Witan Investment Trust plc
Annual Report 2023

Company overview

Our investment policy

Witan invests primarily in listed companies across global equity markets, using a multi-manager approach. The Company's actively managed portfolio covers a broad range of markets and sectors, offering a distinctive way for investors to access the opportunities created by global economic growth.

Our purpose

is to achieve significant growth in our investors' wealth by investing in global equity markets.

Our objective

is to achieve an investment total return exceeding that of the Company's benchmark[(1)] over the long term, together with growth in the dividend ahead of inflation.

aic DIVIDEND HERO

Where to find us

Our website has a full range of information about Witan and regular commentary about investment markets.

Find us online @ www.witan.com

STRATEGIC REPORT

CORPORATE GOVERNANCE

FINANCIAL STATEMENTS

(1) Witan's benchmark is 85% Global (MSCI All Country World Index) and 15% UK (MSCI UK IMI Index).

The Annual Report is intended to help shareholders assess the Company's strategy. It contains certain forward-looking statements. These are made by the directors in good faith based on information available to them up to the time of their approval of this Report. Such statements should be treated with caution due to the inherent uncertainties, including economic and business risks, underlying any such forward-looking information.

Financial highlights

To read more about our KPIs **see pages 4 and 5**

Key data

237.5p
SHARE PRICE
2022: 221.5p

257.6p
NAV PER ORDINARY SHARE (DEBT AT FAIR VALUE)[3]
2022: 234.1p

7.8%
DISCOUNT (NAV INCLUDING INCOME, DEBT AT FAIR VALUE)[3]
2022: 5.4%

6.04p
DIVIDEND PER SHARE
2022: 5.80p

Other financial data

	2023	2022
REVENUE EARNINGS PER SHARE[3]	4.84p	4.78p
TOTAL EARNINGS PER SHARE	27.86p	(39.65)p
NET ASSETS (£'000)	1,561,665	1,541,809

Total return performance

	1 year % return	5 years % return	10 years % return
SHARE PRICE TOTAL RETURN[1][3]	10.1	39.3	125.0
NAV TOTAL RETURN[1][3]	12.7	48.0	125.1
WITAN BENCHMARK[1]	14.7	69.6	144.2
MSCI UK IMI INDEX[2]	8.0	36.3	64.3
MSCI ALL COUNTRY WORLD INDEX[2]	15.9	78.2	193.2
UK CPI	4.0	23.4	32.8

A high conviction yet well-diversified portfolio

To read more about our diversified portfolio **see pages 25 to 26**

79%

Active share[3] at end 2023

We are active investors with a highly selective approach to portfolio construction. This is different from a passive fund which replicates a particular index.

Percentage of total funds[4]

41% NORTH AMERICA

21% EUROPE

17% UK

11% INVESTMENT COMPANIES

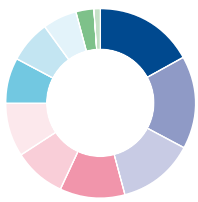
5% ASIA EX JAPAN

3% JAPAN

2% OTHER

SECTOR BREAKDOWN OF THE PORTFOLIO[4]

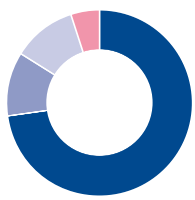
- **17%** Industrials
- **16%** Financials
- **13%** Information Technology
- **11%** Investment Companies
- **9%** Consumer Staples
- **9%** Healthcare
- **8%** Consumer Discretionary
- **7%** Materials
- **6%** Communication Services
- **3%** Energy
- **1%** Utilities



Source: BNP Paribas as at 31 December 2023.

COMPANY SIZE BREAKDOWN OF THE PORTFOLIO[4]

- **73%** Large Cap
- **11%** Mid Cap
- **11%** Investment Companies
- **5%** Small Cap



(1) Source: Witan/Morningstar.
(2) Source: Morningstar. See also MSCI International for conditions of use (www.msci.com).
(3) Alternative performance measure (see page 5).
(4) Funds and ETFs included on a "lookthrough" basis

Our investment approach

Talent

We search for the best fund managers worldwide, choosing managers to complement each other, not to cover all styles. Our managers are active investors and construct high conviction portfolios focusing on their best ideas.

This high level of conviction produces portfolios which are differentiated from the benchmarks which they aim to outperform.

Experience

Founded in 1909, we have a long track record of producing capital and income growth. We have invested through challenging economic cycles, wars and political crises, helping put contemporary events into perspective. Since the adoption of the current multi-manager strategy in 2004, shareholders have enjoyed a share price total return(1) of 510.0% versus 433.4% for Witan's benchmark and 258.2% for the MSCI UK Index.

(1) Alternative performance measure, see page 116.

Collective Wisdom

A multi-manager for global equity investment, offering long-term growth in capital and income.

Independence

Witan is an independent and self-managed investment company, dedicated to sustainable growth in its shareholders' wealth. Witan's employees are solely focused on the success of the Company.

Our independence means we simply seek, without pre-set constraints, to select the best managers available, in the interest of our shareholders.

Adaptable

Our multi-manager strategy allows us to respond to changes in long-term trends either by changing managers and investment style or investing via our specialist portfolio with managers who have expert knowledge of particular sectors or regions. Using gearing and derivatives, we can also adapt our portfolio to short-term opportunities or to manage risk.

We search for the best managers around the world to create a portfolio that is diversified by region, investment sector and individual company level. This provides broad opportunities for investors and reduces the risks arising from reliance on a single manager. In many cases, these managers are either not available to individual UK investors or available only on less competitive terms.

Our highly experienced Board of directors and Executive have many years' collective experience of managing assets, selecting managers and delivering sound, independent governance.

Key performance indicators

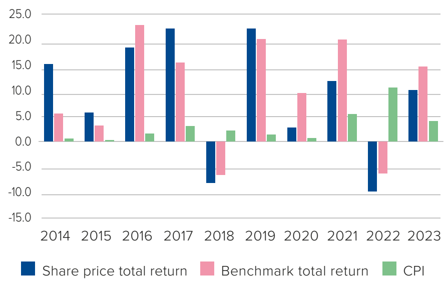
The financial key performance indicators ('KPIs') below are monitored as significant measures of longer-term success. With respect to non-financial measures, details of the Company's policies and compliance in relation to the UK Corporate Governance Code are set out in the Corporate Governance Statement on pages 46 to 56.

KPI → OUTCOME →

Share price total return [1]

The Company seeks at least 2% p.a. long-term outperformance in the share price total return

TOTAL RETURN PERFORMANCE (%)



The share price total return in 2023 was 10.1%, compared with the benchmark's return of 14.7% and the 4.0% increase in the UK Consumer Price Index ('CPI'). Over five years, the share price total return was 39.3% compared with 69.6% for the benchmark and CPI inflation of 23.4%.

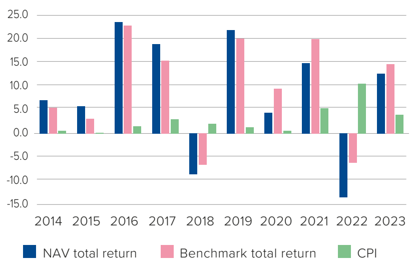
10.1%

IN 2023

NAV total return[1]

The Company seeks at least 2% p.a. long-term outperformance in NAV total return, debt at fair value

TOTAL RETURN PERFORMANCE (%)



Witan's NAV total return in the year was 12.7%, which was below the 14.7% return on our benchmark but well ahead of CPI inflation of 4.0%. Over the past five years, the NAV total return was 48.0%, lagging the benchmark's 69.6% return but more than twice the 23.4% rise in the UK CPI index during the period.

12.7%

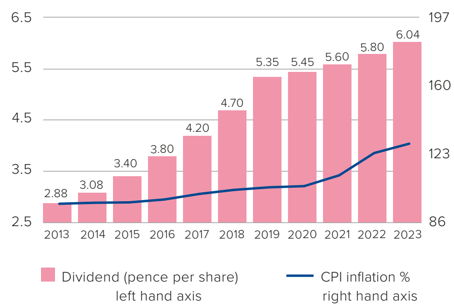
IN 2023

Dividend growth[1]

The Company seeks to grow its dividend ahead of the rate of inflation

aic DIVIDEND HERO

DIVIDEND PER SHARE GROWTH (%)



The dividend rose by 4.1% in 2023, slightly ahead of the 4.0% rate of CPI inflation during the year. This was Witan's 49th consecutive year of dividend increases. Over the past five years the dividend has risen by 28.5%, compared with a 23.4% rise in the CPI.

4.1%

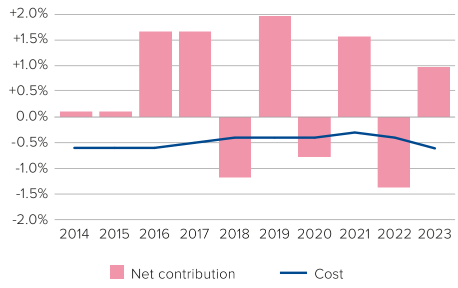
IN 2023

KPI → OUTCOME →

Net contribution from borrowings[1]

Gearing to contribute to returns, after interest costs

CONTRIBUTION FROM BORROWINGS (% OF NAV)



In 2023, gearing added 1.6% to returns before interest costs and 1.0% after deducting interest costs. Although the use of borrowings (or gearing) in investment can amplify losses as well as gains, over the long term, as shown in the chart, gearing has been a material benefit to Witan's returns, contributing positively in seven out of the past ten years.

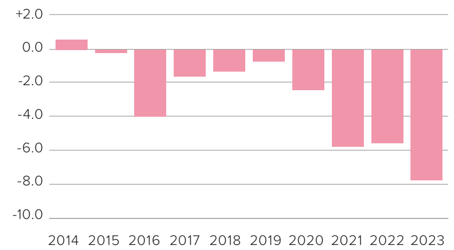
+1.0%

IN 2023

Discount/premium to NAV[1]

Achieve a sustainable low discount or a premium to NAV, taking account of market conditions

DISCOUNT/PREMIUM TO NAV PER SHARE



In 2023, the year-end discount was 7.8%, compared with 5.4% at the end of 2022. With pressure on discounts across the whole sector, 2023's average discount of 9.0% was wider than that in 2022 (7.8%). Witan continued to buy back shares at a discount, which helps limit discount volatility and boosts the NAV for continuing shareholders. In 2023, we bought back 8.0% of our shares at an average discount of 8.6%. The resulting £11.5million uplift offset the majority of the Company's ongoing charges during the year.

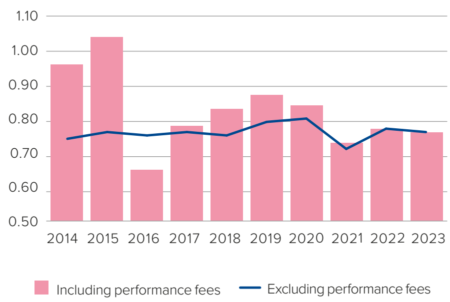
-7.8%

AT YEAR END

Ongoing Charges Figure ('OCF')[1]

Achieve an OCF as low as possible, consistent with choosing the best available managers

ONGOING CHARGES AS % OF AVERAGE NET ASSETS



In 2023, our OCF was 0.76% (2022: 0.77%). Although there were reductions in investment management fees, these were partly offset by the impact of fixed costs on a lower average asset base. Further details of costs are set out on page 41.

0.76%

IN 2023

(0.76% INCLUSIVE OF PERFORMANCE FEES)

(1) Alternative Performance Measures

The financial statements (on pages 87 to 112) set out the required statutory reporting measures of the Company's financial performance. In addition, the Board assesses the Company's performance against a range of criteria which are viewed as particularly relevant for investment trusts, which are summarised in the KPIs on pages 4 to 5. Definitions of the terms used are set out on page 116. A reconciliation of the NAV per ordinary share (debt at par value) to the NAV per ordinary share (debt at fair value) is shown in note 18 on page 110.

What we do

Witan is an investment trust which aims to grow shareholders' wealth and outperform its benchmark through active investment in individual companies across a broad spread of global equity markets.

Portfolio structure

Witan's portfolio consists of two primary components: core and specialist. The core portfolio provides shareholders with access to a select but diversified group of managers investing in high-quality, predominantly large and mid-sized global companies. The specialist portfolio recognises that there are many attractive investment opportunities which fall outside the remit of most mainstream fund managers due to their size, domicile or their unlisted or specialist nature. The specialist portfolio aims to capture the potential for these themes to produce superior returns over the long run. This combination provides a one-stop shop for our shareholders to benefit from a wide variety of opportunities via a single investment in Witan.

Core portfolio

75% (1)

Global

65% (1)

UK

10% (1)

Managers employ a range of approaches to select from a broad universe of high-quality companies throughout the world.

The core portfolio includes companies with enduring cash flows, underappreciated growth prospects or undervalued, often cyclical, businesses.

Meet the managers

see pages 24 to 30

Specialist portfolio

25% (1)

Managers able to deliver superior growth through specialist regional or sectoral expertise.

Direct holdings in collective funds. Actively managed with no fixed allocation.

Investments in Unquoted Growth funds

Provides exposure to specialist asset classes and other opportunities including Emerging Markets, Climate Change, Private Equity and Life Sciences.

(1) Indicative allocation +/-10%.

Underpinned by:

Disciplined risk management

see pages 35 to 37

Choosing our managers

We select third-party managers from across the world. Our team uses a variety of networks, databases and comprehensive due diligence to identify and interview potential managers. Shortlisted managers present to the Board, which takes the final decision on appointment. We aim to appoint managers for the long term.

What we look for from our managers

People Talented and accountable investment leadership, committed to serving their clients' interests

Process High-conviction portfolio construction, using clear and simple processes, with analysis taking account of secular change

Portfolio Investments characterised by long-term growth in sustainable cash flows and the integration of ESG (environmental, social and governance) principles

Performance Potential for material outperformance over the long term, after fees

For more information,
see pages 24 to 30

Capital allocation

We seek to add to performance by varying the use of gearing and a range of additional levers to adapt to different conditions.

Capital allocation framework

The Company seeks to set gearing at levels appropriate for market conditions, borrowing more when markets are attractively valued and less when returns are expected to be poorer.

Witan may on occasion use derivatives as transparent, cost-effective tools for efficient portfolio management and to help control risk.

For more information,
see page 13

Value creation

We aim to generate total returns which exceed the benchmark over the long term.

Share price total return[1] over past ten years

125.0%

vs

144.2%

for benchmark to 31/12/2023

Dividend growth over past ten years

7.7%

p.a.

(1) Alternative performance measure, see page 116.

Commitment to responsible investment

see pages 16 to 23

Chairman's Statement

2023 highlights

- Full-year NAV total return of +12.7%. Share price total return +10.1%
- The benchmark returned +14.7%, the AIC Global sector's NAV total return was +12.8% and UK CPI rose 4.0%
- Share price discount to NAV 7.8% at year-end (2022: 5.4%)
- The NAV uplift from share buybacks again offset the majority of the Company's ongoing charges during the year
- Dividend increased by 4.1% to 6.04 pence, more than double that paid in 2013 and an unbroken 49 year run of increases
- 2024 NAV total return to 13 March 5.9%
- Our CEO, Andrew Bell, has recently informed the Board that he plans to retire from Witan during the coming year. The Company has decided to undertake a review of its future investment management arrangements and (in a separate announcement) to invite proposals for the future management of the Company's portfolio.

Andrew Ross
Chairman

A VOLATILE BUT ULTIMATELY POSITIVE YEAR FOR EQUITIES

At the start of the year, our portfolio benefited materially from a broad equity rally, as fears of recession led to hopes of a turn in the monetary cycle, encouraging investment in lower-rated companies and those with cyclical exposure. However, continued central bank hawkishness chilled these hopes over the summer, with rising bond yields exerting downward pressure on equity valuations, such that a relative performance lead for Witan of over 3% by the end of April reversed into a similar level of underperformance by late October. Accumulating evidence of declining inflation then led to a softer message from central banks, kindling hopes that the next move in rates would be down, even if not imminently. This ushered in a two-month rally similar in character to that at the start of the year, with a wider range of companies and sectors participating, during which we recovered much of the lost relative ground, ending at the highs of the year in total return terms. Our NAV total return in the year was 12.7%, compared with our benchmark's total return of 14.7%. The share price total return was 10.1%.

Two features of 2023's equity returns are worth noting. The first was the extent to which global equity indices were dominated by a small number of US-based technology stocks. After a poor 2022, the technology leaders were spurred on by strong earnings growth and enthusiasm for the rapidly growing field of generative Artificial Intelligence ('AI'). 60% of the US market's total return of 19.2% in sterling terms was delivered by seven leading technology companies, with the remaining 493 stocks in the index delivering under half of the market's return between them. Of the 14.7% return from Witan's benchmark, 46%, or 6.7 percentage points was driven by these seven US stocks, which represented 14% of our benchmark and 6% of our portfolio. This was a difficult backdrop for fund managers to navigate without over concentrating their portfolios. The second point to note is that, despite the headwind presented by the narrow base of market returns, our core managers in aggregate outperformed. Our lagging of the benchmark was entirely attributed to weakness from the GMO Climate Change Investment Fund and Witan's holdings in investment companies, which have both been strong areas for shareholders in the past. We see prospects for both to recover in 2024.

Andrew Bell's CEO report covers these points, as well as the macroeconomic backdrop, in more detail.

Over the long term, since Witan adopted a multi-manager approach in 2004, our NAV total return of 428% has broadly matched the 433% total return on our benchmark, while the share price total return (510%) has been well ahead and we have raised the dividend above the rate of inflation over the period. Although our managers have at times struggled in the volatile and polarised investment environments since 2020, we anticipate a convergence in performance between the narrow range of companies that has driven market performance in recent years and the broader swathe of more modestly rated companies which have been out of favour during this period of heightened risk-aversion and uncertainty about economic growth.

The evidence has begun to favour the conclusion that the US economy may experience a soft landing, regaining control of inflation without a recession, while weak economic conditions in the UK and Europe seem to have bottomed out, better than earlier fears. The biggest economic disappointment has been the mediocre economic rebound in China, following the ending of its Covid restrictions. Whilst the financial sector impact of its housing downturn appears largely a local issue, a range of sectors (luxury goods, industrials, and commodities) suffered from weak demand in China, spreading the effects to other markets.

To date in 2024, in continued positive market conditions, Witan's NAV total return rose by 5.9%, slightly ahead of the return on the Company's benchmark, which was 5.8%.

RESPONSIBLE INVESTMENT

We have developed a robust process to monitor our managers' approach to investing responsibly, with a focus on how our investment policy can help deliver prosperity for our shareholders as well as better outcomes for our investee companies, their stakeholders and wider society. A key part of this is our 'Sustainable by 2030' commitment, which involves detailed engagement with our third-party managers and an assessment of their portfolio companies, using the bespoke responsible investment framework we introduced in 2022. This year our managers assessed over 300 of the companies in which they invest on our behalf, on the ten different sustainability issues we specify.

The results of these assessments are shown in the responsible investment section, which is on pages 16 to 23 of this Report.

Last year we reported that we had committed to the Net Zero Asset Managers Initiative ('NZAM'). As part of this commitment, we set decarbonisation targets (known as the Initial Target Disclosure) in line with the NZAM guidelines. Our target, which was set early in 2023, is to deliver (by 2030) a 50% reduction in our core portfolio's Weighted Average Carbon Intensity ('WACI'), compared with the 2019 baseline year. We (i.e. the companies within our core portfolio) are well on the way to achieving this aim, as our portfolio's WACI is currently 43% below the 2019 baseline level. It is important to note that this commitment does not impose blanket exclusions on our managers, as we believe that engagement with companies often has a greater positive impact than divestment. We expect the lion's share of progress towards our commitment to be made by companies improving their carbon intensity, not simply by our managers selecting companies with low emissions, leaving other (possibly less attentive) investors to press for change in the heavier emitters.

2023 DIVIDEND

A fourth interim dividend of 1.69 pence was declared in February 2024, payable on 15 March 2024. As a result, the dividend for the year increased by 4.1% to 6.04 pence per share (2022: 5.80 pence). This year's dividend was covered 82% by 2023 revenue earnings (2022: 84%), with a call of £7.0 million on our revenue reserves (in 2022 we used £6.4 million).

The Board expects portfolio dividends to recover further in the coming years and it is the Company's intention to continue to make use of retained earnings to increase the dividend to shareholders annually until full cover is restored.

We have increased the dividend every year for the last 49 years and the latest dividend is more than double that paid in 2013. 2023's increase is ahead of the rate of UK inflation (4.0% at the year-end) and Witan's dividend has grown substantially ahead of UK inflation over the past 5 and 10 years.

BOARD COMPOSITION AND SUCCESSION

The Board currently consists of nine directors, eight of whom are non-executive, representing a broad diversity in background, experience, ethnicity, and gender. The Board fully meets formal corporate governance guidelines on diversity but, above all, it has the right balance of skills to oversee the Company's affairs. All directors stand for re-election each year.

Our CEO, Andrew Bell, has informed the Board that he plans to retire from Witan during the coming year. The Board has taken the opportunity to review the Company's future management arrangements and (in a separate announcement) to invite proposals for the future investment management of the Company's portfolio.

The process of considering proposals will take place over the coming months and a further announcement will be made when a preferred option has been chosen. In the meanwhile, Witan will continue to be managed by Andrew Bell and the rest of the Executive Team, in accordance with the current investment approach.

AGM

Witan was founded in 1909 but 2024 marks the 100th anniversary of our listing on the London Stock Exchange. The ensuing years have been eventful and transformative in many ways and the pace of change shows no sign of abating as we progress through our second century.

We welcome hearing shareholders' views at any time but, in particular, very much look forward to being able to meet shareholders again at this year's Annual General Meeting ('AGM'). Our 116th AGM will be held on 1 May 2024, at the Merchant Taylors' Hall. For those not able to attend in person, there will be the opportunity to attend the meeting virtually and put questions to the Board. Details will be included in the formal notice of the meeting which will be sent to shareholders in early April.

Andrew Ross
Chairman
15 March 2024

CEO's review of the year

Andrew Bell
CEO

Moving on from inflation

Inflation, volatile interest rates, East-West tensions, and war in the Middle East. For those longer in the tooth, there is a sense of 1970s déjà-vu in the conjunction of circumstances that faced investors in 2023.

In many developed economies, inflation reached levels not seen for several decades. Having misjudged the balance between transitory factors driven by supply disruptions and those driven by fiscal largesse, central banks adopted and sustained a hawkish bias for much of 2023, until the dying months when they began to declare advantage, if not victory. A year ago, we characterised the peak of interest rates as likely to resemble Table Mountain rather than the Matterhorn (a metaphor which has since been plagiarised by two central bankers!) and we have been on the Table-top now for many months. Whilst inflation currently remains above official targets, it seems probable that rates will start to fall before 2% inflation is reached – it is easier to be patient about the pace of convergence when the direction is clear.

At the start of the year, there was a concern that most of the world was heading for a recession, engineered by the central banks to reduce inflation. The one exception was China, confidently expected to rebound as it ended its Covid-suppression restrictions. Although the UK and Europe have tiptoed near the shallows of recession, the US has grown robustly, while China's recovery, in the year of the Rabbit, lacked the staying power of the Duracell Bunny. Forecasts for 2024 are for insipid growth but not recession. If inflation has subsided without a widespread economic shakeout, this would suggest economies are working better than in past inflationary bouts, which may be worth something in terms of stock market valuations.

Perhaps surprisingly, despite the conflicts in the Middle East and in Ukraine, energy costs, which surged in 2022, fell in 2023. Record US oil production, the availability of alternatives to Russian gas and subdued growth worldwide have taken the edge off this driver of inflation, albeit presenting a headwind for developers of non-fossil energy sources. So far, the world has found a way to work around the economic consequences of global conflicts, but they constitute highly unpredictable "known unknowns".

If confirmed, the (so far) relatively painless re-establishment of "normal" levels of interest rates (i.e. something close to the growth rate of an economy aiming for 2% growth and 2% inflation) would be a significant achievement by central banks. Economies need a base level for determining the cost of capital and how to allocate it within the economy. Aside from the long-term unsustainability of maintaining high real interest rates in economies with so much debt, a recession would risk another round-trip towards zero interest rates, losing the benefit of having restored a market-based cost of capital. This seems another reason for policy rates to decline earlier than expected, but much more gradually than they rose.

Despite the uncertainties associated with geopolitics and the adjustment to a rapidly rising level of interest rates, 2023 was (eventually) a benign year for equity returns. In sterling terms, the MSCI All Country World Index ("ACWI") rose by 16%, led (again) by the US +19% with Europe +16% and Japan +13% in silver and bronze medal positions. The UK and Emerging Markets brought up the rear with returns of 8% and 4% respectively.

WITAN'S PERFORMANCE

Witan's NAV total return in 2023 was 12.7%, which was 2.0% short of the 14.7% return from our benchmark. We entered 2023 expecting a stronger relative performance, as 2022 had seemed to be passing the performance baton from the rapidly growing but highly rated technology sector to a wider range of lower-rated but modestly growing businesses. The early months of the year bore this hope out, with a strong relative and absolute performance.

However, for a year which generated such healthily positive equity returns, sentiment was unusually fickle. The periods of weakest growth momentum (the first and last quarters) saw broad-based equity rallies which included many cyclical companies, while the intervening months when the US was ostensibly booming saw weak returns, disproportionately favouring highly rated growth stocks which would usually have come under pressure from rising bond yields. In other words, investor sentiment has been driven more by the perception of interest rate moves than by economic growth.

The magic ingredient for equity markets was excitement over the prospects for companies directly exposed to the accelerating development of generative AI. This requires intensive use of specialist semiconductor processors (as produced by the US tech giant Nvidia), to help the software models being developed by other US tech giants (such as Alphabet, Meta, and Microsoft) to "learn", or refine themselves to a level of interactive understanding able to be applied usefully across a wide range of sectors. The double-dose of immediate capital investment and ultimate hopes of boosting productivity (a missing element of growth over the past 15 years) caught investors' imagination, albeit initially through the narrow lens of seven technology companies.

Our managers owned many of the "Magnificent Seven" but insufficiently in aggregate to sustain returns when the market could focus on nothing else. Our more broadly diversified portfolios prospered better when the market mood shifted towards the year end to consider hopes of falling interest rates and the potential of an upswing in the economic cycle.

Witan's portfolio is invested via a diversified group of mainstream and specialist managers, with well-tested and resourced investment approaches. It includes core holdings of quality growth companies offering compounding earnings growth, technology specialists and exposure to sectors expected to benefit from economic growth, from decarbonisation, and from the growth in infrastructure spending.

