%**	12.1%	11.6%	9.5%	9.7%

Ongoing charges – all operating costs expected to be regularly incurred and that are payable by the Group or suffered within underlying investee funds, expressed as a proportion of the average net asset values of the Group (valued in accordance with accounting policies) over the reporting year. The costs of buying and selling investments and derivatives are excluded, as are interest costs, taxation, non-recurring costs and the costs of buying back or issuing ordinary shares.

Ongoing charges calculation (excluding performance fees)	**31 Dec 2022 (annualised) £'000s**	31 Dec 2021 (annualised) £'000s	30 Jun 2022 £'000s
Management and administration fees	**868**	936	852
Other expenses	**903**	768	819
Expenses suffered within underlying funds	**4,426**	4,861	5,221
Total expenses for ongoing charges calculation	**6,197**	6,565	6,892
Average net asset values of the Group	**211,701**	325,106	306,929
Ongoing Charges	**2.9%**	2.0%	2.2%

Ongoing charges calculation (including performance fees)	**31 Dec 2022 (annualised) £'000s**	31 Dec 2021 (annualised) £'000s	30 Jun 2022 £'000s
Management and administration fees	**868**	936	852
Other expenses	**903**	768	819
Expenses suffered within underlying funds	**4,426**	11,923	5,221
Total expenses for ongoing charges calculation	**6,197**	13,627	6,892
Average net asset values of the Group	**211,701**	325,106	306,929
Ongoing Charges	**2.9%**	4.2%	2.2%

Revenue reserves per ordinary share carried forward – the value of the Group's revenue reserves divided by the number of ordinary shares in issue.

	page	**31 Dec 2022**	31 Dec 2021	30 Jun 2022
Revenue reserves (£'000s)	32	**15,946**	12,044	12,846
Number of ordinary shares in issue	40	**83,842,918**	83,962,718	83,842,918
Revenue reserves per ordinary share carried forward (pence)		**19.02**	14.34	15.32

COMPANY INFORMATION

DIRECTORS
Peter Burrows, AO (Chairman)
Stuart Bridges
Alison Hill
Christopher Samuel
David Shillson

REGISTERED OFFICE
Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda

Company Registration Number: 39480
LEI: 213800CTZ7TEIE7YM468

AIFM AND JOINT PORTFOLIO MANAGER
ICM Investment Management Limited
Ridge Court, The Ridge, Epsom, Surrey, KT18 7EP
United Kingdom

Telephone 01372 271486

Authorised and regulated in the UK by the Financial Conduct Authority

JOINT PORTFOLIO MANAGER AND SECRETARY
ICM Limited
34 Bermudiana Road, Hamilton HM 11
Bermuda

ASSISTANT SECRETARY
Conyers Corporate Services (Bermuda) Limited
Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda

ADMINISTRATOR
JP Morgan Chase Bank N.A. – London Branch
25 Bank Street, Canary Wharf, London E14 5JP
United Kingdom

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

BROKER
Shore Capital and Corporate Limited
Cassini House, 57 St James's Street, London SW1A 1LD
United Kingdom

Authorised and regulated in the UK by the Financial Conduct Authority

COMPANY BANKER
The Bank of Nova Scotia, London Branch
201 Bishopsgate, 6th Floor, London EC2M 3NS
United Kingdom

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

LEGAL ADVISOR TO THE COMPANY
(as to English law)
Norton Rose Fulbright LLP
3 More London Riverside, London SE1 2AQ
United Kingdom

LEGAL ADVISOR TO THE COMPANY
(as to Bermuda law)
Conyers Dill & Pearman Limited
Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda

AUDITOR
KPMG LLP
15 Canada Square, London E14 5GL
United Kingdom

Member of the Institute of Chartered Accountants in England and Wales

DEPOSITARY SERVICES PROVIDER
J.P. Morgan Europe Limited
25 Bank Street, Canary Wharf, London E14 5JP
United Kingdom

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

CUSTODIAN
JPMorgan Chase Bank N.A.
JPMorgan House, Grenville Street
St Helier, Jersey JE4 8QH

REGISTRAR
Computershare Investor Services (Bermuda) Ltd
5 Reid Street, Hamilton HM 11 Bermuda

Telephone 0370 707 1196

REGISTRAR TO THE DEPOSITARY INTERESTS AND CREST AGENT
Computershare Investor Services PLC
The Pavilions, Bridgwater Road
Bristol BS99 6ZY
United Kingdom