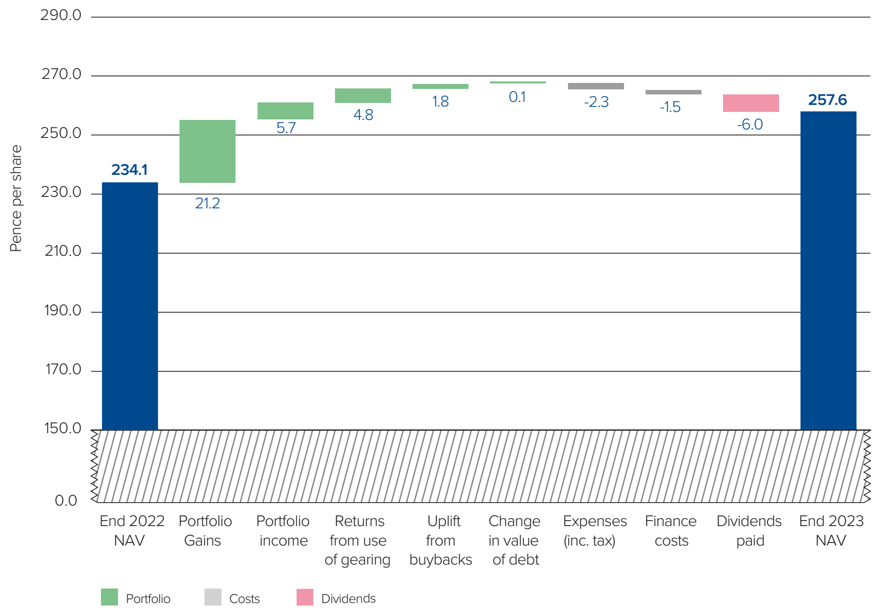
PRINCIPAL PERFORMANCE DRIVERS

The financial statements on pages 87 to 112 set out the required statutory reporting measures of the Company's financial performance.

The chart below shows the contributions (in pence per share) attributable to the various components of investment performance and costs, which together constitute the rise from the 234.1 pence starting NAV to the year-end NAV of 257.6 pence, after the payment of dividends to shareholders.

A breakdown of the relative performance attribution in 2023 (based on the Company's financial statements) is shown in the table on page 12.

NAV BRIDGE



Figures may not sum due to roundings.

CEO's review of the year continued

Our core portfolio managers collectively outperformed during the year, but their contribution was outweighed by weak performance from the GMO Climate Change Investment Fund and by Witan's direct investments in specialist investment companies. As a result, our overall portfolio returns lagged our benchmark. Gearing was a significant positive contributor during the year, even allowing for additional interest costs on the short-term portion of our borrowings. As in 2022, Witan benefited from taking advantage of the widening in our discount, buying 8.0% of our shares into treasury, which generated an uplift in NAV of £11.5 million and offset the majority of our ongoing charges.

BREAKDOWN OF THE PERFORMANCE ATTRIBUTION IN 2023 (%)

Net asset value total return	+12.7	Portfolio total return (before costs)	+11.7	
Benchmark total return	+14.7	Benchmark total return	+14.7	
		Relative investment performance	-3.0	
		Investment management costs	-0.4	
		Investment contribution		-3.4
		Gearing impact	+1.6	
		Borrowing costs	-0.6	
		Gearing contribution		+1.0
		Effect of changed fair value of debt	+0.1	
		Share buybacks	+0.7	
		Other contributors		+0.8
		Other operating costs and tax	-0.3	
				-0.3
Relative performance[1]	-2.0			-2.0

(1) N.B. Figures may not sum due to rounding.

PORTFOLIO STRUCTURE AND MANAGER PERFORMANCE

Our portfolio is structured with c.75% allocated to mainstream 'core' managers (five global, one UK) and the 25% balance allocated to specialist regional or sector managers; up to 15% may be invested in investment companies offering exposure to faster-growing or otherwise attractive asset categories.

There were no changes to the six core managers in 2023, although allocations were adjusted during the year, to take account of early outperformance in the UK and to provide resources for share buybacks.

We increased our allocation to the GMO Climate Change fund in November, after several months of notably weak performance by climate change and alternative energy portfolios. Despite a subsequent sharp recovery, the fund was our weakest performer in 2023, with the 11.7% fall contrasting with the 15.9% rise in its MSCI ACWI benchmark. Although this was a strong performance relative to many others in its sector, it was unable to shrug off the market's concerns about the effect of rising interest rates, delayed projects and falling inventories in the renewable energy sector. Prior to 2023, the fund had delivered strong relative and absolute returns since purchase in 2019. We believe the long-term trend towards sustainable energy and other climate change mitigation or adaptation measures will prove more enduring than 2023's mixture of profit-taking and hesitancy over the pace of the energy transition.

Our third-party managers implement mandates set by the Company. The managers' mandates, benchmarks, investment styles and dates of appointment are shown on pages 26 to 30. Their returns during the year and since appointment are set out in the table on page 13. Four of our six core external managers outperformed their benchmarks. Artemis was ahead of the UK market by 7% and Jennison ahead of the MSCI ACWI by 19%, while Veritas and WCM also outperformed their global benchmark by 0.4% and 4.7% respectively. GQG particularly excelled, with its 25% return 21% ahead of its emerging market benchmark and 9% ahead of the global equity index. Lansdowne's portfolio followed the fortunes of the "broad versus narrow" equity path during 2023, outperforming strongly during the early months, falling back over the summer, and ending the year with a gain of 14.6%, just 1.3% behind its benchmark. Lindsell Train's "buy and hold" portfolio of enduring brands and other themes suffered from neither being on growth investors' buy lists, nor sought out by those seeking cyclical recovery. A positive return of 8.0% was nonetheless 7.9% behind the global benchmark.

The other notable underperformer in 2023 was the directly held portfolio of investment companies (discussed in the following section). This, together with the GMO Climate Change mandate, offset positive contributions from the core managers, from gearing and from share buybacks, which is why Witan's returns for the year, while strongly positive and well ahead of inflation, were behind the return from our composite benchmark.

We believe our diverse range of managers remains well-positioned for 2024 when, with a turn in the interest rate cycle and unusually wide valuation spreads within the markets, we expect to see share returns more evenly spread than in the unusually concentrated markets of 2023.

DIRECTLY HELD INVESTMENTS

The return on the portfolio of directly managed investment company holdings was -2.9%, well behind the 14.7% rise in our composite benchmark. The overriding factor here was the widening of discounts in the investment trust sector, which was at its sharpest amongst the more specialist trusts.

The principal detractors were Syncona (-31.8%) and VH Global Sustainable Energy Opportunities (-18.6%), both notable victims of widening discounts in asset categories that were out of favour, as the former's net asset value total return was a small decline of -2.3% and the latter's a rise of over 13%. We took advantage of the extreme discounts in the private equity sector to add a new holding, in HarbourVest Private Equity Ltd, on a near 50% discount. The position had gained 10% by year end, principally from discount narrowing following its introduction of a share buyback programme.

BlackRock World Mining Trust, which was further reduced early in the year, declined 10.4% as disappointing economic news from China weighed on sentiment towards commodities.

Positive returns were enjoyed by Princess Private Equity (+29.1%), which reinstated dividend payments after a hedging misstep in 2022, and Schroder Real Estate Investment Trust (+13.3%), both benefiting from narrower discounts after price falls in 2022.

The direct portfolio was 11.3% of the investment portfolio at the start of the year and 11.2% at the end of 2023. From inception in March 2010 to the end of 2022, it delivered a compound annual return of 9.6%, outperforming Witan's benchmark by 0.9% p.a. Following the underperformance in 2023, the returns are now +8.7% p.a., which is behind the 9.1% p.a. benchmark return. Whilst it is disappointing to see a portfolio that had historically performed strongly for Witan experience a second poor year, the cyclical factors pertaining to the asset classes held look set for better times, as interest rates peak, while the structural factors hindering institutional demand for investment companies (and other UK equities) are receiving greater political and regulatory attention and look to be past their worst.

The two specialist Unquoted Growth funds investing predominantly in unlisted assets amount to 1.6% of assets. Lansdowne Opportunities Fund (0.9% of assets) declined in value by c 1.3% during the year, with the fall in price of its holding in Oxford Nanopore Technologies offsetting other, net positive, moves. Lindenwood (0.7%), managed by Greenoaks Capital, experienced a 27% decline in sterling terms, reflecting financing and valuation trends in the unlisted technology sector and a decline in the dollar against sterling. Regular reports (monthly and quarterly respectively) are received on these funds, whose valuation policies follow private equity industry guidelines.

GEARING ACTIVITY DURING THE YEAR

Gearing ranged between 13% and 16% during the year. The average gearing level of 14.5% was towards the upper end of the range Witan employs, reflecting our positive view on equity markets. The widespread rises in markets meant that the use of gearing was a positive influence, contributing 1.6% to returns, or 1.0% after interest charges. Gearing has contributed positively to returns in seven out of the past ten years, as illustrated in the KPI chart on page 5.

Under its Articles of Association, the Company may borrow up to 100% of the adjusted total of shareholders' funds. However, the Board's longstanding policy is not to allow gearing (as defined on page 116) to be more than 20%, other than temporarily in exceptional circumstances.

At the end of 2022, net gearing (the total value of borrowings less cash) was 14.2% of net assets. At the end of 2023, gearing (on the same basis) was 14.2%.

STRUCTURE OF BORROWINGS

The Company has fixed-rate borrowings (including £2.6 million preference shares) of £158 million, consisting principally of:

Secured Notes 2035 3.29%	**£21m**
Secured Notes 2045 3.47%	**£54m**
Secured Notes 2051 2.39%	**£50m**
Secured Notes 2054 2.74%	**£30m**

These borrowings were taken out in 2015-19, when interest rates were low, providing Witan shareholders with low-cost borrowing at an average fixed rate of 3.0%, for the next 24 years.

The Company also has a £125 million one-year facility (expandable to £150 million), providing additional flexibility, as well as enabling the Company to borrow in currencies other than sterling, if deemed appropriate. The drawn balance was £83.0 million at the end of 2023 (2022: £96.5 million). The weighted average interest rate on the Company's fixed-rate borrowings is 3.0% (2022: 3.0%). The average interest rate, including short-term borrowings, is currently 4.0% (2022: 3.5%).

ASSETS UNDER MANAGEMENT AND INVESTMENT PERFORMANCE AS AT 31 DECEMBER 2023

			Witan assets managed as at 31.12.23		Performance in 2023 %		Performance since appointment[2] %	
Investment manager	Mandate	Appointment date	£m	%[1]	Manager	Benchmark	Manager	Benchmark
Core								
Jennison	Global	31.08.20	137.2	7.6	34.5	15.9	4.2	10.6
Lansdowne	Global	14.12.12	328.8	18.1	14.6	15.9	13.2	12.2
Lindsell Train	Global	31.12.19	290.6	16.1	8.0	15.9	4.8	9.8
Veritas	Global	11.11.10	313.7	17.3	16.3	15.9	12.0	11.0
WCM	Global	31.08.20	211.4	11.7	20.6	15.9	7.1	10.6
Artemis	UK	06.05.08	61.2	3.4	14.8	8.0	8.2	5.7
Specialist								
GMO	Climate Change	05.06.19	115.5	6.4	(11.7)	15.9	10.1	10.7
GQG	Emerging Markets	16.02.17	91.4	5.0	25.3	4.0	9.5	3.8
Unquoted Growth	Specialist Funds	02.07.21	27.9	1.6	(14.7)	14.7	(12.5)	5.8
Witan Direct Holdings	Specialist Funds	19.03.10	202.8	11.2	(2.9)	14.7	8.7	9.1

(1) Percentage of Witan's investments managed, excluding centrally managed cash. In addition a holding in a FTSE 250 ETF was purchased during the second half of the year as a liquid means of increasing tactical exposure to UK mid-cap companies. This represented 1.7% of assets at the year end.

(2) Percentages are annualised where the date of appointment was more than one year ago.

(3) Source: BNP Paribas.

CEO's review of the year continued

> **The 2023 dividend per share rose by 4.1%, ahead of inflation and marking the 49th consecutive annual increase**

The fair value of the Company's fixed-rate debt (valued based on the relevant gilt yield +1.4%) was little changed, after a sharp rise in gilt yields during the first half of the year almost exactly reversed in the second. The debt stands at a discount to its eventual repayment value, reflecting the low fixed interest rates. As in previous years, the Company continues to follow AIC guidance that fair valuing both assets and liabilities is the appropriate basis for calculating NAVs.

Witan will either invest its long-term borrowings fully or neutralise their effect with cash balances according to its assessment of the markets. The Company's third-party managers are not permitted to borrow within their portfolios but may hold cash.

DERIVATIVES ACTIVITY

A position in Japan equity index futures with a face value of £18.8 million (1.2% of assets) was bought in January 2023 and sold later in the month for a gain of £0.7 million.

DIVIDEND AND REVENUE PERFORMANCE

The Company has already paid three quarterly dividends of 1.45 pence per share in respect of 2023 which, together with the fourth interim dividend of 1.69 pence per share, increases the total distribution for the year to 6.04 pence (2022: 5.80 pence). This marks the 49th consecutive year of dividend growth. At the end of 2022, retained revenue reserves were £31.3 million (after deducting the fourth interim dividend payment). The purpose of such reserves is to enable income payments to shareholders to be supported during leaner times, and £7.0 million was used towards funding the 2023 dividend (2022: £6.4 million). Revenue reserves were £24.2 million at the end of 2023, after allowing for the fourth interim dividend payment.

Revenue earnings per share were 1.3% higher in 2023 at 4.84 pence per share (2022: 4.78 pence). Although revenue earnings rose by 16% in the first half, our caveat that this flattered the underlying position was borne out in the second half, when a number of large exceptional dividends in the mining sector paid in 2022 were not repeated in 2023. As a result, current year income cover for the increased dividend declined from 84% in 2022 to 82% in 2023, albeit still well up from the 65% cover in 2021.

The Board anticipates dividend cover improving further in coming years, alongside continued annual dividend growth. Recognising the importance for many shareholders of a reliable and growing income, the Board intends to continue to use revenue reserves (and, if necessary, capital reserves) to bridge what is expected to be a narrowing gap between portfolio revenue earnings and the dividends paid to shareholders.

2024 DIVIDENDS

The first three quarterly payments for 2024 (in June, September, and December) will, in the absence of unforeseen circumstances, be paid at a rate of 1.51 pence per share (2023: 1.45 pence), being one quarter of the 6.04 pence per share full-year payment for 2023. The fourth payment (in March 2025) will be a balancing amount, reflecting the difference between the three quarterly dividends already paid and the payment decided for the full year.

WITAN'S SHARES IN THE MARKET – LIQUIDITY AND DISCOUNTS

Witan is a member of the FTSE 250 Index, with a market capitalisation of £1.5 billion.

The Board has always paid attention to discount-related issues and has, over many years, made significant use of share buybacks, when Witan's shares have stood at a discount as well as being prepared to issue shares at a premium to NAV to meet demand from investors. Both actions are accretive to NAV, provide liquidity in the market and help to moderate discount volatility.

It remains a long-term objective to create sustainable liquidity in Witan's shares at or near to asset value and the robust actions taken over recent years are evidence of this continuing commitment.

WITAN INVESTMENT TRUST DISCOUNT TREND

The discount trend during the past five years is illustrated in a chart on page 15. Along with most others in the sector, the discount widened significantly for much of 2023, with the average discount in the investment company sector reaching an extreme level similar to that seen in the financial crisis of 2008. In part, this reflected the substantial number of companies launched in the past decade to invest in illiquid assets, where investor sentiment has become more sceptical. Another influence was the effect of regulatory and other changes on the propensity of UK institutional investors and wealth managers to hold investment companies, a topic attracting political and regulatory attention as concern has grown about the relative decline of the UK stock market.

During the year, Witan was active in buying back shares. 54.1 million shares were bought back (8.0% of the total at the start of the year), at an average 8.6% discount to NAV, which resulted in an uplift to NAV of £11.5 million, or 1.8 pence per share. For perspective, this sum exceeds the investment management fees paid to our external managers, offsetting the vast majority of the Company's ongoing charges. After the payment of dividends and the substantial commitment to share buybacks, Witan's net assets grew from £1,541.8 million at the end of 2022 to £1,561.7 million at the end of 2023, with a total earnings per share for the year of 27.86 pence (2022: loss per share 39.65 pence). The movement in total assets during the year is shown in note 18 on page 110.

The discount finished the year at 7.8% (2022: 5.4%) and the average discount during the year was 9.0% (2022: 7.8%).

Discounts are affected by many factors outside the Company's control but where it is in shareholders' interests (taking account of market conditions), the Company remains prepared to buy back shares at a discount to NAV or to issue shares (though only at a premium).

OUTLOOK

The world economy could be described as either reaching the end of one economic cycle or entering the beginning of another. A surge in inflation, associated with measures enacted to offset the pandemic and exacerbated by the supply disruptions caused by the same pandemic, appears to be over. Stimulating demand at a time when supply was under pressure has not proved to be a winning formula. However understandable at the time, it has required some cleaning up by the central banks.

Signs of improving inflation performance have been sufficient for central banks (and markets) to conclude that interest rates are high enough to control and curtail the inflation overrun but there is disagreement whether they have simply reached a plateau or will soon need to be cut. Some point to fiscal largesse (in the US) and to the fixing of loans at low rates by companies and mortgagors as reasons why the impact of the rapid rise in rates has simply been delayed and will hit home hard in 2024. If so, rate cuts might be brought forward in order to offset economic weakness. Others suggest that retained pandemic savings and improving real incomes as inflation falls will sustain purchasing power, allowing moderate economic growth to resume as inflation itself moderates. If so, rates need not be cut urgently but could be reduced to prevent real rates from increasing as inflation declines – a gently downward-sloping plateau, to extend the geographical metaphor mentioned earlier in the report!

Either way, the likely conclusion is that global policy rates will decline during 2024, which is a fundamentally different investing environment from 2022-23. Rather than speculating about how high discount rates will go and how much collateral damage will be sustained by asset prices and those who took on too much leverage at low rates, investors will be more inclined to look through current conditions towards an economic upswing in 2024-25, when financing costs and demand conditions may well be better than at present. Rather than worrying about how economic growth rates might slow in 2024, necessitating a defensive approach, time is on investors' side if the future is seen as brighter and the cost of waiting reduces.

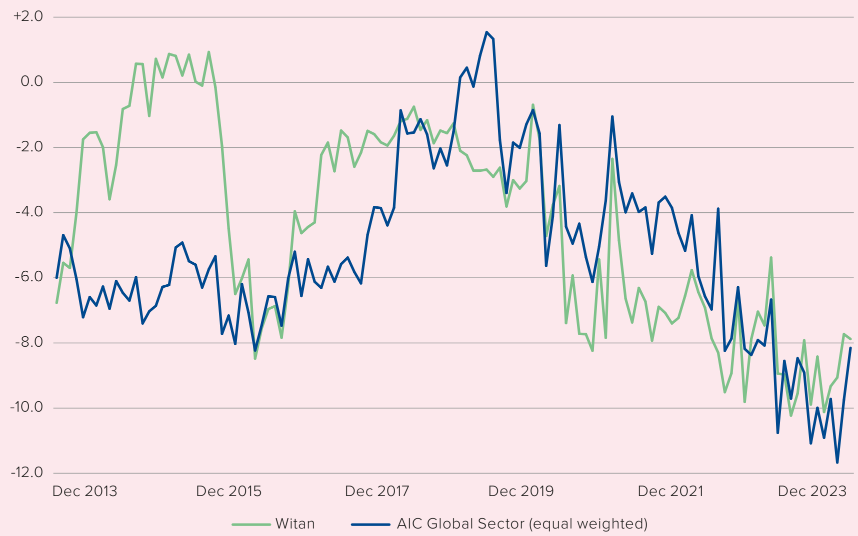
With the nature of growth in the coming decade shifting towards more resource-intensive areas (infrastructure renewal, new energy investment, defence) inflation seems likely to be higher in coming years than in recent decades. Indebted governments will also have more of a bias to growth (and slightly higher inflation) as the most plausible way to reduce their debt burdens, avoiding explicit default. Consequently, a return to the recent anomaly of zero (or negative) interest rates appears unlikely, as markets price in the risk of a structurally higher inflation rate than the 0-2% which has characterised much of the century so far.

Two notable "disruption" themes seem relevant. One is that the mantra of a few years ago to stress test portfolios for the risks and opportunities from technological change has evolved into a need (temporarily forgotten in 2023) to find the winners and avoid the losers from the energy transition and related moves to decarbonise economies. Lower conventional energy costs and political argument over who should pay the costs of moving to initially less efficient (but ultimately more sustainable) energy sources led to heavy losses in the "new energy economy" sector in 2023. Nonetheless, the trend to "phase down" fossil fuels is likely to prove inexorable. Secondly, AI, with the potential to transform productivity in many service sectors, as well as manufacturing, must now be added to the list of risks for specific companies, even while it holds out promise as a spur to non-inflationary growth at the whole economy level. With the development of the internet, initially the focus was on a small number of technology companies, then on the wider universe of companies whose businesses were transformed (for better or worse). Although comparisons can be invidious, a similar broadening is likely with the application of AI models.

Event risk is always an issue, however hard to evaluate. 2024 sees a record proportion of the world's population taking part in elections of various kinds. Some might produce changes in a given country (e.g. Argentina in 2023), others might have ramifications elsewhere (e.g. the US) or prompt reactions from other countries (e.g. Taiwan). Given unresolved global conflicts and a lack of sure-footed and secure political leadership to handle them, there is no shortage of potential geopolitical shocks. The fact that the days lengthen from December to June does not guarantee trouble-free weather on the way. Consequently, alongside a generally positive view of the world's medium-term prospects, a heavy dose of watchfulness is warranted.

Andrew Bell
Chief Executive Officer
15 March 2024

WITAN DISCOUNT TO NET ASSET VALUE (%)



Driving sustainable businesses through a strategic approach to responsible investment

Our responsible investment policy

As an investment trust, we aim to make well-informed investment decisions that ensure that the pursuit of prosperity for our shareholders is not achieved at the expense of the environment or the wellbeing of society. We believe companies which disregard this will fail to deliver sustainable returns to shareholders. Far from there being a conflict between good returns and responsible investment, managing assets in line with these principles is key to achieving these dual objectives.

2023 proved to be a difficult year for investors in climate strategies, as higher interest rates impacted the short-term outlook for investment in renewable energy projects as well as the value that investors ascribe to the long-duration earnings of companies enabling the energy transition. Despite this setback, we remain convinced that the long-term trend towards a greener energy mix will provide a tailwind for earnings in the years ahead. As such, Witan now has nearly 10% of its assets invested in funds which we believe will benefit directly from the world's efforts to mitigate or adapt to climate change.

It is crucial to understand, however, that our responsible investment policy, whilst complementary to our climate change investments, covers our entire listed-equity portfolio. It is implemented in the belief that owning well-managed businesses with sustainable cash flows is key to achieving durable returns for our shareholders. This applies to companies in multiple sectors and often requires a significant amount of work to encourage them to operate in a more sustainable manner, be it environmentally or socially.

ENCOURAGING SUSTAINABLE BUSINESS

Our policy is to ensure that by 2030 our portfolio consists entirely of sustainable businesses. These are businesses that are well-run, incorporate resilient business practices and have sustainable cash flows. We believe they are likely to perform better than companies which are at risk of disruption, litigation, regulation or loss of business because of poor ESG practices and thus achieve superior valuations.

> **Our policy is to ensure that by 2030 our portfolio consists entirely of sustainable businesses**

We have embedded responsible investment considerations across our listed equity portfolio, not just in a limited part of it. To implement our policy, we have developed four areas of action:

- Our own businesses practices;
- Fund manager engagement;
- Portfolio stewardship; and
- Industry advocacy.

Our focus is particularly on where we can have the biggest positive impact: the characteristics of our investment portfolio and our engagement with the companies in it. Our approach is adaptable and underpinned by the belief that capital allocation and engagement have a more positive long-term impact than an exclusionary approach and that blanket exclusions (except controversial weapons) can be counterproductive.

IMPLEMENTING OUR POLICY

The key to success is full alignment with our external fund managers, who manage more than 85% of the portfolio. Not only is it their role to invest our shareholders' capital, but they must also identify any issues at investee companies and engage accordingly. In 2022, we devised our responsible investment framework which was implemented with the help of our managers and applied to the portfolio to develop our baseline assessment. We repeated the process in 2023, with the results being shown on pages 18 to 19 of this Annual Report. We recognise the additional work required by our managers to complete this task and are grateful for their diligent support.

A small proportion of the portfolio is invested in collective funds, primarily within an investment company structure. Although these funds are not covered by the same framework as our equity portfolio, we still take ESG considerations into account. The responsibility for these investments, which account for up to 15% of Witan's assets, lies with our Investment Team, which reports annually to the Board on stewardship activity. Each of these listed investment companies has its own investment manager and, crucially, an independent board which gives us the ability to influence governance where it is found wanting.

GOVERNING RESPONSIBLE INVESTMENT

The Witan Board is responsible for the overall policy. Members of the Board and Investment Team are responsible for its delivery and monitoring how our managers engage and consider ESG-related issues.

Our responsible investment policy

We believe that investing in well-managed, 'sustainable businesses' is the foundation for achieving good returns for our shareholders, as well as a better future for the planet's ecosystems and for society. Our target is to ensure that by 2030, Witan's listed equity portfolio will entirely consist of such businesses. For us, these businesses have the following characteristics:

Prosperity

Exhibiting sustainable cash flows, good corporate behaviour, strong stakeholder engagement and respect for their shareholders.

People

A strong and experienced management team (and Board) with an inclusive and diverse culture, respecting the well-being of customers, employees, suppliers and the community.

Planet

A clear strategy and roadmap to minimise its environmental impact and, wherever possible, to transition towards net zero by 2050 in line with global efforts to limit warming to not more than 2°C and preferably 1.5°C. This includes companies positioned to help accelerate the energy transition or carbon reduction.

Partnership

Openness to collaboration, stakeholder engagement and participation in industry initiatives promoting good practice. Transparency in acknowledging mistakes and addressing issues where they arise, working to deliver a more sustainable future.

Our own responsibility

We take all the steps necessary to ensure that Witan is itself a 'sustainable business' by addressing our own carbon footprint and ensuring we have experienced management, skilled employees and strong corporate governance with an inclusive and diverse culture. Our ownership structure ensures that we are aligned with our shareholders.

Fund manager engagement

Witan ensures that our responsible investment strategy is embedded in our own investment processes and that these policies are integrated into the direction of our fund managers. We regularly engage with our fund managers to discuss our expectations and to derive comfort that they are equipped with the insights and tools to drive progress in their portfolios.

Witan

Industry advocacy

As a multi-manager investment fund, Witan advocates a responsible investment approach through our membership of industry initiatives and our network of fund managers.

Portfolio stewardship

Through our voting rights as shareholders and direct engagement with companies, Witan works with our fund managers to maintain a dialogue with underlying portfolio businesses. As part of our active management strategy, our fund managers hold investee companies to account if they fall short of the standards expected of them.

Driving sustainable businesses through a strategic approach to responsible investment continued

Portfolio review

Our focus in 2023 was to establish a framework and a baseline to assess our progress towards attaining a sustainable portfolio by 2030. Our Investment Team engaged with our fund managers to execute this assessment and we are pleased with the outcome and the insights to date. This will help us to set the agenda for the years ahead.

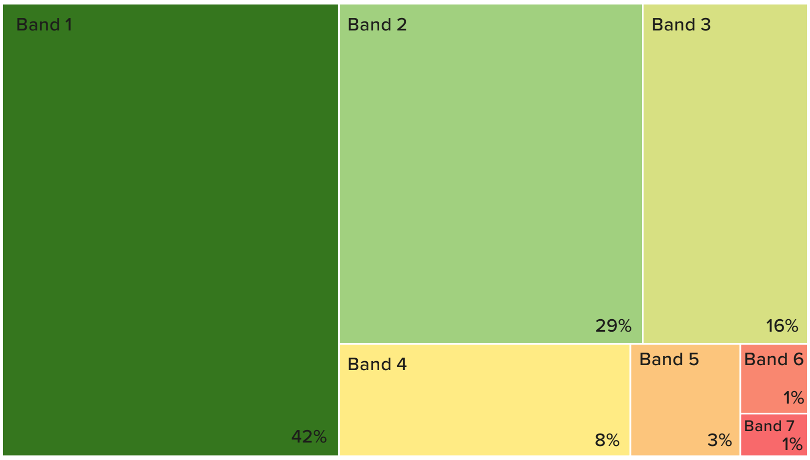
In 2023, we set decarbonisation targets (known as the Initial Target Disclosure) in line with the Net Zero Asset Managers initiative ('NZAM') guidelines. We also engaged with our third-party managers to learn from the 2022 baseline assessment of the portfolio using the responsible investment framework. Working with our managers, we identified areas for engagement and, where necessary, escalation. The exercise was repeated in 2023 when over 300 companies were assessed.

BUILDING ON OUR FOUNDATIONS

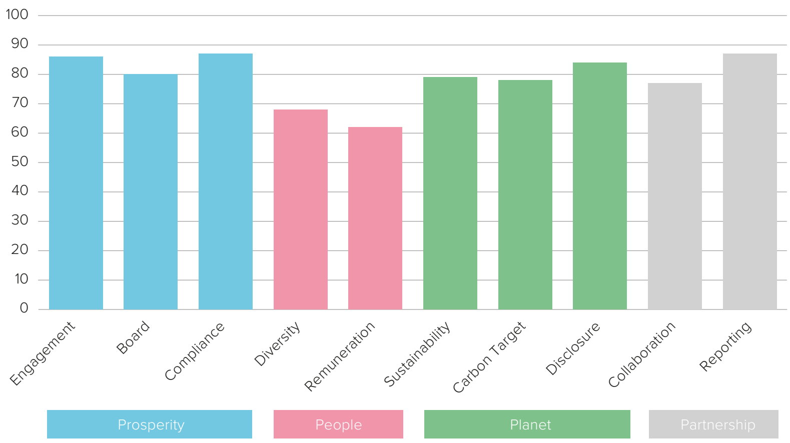
A key target of our responsible investment strategy is to ensure that by 2030 our listed equity portfolio consists entirely of sustainable businesses. Having set our baseline in 2022, we once again engaged with our managers to see what progress had been made by portfolio companies over the subsequent 12 months. The purpose was to assess where we were positioned relative to our sustainability objectives.

As before, the assessment involved Witan and every fund manager rating each of their portfolio holdings across the four pillars of prosperity, people, planet and partnership (see page 17) that we believe characterise a 'sustainable business'. Witan provided a detailed methodology, identifying ten individual issues (grouped under the four pillars), to assist fund managers in assessing each company. In short, over 90% of portfolio companies were judged to be either fully or partially aligned with eight out of the ten categories, while over 75% were similarly in compliance with the other two categories (namely Diversity and Remuneration).

WITAN SUSTAINABILITY ASSESSMENT(1)



AVERAGE SCORE PER ISSUE(2) ACROSS FOUR PILLARS



(1) Sustainability bands ranked 1 (highest) to 7 (lowest); see page 19.
(2) See explanation of each issue on page 117.

SCORING OUR PORTFOLIO

These assessments were converted into a numerical score with each company achieving a rating of 0-100. In total, over 300 companies across our core and specialist portfolios were assessed.

In 2023, the weighted average assessment of sustainability was 81 (2022: 80) out of a possible 100. As noted last year, our portfolio is on a journey towards greater sustainability, and we expect progress to be incremental and not necessarily linear. It is therefore pleasing to make positive progress this year. The results of the assessment are shown in the charts opposite and below.

Each portfolio company scored between 0 (failing to meet any sustainability criteria) and 100 (meeting all criteria). The 0-100 assessment of sustainability was sub-divided into seven equal bands with Band 1 being the highest rating and Band 7 the lowest. 42% (2022: 40%) of companies in the portfolio sit within sustainability Band 1 (shown in dark green on the chart) while 87% (2022: 83%) sit within the top three bands. We consider this to be an encouraging result, especially as this year's assessment included an additional 50+ companies, many of which are smaller, often emerging market companies, where responsible investment practices are less well developed and a higher sustainability assessment may be harder to achieve.

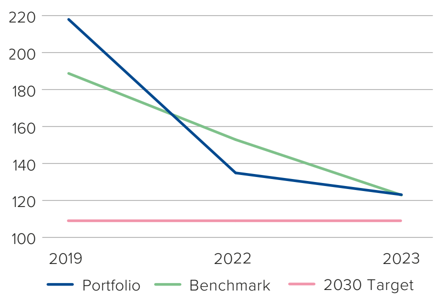
Just 18 companies (equal to less than 5% of the portfolio) sat in the lowest three bands (5 to 7) where a lack of disclosure, rather than poor practices per se, were the primary cause of a low rating. Of these, seven were Chinese companies (ironically, all seven provide products or services which contribute to improving environmental and / or social outcomes), two were Japanese and five were high-growth technology or biotechnology companies, with little or no direct carbon footprint. Subsequent to the year-end, both companies which were judged to be in Band 7 (the lowest band) were sold, albeit for investment reasons, by their respective managers.

Whilst our approach primarily involves an assessment of clearly defined policy and identifiable initiatives, there is also a degree of qualitative assessment involved. It is therefore encouraging to note that there continues to be a high degree of correlation between ratings applied to companies which were owned by more than one manager. This shows that our framework is being applied consistently across our whole portfolio, irrespective of which manager is carrying out the analysis.

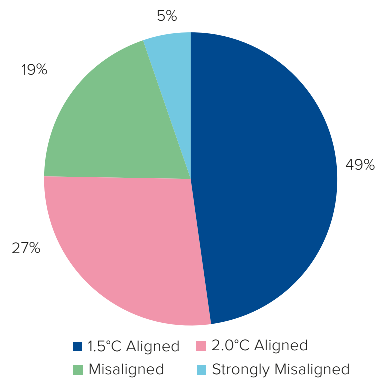
PROGRESSING TOWARDS NET ZERO

Following our commitment to NZAM, we were required to set decarbonisation targets (known as the Initial Target Disclosure) in line with the NZAM initiative. These involved identifying what proportion of the portfolio would be covered by our commitment and what our interim (2030) target for decarbonisation would be. In setting our initial targets we considered what could be measured as well as what could be achieved.

CORE PORTFOLIO WEIGHTED AVERAGE CARBON INTENSITY



CORE PORTFOLIO IMPLIED TEMPERATURE RISE DISTRIBUTION



Therefore, our NZAM commitment covers our core portfolio of primarily developed market, large and mid-cap companies, equating to 75% of our total assets under management. Our decarbonisation target for this part of the portfolio is a 50% reduction in Scope 1+2 WACI between 2019 (the baseline year) and 2030.

Witan subscribes to MSCI for ESG research to supplement our own responsible investment framework and we use their data to analyse the portfolio. We focus on two key measures when considering our progress towards net zero. The first is the WACI of our NZAM aligned assets (i.e. the core portfolio) which was 125.4 tCO_2e/\$M sales (2022: 134.9). This is already close to our 2030 target of 109.50 tCO_2e/\$M sales and is broadly in line with the benchmark's WACI of 122.9 tCO_2e/\$M sales. The second measure, which is forward looking, is the implied temperature rise of the core portfolio. To be aligned with net zero and therefore the aims of the Paris Agreement on Climate Change, the portfolio should achieve alignment with an implied temperature rise of no more than 2°C and preferably 1.5°C. Currently, 76% of the portfolio is aligned with 2.0°C, with 49% also being aligned with 1.5°C. Overall, the core portfolio is currently aligned with an implied temperature rise of 2.0°C. This is materially better than the 2.4°C for our equity benchmark. These, of course, are snapshots which could change due to company behaviour or portfolio turnover so it is important to continue to monitor progress over time. We expect that much, if not all, of this progress will be achieved by operating improvements within portfolio companies (via reduced energy consumption, better use of technology or a combination of both). We do not, at least for the foreseeable future, favour divestment to achieve portfolio decarbonisation.

Driving prosperity and sustainable business through responsible investing continued

Our activity in 2023

As part of our responsible investment policy, we continued to focus on the direct and indirect impact of Witan's operations. We want our managers to invest in businesses with the potential for long-term growth in sustainable cash flows. Our activity is therefore focused on engaging with our managers and ensuring they do everything in their power to help investee companies maximise their returns while limiting the financial risk associated with poor ESG practices.

ADDRESSING OUR OWN IMPACT

Our direct impact, as an investment fund with fewer than ten employees, is minimal. Nevertheless, we have taken steps to manage, disclose and improve our ESG impacts. We calculated our carbon footprint for the first time in 2022 and repeated the process in 2023.

Witan's direct environmental impact consists of energy (including electricity and gas) used in our serviced offices as well as our home offices, and the transport related to our commuting and business travel. In 2023, our total carbon footprint came to 11.2 tCO_2 (2022: 12.4). Our Scope 1 and Scope 2 emissions were 4.1 tCO_2 with Scope 3 emissions accounting for the remaining 7.1 tonnes (2022: 8.7). Our Scope 3 emissions include business travel as well as the impact of home working. Our carbon intensity of 1.9 tCO_2/employee compares favourably with an average office-based firm (source: Witan/ Carbon Footprint Ltd).

ENGAGING OUR FUND MANAGERS

In addition to the portfolio's 'Sustainable by 2030' review outlined on page 16, we assess our managers' ESG credentials and performance through regular ESG-focused meetings. This engagement is an integral part of our overall due diligence process and provides invaluable insight into their investment philosophy and company engagement activity. This qualitative assessment is supplemented by data collected from third-party providers including MSCI, the Transition Pathway Initiative and Bloomberg, each of which can serve as a 'flag' to alert us to potential ESG incidents or significant discrepancies between industry sources and our own analysis. Our managers were enthusiastic supporters of our framework and our engagement with them revealed a highly developed set of polices which were implemented effectively.

> **Engagement with companies has a greater positive impact than divestment**

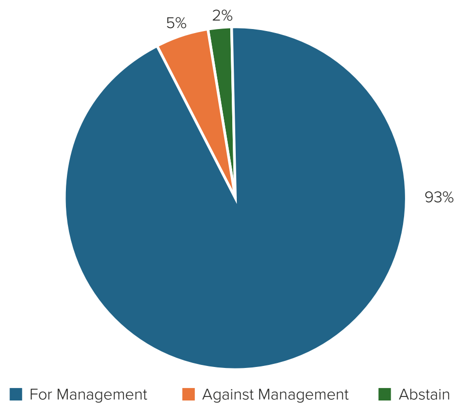
All our fund managers are signatories to the UN Principles for Responsible Investment ('PRI') while substantially all of the funds in our specialist portfolio are managed by signatories to the PRI. Half of our fund managers are also members of the NZAM (2022: 50%).

Looking ahead to 2024, Witan will continue to engage regularly with our external fund managers on responsible investment practices. We will focus on identifying the most material impacts and on where operational or disclosure improvements can be made at the portfolio company level. In addition, we will review our 'Sustainable by 2030' framework to see what can be learned from the first two years of its operation.

ENGAGEMENT AND VOTING

Whilst it is essential that our managers have robust engagement and voting policies, voting in favour of (or against) management should not necessarily be seen as a sign of ESG weakness (or strength). Witan's managers run concentrated, high-conviction portfolios, where investments are chosen on their own merits, rather than according to their weight in an index or other passive methodologies. As such, significant due diligence is carried out before an investment is made, as well as throughout the holding period. Interaction is often at the highest ('C-suite') level and is typically two-way, where investee

VOTING SUMMARY 2023



companies benefit from an open, frank and mutually respectful dialogue, where advice is given to and often sought by, some of the world's leading captains of industry.

Indeed, as our managers have typically selected these investments because they are well managed, high-quality businesses, resorting to voicing their concerns at the ballot box is rarely necessary. However, even the best companies sometimes require external input when standards are found wanting or where management are judged to be working at odds with shareholder interests. This is where our experienced managers can draw on their collective wisdom to promote better practices.

Witan regularly reviews the voting and engagement records of our fund managers. Through engagement and voting strategies, Witan and our fund managers can help influence corporate behaviour and ensure that our voting and engagement is targeted at improving shareholder returns while being aligned with our responsible investment strategy.

In 2023, Witan's fund managers voted on well over 4,000 different proposals put to the shareholders of investee companies at more than 400 separate shareholder meetings. Of those votes, 93% were cast in favour of management (2022: 93%) and 5% (2022: 7%) against management (see chart at the foot of page 20).

> **A multi-decade investment opportunity in enabling the energy transition**

WEIGHTED AVERAGE GREEN REVENUE EXPOSURE

As stated earlier, we believe that there is a multi-decade investment opportunity in companies which are enabling the energy transition. One way to measure a portfolio's exposure to this transition is the Weighted Average Green Revenue exposure ('WAGR'). This is the portfolio's weighted average of revenue exposure to alternative energy, energy efficiency, green building, pollution prevention, sustainable water and sustainable agriculture. Whilst the analysis of such revenues is imperfect (and at an early stage of development) there are tools available to us to help quantify our exposure to this theme. The listed equity portfolio (representing c. 85% of Witan's assets) had a WAGR exposure of 5.8% (2022: 4.4%). In addition to this, we estimate that funds in our Direct Holdings portfolio contribute a further 2-3% to the total portfolio WAGR of c. 8%, compared with the benchmark exposure of 5.6%.

DIVERSITY AND INCLUSION

Whilst we do not specifically target diversity and inclusion targets at the portfolio level, we are encouraged to see our managers promoting ESG best practices and, in many cases, supporting a broader, more diverse workplace within investee companies. That way, shareholders and other stakeholders can benefit from the different perspectives that broader cognitive diversity brings. Collectively, our managers are supporters of various initiatives including Girls are Investors, 10,000 Interns Foundation, Arrival Education, Diversity Project, the CFA's Diversity, Equity & Inclusion Code and UpReach. We believe that this is important, not only because it provides a helping hand to those who might not otherwise have had an opportunity to further their careers, but because companies and shareholders, including Witan, will benefit from exceptional, but often unrecognised, talent.

WITAN IS SIGNATORY OF:

CDP INVESTOR SIGNATORY

PRI Principles for Responsible Investment

RACE TO ZERO

Transition Pathway Initiative

IIGCC The Institutional Investors Group on Climate Change

Driving prosperity and sustainable business through responsible investing continued

ENGAGEMENT CASE STUDY

Company
ArcelorMittal

Country
Luxembourg

Sector
Industrials

ArcelorMittal continued to make good progress on its decarbonisation journey during the year. The company's strategy and near-term pathway became more refined as did the technological solutions required to facilitate the transition. However, tragic events at the company's Kazakhstan coal mine dominated headlines towards the end of the year. Engagement with the company remained high as our investment manager continued to monitor and track key decarbonisation milestones and to ensure that the company was being held to account for the Kazakhstan incident.

ArcelorMittal remains one of the portfolio's largest contributors to carbon intensity. The company remains committed to taking an industry leading approach to reducing such emissions, targeting a 25% reduction by 2030 (-35% in Europe) and to aiming to run a net zero operation by 2050. Through scale, geographic reach, asset mix, sector leading innovation and an improving competitive environment, our manager believes that the company remains well placed to both reduce carbon emissions and structurally improve its returns over the medium term.

During the year, the company reached agreements with a number of governments across Europe in relation to providing financial support for green transformation projects across its portfolio. This includes a $2 billion agreement with the French Government for decarbonisation projects at its Dunkirk Steel plant, which will help reduce the country's industrial emissions by 6%, and a $1 billion funding package with the Spanish government to create the world's first full scale zero emission steel plant. Further investments were made into renewable energy projects while development of lower carbon products and solutions continued to progress, with customers showing increasing interest, translating into tangible sales.

A fatal explosion at the company's Kostenko coal mine in Kazakhstan in October resulted in the death of 46 ArcelorMittal employees. Our manager had a number of engagements with the company in order to gain a better understanding of the event, potential repercussions and become more informed about the independent review as a result, while also detailing the manager's view as to how the company should address the issues arising from this. Whilst undoubtedly tragic, the company believes the accident is not representative of its wider health and safety record which has shown a consistent improvement in other regions around the world in recent years.

Arcelor had been in discussions with potential acquirers of the mine before the incident, reflecting the company's desire to both actively manage its portfolio of assets in order to reach its carbon reduction goals and manage the wider capital needs of the group. Following the incident the company has now reached an agreement to divest the asset. Taking into account the significant future capital requirements of the asset, to both improve its green credentials and upgrade the facility, the fund manager estimates that the transaction will be cash flow positive for Arcelor.

Whilst we would always favour engagement leading to operational improvement rather than divestment, there are times when a company (or investment manager) must take difficult decisions regarding its operations (or investment) and assess the financial interests of shareholders compared with the optimal environmental outcome. The Kostenko mine is an example of such a situation, where it would have been financially over-burdensome on shareholders to retain and improve the asset, which was, therefore, divested.

ENGAGEMENT CASE STUDY

Company
Waste Connections Inc

Country
Canada/USA

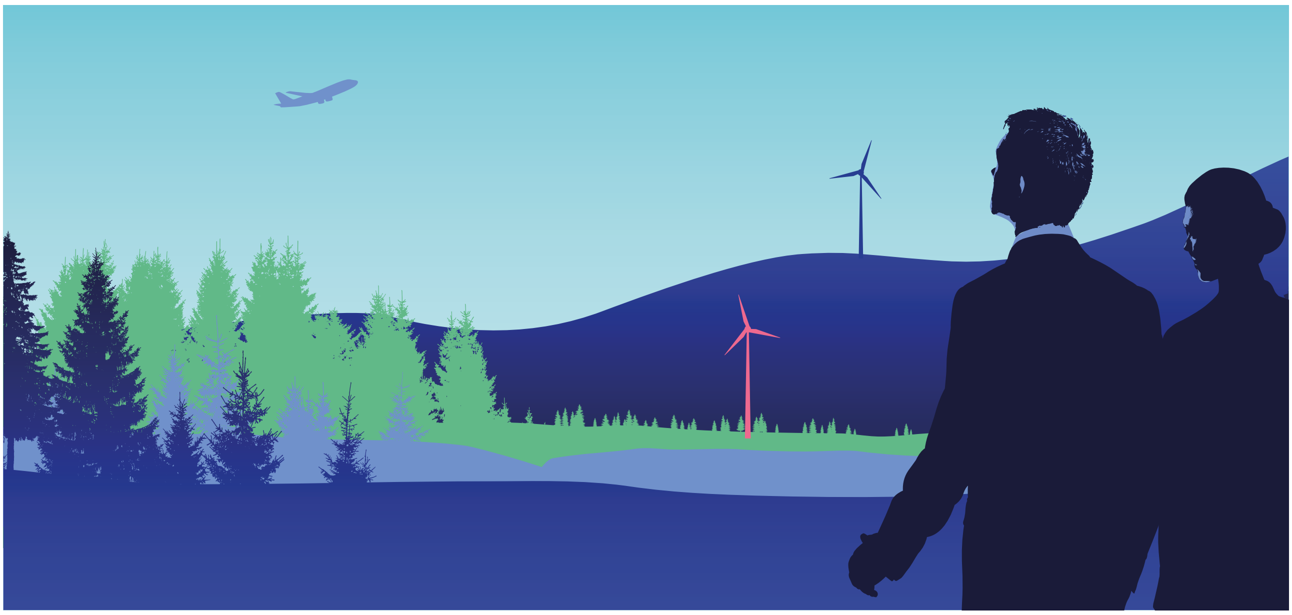
Sector
Industrials

Waste Connections Inc ('WCN') is the third largest solid waste company in North America, targeting secondary and rural markets, where it owns both the local landfill and collection assets. To support this strategy and empower local leaders, WCN embraces a decentralised structure and 'servant leadership'. Our manager's original (2019) investment thesis was based on an assessment of WCN's financial metrics, supported by a sustainable competitive advantage and strong culture.

In 2022, the manager's culture analysis identified that WCN management had become more centralised under a new CEO. In early 2023, despite the reappointment of the founder as CEO, it became clear that WCN had been slow to adapt to elevated employee turnover, a negative consequence of becoming more centralised, so the manager began re-examining the investment thesis.

Over subsequent months, the manager engaged multiple times with WCN meeting executives, attending industry expos and interviewing employees, to understand the impact that centralisation was having on staff retention and to emphasise their concern, should the situation be allowed to deteriorate further. Lower employee turnover is particularly relevant to WCN because labour is its largest cost, so controlling costs will not only improve margins but create more capacity for WCN to re-invest into its business – supporting its customer service and annual price increases. Separately, WCN's CEO attended our manager's CEO Sandbox: a 'culture share-and-learn event'. This is a new initiative to help investee companies learn from each other's business practices in a forum for open discussion. This was followed by the manager presenting to a group of WCN's top c. 1,000 business leaders at WCN's annual leadership event. This presentation allowed him to share how the manager's initial assessment of WCN's strong, well-aligned culture had been called into question by poor management decisions. Ultimately, however, the manager was able to conclude that their engagement had been successful, with WCN's culture directionally improving, supporting the thesis that WCN is in an investment sweet spot: positive inflecting culture to drive better financial performance. The manager will continue to monitor WCN's employee turnover metrics and engage with management regarding succession plans.

On a separate matter Witan engaged with the manager regarding WCN's carbon performance. WCN has a relatively high emissions intensity because, as a solid waste management service provider, the bulk of its emissions stem from gasses liberated from landfills. The manager has discussed this issue with WCN which says that "For every metric ton of carbon generated through the management of our customers' waste and recyclables, our operations lead to the avoidance of 4.2 metric tons of carbon, primarily through recycling, energy production, and carbon sequestration." It is clearly difficult for waste management companies to commit to carbon neutrality in the near term. In the meantime, in terms of the Paris-aligned targets, WCN has prioritized greenhouse gas mitigation and carbon sequestration throughout its operations.



Meet the managers

Structuring our portfolio

Drawing on our experience to deliver collective wisdom

We act as a one-stop shop for global equity investment. We search for the best fund managers internationally, so the portfolio is not reliant on the stock-picking skills of one individual. The multi-manager team-based approach ensures that the portfolio embraces many companies, sectors and geographies.

However, the sheer variety of investment opportunities means that they are not always obvious or easy to reach.

Some managers focus on large, well-known companies; while others might seek to profit from pioneering businesses in specialist sectors. However, investment opportunities evolve over time. When that happens, we can appoint or replace managers accordingly.

Our breadth of expertise adds value throughout the asset allocation process as follows:

Identifying opportunities > **Selecting the right managers** > **Monitoring the portfolio** > **Engaging with managers** > **Making changes where appropriate** >

Witan's investment team

Andrew Bell and James Hart manage Witan's portfolio of direct holdings in specialist investment companies, as well as having overall responsibility for Witan's investment portfolio, under the direction of the Board.

Andrew Bell
Chief Executive Officer,
Witan Investment Trust

James Hart
Investment Director,
Witan Investment Trust

Identifying opportunities

What sets Witan apart is our unique, diversified but high-conviction portfolio structure, consisting of two distinct but complementary elements: core and specialist. This gives shareholders access to a range of investments with the aim of providing better returns over the long term while short-term performance may be quite different from that of the Company's benchmark.

Core portfolio

The core portfolio accounts for 75%
It is predominantly invested in global, large cap listed companies with strong fundamentals generating enduring cash flows or with underappreciated growth prospects. Our core portfolio managers tend to have concentrated, high-conviction portfolios with low portfolio turnover.

Specialist portfolio

The specialist portfolio accounts for 25%
It provides exposure to a range of investment themes best accessed through managers with specialist knowledge. Through our due diligence process, we identify long-term themes which offer the ability to deliver higher returns and outperformance. Current investment themes include:

> Climate change;
> Emerging markets;
> Unquoted growth companies;
> Listed private equity; and
> Life sciences.

These are held either via segregated portfolios, or funds held within the direct holdings portfolio.

Selecting the right managers

We identify managers who can demonstrate independence of thought and a clear alignment of interest between themselves and their clients. They will have a clearly articulated and repeatable investment process, a high degree of intellectual rigour and sound judgement to enable them to identify attractive companies and combine them into concentrated, differentiated portfolios.

Monitoring and engaging with our managers

We meet with our managers regularly to discuss investment and governance issues and we expect them to uphold the highest fiduciary standards. As part of our investment process, we can adjust manager selection and allocations to ensure we create a combined portfolio which can deliver consistent long-term outperformance, while our multi-manager structure helps reduce the risks associated with a single management style.

Meet the managers continued

Core portfolio managers

We have six managers in our core portfolio.

JENNISON ASSOCIATES

2023 performance

Jennison Associates, LLC	34.5%
MSCI ACWI	15.9%

7.6%
Witan assets
2022: 6.0%

Name:
Mark Baribeau

Style:
Companies with exceptional growth prospects

Benchmark:
MSCI ACWI

Inception date:
31/08/2020

UNPRI signatory:
Yes

JENNISON ASSOCIATES, LLC

Mark Baribeau, Head of Global Equities at Jennison Associates, and co-Portfolio Managers Tom Davis and Rebecca Irwin seek to invest in a portfolio of market-leading companies with innovative business models, positively inflecting growth rates, and long-term competitive advantages. Mark, Tom and Rebecca work closely alongside a highly experienced team of research analysts to employ a high-conviction, fundamental bottom-up approach that is sector, region and country-agnostic. The team invests in a select group of companies with innovative and disruptive businesses that are driving structural shifts in their respective industries. They also look for companies with defensible business models and attractive product offerings, supported by secular demand trends. The portfolio typically has between 35 and 45 holdings and securities must meet stringent standards in order to remain or earn a place in the portfolio.

LANSDOWNE PARTNERS

2023 performance

Lansdowne Partners	14.6%
MSCI ACWI	15.9%

18.1%
Witan assets
2022: 17.4%

Name:
Peter Davies

Style:
Concentrated, benchmark-independent investment in developed markets

Benchmark:
MSCI ACWI

Inception date:
14/12/2012

UNPRI signatory:
Yes

LANSDOWNE PARTNERS

Founded in 1998, Lansdowne Partners has evolved to become one of the UK's pre-eminent investment management boutiques. The Long Only Developed Markets Strategy, managed by Peter Davies and Jonathon Regis, combines a detailed thematic approach with rigorous company analysis to identify an adaptable portfolio positioned for underappreciated or contrarian trends. The two lead managers benefit from the support provided by a team of experienced and insightful analysts who tend to focus on key sectors of interest to the team.

The high-conviction portfolio is the result of detailed company-specific research, allied with an appreciation of global thematic developments. The team is willing to make significant adjustments to the portfolio to reflect its view of the changing investment landscape.

LINDSELL TRAIN

2023 performance

Lindsell Train	8.0%
MSCI ACWI	15.9%

16.1%

Witan assets
2022: 16.7%

Name:
Michael Lindsell and Nick Train

Style:
Long-term growth from undervalued brands

Benchmark:
MSCI ACWI

Inception date:
01/09/2010[1]

UNPRI signatory:
Yes

(1) Lindsell Train managed a UK portfolio from 01/09/10 until 31/12/19.