HISTORICAL PERFORMANCE

	31 Dec 2022	30 Jun 2022	30 Jun 2021	30 Jun 2020	30 Jun 2019	30 Jun 2018	30 Jun 2017	30 Jun 2016	30 Jun 2015	30 Jun 2014
NAV per ordinary share (pence)	**240.02**	260.89	431.51	292.79	369.57	291.79	252.86	241.12	169.00	165.84
Ordinary share price (pence)	**160.00**	187.50	268.00	177.50	199.00	174.50	164.00	130.75	117.00	128.00
Discount[1] (%)	**33.3**	28.1	37.9	39.4	46.2	40.2	35.1	45.8	30.8	22.8
Returns and dividends (pence)										
Revenue return per ordinary share	**7.70**	8.35	9.98	9.77	7.63	6.67	6.38	6.23	7.84	7.03
Capital return per ordinary share	**(24.58)**	(171.68)	133.81	(81.30)	75.34	38.96	12.46	68.45	2.47	19.85
Total return per ordinary share	**(16.88)**	(163.33)	143.79	(71.53)	82.97	45.63	18.84	74.68	10.31	26.88
Dividends per ordinary share	**4.000**[2]	8.000	8.000	7.875	7.500	7.500	7.500	7.500	7.500	7.500
FTSE All-Share total return Index	**8,392**	7,981	7,852	6,465	7,431	7,389	6,777	5,737	5,614	5,471
ZDP shares[3] (pence)										
2022 ZDP shares										
Capital entitlement per ZDP share	**n/a**	143.98	135.56	127.59	120.03	113.01	106.37	100.12	n/a	n/a
2022 ZDP share price	**n/a**	144.00	139.50	126.50	132.00	124.50	119.50	104.50	n/a	n/a
2024 ZDP shares										
Capital entitlement per ZDP share	**127.06**	124.14	118.51	113.13	107.97	103.10	n/a	n/a	n/a	n/a
2024 ZDP share price	**125.00**	122.50	120.50	105.50	114.00	107.50	n/a	n/a	n/a	n/a
2026 ZDP shares										
Capital entitlement per ZDP share	**125.65**	122.62	116.78	111.21	105.89	100.87	n/a	n/a	n/a	n/a
2026 ZDP share price	**114.50**	115.50	116.00	92.25	107.50	102.25	n/a	n/a	n/a	n/a
2028 ZDP shares										
Capital entitlement per ZDP share	**109.91**	106.87	101.60	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2028 ZDP share price	**95.50**	99.00	100.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Equity holders funds (£m)										
Gross assets[4]	**343.3**	410.6	544.4	483.3	537.2	488.3	449.7	440.7	373.4	399.1
Bank debt	**50.0**	51.1	48.5	50.6	51.0	27.8	47.8	24.7	34.4	22.2
ZDP shares	**92.1**	140.8	132.1	180.5	159.9	199.4	173.8	197.4	172.4	212.5
Equity holders' funds	**201.2**	218.7	363.8	251.6	326.3	261.1	228.1	218.6	166.6	164.4
Revenue account (£m)										
Income	**8.5**	9.9	11.6	12.7	11.2	10.6	10.7	10.5	11.2	10.4
Costs (management and other expenses)	**0.9**	1.7	2.1	2.6	2.8	2.8	2.9	1.9	1.8	2.1
Finance costs	**1.1**	1.1	1.0	1.6	1.6	1.6	1.8	1.7	1.1	0.9
Net income	**6.5**	7.0	8.5	8.5	6.8	6.0	5.8	5.7	7.8	7.0
Financial ratios of the Group (%)										
Ongoing charges figure[1]	**2.9**[5]	2.2	2.3	2.1	2.1	2.2	2.1	3.3	2.0	2.2
Gearing[1]	**73.4**	89.5	48.8	93.4	64.6	87.3	97.2	101.6	124.1	144.4

(1) See Alternative Performance Measures on pages 46 to 48
(2) The second quarterly dividend of 2.00p has not been included as a liability in the accounts
(3) Issued by UIL Finance Limited, a wholly owned subsidiary of UIL Limited
(4) Gross assets less current liabilities excluding loans
(5) For comparative purposes the figures have been annualised