LINDSELL TRAIN

Lindsell Train has over 20 years of heritage managing high-conviction (20-35 companies), long-only equity portfolios on behalf of clients globally. Underpinning its investment focus is Lindsell Train's simple organisational structure with a small team of 26 professionals. Being majority employee owned empowers Lindsell Train to employ a genuinely long-term approach, resulting in exceptionally low turnover, which is a key differentiating quality.

Lindsell Train's investment universe is comprised of quoted companies that it determines to be "exceptional", by which it means companies that possess deep economic moats that enable the companies to maintain growth and pricing power, sustain above average real rates of return over the long term, and weather different market environments. The investment philosophy is premised on the belief that the market persistently undervalues the significant value creation from the compounding effects of cash flows and dividends of such exceptionally durable businesses.

Veritas
— Asset
Management

2023 performance

Veritas Asset Management	16.3%
MSCI ACWI	15.9%

17.3%

Witan assets
2022: 17.5%

Name:
Andy Headley

Style:
Real return objective from high-quality companies

Benchmark:
MSCI ACWI

Inception date:
11/11/2010

UNPRI signatory:
Yes

VERITAS ASSET MANAGEMENT

Andy Headley, Head of Global Strategies at Veritas, uses a number of research methods to help identify industries and companies that are well positioned to benefit from medium-term growth, regardless of where they are located. The aim is to generate excellent real returns and minimise the risk of permanent capital loss. Potential investments are analysed from an absolute basis rather than relative to any benchmark or index. This equity portfolio follows a Global Focus strategy, investing with a disciplined approach to valuation in 'quality' mid to large capitalisation companies. It typically contains fewer than 30 stocks, chosen with a highly selective and rigorous approach, and is focused on a handful of investment themes.

Meet the managers continued

Core portfolio managers

2023 performance

WCM	20.6%
MSCI ACWI	15.9%

11.7%
Witan assets
2022: 11.1%

Name:
Mike Trigg

Style:
High-quality companies with strong culture and increasing competitive advantage

Benchmark:
MSCI ACWI

Inception date:
31/08/2020

UNPRI signatory:
Yes

WCM INVESTMENT MANAGEMENT

Based in Laguna Beach, California, WCM is an independent asset management firm that runs focused portfolios, comprised of high-quality businesses with growing economic moats, aligned with strong, adaptable corporate cultures, and supported by durable global tailwinds. The portfolio is concentrated in 30-40 high-conviction investments with the objective of securing long-term excess return and downside protection. As an active manager, WCM believes that their investee companies have meaningful structural advantages which, when allied with a 'buy and manage' low turnover approach, will allow long-term outperformance of the relevant benchmark.

2023 performance

Artemis	14.8%
MSCI UK IMI	8.0%

3.4%
Witan assets
2022: 6.5%

Name:
Andy Gray

Style:
Recovery/special situations

Benchmark:
MSCI UK IMI

Inception date:
06/05/2008

UNPRI signatory:
Yes

ARTEMIS

Andy Gray and Henry Flockhart co-manage Artemis's UK Special Situations strategy. Their aim is to achieve superior long-term growth by looking for unrecognised growth potential in companies, often those that are unloved or out of favour. The strategy, which favours smaller and medium-sized companies, identifies hidden value within 'problem investments', which can be companies in need of new management or refinancing or suffering from investor indifference.

The focus on those companies which can help themselves rather than relying on a change in the business climate aims to avoid 'value traps' and other risks associated with a 'special situations' strategy. The Artemis team places great emphasis on personal knowledge of management teams and meets with them regularly. This helps them understand what can be achieved and how aligned management are with shareholders. The portfolio typically has fewer than 50 holdings.

Specialist portfolio managers

Each of our specialist portfolio managers is an expert in one of our chosen themes.

GMO

2023 performance

GMO	(11.7)%
MSCI ACWI	15.9%

6.4%

Witan assets
2022: 5.9%

Name:
Lucas White

Style:
Companies positioned to benefit from climate change mitigation/ adaptation efforts

Benchmark:
MSCI ACWI

Inception date:
05/06/2019

UNPRI signatory:
Yes

GMO

GMO was co-founded in 1977 by the well-known investor and climate-focused philanthropist, Jeremy Grantham.

The investment process is grounded in a long-term, valuation-based investment philosophy – an approach which GMO believes provides the best risk-adjusted returns. The Climate Change strategy seeks to deliver high total return by investing primarily in equities of companies that are positioned to benefit, directly or indirectly, from efforts to curb or mitigate the long-term effects of global climate change, to address the environmental challenges presented by global climate change, or to improve the efficiency of resource consumption. As climate change is among the most important investment issues facing investors today, GMO believes that there are exceptional opportunities for long-term investors in a world mobilising to address climate change.

GQG PARTNERS

2023 performance

GQG Partners	25.3%
MSCI Emerging Markets	4.0%

5.0%

Witan assets
2022: 5.6%

Name:
Rajiv Jain

Style:
High-quality companies with attractively priced growth prospects

Benchmark:
MSCI Emerging Markets

Inception date:
16/02/2017

UNPRI signatory:
Yes

GQG PARTNERS

The GQG Partners Emerging Markets Equity strategy seeks long-term capital appreciation. GQG Partners seeks to invest in high-quality, attractively priced companies exhibiting competitive advantages. GQG's investment process aims to evaluate each business with a focus on financial strength, sustainability of earnings growth, and quality of management. The resulting portfolio seeks to manage the downside risk of equity investments while providing attractive returns to long-term investors over a full market cycle.

Meet the managers continued

Specialist portfolio managers

Witan investment trust

A selection of specialist collective funds investing in both quoted and unquoted companies, with the overall objective of outperforming Witan's equity benchmark. These specialist themes tend to be outside the scope of investment for most equity investment managers.

2023 performance

Direct Holdings	(2.9)%
Unquoted Growth	(14.7)%
Benchmark	14.7%

Direct Holdings

11.2%[(1)]

2022: 11.3%

Unquoted Growth

1.6%[(1)]

2022: 1.9%

Name:
Witan

Style:
Specialist collective funds

Benchmark:
Witan's benchmark

Inception date:
19/03/2010

UNPRI signatory:
Yes

(1) Percentage of Witan's assets

DIRECT HOLDINGS

Private equity

Apax Global Alpha (2.5%)[(1)]

Extensive portfolio of private equity investments in growing sectors.

Princess Private Equity (1.6%)[(1)]

Portfolio of private equity investments managed by Swiss-based Partners Group.

HarbourVest Global Private Equity (0.9%)

Portfolio of private company investments via funds managed by HarbourVest Partners.

Hostmore (0.2%)[(1)]

Owner and operator of TGI Friday's UK casual dining franchise spun out of Electra.

Life sciences

Syncona (1.0%)[(1)]

A healthcare investment company focused on founding, building and funding global leaders in innovative life sciences.

S&P Biotech ETF (0.6%)[(1)]

Seeks to replicate the performance of the equal weighted S&P Biotechnology Select Index.

The Biotech Growth Trust (0.2%)[(1)]

Investment in the worldwide biotechnology industry.

Commodities

BlackRock World Mining (0.5%)[(1)]

Fund investing in mining and metal assets worldwide, principally via listed securities.

Real estate

Schroder Real Estate (1.0%)[(1)]

Fund of UK commercial real estate investments.

Clean Energy

VH Global Sustainable Energy (2.4%)[(1)]

Diversified energy infrastructure investments focused on accelerating the energy transition.

Credit

NB Distressed Debt (0.4%)[(1)]

Portfolio of distressed, stressed and special situations investments in realisation situations.

UNQUOTED GROWTH

Lansdowne Opportunities (0.9%)[(1)]

Invests mostly in unquoted companies capitalising on the intellectual property of leading universities.

Lindenwood (0.7%)[(1)]

Invests in unquoted, high growth companies, seeking the next generation of technology leaders.

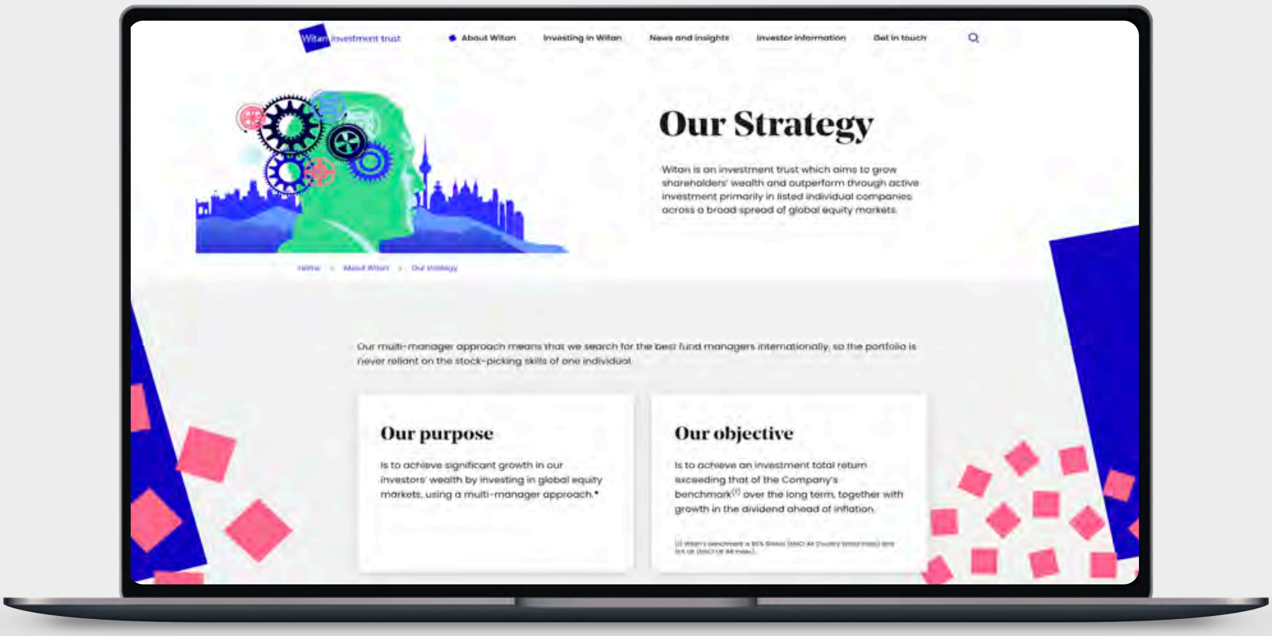
FTSE 250 ETF (1.7%)[(1)]

This investment has been purchased to increase tactical exposure to the mid-cap UK FTSE 250 index (including investment companies).

Stay in touch

- The Company maintains a website to enable investors to keep up to date with developments at Witan and to make informed decisions when considering Witan shares for their investment portfolios. The website is regularly refreshed with new information and includes Investor Disclosure and Key Information Documents. Any investor who would like to be kept informed by email of developments at Witan (including factsheets and newsletters) can register on the Company's website or by sending their details to **contact@witan.co.uk**.

witan.com



Forty largest investments

Top 40 investments as at 31 December 2023

	Company		Market value of holding £m	% of portfolio
1	**GMO Climate Change**	Specialist fund investing in companies which benefit from efforts to curb or mitigate the effects of climate change	115.5	6.5
2	**Apax Global Alpha**	Investment company offering exposure to private equity investments in the Technology, Services, Healthcare and Consumer sectors	44.7	2.5
3	**VH Global Sustainable Energy**	An infrastructure fund focused on the energy transition	42.1	2.4
4	**Amazon.com**	Online retailer and cloud-based platform provider	38.1	2.1
5	**Diageo**	UK-based global leader in spirits and liqueurs. Also owner of the Guinness beer brand	31.9	1.8
6	**Vanguard FTSE 250 UCITS ETF**	An exchange-traded fund providing exposure to the mid-cap UK FTSE 250 index (including investment companies)	30.0	1.7
7	**Princess Private Equity**	Investment company providing exposure to a portfolio of private equity investments	29.3	1.6
8	**Unilever**	Multi-national consumer goods company with food, home care and personal care divisions	26.5	1.5
9	**Microsoft**	Operating systems, server applications, business and consumer applications, software development tools and internet software	26.2	1.5
10	**RELX**	Global provider of information and analytics for professional and business customers across industries	25.6	1.4
11	**Nintendo**	Gaming console company which develops, manufactures and sells video game hardware and software	24.7	1.4
12	**London Stock Exchange**	Operates international equity, bond and derivatives markets and provides indexing and financial data services	24.4	1.4
13	**FICO**	Fair Isaac Corporation provides analytics software, solutions and services to corporate and government clients	23.4	1.3
14	**Canadian Pacific Kansas City**	Transcontinental railway providing freight and container services across its network in Canada and the US	23.0	1.3
15	**Lloyds Banking**	UK bank offering banking and financial services to retail and institutional customers	22.5	1.3
16	**NatWest**	A UK-based banking and financial services company	22.0	1.2
17	**Intuit**	Develops and markets business and financial software solutions	21.0	1.2
18	**Taiwan Semiconductor Manufacturing**	The world's largest dedicated semiconductor foundry	20.8	1.2
19	**Mastercard**	A global leader in the provision of financial transaction processing services	20.4	1.1
20	**Alphabet**	The holding company for Google	20.3	1.1
Top 20			**632.4**	**35.4**

The top ten holdings represent 23.0% of the total portfolio (2022: 22.4%).
The full portfolio is not listed because it contains over 200 companies.
Figures may not sum due to rounding.

Top 40 investments:

	Company		Market value of holding £m	% of portfolio
21	**AIB**	Irish bank offering commercial banking services to retail and institutional customers	20.1	1.1
22	**Ryanair**	Europe's largest airline offering low fare passenger services to destinations across Europe	19.2	1.1
23	**Thermo Fisher Scientific**	Offers medical products and services to the pharmaceutical and biotech industry, hospitals and research & diagnostic organisations	18.8	1.1
24	**Compagnie de St Gobain**	A global supplier of glass products and construction materials	18.7	1.0
25	**UnitedHealth**	A leading US health insurer offering plans and services to group and individual customers	18.6	1.0
26	**Schroder Real Estate**	UK commercial real estate investment trust seeking to harness the 'green premium' for consistent income and capital growth	18.2	1.0
27	**Airbus**	Manufacturers and maintains commercial aircraft and military equipment	18.1	1.0
28	**Mondelez**	A food and beverage company which manufacturers world leading snack foods and chocolate brands	18.0	1.0
29	**Nvidia**	Designs, develops and markets three dimensional (3D) graphics processors and related software	17.8	1.0
30	**Syncona**	Healthcare fund focused on founding, building and funding a portfolio of innovative life science companies	17.7	1.0
31	**PepsiCo**	A leading global beverage and convenience food company	17.0	0.9
32	**Vinci**	A global leader in construction and concessions management with expertise in building, civil, hydraulic and electrical engineering	16.9	1.0
33	**ArcelorMittal**	A leading integrated steel production company	16.7	0.9
34	**Heineken**	The world's second largest brewer offering premium brand and zero-alcohol beers	16.4	0.9
35	**CRH**	Manufactures and distributes architectural, infrastructure and construction products for infrastructure, housing, and commercial projects	16.1	0.9
36	**HarbourVest Global Private Equity**	An investment company investing in private companies globally through funds managed by HarbourVest Partners	16.0	0.9
37	**TKO Group Holdings**	A premium sports and entertainment company comprising the Ultimate Fight Club and World Wrestling Entertainment brands	16.0	0.9
38	**TotalEnergies**	Produces, transports and supplies crude oil, natural gas, gasoline and low carbon electricity, as well as refines petrochemical products	15.8	0.9
39	**Lansdowne Opportunities Fund**	A fund investing mostly in unquoted companies capitalising on the intellectual property of leading universities	15.6	0.9
40	**Bank of Ireland**	Irish bank offering banking and financial services to retail and institutional customers	15.0	0.8
Top 40			**979.1**	**54.9**

Classification of investments

at 31 December 2023

		North America %	United Kingdom %	Continental Europe %	Asia (ex Japan) %	Japan %	Latin America %	Other[1] %	Total 2023 %
Energy	Energy	0.4	0.6	1.1	0.2	–	0.5	–	2.8
		0.4	**0.6**	**1.1**	**0.2**	**–**	**0.5**	**–**	**2.8**
Materials	Materials	1.8	1.1	2.0	0.2	–	0.2	0.1	5.4
		1.8	**1.1**	**2.0**	**0.2**	**–**	**0.2**	**0.1**	**5.4**
Industrials	Capital Goods	1.8	1.3	4.6	0.2	–	0.1	0.1	8.1
	Commercial & Professional Services	1.4	1.5	–	–	–	–	–	2.9
	Transportation	1.8	0.2	2.5	0.1	–	–	–	4.6
		5.0	**3.0**	**7.1**	**0.3**	**–**	**0.1**	**0.1**	**15.6**
Consumer Discretionary	Automobiles & Components	0.3	0.1	0.5	–	–	–	–	0.9
	Consumer Durables & Apparel	0.1	0.1	1.8	0.2	–	–	–	2.2
	Consumer Services	0.1	0.6	0.2	–	–	–	–	0.9
	Retailing	2.9	0.3	–	0.1	–	0.4	–	3.7
		3.4	**1.1**	**2.5**	**0.3**	**–**	**0.4**	**–**	**7.7**
Consumer Staples	Food & Staples Retailing	0.3	–	–	–	–	–	–	0.3
	Food, Beverages & Tobacco	2.3	1.9	1.2	0.5	–	0.1	–	6.0
	Household & Personal Products	–	1.5	0.3	–	0.9	–	–	2.7
		2.6	**3.4**	**1.5**	**0.5**	**0.9**	**0.1**	**–**	**9.0**
Healthcare	Healthcare Equipment & Services	3.5	–	–	0.4	–	–	–	3.9
	Pharmaceuticals, Biotechnology & Life Sciences	2.9	0.4	0.8	0.1	0.2	–	–	4.4
		6.4	**0.4**	**0.8**	**0.5**	**0.2**	**–**	**–**	**8.3**
Financials	Banks	–	2.8	2.0	0.8	–	0.4	–	6.0
	Diversified Financial Services	1.6	2.4	–	–	–	0.1	–	4.1
	Financial Services	2.7	–	0.4	–	–	–	–	3.1
	Insurance	0.4	–	–	–	–	–	–	0.4
		4.7	**5.2**	**2.4**	**0.8**	**–**	**0.5**	**–**	**13.6**
Information Technology	Software & Services	6.3	0.1	–	–	–	–	–	6.4
	Technology Hardware & Equipment	0.9	0.2	–	0.1	0.1	–	–	1.3
	Semiconductors & Semiconductor Equipment	4.3	–	2.1	1.6	0.3	–	–	8.3
		11.5	**0.3**	**2.1**	**1.7**	**0.4**	**–**	**–**	**16.0**
Communication Services	Communication Services	–	0.6	–	–	–	–	–	0.6
	Media & Entertainment	3.8	–	0.2	–	1.4	–	–	5.4
		3.8	**0.6**	**0.2**	**–**	**1.4**	**–**	**–**	**6.0**
Utilities	Utilities	–	–	–	0.4	–	0.2	–	0.6
		–	**–**	**–**	**0.4**	**–**	**0.2**	**–**	**0.6**
Real Estate	Real Estate	–	0.3	–	–	–	–	–	0.3
		–	**0.3**	**–**	**–**	**–**	**–**	**–**	**0.3**
Investment Companies	Exchange – Traded Fund	–	–	–	–	–	–	1.7	1.7
	Investment Companies[1]	–	–	–	–	–	–	13.0	13.0
		–	**–**	**–**	**–**	**–**	**–**	**14.7**	**14.7**
Total 2023		**39.6**	**16.0**	**19.7**	**4.9**	**2.9**	**2.0**	**14.9**	**100.0**
Total 2022		35.8	19.7	20.7	4.4	3.4	2.0	14.0	100.0

(1) Investment Companies are included under the heading of Other because the underlying geographic exposure is not readily identifiable.

Principal risks and uncertainties

The directors have carried out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency, liquidity or reputation. These risks, and the actions taken to mitigate them, are set out below.

Risks are inherent in investment and corporate management. It is important to identify risks and ways to control or avoid them. Witan Investment Services Limited ('WIS') has a Risk Committee in order to monitor compliance with its risk management and reporting obligations as Witan's Alternative Investment Fund Manager ('AIFM'). The Company maintains a framework of the key risks, with the policies and processes devised to monitor, manage and mitigate them where possible. Its detailed risk map is reviewed regularly by the Audit & Risk Committee and the WIS Risk Committee, which report on pertinent issues to their respective Boards.

The guiding principles remain watchfulness, proper analysis, prudence and a clear system of risk management.

Where appropriate, the Witan and WIS Boards meet jointly to cover matters of common interest. The WIS Board consists of six non-executive directors and one executive director who are also directors of Witan, and one executive director who is a Company employee.

The Board's policy on risk management has not materially changed during the course of the reporting period and up to the date of this report.

The Company's key risks fall broadly under the following categories:

↑ Increased — Unchanged ↓ Reduced

Market and investment portfolio

↑

RISK

For an equity fund, a key risk of investing is a general fall in equity prices and investment income, which could be exacerbated by gearing and the risks associated with the performance of its investment managers and changes in Witan's share price rating.

Other risks are the portfolio's exposure to country, currency, industrial sector and stock-specific factors (including those relating to the sustainability of the business model taking account of environmental, social and governance factors). Political and macroeconomic topics such as Brexit, inflation, pandemics (e.g. Covid-19), trade wars and military conflicts (e.g. the Russian invasion of Ukraine and the Middle East) can all be expected to lead to market volatility.

MITIGATION

The Board seeks to manage these risks through:

- a broadly diversified equity benchmark;
- appropriate asset allocation decisions;
- selecting competent managers and regularly monitoring their performance, awareness of emerging risks and the robustness of their processes for taking account of those risks;
- paying attention to key economic and political events;
- engagement with shareholders and other stakeholders;
- active management of risk, whether to preserve capital or capitalise on opportunities;
- the application of relevant policies on gearing and liquidity; and
- share buybacks and issuance to respond to market supply and demand.

During the year, Andrew Bell, the CEO, managed the overall business and the investment portfolio in accordance with limits determined by the Board and the AIFM, on which the CEO reports at each Board meeting. The Board also regularly reviews investment strategy and performance, supported by comprehensive management information and analysis.

Principal risks and uncertainties continued

Operational and cyber

RISK	MITIGATION	
Many of the Company's financial systems are outsourced to third parties, principally BNP Paribas. Disruption to their accounting, payment systems or custody records could prevent the accurate reporting and monitoring of the Company's financial position. The potential impact of generative AI has been identified as an emerging risk this year.	The Witan and WIS Executive undertake a detailed due diligence programme, focused upon the operational and cyber arrangements, including developments in AI, of all the Company's suppliers. BNP Paribas as the Company's depositary, has a key responsibility for monitoring such issues on behalf of the Company. The Board and AIFM monitor the depositary as well as its other suppliers.	Details of the Board's monitoring and control processes are explained further in the Corporate Governance Statement on pages 46 to 56.

Compliance and regulatory change

RISK	MITIGATION	
The Company breaches compliance/regulatory requirements or fails to assess the impact.	The Board takes its regulatory responsibilities very seriously and compliance issues and potential regulatory changes are regularly reviewed by the Board and its AIFM. Details of the Company's corporate governance policies are set out in the Corporate Governance Statement on pages 46 to 56. The Board conducts an annual assessment of the effectiveness of its governance processes. There is also a three-yearly independent external review, the most recent of which was in 2021. See page 55 for further details. Operational and regulatory risks are regularly reviewed by Witan's Audit & Risk Committee and WIS's Risk Committee. WIS is subject to its own operating rules and regulations and is regulated by the Financial Conduct Authority ('FCA'). The Company has established a modus operandi for the effective coordination of its responsibilities and those of WIS, as its AIFM.	Operationally, the multi-manager structure is robust, as the investment managers, the custodian and the fund accountants keep their own records which are regularly reconciled. The depositary, the AIFM and the Board provide additional checks and safeguards. Management monitors the activities of all third parties and reports any significant issues to the Board.

Accounting, taxation and legal

RISK	MITIGATION
The Company must comply with sections 1158-59 of the Corporation Tax Act 2010 ('CTA'). A breach could result in the Company losing investment trust status and, as a consequence, capital gains realised would be subject to corporation tax. The Company must comply with the provisions of the Companies Act 2006 ('Companies Act') and with the UK Listing Authority's Listing Rules and Disclosure Rules ('UKLA Rules'). A breach of the Companies Act could result in the Company and/or the directors being fined or becoming the subject of criminal proceedings. Breach of the UKLA Rules could result in the suspension of the Company's shares which would itself constitute a breach of the provisions of the CTA.	The accounting requirements are monitored by the CEO and AIFM and the Company carefully monitors compliance with the applicable rules. These requirements offer significant protection for shareholders. The Board receives reports from the CEO, the AIFM, the Company Secretary and the Company's professional advisers to enable it to ensure compliance with all applicable rules. WIS is authorised and regulated by the FCA to act as the AIFM for Witan.

Liquidity

RISK

The Company's portfolio of securities might not be realisable.

MITIGATION

The Company's portfolio consists mainly of readily realisable securities. The Company and its AIFM regularly review liquidity needs (for example, operational costs, loan servicing and repayment, shareholder dividends and share buybacks) relative to the Company's portfolio income and the value and tradability of the Company's assets.

Most of the likely liquidity requirements are foreseeable (for example, timetabled loan payments and dividends) while others (such as share buybacks) are subject to the Company's discretion. The Board is satisfied that unexpected liquidity needs are not significant and could readily be met without compromising normal portfolio management.

Environmental, social and governance factors

RISK

Failure to identify, understand or mitigate the risks arising from ESG issues may negatively impact investment returns, increase the potential for reputation risk to Witan and adversely affect the net asset value and/or price of Witan's shares.

MITIGATION

Witan has a responsible investment policy which was developed by the Board in consultation with Witan's Executive team. This is discussed fully on pages 16 to 23 of this Report. Witan expects its external managers to integrate ESG factors into their investment processes. Witan requires managers to report on any ESG issues in a timely manner and the Executive monitors the portfolios using various third-party data providers to ensure that such issues are being identified. Managers are also expected to report on engagement and voting activities. The Executive holds regular ESG review meetings with each of the managers where these activities, as well as evolving best practice and new responsible investment initiatives, are discussed. The Executive presents its findings to the Board on a regular basis.

Section 172: engaging with our stakeholders

The following 'Section 172' disclosure, which is required by the Companies Act 2006 and the AIC Code, as explained on page 50, describes how the directors have had regard to the views of the Company's stakeholders in their decision-making.

Who? STAKEHOLDER GROUP	Why? THE BENEFITS OF ENGAGEMENT WITH OUR STAKEHOLDERS	How? HOW THE BOARD AND WIS EXECUTIVE ENGAGED WITH OUR STAKEHOLDERS
Investors	Clear communication of our strategy and the Company's performance against our objective is important in itself and can help the share price trade at a narrower discount or a premium to its net asset value, which benefits shareholders. New shares may be issued at a premium to NAV to meet demand without dilution to existing shareholders. Increasing the size of the Company can benefit liquidity as well as spread costs.	WIS, on behalf of the Board, completes a programme of investor relations throughout the year. **Key mechanisms of engagement included:** ■ AGM ■ The Company's website which hosts reports, monthly factsheets, video interviews with the external managers, CEO, Investment Director and regular market commentary ■ Online newsletters ■ One-on-one meetings with professional investors with either the CEO, Investment Director or Chairman ■ Group meetings with professional investors ■ Engagement with major shareholders on governance issues, particularly in advance of the AGM
External managers	As Witan has a multi-manager approach, engagement with our managers is necessary to evaluate their performance against their stated strategy and benchmark and to understand any risks or opportunities this may present to the Company. This also helps ensure that investment management costs are closely monitored and remain competitive. Witan ensures that all managers are paid in accordance with their terms of trade.	The WIS Executive meets with the Company's external managers throughout the year and receives monthly performance and compliance reporting. This provides the opportunity for both the manager and WIS Executive to explore and understand how and why the relationship has performed and what may be expected in the future. Each manager also presents annually to the Board of directors, providing the opportunity for the manager and Board to reinforce their mutual understanding of what is expected from all parties.
Service providers	Witan and WIS contract with third parties for other services including: custodian; depositary; investment accounting and administration; and company secretarial. Ensuring the third parties to whom we have outsourced services complete their roles diligently and correctly is necessary for the Company's success. Witan pays all service providers in accordance with their terms of business and is a signatory to the Prompt Payments Code.	The WIS Operations team engages regularly with all service providers both in one-to-one meetings, via regular written reporting and an annual due diligence exercise. This regular interaction provides an environment where topics, issues and business development needs (including current inflationary pressures and the impact of the cost of living crisis on their service) can be dealt with efficiently and collegiately. The Audit and Risk Committee reviews annually a summary of significant contracts to further reinforce the overview of the Company's service providers at the corporate level. Furthermore, the Audit and Risk Committee review the annual due diligence exercise that includes, where appropriate, service providers' third-party internal control reports.
Employees	Attract and retain talent to ensure the Company has the resources to successfully implement its strategy and manage third-party relationships.	All employees of the Company sit in one open-plan office with the CEO, facilitating interaction and engagement. There is a hybrid working policy in place for employees to work remotely. As well as the CEO, the Investment Director, Director of Operations and Director of Marketing regularly report at Board meetings. Given the small number of employees, engagement is at an individual level rather than as a group.
Debt holders	To communicate and demonstrate a strong financial position that supports the financing arrangements.	The WIS Executive provides regular financial covenant compliance validation and financial reports to the stakeholders.

What?	Actions and outcomes
WHAT WERE THE KEY TOPICS OF ENGAGEMENT?	WHAT ACTIONS WERE TAKEN, INCLUDING PRINCIPAL DECISIONS?
Key topics of engagement with investors on an ongoing basis are the strategy of the Company, performance versus our KPIs and objective, and the selection and monitoring of our external managers.	
The impact of portfolio dividend trends on the Company's revenues and dividend payments.	See page 9 in the Chairman's Statement and page 14 in the CEO's Review for the Board's comments on the dividend policy.
Share price performance and the Company's and wider investment trust sector discounts.	The Company maintained a high rate of share buybacks, which have been accretive to shareholders. See page 14 in the CEO's Review.
The integration of ESG into the Company's investment processes.	ESG included in presentations to investors, ad hoc updates.
Informing investors of their rights to attend and vote at the AGM.	Holders of shares via online platforms were written to, informing them of how they could vote and view the Annual Report.
Ongoing impact of global conflicts on economies and markets and the inflationary pressure on economies and markets.	The WIS Executive held regular meetings with shareholders throughout the year and provided updates via the Company's website and newsletters on performance of the Company as well as the usual financial reports and monthly factsheets.
Terms of the Company's Remuneration Policy.	A number of changes to practice were agreed, in particular in relation to the deferred element of any bonus. See page 61 for more details.
Key topics of engagement with the external managers on an ongoing basis are portfolio composition, performance, outlook and business updates.	
The integration of ESG into each manager's investment processes.	See pages 20 to 21 in responsible investment for a report on manager activity in 2023.
Engagement with managers to ensure third-party internal control reporting is in place.	All service providers engaged and supplied requested information for the due diligence exercise to be completed. In one case, the manager committed to engage third-party internal control reporting where this was not in place.
Annual due diligence exercise undertaken.	All service providers engaged and supplied requested information for the due diligence exercise to be completed.
Ongoing flexible hybrid working arrangements maintained.	Flexible hybrid working arrangements maintained without detriment to productivity or service to stakeholders.
Performance and compensation of employees is reviewed by the Remuneration and Nomination Committee with the CEO.	See the Directors' Remuneration Report on pages 60 to 72.
N/A.	All financial covenants related to borrowings have been complied with.

Corporate and operational structure

Witan is an investment trust with a Premium Listing on the London Stock Exchange. It has a single, wholly owned subsidiary, Witan Investment Services Limited ('WIS') which acts as the Company's Alternative Investment Fund Manager ('AIFM').

The overwhelming majority of the portfolio is in segregated accounts, held in custody by the Company's depositary. The operations of the custodian and the safeguarding of the Company's assets are supervised by the depositary.

The Company's investment managers may use services which are paid for, or provided by, various brokers. They may place business, including transactions relating to the Company, with those brokers. Under the requirements of MiFID II, broker-provided services (other than the execution of transactions) must either be minor non-monetary benefits or, for research received by investment managers and charged to the Company, separately accounted for.

OPERATIONAL MANAGEMENT ARRANGEMENTS

In addition to the appointment of third-party investment managers, Witan and WIS contract with third parties for other services, including:

> BNP Paribas for depositary services, custody, investment accounting and administration;

> Frostrow Capital LLP for company secretarial services;

> MSCI, StyleAnalytics and Morningstar/Sustainalytics for monitoring of its investment holdings; and

> specialist advice on regulatory compliance issues and, as required, legal, investment consulting, financial and tax advice.

The service quality and value received from major service providers are reviewed regularly by the Board.

The contracts governing the provision of all services are formulated with legal advice and stipulate clear objectives and guidelines for the service required.

STAFFING

The Company's policy towards its employees is to attract and retain staff with the skills and expertise required to manage the affairs of an investment trust company. Details of the Company's remuneration policies and required disclosures are set out in the Directors' Remuneration Report on pages 60 to 72. Employees and those who seek to work at Witan are treated equally regardless of age, gender, race, disability, marital status, sexual orientation and religion. The Company currently has six direct employees, three men and three women. The Board currently consists of eight non-executive directors (four men and four women) and the CEO, Andrew Bell, who is an employee. Given its outsourced model and the small number of direct employees, the Group has no employment-related specific policies in respect of environmental or social and community affairs. However, as described elsewhere, an increased focus on ESG issues has been formalised by the Company's commitments, which are detailed in the section on responsible investment on pages 16 to 23.

WITAN INVESTMENT SERVICES

WIS is authorised and regulated by the Financial Conduct Authority. It is authorised to act as Witan's AIFM and to provide marketing services.

WIS's principal activities are acting as Witan's AIFM, providing executive management services to the Board of Witan and communicating information about the Company to the market.

WIS's operational objectives for 2023 were:

> to fulfil its responsibilities as Witan's AIFM; and

> to control the net operating costs for Witan.

In 2023, WIS's sources of income were the fees (as AIFM or Executive Manager and for marketing services) paid by Witan Investment Trust plc. The main costs incurred were staff costs and professional advice to ensure compliance with regulatory and accounting obligations.

Costs

INVESTMENT MANAGEMENT FEES

Each of the third-party managers is entitled to a management fee, based on the assets under management. The agreements can be terminated on one to three months' notice. The base fee rates for managers in place at the end of 2023 ranged from 0.30% to 0.65% per annum. The weighted average base fee was 0.49% as at 31 December 2023 (2022: 0.51%).

Witan takes care to ensure the competitiveness of the fees it pays. Many of the fee structures incorporate a 'taper' whereby the average fee rate reduces as the portfolio grows.

ONGOING CHARGES AND COSTS

The Company's established measure of the costs of operation is the Ongoing Charges Figure ('OCF'). This represents the recurring costs of operating the business (principally the investment management fees paid to our external managers as well as the Company's fixed and variable overhead costs), as a percentage of net assets. This is calculated in accordance with the AIC's guidelines and provides a consistent basis for the comparison of costs from one year to the next and relative to other investment companies. The OCF was marginally lower in 2023 at 0.76% (2022: 0.77%).

The main cost headings within the OCF are set out in the table alongside. The figures for transaction costs, borrowing costs and the pro rata ongoing charges of underlying funds are also included in the table, for easy reference. In calculating the OCF, the Board does not consider it relevant to consider the ongoing charges of investment companies in which the Company invests, as the Company is not a fund of funds and to include ongoing charges of some investee companies but not of others would not be appropriate. For this reason, the Company has chosen not to include these costs as part of its OCF but has disclosed below an estimate of this figure.

The Company exercises strict scrutiny and control over costs. The Board believes that the OCF during the year represents good value for money for shareholders, taking into account the benefits of manager style and portfolio diversification in addition to active and engaged management over the longer term.

The UK version of the EU PRIIPS regulations, which are applicable to UK Investment Companies, mandates the preparation of a Key Information Document ('KID') calculated on a formulaic basis, which contains a different measure of costs from the OCF, averaged over longer periods rather than specific to one year. The other principal differences between the OCF and the KID measure are the inclusion of transaction costs, borrowing costs, and the underlying costs of holdings in other collective investments.

The Company's investment performance is reported after all costs.

ANALYSIS OF COSTS

Category of cost	2023 £m	2023 % of average net assets	2022 £m	2022 % of average net assets
Investment management base fees (note 4, page 94)	**6.85**	**0.43**	7.67	0.45
Other expenses (excluding those expenses relating to the operation of the subsidiary(1), loan arrangement and one-off costs)	**5.41**	**0.33**	5.38	0.32
Ongoing Charges Figure	**12.26**	**0.76**	13.05	0.77
Pro rata ongoing charges of underlying funds(2)	**3.21**	**0.20**	3.90	0.23
OCF plus look through fund costs	**15.47**	**0.96**	16.95	1.00
Portfolio transaction costs	**1.28**	**0.08**	1.84	0.11
Interest costs	**9.86**	**0.61**	6.29	0.37
Total costs including transaction costs, borrowing costs and underlying fund costs	**26.61**	**1.65**	25.08	1.48

(1) Those expenses not relating to the operation of the investment company.
(2) This cost represents an estimate of the pro rata attributable fees charged by the managers of the external specialist collective funds held within the portfolio.
N.B. Figures may not sum due to rounding.

Viability Statement

In accordance with the UK Corporate Governance Code, the Board has assessed the prospects of the Company over a longer period than the 12 months required by the 'going concern' provision.

The Company's current position and prospects are set out in the Chairman's and Chief Executive Officer's reports and the Strategic Report. The principal risks are set out on pages 35 to 37.

The Board has considered the Company's financial position and its ability to liquidate its portfolio and meet its expenses as they fall due and notes the following:

> The portfolio consists of investments traded on major international stock exchanges and there is a spread of investments. In normal conditions, the current portfolio could be liquidated to the extent of c. 85% (source: Bloomberg) within five trading days and there is no expectation that the nature of the investments held will be materially different in future.

> The closed-ended nature of the Company means that, unlike an open-ended fund, it does not need to realise investments when shareholders wish to sell their shares.

> The Board has considered the viability of the Company under various scenarios, including periods of acute stock market and economic volatility such as experienced in 2020, and concluded that it would expect to be able to ensure the financial stability of the Company through the benefits of having a diversified portfolio of listed and realisable assets. As illustrated in note 14 to the accounts, the Board has considered price sensitivity risk (the sensitivity of the profit after taxation for the year and the value of the shareholders' funds to changes in the fair value of the Group's investments) and foreign currency sensitivity (the sensitivity to changes in key exchange rates to which the portfolio is exposed).

> In addition to its cash balances which were £22 million at 31 December 2023 (2022: £35 million), the Company has a short-term bank facility (which is renewable annually) which can be used to meet its liabilities, and fixed-rate financing in the form of secured notes and cumulative preference shares. With the exception of the short-term facility, this financing will remain in place until at least 2035. Details of the Company's current and non-current liabilities are set out in note 13 to the accounts.

> The expenses of the Company are predictable and modest in comparison with the assets and there are no capital commitments currently foreseen which would alter that position.

As well as considering the principal risks on pages 35 to 37 and the financial position of the Company, the Board has made the following assumptions in considering the Company's longer-term viability:

> The Company's remit of investing in the securities of global listed companies will continue to be an activity to which investors will wish to have exposure.

> Investors will continue to want to invest in closed-ended investment trusts.

> The performance of the Company will continue to be satisfactory. The Board is able to replace any of the current investment managers when it considers it appropriate to do so.

> The Company will continue to have access to adequate capital when required.

> The Company will continue to be able to fund share buybacks when required. The Company bought back 54 million ordinary shares in 2023 at a cost of £123 million and experienced no problem with liquidity in doing so. It had shareholders' funds of £1.5 billion at the end of 2023.

Based on the results of its review and taking into account the long-term nature of the Company and its financing, the Board has a reasonable expectation that the Company will be able to continue its operations and meet its expenses and liabilities as they fall due for the foreseeable future, taken to mean at least the next five years. The Board has chosen this period after reviewing its investment policy and evaluating the investment cycle and the ability to deliver the Company's objectives over the short to medium term. Forecasting over longer periods is imprecise. The Board has no information to suggest this judgement will need to change in the coming five years. The Board's long-term view of viability will, of course, be updated each year in the Annual Report.

GOING CONCERN

In light of the conclusions drawn in the foregoing statement on liquidity risk on page 37 and the Viability Statement, the directors believe that the Company has adequate financial resources to continue in operational existence for at least the next 12 months from the date of this Report. Therefore, the directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements. In reviewing the position as at the date of this report, the Board has considered the guidance on this matter issued by the Financial Reporting Council.

APPROVAL

This Report was approved by the Board of directors on 15 March 2024 and is signed on its behalf by:

Andrew Ross
Chairman
15 March 2024

Andrew Bell
Chief Executive Officer

Board of directors

Key to membership of Board and Committees

- ❖ Chairman of the Board or a Committee.
- ◆ Members of the Audit & Risk Committee which is chaired by Mr Perry.
- ✱ Members of the Remuneration and Nomination Committee which is chaired by Mr Yates.
- ✣ Director of Witan Investment Services Limited.

1. Andrew Ross

CHAIRMAN

❖ ✱ ✣

Date of appointment

May 2019.

Career & background

Previously chief executive of Cazenove Capital Management which, in 2013, was acquired by Schroders, where he became global head of Wealth Management until 2019. Prior to this, chief executive of HSBC Asset Management (Europe) Limited and managing director of James Capel Investment Management.

Skills & expertise

Andrew has substantial experience in senior leadership roles as CEO and chairman of investment management and wealth management businesses. He has overseen three different multi-manager businesses and under his tenure the businesses he led significantly grew and prospered.

External appointments

Non-executive director at Polar Capital Holdings plc and Cadogan Settled Estates.

6. Jack Perry

NON-EXECUTIVE DIRECTOR

❖ ◆ ✣

Date of appointment

January 2017.

Career & background

Previously chief executive of Scottish Enterprise and a former Managing Partner and Regional Industry Leader of Ernst & Young LLP. Served on the boards of FTSE 250 and other public and private companies and is a member of the Institute of Chartered Accountants of Scotland.

Skills & expertise

Jack is chairman of two other listed investment companies and has developed an understanding of the needs of all stakeholders. His experience as a senior audit partner and subsequently in service on numerous audit committees has enabled him to be an effective Audit & Risk Committee Chairman.

External appointments

Chairman of European Assets Trust PLC and ICG-Longbow Senior Secured UK Property Debt Investments Limited.

2. Andrew Bell

CEO
✣

Date of appointment
February 2010.

Career & background
Previously Head of Research at Rensburg Sheppards and an equity strategist and Co-Head of the Investment Trusts team at BZW and CSFB. Prior to the City, he worked for Shell in Oman, leaving to take a Sloan Fellowship at the London Business School.

Skills & expertise
Andrew's roles prior to joining Witan have given him valuable experience of economic and geopolitical events and how they influence equity markets, along with considerable knowledge and experience of the investment trust sector.

External appointments
Chairman of The Diverse Income Trust plc.

3. Rachel Beagles

SENIOR INDEPENDENT DIRECTOR
◆ ✣

Date of appointment
July 2020.

Career & background
Previously a managing director and co-head of pan-European banks equity research and sales at Deutsche Bank. Since 2003 she has worked as a non-executive director in the investment company, asset management, charity and social housing sectors. She was Chair of the Association of Investment Companies from 2018 to 2021.

Skills & expertise
Rachel has extensive knowledge and understanding of the equity markets from her experience in research and sales. She is an experienced non-executive director of investment trusts.

External appointments
Non-executive director of The Mercantile Investment Trust plc.

4. Shauna Bevan

NON-EXECUTIVE DIRECTOR
✣

Date of appointment
February 2023.

Career & background
Head of Investment Advisory at RiverPeak Wealth Limited where she is responsible for fund selection and portfolio construction. She was previously Co-Head of Collectives Research at Charles Stanley, having started her career in wealth management at Merrill Lynch.

Skills & expertise
Shauna has over 20 years of investment experience across multiple asset classes with particular expertise in third-party fund research and meeting the needs of retail investors.

External appointments
Head of Investment Advisory at RiverPeak Wealth and a non-executive director of CT Global Managed Portfolio Trust PLC.

5. Gabrielle Boyle

NON-EXECUTIVE DIRECTOR
✱

Date of appointment
August 2019.

Career & background
Investment Director and Head of Research at Troy Asset Management since 2011. She is the Senior Fund Manager for the Trojan Global Equity Fund and the Electric & General Investment Fund.

Skills & expertise
Gabrielle has over 30 years' experience in fund management and has managed global equity portfolios since 2001 and European portfolios since 1998. With this background she brings knowledge of investing through market cycles and an understanding of the skills required of fund managers.

External appointments
Investment director and Head of Research at Troy Asset Management.

7. Ben Rogoff

NON-EXECUTIVE DIRECTOR

Date of appointment
October 2016.

Career & background
Lead manager of Polar Capital Technology Trust plc since 2006 and a fund manager of Polar Capital Global Technology Fund and Polar Capital Automation and Artificial Intelligence Fund. He has been a technology specialist for 27 years.

Skills & expertise
As a highly experienced listed equities fund manager, Ben has a deep understanding of the analysis process required for investing in public companies. His knowledge of the technology sector particularly enables him to identify the risks from disruption not just to the sector but in general. Ben applies this knowledge to his questioning and monitoring of Witan's external managers.

External appointments
Director, Technology at Polar Capital.

8. Paul Yates

NON-EXECUTIVE DIRECTOR
❖ ◆ ✱ ✣

Date of appointment
May 2018.

Career & background
Previously CEO of UBS Global Asset Management (UK) Limited and held a number of global roles at UBS prior to retiring in 2007.

Skills & expertise
Paul's prior roles give him wide experience of the fund management business including equity management, marketing, people and business management. Paul also offers investment trust experience having sat on four other trust boards.

External appointments
Chairman of the Advisory Board of 33 St James's Limited, non-executive director of Fidelity European Trust PLC and Capital Gearing Trust plc.

9. Shefaly Yogendra

NON-EXECUTIVE DIRECTOR
✣

Date of appointment
February 2023.

Career & background
She has spent her career working with technology investors and start-ups. She previously worked at Ditto AI and HCL Technologies, and was a founder and a director of Livyora, a fine jewellery venture.

Skills & expertise
Shefaly is a risk and decision-making specialist and an experienced non-executive director of investment trusts.

External appointments
Non-executive director of Harmony Energy Income Trust plc, JPMorgan US Smaller Companies Investment Trust PLC and Temple Bar Investment Trust plc.

Corporate Governance

This statement forms part of the Directors' Report on pages 73 to 76.

Effective governance

CHAIRMAN'S INTRODUCTION

I am pleased to report on the Board's approach to corporate governance. The Board is responsible for effective governance of the Company and we take our responsibilities under the UK Corporate Governance Code very seriously.

The UK Listing Authority's Disclosure Guidance and Transparency Rules (the 'Disclosure Rules') require listed companies to disclose how they have applied the principles and complied with the provisions of the UK Corporate Governance Code ('Corporate Governance Code'), as issued by the Financial Reporting Council ('FRC'). The Corporate Governance Code issued in July 2018 was applicable to the Company in the year under review. The Corporate Governance Code can be viewed on the FRC's website www.frc.org.uk.

The Association of Investment Companies (the 'AIC') has issued a Code of Corporate Governance (the 'AIC Code'), which provides specific corporate governance guidelines to investment companies. The FRC has confirmed that AIC member companies who report against the AIC Code will be meeting their obligations in relation to the Corporate Governance Code and the associated disclosure requirements of the Disclosure Rules. The AIC Code that was issued in February 2019 was applicable to the Company in the year under review. The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the Corporate Governance Code to make them relevant for investment companies.

In January 2024, the FRC published a revised version of the UK Corporate Governance Code and associated Corporate Governance Code Guidance. The scope of the changes in the revised version has been significantly scaled back from the proposals on which the FRC originally consulted in 2023.

The most significant changes in this version of the Corporate Governance Code are to the reporting requirements in relation to internal controls in section 4, though changes are being made throughout, including in section 1 on outcomes-based reporting; section 3 on diversity, inclusion and equality of opportunity; and to the provisions on remuneration in section 5.

The revised Corporate Governance Code will apply to financial years beginning on or after 1 January 2025. However, companies will have an extra year to comply with the new disclosure requirements in relation to internal controls, with the revised Provision 29 applying to financial years beginning on or after 1 January 2026.

The Board will review the changes to the Corporate Governance Code and any corresponding changes to the AIC Code (which have not yet been published) during 2024 with a view to ensuring that it can report on its compliance with effect from 1 January 2025 or explain any areas of non-compliance.

Andrew Ross
Chairman
15 March 2024

COMPLIANCE

The Board has considered the Principles and Provisions of the AIC Code. The AIC Code addresses the Principles and Provisions set out in the Corporate Governance Code, as well as setting out additional Provisions on issues that are of specific relevance to the Company.

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

The Company has complied with the Principles and Provisions of the AIC Code during the year ended 31 December 2023 except as set out below:

> The Corporate Governance Code (Provisions 25 and 26) includes provisions relating to the need for an internal audit function. The Company does not have an internal audit function, for reasons that are explained on page 56.

The principles of the AIC Code

The AIC Code is made up of 18 Principles supported by 42 Provisions.

Details of how the Company has applied the Principles and Provisions are set on the following pages.

The role of the Board

The role of the Board is to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.

The Board is collectively responsible for the success of the Company. Its role is to provide leadership within a framework of controls that enable risk to be assessed and managed. The Board sets the Company's strategic aims (subject to the Company's Articles of Association and to such approval of the shareholders in general meeting as may be required from time to time) and ensures that the necessary resources are in place to enable the Company's objectives to be met.

The Board is responsible in particular for the overall delivery of performance to shareholders through setting an appropriate investment objective, ensuring that proper resources are applied to the management of the Company's portfolio and the monitoring, control and mitigation of the associated risks.

For details of our managers, **see pages 24 to 30**

1 BOARD LEADERSHIP AND PURPOSE

Board and director independence

At 31 December 2023 the Board was composed of eight independent non-executive directors and one executive director, the CEO. The Board is therefore independent of the Company's executive management. All the directors are wholly independent of the Company's various investment managers. In the opinion of the Board, each of the directors is independent in character and judgement and there are no relationships or circumstances relating to the Company that are likely to affect their judgement.

Mr Bell has been on the Board for more than nine years. Mr Bell, who is the CEO of Witan, is an executive director but is independent of the Company's appointed fund managers and other service providers. His long service is beneficial to the Company.

All directors stand for election or re-election at the Company's AGM each year. The Board is firmly of the view that length of service does not of itself impair a director's ability to act independently; rather, a director's longer perspective can add value to the deliberations of a well-balanced investment trust company board. Independence stems from the willingness to make decisions that may conflict with the interests of management; this is a function of confidence, integrity and judgement. The Board will continue to take account of length of service in its succession planning, as one of a number of factors, including the need to maintain a proper balance of diversity, skills and experience.

Mr Ross, the Chairman of the Company, is considered to be independent. He does not have any relationships that might create a conflict of interest between the Chairman's interests and those of shareholders.

The non-executive directors, led by the Senior Independent Director ('SID'), meet without the Chairman present at least annually to appraise the Chairman's performance, and on other occasions as necessary.

Corporate Governance continued

Board commitments

When considering new appointments, the Board takes into account other demands on directors' time. Prior to appointment, new directors are asked to disclose any existing significant commitments with an indication of the time involved. Additional external appointments require the prior approval of the Remuneration and Nomination Committee on behalf of the Board, with the reasons for permitting significant appointments explained in the Annual Report.

The Remuneration and Nomination Committee reviews directors' external appointments, including those relating to private companies and charities, every year and considers whether any director is "overboarded". The Committee concluded in February 2024 that there was no overboarding. Further detail is given in the Report of the Remuneration and Nomination Committee on page 60.

Company's purpose, values and strategy

The Board assesses the basis on which the Company generates and preserves value over the long term. The Strategic Report describes how opportunities and risks to the future success of the business have been considered and addressed, the sustainability of the Company's business model and how its governance contributes to the delivery of its strategy. The Company's investment objective and investment policy are set out on the inside front cover.

Culture

The Board seeks to establish and maintain a corporate culture characterised by fairness in its treatment of employees and service providers, whose efforts are collectively directed towards delivering returns to shareholders in line with the Company's purpose and objectives. It is the Board's belief that this contributes to the greater success of the Company, as well as being an appropriate way to conduct relations between parties engaged in a common purpose.

2 DIVISION OF RESPONSIBILITIES

The Board

The Board consists of nine directors, including the CEO. This ensures that no one individual or small group of individuals dominates the Board's decision making. Details of the directors are set out on pages 44 to 45. They demonstrate a wide range of skills and experience, which are relevant to the strategy of the Company. The Board has typically met about eight times a year.

The Chairman

Mr Ross was appointed as Chairman of the Company in April 2020.

The Chairman's primary role is to provide leadership to the Board, assuming responsibility for its overall effectiveness in directing the Company. The Chairman is responsible for:

> taking the chair at general meetings and Board meetings, conducting meetings effectively and ensuring all directors are involved in discussions and decision making;

> setting the agenda for Board meetings and ensuring the directors receive accurate, timely and clear information for decision making;

> taking a leading role in determining the Board's composition and structure;

> overseeing the induction of new directors and the development of the Board as a whole;

> leading the annual Board evaluation process and assessing the contribution of individual directors;

> supporting and also challenging the CEO and external suppliers where necessary;

> ensuring effective communications with shareholders and, where appropriate, other stakeholders; and

> engaging with shareholders to ensure that the Board has a clear understanding of shareholder views.

Senior Independent Director ('SID')

Mrs Beagles was appointed as the SID in May 2023 following the retirement from the Board of Ms Neubert who was the previous SID. The SID serves as a sounding board for the Chairman and acts as an intermediary for other directors and shareholders.

The SID is responsible for:

> working closely with and supporting the Chairman;

> leading the annual assessment of the performance of the Chairman;

> holding meetings with the other directors without the Chairman being present, on such occasions as necessary;

> carrying out succession planning for the Chairman's role;

> working with the Chairman, other directors and shareholders to resolve major issues; and

> being available to shareholders and other directors to address any concerns or issues they feel have not been adequately dealt with through the usual channels of communication (i.e. through the Chairman or the CEO).

The Chief Executive Officer ('CEO')

The CEO is responsible to the Board and the AIFM for the overall management of the Company including investment performance, business development, shareholder relations, marketing, investment trust industry matters, administration and unquoted investments. The duties of the CEO include leading on investment strategy and asset allocation, on the selection and monitoring of the investment managers and their terms of reference and on the use of derivatives. The Board, in conjunction with the AIFM, sets limits on matters such as asset allocation, gearing and investment in derivatives, within which the CEO has discretion.

The CEO reports to each meeting of the Board. His reports include confirmation that the Board's investment limits and restrictions and those which govern the Company's tax status as an investment trust, have been adhered to.

The CEO and his team monitor the share price and the discount/premium to net asset value on a daily basis and he reports to every Board meeting on this subject. Where appropriate, the Board makes use of share buybacks (at a discount) and issuance (at a premium) to add to the net asset value per share and achieve a sustainable low discount (or a premium) to net asset value.

In addition to his responsibilities for the overall management of the Company, the CEO manages the Direct Holdings portfolio.
A maximum of 15% of the Company's gross assets (at the time of purchase) may be invested in specialist funds within this portfolio and there are restrictions on the number, size and type of investments that may be made.

The Board's Remuneration and Nomination Committee reviews the performance of and the contractual arrangements with the CEO. The CEO is responsible to the Board for reviewing the performance and the contractual arrangements of his staff. The Board's Remuneration and Nomination Committee oversees this process.

Director responsibilities

The Board is responsible for determining the strategic direction of the Company and for promoting its success. The Board regularly reviews overall strategy and progress is monitored throughout the year.

The CEO and the AIFM monitor investment performance and all associated matters. The CEO reports to each Board meeting, at which investment performance, asset allocation, gearing, marketing and investor relations are usually key agenda items.

Matters specifically reserved for decision by the full Board have been defined. These include decisions relating to strategy and management; structure and capital; financial reporting and controls; internal controls; contracts with third parties; communication; Board membership and other appointments; Board and employee remuneration; delegations of authority; corporate governance matters; and Company policies. There is an agreed procedure for directors, in the furtherance of their duties, to take independent professional advice, if necessary, at the Company's expense.

The directors have access to the advice and services of the Company's Executive team, AIFM and the Company Secretary, through its appointed representative, who are responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

Board Committees

The Board has established an Audit & Risk Committee and a Remuneration and Nomination Committee. The Board has chosen to combine the roles of remuneration and nomination in one Committee. The memberships of the Audit & Risk Committee and the Remuneration and Nomination Committee are set out on pages 44 to 45. The roles and responsibilities of the Committees are described in the Report of the Audit & Risk Committee on pages 57 to 59 and in the Directors' Remuneration Report on pages 60 to 72.

Every year the Board reviews its composition and the composition of its two Committees. The Board's Remuneration and Nomination Committee oversees this process. Further details are given on page 52.

Corporate Governance continued

Stakeholder engagement

The AIC Code requires directors to explain their statutory duties as stated in sections 171–177 of the Companies Act 2006. Under section 172, directors have a duty to promote the success of the Company for the benefit of its members as a whole and in doing so have regard to the consequences of any decisions in the long term, as well as having regard to the Company's stakeholders amongst other considerations.

The Board's report on its compliance with section 172 of the Companies Act 2006 is contained within the Strategic Report on pages 38 to 39.

The Board is responsible for ensuring that workforce policies and practices are in line with the Company's purpose and values and support its culture. The Remuneration and Nomination Committee advises the Board in respect of policies on remuneration-related matters. Since the Company has only six employees including the CEO, the Board considers that the CEO, who is also a director, is best placed to engage with the workforce. In accordance with the Company's whistleblowing policy, members of staff who wish to discuss any matter with someone other than the CEO are able to contact the Audit & Risk Committee Chairman, or in his absence the Senior Independent Director.

Shareholder engagement

The Chairman is responsible for ensuring that there is effective communication with the Company's shareholders. He works closely with the CEO and there is regular liaison with the Company's stockbroker. There is a process in place for analysing and monitoring the shareholder register and a programme for meeting or speaking with the institutional investors and with private client stockbrokers and advisers. In addition to the CEO, the Chairman, or the SID, expects to be available to meet the Company's larger shareholders and the Chairman of the Remuneration and Nomination Committee is available to discuss remuneration matters.

The Company encourages attendance at its Annual General Meeting ('AGM') as a forum for communication with individual shareholders. The Notice of the AGM and related papers are sent to shareholders at least 20 working days before the meeting. The Chairman, the CEO, the Chairman of the Audit & Risk Committee and the Chairman of the Remuneration and Nomination Committee all expect to be present at the AGM and to answer questions from shareholders as appropriate. The CEO makes a presentation to the meeting. In addition, arrangements will be put in place for shareholders to view the meeting virtually and put questions to the Board if they cannot attend the AGM in person.

Details of the proxy votes received in respect of each resolution are made available to shareholders. In the event of a significant (defined as 20% or more) vote against any resolution proposed at the AGM, the Board would consult shareholders in order to understand the reasons for this and consider appropriate action to be taken, reporting to shareholders within six months. Although there were no significant votes against any resolution at the AGM last year, the Chairman wrote to a number of shareholders to try to understand their reasons for voting against certain resolutions.

The directors may be contacted through the Company Secretary at the address shown on page 118.

While the CEO and his team expect to lead on preparing and effecting communications with investors, all major corporate issues are put to the Board or, if time is of the essence, to a Committee thereof.

The Board places importance on effective communication with investors and approves a marketing programme each year to enable this to be achieved. Copies of the Annual Report and the Half Year Report are circulated to shareholders and, where possible, to investors through other providers' products and nominee companies (or written notification is sent when they are published online). In addition, the Company publishes a monthly factsheet and its net asset value per share is released daily. All this information is readily accessible on the Company's website (www.witan.com). A Key Information Document, prepared in accordance with the UK version of EU rules, is also published on the Company's website. The Company is a member of the AIC which publishes information to increase investors' understanding of the sector.

Board meetings

The CEO (who is a director), other representatives of the Company's Executive team and the AIFM and a representative of the Company Secretary are expected to be present at all meetings.

The primary focus at Board meetings is a review of investment performance and associated matters such as gearing, asset allocation, attribution analysis, marketing and investor relations, peer group information and industry issues. The Board devotes two days each year to meetings with the Company's investment managers and each investment manager sends representatives at least once a year. The Chairman seeks to encourage open debate within the Board and a supportive and co-operative relationship with the Executive team and the Company's investment managers, advisers and other service providers.

The number of meetings during the year of the Board and its Committees, and the attendance of the individual directors at those meetings, is shown in the table to the right.

The Board has typically met about eight times a year. All the then directors attended the AGM in May 2023.

	Board	Audit & Risk Committee	Remuneration and Nomination Committee
Number of meetings	**7**	**4**	**2**
A J S Ross	7	4[(1)]	2
R A Beagles	7	4	–
A L C Bell	7	4[(1)]	2[(1)]
S L Bevan	7	–	–
G M Boyle	7	–	1/1
S E G A Neubert	4/4	–	1/1
J S Perry	7	4	–
B C Rogoff	6	–	–
P T Yates	7	4	2
S M Yogendra	7	–	–

(1) Not a member of the Committee but in attendance by invitation for all or part of the meetings.

Example Board decisions

What happened	Why	How
Appointment of two new directors	As part of Board succession planning	Following a review of Board diversity and skills an external search consultant was used to help identify suitable candidates
Active programme of share buybacks	The process is accretive to NAV and helps reduce discount volatility	Daily market operations to purchase shares into treasury at a discount, benefiting returns for shareholders
The dividend was increased for a 49th consecutive year	Growing income is an important element of delivering positive total returns to shareholders	The dividend was increased ahead of inflation, using £7m from revenue reserves, taking account of projections for a further recovery in portfolio dividends

Corporate Governance continued

Conflicts of interest

The Board's actions taken to identify and manage conflicts of interest are set out in the Directors' Report. The Company has no significant shareholders. A number of nominee companies are the registered holders of significant numbers of shares, but these represent beneficial holdings by a very large number of retail investors who invest through the nominees' platforms.

Relationship with the AIFM and fund managers

The Company manages its own operations through the Board and that of its AIFM. Each investment manager runs a discrete investment portfolio within the terms of their investment management contract. Shares are held by the Company's custodian/depositary. The CEO leads on the selection and monitoring of the investment managers and their terms of reference, which are approved by the Board and the AIFM.

The individual investment managers are each appointed to manage a discrete portfolio in accordance with guidelines which limit, for example, the markets in which they can invest, the maximum size of each investment and the amount of cash that may be held in normal circumstances. They are not allowed to invest in unquoted securities or controversial weapons, to gear the portfolio, to sell stocks short or to use derivatives. The investment managers take decisions on individual investments and are responsible for effecting transactions on the best available terms. The Company and the AIFM receive monthly confirmation from each investment manager that it has carried out its duties in accordance with its investment mandate.

The Board scrutinises the performance of the investment managers at each meeting and discusses their performance with each manager at least once a year. The directors consider it appropriate for the full Board to do this rather than delegating this to a committee as it is considered appropriate for all directors to be aware of the managers' performance. The Audit & Risk Committee reviews the contractual relationships with the investment managers at least annually. Further information on the investment managers' fees is contained within the Strategic Report on page 41.

Relationship with other service providers

The Board has delegated a wide range of activities to external agents, in addition to the various investment managers. These services include global custody (which includes the safeguarding of the assets), investment administration, management and financial accounting, company secretarial and certain other administrative requirements and registration services. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of the services offered, including the control systems in operation in so far as they relate to the affairs of the Company. Further information on the service providers is contained within the Strategic Report on page 40.

The Board receives and considers reports and information from these contractors as required. The CEO and the AIFM are responsible for monitoring and evaluating the performance of the Company's service providers. The Board's Audit & Risk Committee oversees this process together with the WIS Risk Committee: they review the contractual relationships at least annually.

3 COMPOSITION, SUCCESSION AND EVALUATION

Appointments to the Board

The Board's Remuneration and Nomination Committee oversees the recruitment process. The Remuneration and Nomination Committee reviews the length of service of each director each year and makes recommendations to the Board when it considers that a new director should be recruited. All the independent non-executive directors are asked to contribute to the process and to consider serving on the sub-committee appointed to draw up the shortlist of candidates. The process generally includes the use of a firm of non-executive director recruitment consultants or open advertising. The work of the Remuneration and Nomination Committee during the year is set out in the Committee's report on pages 60 to 72.

As part of the process to appoint Ms Bevan and Dr Yogendra, the Board engaged the services of specialist recruitment consultants, Trust Associates Limited, who prepared a list of potential candidates for consideration by the Board. A short list was then arrived at and the candidates were interviewed, following which a recommendation was made to the Board that both Ms Bevan and Dr Yogendra be appointed, which the Board approved.

The Directors have noted that Trust Associates is a signatory of The Standard Voluntary Code of Conduct for Executive Search Firms. The code of conduct lays out steps for search firms to follow across the search process, from accepting a brief through to induction. The key areas of focus include increasing the proportion of women and broadening ethnic diversity. Trust Associates Limited has no other connection with the Company or the individual directors.

New directors are appointed for an initial term ending three years from the date of their first annual general meeting after appointment, with the expectation that they will serve a minimum of two three-year terms. There is no absolute limit to the period for which a director may serve, although the continuation of directors' appointments is contingent on satisfactory performance evaluation and re-election at annual general meetings. Directors' appointments are reviewed formally by the Board ahead of their submission for re-election. None of the non-executive directors has a contract of service and a non-executive director may resign by notice in writing to the Board at any time. The Board's tenure and succession policy seeks to ensure that the Board is well-balanced and refreshed regularly by the appointment of new directors with the skills and experience necessary, in particular, to replace those lost by directors' retirements.

Directors must be able to demonstrate their commitment to the Company, including in terms of time. The Board seeks to encompass past and current experience of areas relevant to the Company's objective and operations, the most important being investment management, finance, marketing, financial services, risk management, custody and settlement, and investment banking. Whilst the roles and contributions of longer-serving directors are subject to rigorous review, the Board is strongly of the view that length of service is only one factor and that shareholders benefit from having directors with a longer perspective of the Company's history and its place in the savings market.

Directors newly appointed to the Board are provided with an introductory programme covering the Company's strategy, policies and operations, including those outsourced to third parties. Thereafter, directors are given, on a regular and ongoing basis, key information on the Company's investment portfolios, financial position, internal controls and details of the Company's regulatory and statutory obligations (and changes thereto). The directors are encouraged to attend industry and other seminars, conferences and courses, if necessary at the Company's expense, and to participate generally in industry events. A log of directors' training is maintained and reviewed each year by both the Remuneration and Nomination Committee and the Audit & Risk Committee.

Board diversity

The Board supports the principle of boardroom diversity, of which gender and ethnicity are two important aspects.

The Company's policy is that the Board should be comprised of directors with a diverse range of skills, knowledge and experience and that appointments to the Board should be made on merit, against objective criteria, including diversity in its broadest sense. The objective of the policy is to have a broad range of approaches, backgrounds, skills, knowledge and experience represented on the Board. To this end, achieving a diversity of perspectives and backgrounds on the Board is a key consideration in any director search process and the Board encourages any recruitment agencies it engages to find a diverse range of candidates that meet the criteria agreed for each appointment.

The Board will not discriminate on the grounds of age, gender, personal background, sexual orientation, disability or socio-economic background in considering the appointment of Directors. Specific professional qualifications may be required for some appointments, e.g. the chair of the Audit & Risk Committee. The Board considers candidates' gender and ethnicity in the context of the Listing Rules targets regarding those characteristics.

The Board has noted the FCA's Listing Rules which encourage greater diversity on listed company boards and require companies to report against the following three diversity targets:

(i) At least 40% of individuals on the board are women;
(ii) At least one of the senior board positions (defined in the Listing Rules as the chair, CEO, SID and CFO) is held by a woman; and
(iii) At least one individual on the board is from a minority ethnic background.

These Rules have applied with effect from accounting periods commencing on or after 1 April 2022.

The Board appointed two new non-executive directors in February 2023 since when the Company has met all three targets.

The Board has chosen to align its diversity reporting reference date with the Company's financial year end and proposes to maintain this alignment for future reporting periods. As required under LR 9.8.6R(10), further detail in respect of the three targets outlined above as at 31 December 2023 is disclosed in the table on page 54.

The information was obtained by asking the Directors and Executive Management to indicate, on an anonymous form, how they should be categorised for the purposes of the Listing Rules disclosures.

Corporate Governance continued

As at 31 December 2023

	Number of Board Members	Percentage of the Board	Number of Senior Positions on the Board(1)	Number In Executive Management(2)	Percentage of Executive Management
Men	5	56%	2	2	67%
Women	4	44%	1	1	33%
Other	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

	Number of Board Members	Percentage of the Board	Number of Senior Positions on the Board(1)	Number In Executive Management(2)	Percentage of Executive Management
White British or other White (including minority-white groups)	7	78%	3	3	100%
Mixed/Multiple Ethnic Groups	1	11%	–	–	–
Asian/Asian British	1	11%	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

(1) The format of the above tables is prescribed in the Listing Rules. However, as an investment trust, the Company has only a small executive management function, including the role of CEO but not that of CFO. The Company has defined 'senior positions on the Board' as Chairman, CEO and Senior Independent Director.

(2) The CEO is a director and part of the executive management team: for the purposes of these tables he has been included as a member of the Board.

Election and re-election by shareholders

New directors stand for election by the shareholders at the annual general meeting that follows their appointment. Thereafter all directors stand for re-election each year in accordance with the Corporate Governance Code. The Company's Articles of Association require directors to stand for re-election at least every three years, and those who have served for more than nine years to stand for re-election annually.

The directors' biographies on pages 44 to 45 and the notes to the notice of AGM set out the specific reasons why each director's contribution is, and continues to be, important to the Company's long-term sustainable success.

Tenure of the Chairman

The Board's policy is that the Chairman should not normally remain in post beyond nine years from the date of his/her first appointment to the Board. However, this period may be extended for a limited time to facilitate effective succession planning and the development of a diverse board, particularly in those cases where the Chairman was an existing non-executive director on appointment as Chairman.

The Board considers that the policy provides a balance between the need for Board continuity as well as regular refreshment and diversity.

4 REMUNERATION

The Directors' Remuneration Report on pages 60 to 72 details the process for determining the directors' remuneration and sets out the amounts payable. It reports on the Company's compliance with the provisions of the AIC Code relating to remuneration and also a number of provisions from the UK Corporate Governance Code that have not been included in the AIC Code, as most investment trusts do not have executive directors.

5 AUDIT, RISK AND INTERNAL CONTROL

The statement of directors' responsibilities on page 77 describes the directors' responsibility for preparing this Annual Report.

The work of the Audit & Risk Committee is set out in the Committee's report on pages 57 to 59.

The principal risks and details of how they are managed are set out on pages 35 to 37.

Internal control

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process accords with the Corporate Governance Code guidance, is subject to regular review by the Audit & Risk Committee and was fully in place during the year under review and up to the date of this Annual Report. The Board remains responsible for the Company's system of internal control and has charged the Audit & Risk Committee with conducting an annual review of the effectiveness of the system, covering all the controls, including financial, operational and compliance controls and risk management systems. This review takes into account points raised during the year in the regular appraisal of specific areas of risk. However, such a system is designed to manage rather than eliminate the risks of failure to achieve the Company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Board evaluation

The Board has established a process to evaluate its performance annually. This process is based on open discussion and seeks to assess the strengths and weaknesses of the Board and its Committees.

The Chairman leads on applying the conclusions of the evaluation. The Chairman reviews with each director his or her individual performance, contribution and commitment to the Company. The SID leads the annual evaluation of the Chairman and reviews the conclusions with him. The Board's Remuneration and Nomination Committee oversees this process. The Board is aware of Provision 26 of the AIC Code, which states that evaluation of the Board of FTSE 350 companies should be externally facilitated at least every three years. The Board has complied with this provision every three years since it was first introduced except in 2019 when the Board considered it more appropriate to defer an externally facilitated evaluation until 2020 when Mr Ross had taken over as Chairman following the retirement of Mr Henderson. The Board appointed Lintstock Ltd to carry out an evaluation programme in the autumn of 2020 and again in the autumn of 2021. Lintstock did not have any other connection with the Company. The Board reviewed their report in February 2022 and the Chairman has led on implementing those changes recommended by the report that the Board considered should be made. The report did not identify any material weaknesses or concerns.

In 2023, the evaluation was carried out internally using third-party board evaluation software. This allows directors to provide comments anonymously and produces automated reports and the Board has discussed the matters raised. The evaluation did not identify any material weaknesses or concerns but the Board has agreed some minor changes to improve the reports it receives.

The Board intends to appoint an external organisation to facilitate its evaluation in 2025, if not before.

For details of our managers, **see pages 24 to 30**

Corporate Governance continued

In accordance with Principle O and provision 34 of the AIC Code, the Board reviews the Company's business risks at least once a year. These are analysed and recorded in a risk map, which the Audit & Risk Committee reviews at each meeting. It is also reviewed and challenged regularly by the Board. Emerging risks are added to the matrix as soon as identified together with any mitigating actions required. The key risks which pose the greatest potential risks to shareholders are set out on pages 35 to 37. The Company receives from its main contractors formal reports which detail the steps taken to monitor the areas of risk and which report the details of any known internal control failures. The Committee believes that these processes allow it to identify emerging risks on a timely basis.

As described elsewhere, the management of Witan's portfolio is outsourced to a number of third-party investment managers around the world. There are currently eight such investment managers as well as the Direct Holdings portfolio which is managed by the CEO.

The CEO has responsibility (under delegation from the Board and the AIFM) for a number of aspects of the management of the portfolio, including asset allocation, gearing and investment in derivatives. The Board has set guidelines in respect of each of these aspects within which he may operate. The CEO reports to the Board regularly on each of these areas, as well as on the overall performance of the Company and other matters of significance.

The in-house Executive team of Witan and WIS is responsible for managing and controlling the relationships with the third-party managers.

The Executive team receives monthly reports on investment and compliance matters from each manager. During 2023, the investment managers were asked to provide detailed information on their operational structures and systems. Each year, the Board also receives reports from its investment managers on their internal controls; in most cases these include a report from the relevant company's auditors on the control policies and procedures in operation.

The CEO makes regular reports to the Board on the performance of and activity within the Direct Holdings portfolio. In addition, the portfolio's performance is independently measured, along with those of the third-party managers.

The Company's subsidiary, WIS, is authorised and regulated by the Financial Conduct Authority to provide investment products and services and was appointed as the Company's AIFM from July 2014. The compliance structures required for these activities, including a compliance manual and a compliance monitoring programme, have been put into place.

The Company has a formal policy for staff to raise in confidence any concerns about possible improprieties, whether in matters of financial reporting or otherwise, for appropriate independent investigation. Its staff comprises only six people (including the CEO), who are well known to and have frequent formal and informal contact with the members of the Board.

The Company does not have an internal audit function. However, the Company has independent external advisers covering regulatory compliance matters and the effectiveness of internal controls and processes. Through WIS, the AIFM, it delegates the management of its investments and most of its other operations to third parties and employs only a small number of staff. The investment managers and certain other key contractors are subject to external regulation and most have compliance and internal audit functions of their own. The Company's investments are held on its behalf by a global custodian appointed by the depositary. A specialist firm of investment accountants and administrators is responsible for investment administration, for maintaining accounting records and for preparing financial accounts, management accounts and other management information. In addition, the Board receives an annual report on the investment administrator's internal controls, including a report from the investment administrator's auditor on the control policies and procedures in operation. The investment performance of the investment managers, both individually and collectively, is measured for Witan by a company that is independent of all the investment managers. The corporate Company Secretary has well-established experience in servicing investment trusts.

The appointment of these and other professional contractors provides a clear separation of duties and a structure of internal controls that is balanced and robust. The Board and the AIFM will continue to monitor the Company's system of internal control in order to provide assurance that it operates as intended. The directors will review at least annually whether a function equivalent to an internal audit is needed.

Andrew Ross
Chairman
15 March 2024

Report of the Audit & Risk Committee

STATEMENT BY THE CHAIRMAN OF THE COMMITTEE

As Chairman of the Audit & Risk Committee (the 'Committee'), I am pleased to present the Report of the Committee for the year ended 31 December 2023.

Jack Perry
Chairman, Audit & Risk Commitee

COMPOSITION AND RESPONSIBILITIES OF THE COMMITTEE

The members of the Committee are appointed by the Board. There are three members of the Committee. I was appointed as Chairman of the Committee in May 2018, having been a member of the Committee since February 2017. Mrs Beagles and Mr Yates, who were appointed to the Committee in 2020 and 2018, respectively, were members of the Committee throughout the year.

The Board has taken note of the requirements that the Committee as a whole should have competence relevant to the sector in which the Company operates and that at least one member of the Committee should have recent and relevant financial experience. The Board is satisfied that the Committee is properly constituted in both respects. I am a Chartered Accountant and was previously a partner at Ernst & Young. The other Committee members have a combination of financial, investment and other relevant experience gained throughout their careers. Details of our qualifications and experience are given on pages 44 to 45.

The role of the Committee is to assist the directors in protecting shareholders' interests through fair, balanced and understandable reporting, ensuring effective internal controls and maintaining oversight and an appropriate relationship with the Group's auditor. The Committee's role and responsibilities are set out in its terms of reference, which comply with the UK Corporate Governance Code. The terms of reference are available on request from the Company Secretary and can be seen on the Company's website (www.witan.com). In summary, the Committee is responsible for:

- ensuring the application of the Company's internal financial and regulatory compliance controls and risk management systems using external consultants where appropriate;
- monitoring the integrity of the Company's financial statements, including consideration of the Company's accounting policies and significant reporting judgements;
- the appointment, reappointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor;
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process;
- developing and implementing policy on the engagement of the external auditor to supply non-audit services; and
- reporting to the Board on how it has discharged its duties.

Report of the Audit & Risk Committee continued

MEETINGS OF THE COMMITTEE

The Committee held four meetings during 2023 and also met in February 2024. Meetings are usually attended, by invitation, by the Chairman of the Company, members of management, relevant external advisers and, twice a year, the auditors. I report to the Board after each meeting on the main matters discussed at the meeting.

In summary, the main matters arising in relation to 2023 were:

> Assessment of the controls to ensure the ownership, valuation and liquidity of investments: this includes assessing management reports on the controls and procedures of external managers and the external custodian/administrator and the review of the audit work performed. No significant issues were identified.

> As part of the Committee's detailed review of the financial statements, particular attention was paid to the key areas of the existence and valuation of assets; recognition of revenue; determination of the fair value of own debt and the appropriateness of the discount rate used to assign a present value to that debt; and the reasonableness of the scenarios envisaged in developing the sensitivity analysis for each significant risk (see note 14).

> The Committee examined and challenged management's judgement used in the calculation of the present value of own debt by using a discount rate which reflects the yield on a UK gilt of similar maturity plus a credit spread of 1.40%. The Committee examined independent third-party evidence and confirmed that management's conclusions were sound and the resulting fair value was reasonable in the circumstances.

> Interim and year-end reporting, in light of the requirements of the Codes of Corporate Governance issued by the AIC and Financial Reporting Council ('FRC') guidance to audit committees on key developments for annual reports and non-financial reporting. The Committee agreed the process, timing and responsibility for compliance. The Committee agreed to recommend to the Board that it should approve the Half Year and Annual Reports.

> Reviews were conducted on a variety of specific matters including whistleblowing, anti-money laundering compliance, data and IT systems security and business continuity. As explained elsewhere in this report (see page 40), the Company makes extensive use of third-party service providers, who are overseen by the WIS Executive. The Committee approves the programme of oversight and reviews the results. The Executive carries out a comprehensive due diligence exercise, including on-site visits, each year on all the Company's service providers, including the fund managers, and reports the results of this to the Committee.

> In light of the relative simplicity of the operations and the use of independent external consultants, who report directly to the Committee, to advise on regulatory compliance and adherence to internal procedures, it was concluded that no internal audit function was required (see page 56).

> The Committee has worked with the Risk Committee of WIS, the Company's subsidiary, to ensure WIS' compliance with Financial Conduct Authority ('FCA') regulations.

> The Committee also monitored the work required to ensure the Company's compliance with new legislation, including:
  – regulations on climate-related disclosures for listed companies (which do not currently apply to the Company as an investment trust);
  – the FCA's Consumer Duty, which sets higher and clearer standards of consumer protection across financial services, and requires firms to put their customers' needs first. The Company met the requirements of the Consumer Duty rules by the effective date, 31 July 2023. The conclusions of the Witan product "value assessment" can now be accessed on the Witan website.;
  – The Committee noted that BEIS had deferred a number of the changes which it had proposed as part of its reform of audit and corporate governance;
  – The Committee reviewed the FRC's Audit Committee Standard and agreed that it should be possible to adopt this earlier than required, on the basis that the Committee already complies with most of the responsibilities set out in the Standard. The Committee has agreed that guidelines for the audit tender, which is scheduled for 2025, should be put in place; and
  – FRC review of corporate reporting in 2022/23 and key matters for 2023/24.

RISK

Management has identified (Strategic Report pages 35 to 37) six main areas of potential risk: market and investment portfolio; operational and cyber; compliance and regulatory change; accounting, taxation and legal; liquidity; and ESG factors, and has set out the actions taken to evaluate and manage these risks. The Committee also monitors newly emerging risks that arise from time to time (e.g. Brexit from 2016 and the Covid-19 virus outbreak in 2020) to ensure that the implications for the Company are properly assessed and mitigating controls introduced where necessary. The potential impact of generative AI has been included as an emerging risk this year.

The auditor has also detailed two key audit matters in its report: valuation of investments and the occurrence and completeness of investment income; and has set out the work it has performed to satisfy itself that these have been properly reflected in the financial statements. There were no significant areas of material judgement being exercised in either of these two key areas or unadjusted errors arising in either 2022 or 2023.

The Committee has monitored the controls designed to mitigate the risks associated with these matters during the year, including reviewing management's risk report at each meeting and requiring amendments to both risks and mitigating actions as appropriate. The Committee considers that management has carried out a robust assessment of the emerging and principal risks facing the Company and has taken appropriate action to mitigate those risks. In order to ensure that our risk map is up to date, the Committee has once again invited all directors to determine their personal assessment of the current top five risks for the Company and the Committee has ensured that the risk map recognises these appropriately. This process is carried out regularly.

The Committee reviewed the cyber risks within the business, including the controls in place over cyber risks implemented by third-party providers and in particular BNP Paribas. No significant issues have been identified to date, but the Committee is mindful of the need to remain vigilant on such risks.

GOING CONCERN AND VIABILITY

The Committee has assessed the information, forecasts and assumptions underlying the Viability and Going Concern Statements on pages 42 and 43 and recommended to the Board that they are appropriate. This assessment included a review of the scenario analysis set out on page 42.

EXTERNAL AUDIT

Grant Thornton UK LLP ('Grant Thornton') was appointed as statutory auditor in 2016. In accordance with the current legislation, the Company is required to re-tender for new auditors at least every ten years and has to change its auditor after 20 years. Accordingly, the Committee will re-tender the audit no later than 2026. The audit partner is Paul Flatley. The auditor is required to rotate the principal engagement partner every five years; this is Mr Flatley's third year as audit partner. Accordingly, the Committee considers that the Company has complied with the provisions of the Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 during the financial year.

The Committee reviews the scope and effectiveness of the audit process, including agreeing the auditor's assessments of materiality, and monitors the auditor's independence and objectivity.

The Committee has reviewed the FRC's Audit Quality Review report for Grant Thornton and discussed the findings with the audit partner. The Committee was pleased to note that Grant Thornton was awarded the highest quality grading for 100% of the files reviewed by the FRC for the second year in a row. The Committee discussed the audit plan. It challenged the auditor's assessment of the key audit matters and was satisfied that these had been adequately identified. The auditor was not instructed to look at any additional specific areas. The final audit findings report was discussed and agreed with the auditor. The Committee is satisfied that the auditor implemented sufficiently robust processes to deliver a high-quality audit.

As part of their audit work, Grant Thornton carried out a review of the design and effectiveness of relevant controls in place at BNP Paribas related to specific line items such as the valuation of the portfolio and completeness of investment income. They did not discover any significant issues. In addition, Grant Thornton has been appointed to provide an assurance report on client assets in accordance with the Client Assets Sourcebook ('CASS') report to the FCA in respect of WIS, to be completed by the end of April 2024.

FINANCIAL STATEMENTS

The Board has asked the Committee to confirm that in its opinion the Board can make the required statement that the Annual Report taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. The Committee has given this confirmation on the basis of:

> the comprehensive control framework around the production of the Annual Report, including the verification process in place to deal with the factual content;

> the detailed levels of review that were undertaken in the planning and production process, by the Executive team, Company Secretary and the Committee; and

> the Company's internal control environment.

ALTERNATIVE PERFORMANCE MEASURES

The Company was contacted by the FRC during 2023, who noted the absence of IFRS measures in the Company's Strategic Report in the 2022 Annual Report and asking us to explain the basis on which we determined that the Strategic Report contained a fair review of the Company's business, including a balanced and comprehensive analysis of its development and performance during the financial year and its position at the end of that year, as required by the Companies Act 2006. We explained that, as a closed-end investment company, the Company's users need information in addition to that provided by IFRS measures and that we prepare the financial statements in accordance with the AIC SORP, which results in our reporting a number of Alternative Performance Measures ('APMs'), which we and other trusts consider are relevant to the financial statements of an investment trust. We confirmed, however, that we would include references to relevant IFRS measures in future Strategic Reports and believe that we have done so in this year's Annual Report (see pages 1 and 15 for disclosures of total earnings per share and net assets).

The FRC also commented on our disclosure of the valuation techniques used in valuing unquoted investments, suggesting that the disclosures could be clearer. We accepted this point whilst noting that unquoted investments comprised approximately 2.1% of the Company's net assets at 31 December 2022. We agreed to provide further information on the techniques used for valuation in this and future accounting periods, where material and relevant. See pages 92 and 107.

NON-AUDIT SERVICES

The Committee has previously agreed that non-audit fees cannot be more than 70% of the average audit fees for the last three years. The Company's policy on non-audit services was updated in 2020 to comply with the FRC Revised Ethical Standard 2019. Any new engagement with Grant Thornton for any non-audit service must, if material, be tendered and any appointment approved in advance by the Committee. The Committee assesses each service individually, having considered the cost-effectiveness of the service and the impact on the auditor's independence. Grant Thornton did not provide any non-audit services to the Company other than the CASS report, for which their fees are £25,000. The ratio of audit to non-audit work in the year was 79:21. The Committee considered that it was in the interests of the Company to appoint Grant Thornton for this assurance work as it would not be cost-effective to appoint another firm.

EFFECTIVENESS OF THE COMMITTEE

In assessing its own effectiveness, the Committee has reviewed the report produced by Lintstock in 2022 as part of its review of the Board (see page 55) and the Board's internal review in 2023 and will implement any recommendations from those reviews. The Committee considers that its approach is comprehensive and appropriate, that it focuses on the right issues and is managed well.

APPROVAL

This report was approved by the Committee on 15 March 2024 and is signed on its behalf by:

Jack Perry
Chairman of the Audit & Risk Committee
15 March 2024

Directors' Remuneration Report

CHAIRMAN'S STATEMENT

I am pleased to present my report as Chairman of the Remuneration and Nomination Committee (the 'Committee')

Paul Yates
Chairman, Remuneration & Nomination Committee

The Committee deals with both nominations and remuneration-related matters. Reports on both aspects of the Committee's work are covered below.

The Committee consists of three non-executive directors, including its Chairman, who are appointed by the Board. I have been a member of the Committee since May 2018 and was appointed as Chairman in April 2020. Ms Neubert and Mr Ross were appointed as members of the Committee in April 2020.

Ms Neubert retired from the Board at the AGM on 4 May 2023 and Mrs Boyle was appointed as a member of the Committee with effect from that date.

The Committee's roles and responsibilities are set out in its terms of reference, which are available on request from the Company Secretary and can be found on the Company's website (www.witan.com). See also below and on page 61.

NOMINATIONS

The Committee has responsibility for reviewing the effectiveness and composition of the Board and for overseeing the recruitment process for non-executive directors.

There were two appointments to, and one resignation from, the Board in 2023.

Ms Neubert had previously stated that she would retire from the Board at the AGM in May 2023.

Accordingly, during the year, the Committee reviewed the composition of the Board and its Committees, using a skills matrix. The Committee recommended to the Board, and the Board agreed, that a director should be recruited to replace Ms Neubert. Trust Associates, who have no other recent connection with the Company, were appointed to carry out a search for a suitable candidate. The Committee identified two suitable candidates for appointment and the Board agreed that both appointments should be made. Shauna Bevan and Shefaly Yogendra were appointed as non-executive directors with effect from 1 February 2023 and were elected by shareholders at the AGM held on 4 May 2023.

Mrs Beagles was appointed to replace Ms Neubert as the Senior Independent Director with effect from her retirement in May 2023.

The Committee regularly reviews directors' other appointments, including commitments to the boards of private companies and charities, in order to assess whether each director has sufficient time to meet their responsibilities to the Company. The Committee has noted that Mr Perry is currently chairman of two other investment trusts and Mr Bell is chairman of one other investment trust. However, the Committee notes that Mr Perry will retire as a director of one of the investments trusts at its AGM in May 2024 and that the other investment trust is being wound down. Mr Bell has assured the Committee that he has adequate time to deal with both appointments. Following discussions with Mr Perry and Mr Bell, the Committee is satisfied that they both have sufficient time to meet their responsibilities to the Company.

A report on the Board's evaluation of itself and its Committees is set out on page 55.

The Board's policy on diversity is set out on page 53.

REMUNERATION

The remainder of this report covers the remuneration-related activities of the Committee for the year ended 31 December 2023. It sets out the remuneration policy and remuneration details for the non-executive and executive directors of the Company. It has been prepared in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the 'Regulations') and the requirements of the Association of Investment Companies.

The report is split into three main areas: this statement from me as Chairman of the Committee; an annual report on remuneration; and a policy report. The annual report on remuneration provides details of remuneration during the financial year ended 31 December 2023 and other information required by the Regulations. It will be subject to an advisory vote at the AGM on 1 May 2024. The Company's existing remuneration policy was subject to a binding shareholder vote at the AGM in 2022 and took effect from 1 January 2022. No changes were made to the remuneration policy existing at that time. The Committee is required to submit its remuneration policy to a shareholder vote every three years and, accordingly, would normally expect to put a resolution to approve the remuneration policy to shareholders at the AGM to be held in 2025. However, as explained below, the Committee is proposing a minor variation of the policy and shareholders' approval of this variation will be sought at the AGM to be held on 1 May 2024.

We seek to engage with our shareholders and welcome discussions on any aspect of the Company. We take any issues raised by shareholders with great importance and encourage discussion on such matters. Last year we engaged with shareholders after a number of votes against the remuneration report and other resolutions. Indeed, this valuable feedback has led to a number of changes to practice which we hope will be well received.

The Committee has previously reviewed the terms of Mr Bell's contract, in particular the details of his bonuses, and considered whether any of the deferred elements of the bonuses should be paid in shares (a 'Deferred Award'). After careful consideration, the Committee has agreed that, in light of Mr Bell's substantial holding in the Company (worth over £2 million at the end of 2023, six times the CEO's base salary) and the Corporate Governance Code's requirements for clarity and simplicity in determining executive directors' remuneration policy and practices, it would not be cost-effective to establish a share scheme for one person. The Committee expects the CEO to maintain a shareholding in the Company equivalent to at least three times his salary. During the year, the Committee agreed with Mr Bell that, subject to shareholder approval, the deferred element of any bonus (40%) awarded after 1 January 2024 will vary (upwards or downwards) by reference to the net asset value total return of the Company's shares from the date of the award through to payment, subject to the existing provisions for malus and clawback. We believe that this, in addition to the minimum share ownership guideline, achieves the objective of alignment of interests in a simpler and more cost-effective way. As noted, this minor variation to the remuneration policy approved by shareholders in 2022 requires the approval of shareholders, which will be requested at this year's AGM.

As noted in the Chairman's Statement on pages 8 and 9, the CEO, Andrew Bell, has recently informed the Board that he plans to retire from Witan during the coming year. The Committee considers him to be a "Good Leaver" as set out in his service contract and intends to pay Mr Bell the deferred element of his past bonuses, amounting to £76,667, in full on his retirement.

The Companies Act 2006 requires the auditor to report to shareholders on certain parts of the Directors' Remuneration Report and to state whether, in their opinion, those parts of the report have been properly prepared in accordance with the Regulations. The parts of the annual report on remuneration that are subject to audit are indicated in the Report.

Role of the Committee

The remuneration-related role of the Committee is twofold. First, it has a role in respect of executive remuneration, assisting the directors in determining the remuneration policy for the Chief Executive Officer ('CEO') and evaluating his performance, as well as assisting the CEO in determining the remuneration arrangements for the Company's staff. Secondly, the Committee considers the remuneration of the non-executive directors and exercises delegated responsibility for determining the remuneration of the Chairman. The Committee considers the need to appoint external remuneration consultants when necessary.

The Committee's programme is to meet formally at least twice a year and on such other occasions as required. The Committee held two meetings during the year, during which it addressed all the matters under its remit.

As part of its annual work, the Committee reviewed the non-executive directors' fees in February 2024, in accordance with the process described on page 67. The Committee's recommendation, to which the Board agreed, was that non-executive directors' fees should be increased by an average of 2%. This is below the rate of inflation and less than the percentage increase in remuneration of the Company's employees. With effect from 1 April 2024, directors' fees will be:

	£
Chairman of the Company	77,500
Chairman of the Audit & Risk Committee	51,000
Chairman of the Remuneration and Nomination Committee	46,500
Senior Independent Director	46,500
Other non-executive directors	40,250

Since 1 April 2023, the fees have been:

	£
Chairman of the Company	76,000
Chairman of the Audit & Risk Committee	50,000
Chairman of the Remuneration and Nomination Committee	45,500
Senior Independent Director	45,500
Other non-executive directors	39,500

With effect from 1 April 2024, the aggregate fees for the current eight non-executive directors will amount to £382,500 per annum (2023: £375,000).

The Company's Articles of Association currently limit the aggregate fees payable to the non-executive directors to £450,000 per annum.

Paul Yates
Chairman of the Remuneration and Nomination Committee
15 March 2024

Directors' Remuneration Report continued

ANNUAL REPORT ON REMUNERATION

An ordinary resolution for the approval of this section of the report (together with the Chairman's Statement on pages 60 to 61) will be put to members at the forthcoming AGM.

The following section sets out the executive director's and the non-executive directors' remuneration for the year ended 31 December 2023. The information provided on pages 62 to 66 of this report (other than the total shareholder return performance graph; the CEO remuneration table; the annual percentage change in remuneration of directors and employees; and the relative importance of spend on pay) has been audited by Grant Thornton UK LLP.

Single total figure table for the year (audited)

Non-executive directors

The following table shows the single figure of remuneration of the non-executive directors for the financial year ended 31 December 2023, together with the comparative figures for 2022:

	31 December 2023			31 December 2022		
	Fees(1) £	Taxable benefits(2) £	Total remuneration £	Fees(1) £	Taxable benefits(2) £	Total remuneration £
A J S Ross	**75,375**	**–**	**75,375**	72,250	148	72,398
R A Beagles	**43,033**	**–**	**43,033**	37,500	62	37,562
S L Bevan (appointed 1 February 2023)	**35,958**	**–**	**35,958**	–	–	–
G M Boyle	**39,125**	**–**	**39,125**	37,500	–	37,500
S E G A Neubert (resigned 4 May 2023)	**15,492**	**27**	**15,519**	43,500	415	43,915
J S Perry	**49,500**	**2,917**	**52,417**	47,250	5,464	52,714
B C Rogoff	**39,125**	**–**	**39,125**	37,500	–	37,500
P T Yates	**45,125**	**–**	**45,125**	43,500	–	43,500
S M Yogendra (appointed 1 February 2023)	**35,958**	**–**	**35,958**	–	–	–
	378,691	**2,944**	**381,635**	319,000	6,089	325,089

(1) The non-executive directors are not entitled to any variable payments or benefits.
(2) Taxable benefits comprise reasonably incurred business expenses, principally travel costs.

CEO

The following table shows a single total figure of remuneration in respect of qualifying services for the financial year ended 31 December 2023 for the CEO, Mr Bell, together with the comparative figures for 2022. Aggregate emoluments are shown in the last column of the table.

	Base pay(1) £	Benefits(2) £	Annual bonus(3) £	Long-Term Bonus(3) £	Pension-related benefits £	Total fixed £	Total variable £	Total £
2023	**330,000**	**38,091**	**100,000**	**–**	**33,000**	**401,091**	**100,000**	**501,091**
2022	315,000	34,642	95,000	–	31,500	381,142	95,000	476,142

(1) Mr Bell is entitled to hold outside appointments and to retain any fees payable, subject to receiving the Board's permission. During 2023, in addition to the base salary set out above, Mr Bell received £43,250 (2022: £41,500) in respect of his directorship of The Diverse Income Trust plc to which he was appointed with effect from 1 January 2019.
(2) Taxable benefits include life assurance and health insurance.
(3) Mr Bell's service agreement provides that he is eligible to receive a bonus of up to 170% of his basic salary. The cash bonus arrangement consists of three separate elements:
 (i) Discretionary bonus
 For a description of the terms of the discretionary bonus (including the performance measures), please see the policy report. The Committee reviewed Mr Bell's performance against the performance criteria, described on page 70, over the preceding year at its meeting in February 2024 to determine the appropriate level of the discretionary bonus that is payable for that year. Following that review, the Committee recommended, and the Board agreed, that Mr Bell should receive a discretionary bonus equal to 30% (compared with the maximum of 40%) of his basic salary (£100,000) in respect of the financial year ended 31 December 2023 (2022: 30%, £95,000).
 (ii) One-year Bonus
 For a description of the terms of the One-year Bonus (including the performance measures), please see the policy report. The Company underperformed its benchmark in 2023 (net asset value debt at par, excluding the effect of share buybacks) and therefore no bonus will be paid to Mr Bell based on the Company's financial performance for the year ended 31 December 2023 (2022: underperformed, £nil).
 (iii) Long-Term Bonus
 For a description of the terms of the Long-Term Bonus (including the performance measures), please see the policy report. In summary, Mr Bell is eligible to receive up to 90% of his basic annual salary by reference to the Company's performance over the previous three financial years. The level of bonus is determined by reference to the performance against the benchmark, where performance in line with benchmark generates a bonus rising on a straight-line basis to a full bonus where the benchmark is exceeded by an average of 2.5% per annum. The Company has underperformed its benchmark over the three financial years to 31 December 2023 (net asset value debt at par, excluding the effect of share buybacks) and therefore no Long-Term Bonus will be paid to Mr Bell (2022: underperformed, £nil).
(4) Employer's national insurance contributions of £52,940 (2022: £47,328) were paid in respect of Mr Bell's remuneration for the year.
(5) The amount of bonuses relating to 2023 and prior years which was unpaid at the year end was £170,947, of which £94,280 was paid to Mr Bell in March 2023 (2022: £241,194; £109,580 paid in March 2022).

Payment of the discretionary bonus will be partly deferred in accordance with the current policy, with 60% paid in March 2024. In the normal course of business, the remaining 40% would be paid on a deferred basis in three instalments in March 2025, 2026 and 2027. However, as noted on page 61, the deferred element of his past bonuses will be paid in full on his retirement.

During the year, the Committee agreed with Mr Bell that, subject to shareholder approval at the AGM to be held in May 2024, the deferred element of any bonus (40%) awarded after 1 January 2024 will vary (upwards or downwards) by reference to the net asset value total return of the Company's shares from the date of the award through to payment, subject to the existing provisions for malus and clawback.

Scheme interests awarded during the financial year

No directors were awarded any interest over shares in the Company during the financial year ended 31 December 2023 (2022: nil).

Payments to past directors

No payments were made to former directors of the Company during the financial year ended 31 December 2023 (2022: £nil).

Payments for loss of office

No loss of office payments were made to any person who has previously served as a director of the Company at any time during the financial year ended 31 December 2023 (2022: £nil).

Statement of directors' shareholdings (audited)

The interests of the CEO and the non-executive directors (including connected persons) in the Company's ordinary shares are shown in the table below. No share options or other share based awards, with or without performance measures, were awarded to the CEO or to any non-executive director. There are no requirements or guidelines for the non-executive directors to own shares in the Company but the Committee expects the CEO to maintain a shareholding in the Company equivalent to at least three times his salary.

	Ordinary shares held as at 31 December 2023	Ordinary shares held as at 31 December 2022
A J S Ross	**300,000**	300,000
R A Beagles	**42,073**	42,073
S L Bevan	**–**	–
A L C Bell	**850,000**	850,000
G M Boyle	**28,683**	28,683
J S Perry	**82,498**	82,498
B C Rogoff	**45,418**	44,974
P T Yates	**25,245**	25,245
S M Yogendra	**2,036**	–

Ms Bevan and Dr Yogendra, who were appointed to the Board on 1 February 2023, did not hold any shares in the Company at the date of their appointment.

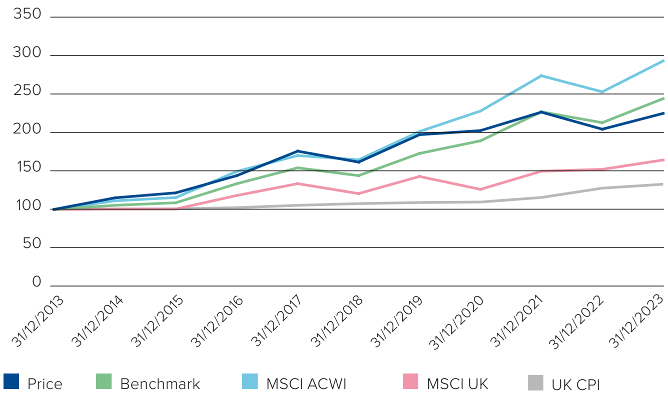
Since the year end, Ms Bevan has bought 10,000 shares. There have not been any other changes in the directors' interests since the year end.

None of the directors has an interest in the Company's preference shares.

The CEO's shareholding at 31 December 2023 represented more than six times his annual salary.

Total shareholder return performance graph

The Company is required to present a graph comparing the Company's share price with a single broad equity market index. The Company has compared the share price total return against (i) a UK market index, namely the MSCI UK IMI Index ('MSCI UK Index'), because the Company's shares are listed on the UK market, and also (ii) a global index, namely the MSCI All Country World Index ('MSCI ACWI'), because the Company invests across a broad spread of global equity markets. The performance of the Company's benchmark and of the UK Consumer Price Index are also shown.



The line graph above sets out the Company's ten-year total shareholder return performance relative to the MSCI UK Index and the MSCI ACWI (sterling adjusted). This line graph assumes a notional investment of £100 into the indices on 31 December 2013 and the reinvestment of all income, excluding dealing expenses.

CEO remuneration table

Year ended 31 December	CEO single figure of total remuneration £	Annual discretionary and One-year Bonus payout against maximum %	Long-Term Bonus against maximum %
2023	**501,091**	**37.9**	**0.0**
2022	476,142	37.7	0.0
2021	457,820	34.4	0.0
2020	447,219	31.2	0.0
2019	590,975	62.9	29.9
2018	497,881	50.0	12.4
2017	658,906	87.5	89.0
2016	493,811	40.0	54.4
2015	593,431	95.2	100.0
2014	544,514	76.2	100.0

Directors' Remuneration Report continued

Annual percentage change in remuneration of directors and employees for the year ended 31 December 2023

The table below shows how the percentage change in the directors' salaries, benefits and bonuses between 2022 and 2023 compares with the average percentage change in each of those components of pay for the Group's employees taken as a whole:

Percentage increase/(decrease) in remuneration for 2023 compared with remuneration for 2022.

	Salary and fees %	Taxable benefits %	Annual bonuses %
A J S Ross	**4.3**	**(100.0)**	**n/a**
R A Beagles(1)	**14.8**	**(100.0)**	**n/a**
S L Bevan(2)	**n/a**	**n/a**	**n/a**
G M Boyle	**4.3**	**–**	**n/a**
J S Perry	**4.8**	**(46.6)**	**n/a**
B C Rogoff	**4.3**	**–**	**n/a**
P T Yates	**3.7**	**–**	**n/a**
S M Yogendra(2)	**n/a**	**n/a**	**n/a**
A L C Bell	**4.8**	**9.9**	**5.3**
Average pay of employees	**9.2**	**(1.6)**	**13.0**

(1) Appointed as Senior Independent Director with effect from 4 May 2023.
(2) Percentage increase cannot be calculated since she was appointed as a director on 1 February 2023 and therefore the value in the prior year was £nil.

The increase in the CEO's annual bonus in 2023 was due to an increase in the amount of his discretionary bonus.

The fees of the non-executive directors were increased with effect from 1 April 2023.

Percentage increase/(decrease) in remuneration for 2022 compared with remuneration for 2021.

	Salary and fees %	Taxable benefits %	Annual bonuses (discretionary and One-year bonus) %
A J S Ross	5.5	n/a(1)	n/a
R A Beagles	4.2	(21.5)	n/a
G M Boyle	4.2	–	n/a
S E G A Neubert	8.4	(7.8)	n/a
J S Perry	5.0	238.7	n/a
B C Rogoff	4.2	–	n/a
P T Yates	3.6	–	n/a
A L C Bell	2.1	3.2	11.8
Average pay of employees	5.8	(9.1)	21.3

(1) Percentage increase cannot be calculated since the value in the previous year was £nil.

The increase in the CEO's annual bonus in 2022 was due to an increase in the amount of his discretionary bonus.

The fees of the non-executive directors were increased with effect from 1 April 2022. There was no increase in their fees in 2021.

Percentage increase/(decrease) in remuneration for 2021 compared with remuneration for 2020.

	Salary and fees %	Taxable benefits %	Annual bonuses (discretionary and One-year bonus) %
A J S Ross(1)	21.0	–	n/a
R A Beagles(2)	100.0	n/a(5)	n/a
G M Boyle	3.2	–	n/a
S E G A Neubert(3)	14.9	n/a(5)	n/a
J S Perry	3.4	(8.5)	n/a
B C Rogoff	3.2	–	n/a
P T Yates(4)	8.0	–	n/a
A L C Bell	0.0	8.8	10.2
Average pay of employees	(0.1)	8.4	35.3

(1) Appointed as Chairman with effect from 29 April 2020.
(2) Appointed as a director on 1 July 2020.
(3) Appointed as Senior Independent Director with effect from 28 April 2021.
(4) Appointed as Chairman of the Remuneration and Nomination Committee with effect from 29 April 2020.
(5) Percentage increase cannot be calculated since the value in the previous year was £nil.

The increase in the CEO's annual bonus in 2021 was due to an increase in the amount of his discretionary bonus. The fees of the non-executive directors were increased with effect from 1 April 2020. There was no increase in their fees in 2021.

Percentage increase/(decrease) in remuneration for 2020 compared with remuneration for 2019.

	Salary and fees %	Taxable benefits %	Annual bonuses (discretionary and One-year bonus) %
A J S Ross(1)	170.8	n/a	n/a
R A Beagles	n/a(2)	n/a	n/a
G M Boyle(3)	195.8	n/a	n/a
S E G A Neubert	10.8	(100.0)	n/a
J S Perry	11.5	(68.4)	n/a
B C Rogoff	10.8	n/a	n/a
A Watson	11.2	(72.2)	n/a
P T Yates(4)	23.5	n/a	n/a
A L C Bell	2.5	11.2	(49.1)
Average pay of employees	1.2	1.9	(10.7)

(1) Appointed as a director on 2 May 2019 and as Chairman with effect from 29 April 2020.
(2) Percentage increase cannot be calculated since she was appointed as a director on 1 July 2020 and therefore the value in the prior year was £nil.
(3) Appointed as a director on 16 August 2019.
(4) Fee increase reflects his appointment as Chairman of the Remuneration and Nomination Committee with effect from 29 April 2020.

The decrease in the CEO's bonuses in 2020 was principally due to the underperformance of the Company in 2020, which resulted in the One-year Bonus and Long-Term Bonus not being paid in 2020.

Directors' Remuneration Report continued

Relative importance of spend on pay

Spend	2023 £'000	2022 £'000	Difference £'000
Fees of non-executive directors (see table on page 62)	**379**	319	60
Remuneration paid to or receivable by all employees of the Group (including the CEO) in respect of the year	**1,219**	1,122	97
Dividends paid to shareholders in respect of the year(1)	**38,473**	40,112	(1,369)
Share buybacks(2)	**122,880**	129,269	(6,389)
Total payments to shareholders	**161,353**	169,381	(8,028)
Net assets(3)	**1,561,665**	1,541,809	12.9%

(1) The dividend per share was increased by 4.1% so the reduced aggregate dividend payout reflects the lower number of shares in issue following share buybacks.
(2) Share buybacks were at a high level, reflecting the level of the discount during the year (see also comments on page 14).
(3) The Committee considers that this table should include the net assets as this would assist shareholders to understand the relative importance of spend on pay.

Statement of implementation of remuneration policy

The remuneration policy for the CEO, as detailed in the policy section of the Report, was agreed by shareholders at the 2022 AGM and implemented with effect from 1 January 2022. The fees for non-executive directors were increased with effect from 1 April 2023.

As detailed on page 61, the fees will be increased with effect from 1 April 2024.

Consideration by the directors of matters relating to directors' remuneration

The Board as a whole sets the fees that are payable to the non-executive directors and it has appointed the Committee to consider matters relating thereto. The Committee also considers the remuneration of the CEO and makes a recommendation on this to the Board for its approval.

The Committee was not provided with any external advice or services, during the financial year ended 31 December 2023, in respect of the fees payable to the non-executive directors or the remuneration payable to the CEO.

The Committee assesses proposed increases in non-executive directors' fees in the light of increases in inflation and in the returns to the Company's shareholders, and a comparison with the fees paid to the directors of other investment trusts of a similar size, structure, workload and investment objective.

The table below sets out the members of the Committee who were present during any consideration of the CEO's remuneration, and shows the number of meetings attended by each non-executive director:

Name	Number of meetings attended
P T Yates	2
G M Boyle	1/1
S E G A Neubert	1/1
A J S Ross	2

Statement of shareholder voting

At the AGMs held on 4 May 2023 and 5 May 2022 respectively, ordinary resolutions to approve the Directors' Remuneration Report for the year ended 31 December 2022 and to approve the remuneration policy were passed on a show of hands. The proxy votes in each case were as follows:

Votes for	Votes against	Votes withheld	Total votes cast (excluding votes withheld)
Approval of Directors' Remuneration Report on 4 May 2023			
100,378,634	**14,670,866**	**844,590**	**115,049,500**
87.2%	**12.8%**	**–**	**100%**
Approval of remuneration policy on 5 May 2022			
140,867,953	**19,066,966**	**866,296**	**159,934,919**
88.1%	**11.9%**	**–**	**100%**

The Company is committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. Where there are substantial votes (defined in the Listing Rules as over 20%) against resolutions in relation to directors' remuneration, the reasons for any such vote will be sought and any actions in response will be detailed in future Directors' Remuneration Reports. There were no such shareholder votes against these resolutions at the AGM in 2023. However, the Chairman wrote to a number of shareholders to try to understand their reasons for voting against certain resolutions.

REMUNERATION POLICY

The Company reports on its remuneration policy in accordance with the Regulations each year and is required to submit its remuneration policy to a shareholder vote every three years. An ordinary resolution for the approval of the current policy was put to members at the AGM on 5 May 2022 and passed by the members. This policy took effect from 1 January 2022. No changes were made to the policy at that time. The policy will apply for three years until the AGM in 2025, except that, as noted on page 61, the Committee has (in line with suggestions from some shareholders) agreed with Mr Bell that the deferred element of any bonus (40%) awarded after 1 January 2024 will vary (upwards or downwards) by reference to the net asset value total return of the shares from the date of the award through to payment, subject to the existing provisions for malus and clawback. This change to the policy will require approval by shareholders and a resolution to this effect will be put to shareholders at the AGM to be held on 1 May 2024. The policy that was approved by shareholders at the AGM in 2022 is set out below on pages 67 to 72.

Non-executive directors

All the directors are non-executive, with the exception of the CEO. New directors are appointed for an initial term ending three years from the date of their first annual general meeting after appointment and with the expectation that they will serve a minimum of two three-year terms. The continuation of directors' appointments is contingent on satisfactory performance evaluation and re-election at annual general meetings. Non-executive directors' appointments are reviewed formally every three years by the Board as a whole. Each of the non-executive directors has a letter of appointment which sets out the terms on which they provide their services. A non-executive director may resign by notice in writing to the Board at any time; there are no set notice periods.

Remuneration policy for non-executive directors

The following table provides a summary of the key elements of the remuneration of the non-executive directors.

	Purpose	Operation
Fees	Fees payable to the directors should reflect their responsibilities as directors and the time committed to the Company's affairs and should be sufficient to enable candidates of high calibre to be recruited. There are no performance-related elements and no fees are subject to clawback provisions.	Non-executive directors are to be remunerated in the form of fees, payable monthly in arrears, to the director personally. There are no long-term incentive schemes or pension arrangements and the fees are not specifically related to their performance, either individually or collectively. The Committee determines the level of fee at its discretion. The fees are reviewed each year, although such review will not necessarily result in any increase in the fees. Proposed increases in fees are determined in the light of increases in inflation and in the returns to the Company's shareholders, and a comparison with the fees paid to the directors of other investment trusts of a similar size, structure, workload and investment objective. The Chairman of the Board, the Chairmen of the Board's Committees and the Senior Independent Director are paid higher fees than the other non-executive directors in recognition of their more onerous roles (see below). With effect from 1 April 2024, the Chairman's fee is £77,500 and each non-executive director's annual base fee is £40,250. Additional fees are payable as follows: > Chairman of Audit & Risk Committee £10,750. > Chairman of Remuneration and Nomination Committee £6,250. > Senior Independent Director £6,250. The maximum amount of fees, in aggregate, that may be paid to non-executive directors in any financial year is £450,000.

Directors' Remuneration Report continued

Remuneration policy for the CEO (and any future executive directors)

Currently, the Company operates with one executive director, the CEO. This policy applies to the CEO, but would also be applied to any other executive director appointed by the Company. Executive director remuneration is set at market-competitive levels, with the majority of any variable pay (bonus amounts) contingent on the attainment of audited outperformance of the Company's benchmark, in accordance with the Company's objective. Any discretionary bonus is dependent on annual appraisal by the Remuneration and Nomination Committee and Board against a range of financial and corporate governance criteria.

	Purpose and link to strategy	Operation and clawback	Maximum opportunity	Performance measures
Base salary	Base salary is set at market-competitive levels in order to recruit and retain an executive director of a suitably high calibre. The level of pay reflects a number of factors including individual experience, expertise and pay appropriate to the position.	Base salary is reviewed annually and fixed for 12 months.	The CEO's salary was increased to £340,000 per annum with effect from 1 January 2024. Year-on-year salary increases for any executive director will not exceed 10% per annum other than in times of abnormal inflation or other exceptional circumstances, in which case the increase will not exceed 20%.	Not applicable
Benefits-in-kind	Offering market-competitive levels of benefits-in-kind to help recruit or retain an executive director of a suitably high calibre.	An executive director may be eligible to receive a range of benefits including some or all of: > private medical insurance for the executive director and their family; > death in service insurance; and > business-related expenses. Where benefits are sourced through third-party providers, the expense will reflect the cost of the provision of the benefits from time to time but will be kept under review by the Committee.	The maximum benefit that can be offered or paid to an executive director is: > private medical insurance provided on a family basis; > death in service insurance of four times base salary; and > business-related expenses.	Not applicable
Pension	Offering market-competitive levels of guaranteed cash earnings to help recruit or retain an executive director of a suitably high calibre.	The CEO currently receives a cash payment, equal to 10% of base salary, in lieu of pension contributions.	The maximum cash payment in lieu of pension contributions is 10% of base salary, which is the same as the pension contribution rate applicable to other staff.	Not applicable
Discretionary bonus	The purpose of the bonus arrangements is to incentivise the CEO to maximise the Company's performance and its return to shareholders.	The CEO is eligible to receive a discretionary bonus of up to 40% of basic annual salary. The Committee will review the CEO's performance against the performance criteria to determine the appropriate level of bonus payable in respect of the preceding year. The Committee may change the terms of this bonus or reduce any bonus payment that would otherwise be payable in order to comply with any relevant current or future regulations, including the FCA Remuneration Code. See note 2 on page 70 for the operation of deferral, malus and clawback.	The maximum cash discretionary bonus payable to any executive director is 40% of base salary.	Please see note 1 on page 70 for details of the performance measures applicable to the CEO's discretionary bonus.

	Purpose and link to strategy	Operation and clawback	Maximum opportunity	Performance measures
One-year Bonus	The purpose of the bonus arrangements is to incentivise the CEO to maximise the Company's performance and its return to shareholders.	The CEO is eligible to receive a bonus of up to 40% of base salary by reference to the performance of the Company over the previous financial year. The Committee may change the terms of this bonus or reduce any bonus payment that would otherwise be payable in order to comply with any relevant current or future regulations, including the FCA Remuneration Code. See note 2 on page 70 for the operation of deferral, malus and clawback.	The maximum cash One-year Bonus payable to any executive director is 40% of base salary.	Please see note 1 on page 70 for details of the performance measures applicable to the CEO's One-year Bonus.
Long-Term Bonus	The purpose of the bonus arrangements is to incentivise the CEO to maximise the Company's performance and its return to shareholders.	The CEO is eligible to receive a bonus of up to 90% of base salary by reference to the performance of the Company over the previous three financial years. The Committee may, with shareholder approval as appropriate, change the terms of this bonus or reduce any bonus payment that would otherwise be payable in order to comply with any relevant current or future regulations, including the FCA Remuneration Code. See note 2 on page 70 for the operation of deferral, malus and clawback.	The maximum cash Long-Term Bonus payable to any executive director is 90% of base salary.	Please see note 1 on page 70 for details of the performance measures applicable to the CEO's Long-Term Bonus.

Directors' Remuneration Report continued

Notes:

1. Performance measures

Mr Bell's service agreement, as amended, provides that he is eligible to receive a bonus of up to 170% of his basic annual salary, two elements of which, totalling a maximum of 130% of salary, are calculated by reference to the performance of the Company. The cash bonus arrangement consists of three separate elements as set out below:

(i) Discretionary bonus

Each year Mr Bell is eligible to receive, at the absolute discretion of the Committee, a cash bonus of up to 40% of his basic annual salary. The Committee has determined a number of criteria that it takes into account on which to judge his performance and based on which it agrees the amount of the discretionary bonus. These include the management and development of the investment process; advising the Board on and evolving the long-term strategy of the Company; the commitment, development and presentation of the Company's approach to ESG; performance against annual objectives; management of staff; administration of the office; reporting to the Board and shareholders; and relationships with the Board and other stakeholders.

(ii) One-year Bonus

Each year Mr Bell is eligible to receive an additional cash bonus of up to 40% of his basic annual salary. The bonus will be determined by the Company's net asset value per share total return performance over the previous financial year (debt at par, excluding the effect of share buybacks or issuance) relative to its benchmark. Outperformance of the benchmark by 3.0% or more will generate a bonus of the full 40%. No bonus is payable if performance is in line with or below that of the benchmark. Relative performance of between nil and 3.0% will generate a pro rata bonus.

(iii) Long-Term Bonus

Mr Bell is eligible to receive a Long-Term Bonus each year of up to 90% of his basic annual salary by reference to the Company's performance over the previous three financial years. The Long-Term Bonus will be determined by reference to the Company's net asset value per share total return (debt at par, excluding the effect of share buybacks or issuance) relative to its benchmark, as set out in the Company's audited annual accounts for the applicable financial years. Compounded average annual outperformance of the benchmark by 2.5% per annum or more will generate a bonus of the full 90%. No bonus is payable if performance is in line with or below that of the benchmark. Relative performance of between nil and 2.5% per annum will generate a pro rata bonus.

The Long-Term Bonus will be halved if, despite outperformance of the benchmark over the relevant three financial years, the Company's net asset value total return per share is negative over that period.

2. Deferral, malus and clawback

2.1 Deferral

All bonuses are subject to deferral in terms of payment. 60% of any bonus will be paid in March following the performance year end ('First Bonus Payment Date'). 40% of any bonuses will be payable on a deferred basis over the following three years, in instalments on each anniversary of the First Bonus Payment Date. Subject to the approval of shareholders to an amendment to the Company's remuneration policy at the AGM to be held in May 2024, the deferred element of any bonus (40%) will vary (upwards or downwards) by reference to the net asset value total return of the Company's shares from the date of the award through to payment, subject to the existing provisions for malus and clawback.

2.2 Malus

Malus (where bonuses that have yet to be paid are forfeited) may be applied by the Remuneration and Nomination Committee where:

(a) there has been material misstatement or error that causes an award to vest at a higher level than would otherwise have been the case;
(b) there has been a material failure in risk management; or
(c) there has been serious misconduct that has resulted or could result in dismissal.

2.3 Clawback

Any bonus will be subject to a clawback period of two years after it has been paid, whereby the CEO will be required to pay back part or all of any bonus already received. Clawback may be applied by the Remuneration and Nomination Committee where:

(a) there has been material misstatement or error that causes an award to vest at a higher level than would otherwise have been the case;
(b) there has been a material failure in risk management; or
(c) there has been serious misconduct that has resulted or could result in dismissal.

3. Legacy plans

The Committee reserves the right to make remuneration payments and payments for loss of office that are not in line with the policy set out above (i) where the terms of such a payment were agreed before the policy came into effect or at a time when the relevant individual was not a director of the Company and (ii) in the opinion of the Committee, such a payment is not in consideration of the individual becoming a director of the Company. For these purposes, payments include the Committee making awards of variable remuneration.

4. Differences in the Company's remuneration policies for directors and employees

The remuneration policy for the executive director differs principally from that for employees in that the executive director's remuneration is more heavily weighted towards variable pay so that a greater proportion of his pay is related to the Company's performance and the value created for shareholders.

Principles and approach to recruitment and internal promotion of directors

Non-executive directors

(1) Remuneration of non-executive directors should reflect the specific circumstances of the Company and the duties and responsibilities of the non-executive directors. It should provide appropriate compensation for the experience and time committed to the proper oversight of the affairs of the Company.
(2) Non-executive directors are not eligible to receive bonuses, pension benefits, share options or other benefits, other than the reimbursement of reasonably incurred expenses which are regarded by HMRC as taxable benefits-in-kind.
(3) The total remuneration of the non-executive directors is determined by the provisions of the Company's Articles of Association and by shareholder resolution.
(4) The basic non-executive director's fee will be paid to each non-executive director, with a higher fee per annum for the Chairman of the Company. An additional fee per annum will be paid to the Chairman of each of the Audit & Risk and the Remuneration and Nomination Committees and to the Chairman of any other Committees that the Company forms; and to the Senior Independent Director.

Executive directors

(1) When hiring a new executive director, or promoting to the Board from within the Group, the Committee will offer a package that is sufficient to retain and motivate and, if relevant, attract the right talent whilst paying no more than is necessary.
(2) Ordinarily, remuneration for a new executive director will be in line with the policy set out in the table.
(3) The maximum level of variable pay that may be awarded to a new director on recruitment or on promotion to the Board shall be limited to 170% of base salary (calculated at the date of grant, excluding any buy-out awards – see below).
(4) The Committee may, where it considers it to be in the best interests of the Company and shareholders, offer an additional cash payment to an executive director in order to replace awards which would be foregone by the individual on leaving his/her previous employment (i.e. buy-out arrangements) which will be intended to mirror forfeited awards as far as possible by reflecting the value, nature, time horizons and performance measures.

Letters of appointment/service contract

Non-executive directors' letters of appointment

The non-executive directors all have letters of appointment, which may be inspected at the Company's registered office. None of the non-executive directors is subject to any notice period. All continuing non-executive directors are required to stand for re-election by the shareholders at least every three years. The initial period of appointment is two terms of three years. All reasonably incurred expenses will be met.

All the directors are proposed for re-election at the AGM in May 2024.

CEO's service contract

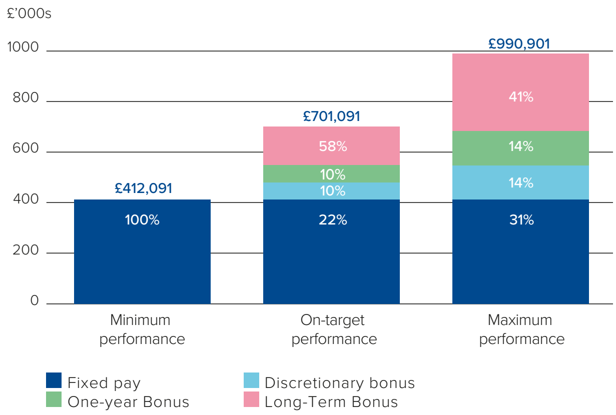
The CEO's service contract with the Company may be inspected at the Company's registered office. The CEO's service agreement dated 3 February 2010, as amended, provided in 2023 for a salary of £330,000 (2022: £315,000) per annum. His salary has been increased to £340,000 with effect from 1 January 2024. Mr Bell's appointment may be terminated by either party on the giving or receiving of not less than nine months' written notice.

Please see 'Policy on payment for loss of office' below for further details of the CEO's service contract.

Illustration of application of remuneration policy

The chart below shows an indication of the values of the CEO's remuneration that would be received by the CEO, in accordance with the Company's remuneration policy, for the year ending 31 December 2024 at three direct levels of performance:

- minimum performance, i.e. fixed salary, taxable benefits and payment in lieu of pension contributions, with no bonus payout;
- on-target performance, i.e. fixed pay plus bonus payments assuming a 50% payout of each of the discretionary, One-year and Long-Term Bonuses; and
- maximum performance, i.e. fixed pay plus bonus payments assuming 100% payout of each of the discretionary, One-year and Long-Term Bonuses.



Policy on payment for loss of office

Non-executive directors

It is the Company's policy not to enter into any arrangement with any of the non-executive directors to entitle any of the non-executive directors to compensation for loss of office.

CEO (and any future executive directors)

The Company's policy is to agree a notice period for the CEO which would not exceed nine months.

The Company may, in its absolute discretion and without any obligation to do so, terminate the CEO's employment immediately by giving him/her written notice together with a payment of such sum as would have been payable by the Company to the CEO as salary (excluding future bonus accrual) in respect of his/her notice period. The Company may, at its discretion, make the termination payment in instalments over a period of no longer than six months from the termination date and on terms that any payment should be reduced to take account of mitigation by the CEO.

If a new executive director is recruited, the Company's policy regarding payments for loss of office will be the same as for the CEO.

Directors' Remuneration Report continued

If the CEO ceases employment as a result of a 'good leaver' reason (i.e. death, ill-health, injury, disability, redundancy, retirement or due to any other circumstance that the Committee at its discretion permits), any bonus payment shall be pro-rated for time and performance. The Committee may, however, taking into account such factors as it considers appropriate, increase the proportion of the relevant bonus that becomes payable. If the CEO ceases employment other than as a 'good leaver', or if the CEO gives or receives notice prior to the date that the relevant bonus would otherwise have been paid, the CEO will forfeit any right to receive the relevant bonus for nil consideration unless the Committee, in its absolute discretion, determines otherwise.

A change of control of the Company shall not affect the amount of any bonus or the date on which it becomes payable unless the Committee determines otherwise, in which case the Committee shall determine whether the pro-rated performance targets attached to the applicable bonuses have been satisfied at that time.

If the Committee determines that the pro-rated performance targets have not been satisfied on the change of control, the applicable bonus shall immediately lapse unless the Committee determines otherwise. To the extent that the Committee determines that the pro-rated performance targets have been satisfied on the change of control, if the CEO ceases to be employed by the Company prior to the date that the applicable bonus would otherwise have been paid to the CEO other than as a result of:

> a reason which would have justified his/her summary dismissal;
> his/her cessation of employment without the giving or receiving of notice; or
> his/her resignation,

the applicable bonus shall become payable to the extent determined at the time of the change of control on, or as soon as practicable after, the CEO's cessation of employment.

Statement of consideration of conditions elsewhere in the Company

The Committee considers the employment conditions, including salary increases, of employees other than the CEO when setting the CEO's remuneration.

The Company did not consult with employees when drawing up the remuneration policy.

Where possible, the Committee benchmarks the remuneration of the employees and the CEO by obtaining details of remuneration paid to employees in comparable roles in other companies.

Witan had six employees during 2023. The ratio of the CEO's remuneration to the median of the other employees was 2.1:1. We have not reported in any greater detail on this point in order to protect the privacy of individuals.

Statement of consideration of shareholder views

The Company places great importance on communication with its shareholders. The Company had frequent meetings with institutional shareholders and City analysts throughout the year ended 31 December 2023. The Board was pleased to welcome shareholders to the AGM held in May 2023 both in person and online, and shareholders were able to submit questions to the Board whether they attended in person or virtually. The Company also responded to shareholder enquiries during the year. The Board can confirm that it is not aware of negative views being expressed by shareholders in relation to its policy on directors' remuneration.

Approval

This report was approved by the Committee on 15 March 2024 and is signed on its behalf by:

Paul Yates
Chairman of the Remuneration and Nomination Committee
15 March 2024

Directors' Report

STATUTORY INFORMATION

The directors present the Annual Report of the Group for the year ended 31 December 2023.

ACTIVITIES AND BUSINESS REVIEW

A review of the business is given in the Strategic Report on pages 1 to 43 including the Chairman's Statement and CEO's review on pages 8 to 15. The directors are required by the Companies Act 2006 to prepare a Strategic Report for each financial year, which contains a fair review of the business of the Group during the financial year and of the position of the Group at the end of the year, future developments and a description of the principal risks and uncertainties facing the Group. This information can be found within the Strategic Report on pages 35 to 37.

The Corporate Governance Statement on pages 46 to 56 forms part of this Directors' Report.

INVESTMENT POLICY

The Company's investment policy is set out on the inside front cover.

STATUS

Witan Investment Trust plc (the 'Company') is incorporated in the United Kingdom, registered in England and Wales and domiciled in the United Kingdom. It is an investment company as defined in section 833 of the Companies Act 2006 and operates as an investment trust in accordance with section 1158 of the Corporation Tax Act 2010. The Company has received confirmation from HM Revenue and Customs that it has been accepted as an approved investment trust with effect from 1 January 2012, provided it continues to meet the eligibility conditions of section 1158 and the ongoing requirements for approved companies in the Investment Trust (Approved Company) (Tax) Regulations 2011.

SUBSIDIARY COMPANY

The Company has one subsidiary company, Witan Investment Services Limited, which provides marketing services to the Company. Witan Investment Services Limited is authorised and regulated by the Financial Conduct Authority to act as the Company's AIFM.

ISAs

The Company intends to continue to manage its affairs so that its shares fully qualify for the stocks and shares component of an ISA and a Junior ISA.

SUBSTANTIAL SHARE INTERESTS

As at 31 December 2023, the Company had not been notified of any substantial interests in the Company's voting rights.

There have not been any new holdings notified between the year end and the date of this Report.

The shareholder register is principally comprised of private wealth managers and retail investors who own their shares through a variety of online platforms.

ASSETS

At 31 December 2023 the total net assets of the Group were £1,561.7 million (2022: £1,541.8 million). At this date the net asset value per ordinary share was 249.57p (2022: 226.80p).

REVENUE AND DIVIDEND

The profit for the year was £181 million (2022: loss £280 million). A profit of £32 million is attributable to revenue (2022: £34 million). The profit for the year attributable to revenue has been applied as follows:

	£'000
Distributed as dividends:	
First interim of 1.45p per ordinary share (paid on 9 June 2023)	9,550
Second interim of 1.45p per ordinary share (paid on 15 September 2023)	9,325
Third interim of 1.45p per ordinary share (paid on 15 December 2023)	9,134
Fourth interim of 1.69p per ordinary share (payable on 15 March 2024)	10,464
Utilisation of the Company's revenue reserve	(7,036)
Company revenue profit available for distribution	31,437

The directors have declared a fourth interim dividend instead of a final dividend in order to ensure that, as in previous years, the distribution is made to shareholders before 5 April.

DIRECTORS

The current directors of the Company are shown on pages 44 to 45.

Shauna Bevan and Shefaly Yogendra were appointed as directors on 1 February 2023. All the other directors held office throughout the year under review. Ms Neubert retired at the AGM on 4 May 2023. In accordance with the UK Corporate Governance Code, all the directors will retire and, being eligible, will seek election or re-election by shareholders.

The Board has reviewed the performance and commitment of the directors standing for re-election and considers that each of them should continue to serve on the Board as they bring wide, current and relevant experience that allows them to contribute effectively to the leadership of the Company. More details are contained within the Notice of AGM.

During the year the membership of the Audit & Risk Committee comprised Mr Perry (Chairman), Mrs Beagles, and Mr Yates. During the year the membership of the Remuneration and Nomination Committee comprised Mr Yates (Chairman), Mrs Boyle with effect from 5 May 2023, Ms Neubert until 4 May 2023 and Mr Ross.

No director was a party to, or had an interest in, any contract or arrangement with the Company at any time during the year or to the date of this report. With the exception of Mr Bell, no director has or had a service contract with the Company.

Directors' Report continued

DIRECTORS' INTERESTS

The interests of the directors in the share capital of the Company are set out in the Directors' Remuneration Report on page 63.

DIRECTORS' CONFLICTS OF INTEREST

Directors have a duty to avoid situations where they have, or could have, a direct or indirect interest that conflicts, or possibly could conflict, with the Company's interests. The Companies Act 2006 (the 'Act') allows directors of public companies to authorise such conflicts and potential conflicts, where appropriate, but only if the Articles of Association contain a provision to this effect. The Act also allows the Articles of Association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty.

There are two circumstances in which a potential conflict of interest can be permitted: either the situation cannot reasonably be regarded as likely to give rise to a conflict of interest or the matter has been authorised in advance by the directors. The Company's Articles of Association, which were adopted by shareholders on 29 April 2020, give the directors the relevant authority required to deal with conflicts of interest.

Each of the directors has provided a statement of all conflicts of interest and potential conflicts of interest, if any, applicable to the Company. A register of conflicts of interest has been compiled and approved by the Board. The directors have also undertaken to notify the Chairman as soon as they become aware of any new potential conflicts of interest that need to be approved by the Board and added to the register, which is reviewed annually by the Board. It has also been agreed that directors will advise the Chairman and the Company Secretary in advance of any proposed external appointment and new directors will be asked to submit a list of potential situations falling within the conflicts of interest provisions of the Act in advance of joining the Board. The Chairman will then determine whether the relevant appointment causes a conflict or potential conflict of interest and should therefore be considered by the Board. Only directors who have no interest in the matter being considered would be able to participate in the Board approval process. In deciding whether to approve a conflict of interest, directors will also act in a way they consider, in good faith, will be most likely to promote the Company's success in taking such a decision. The Board can impose limits or conditions when giving authorisation if the directors consider this to be appropriate.

The Board believes that its arrangements for the authorisation of conflicts operate effectively. The Board also confirms that its procedures for the approval and management of conflicts of interest have been followed by all the directors.

DIRECTORS' INDEMNITY

The Company's Articles of Association allow the Company, subject to the provisions of UK legislation, to:

(a) indemnify any person who is or was a director, or a director of any associated company, directly or indirectly against any loss or liability, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or her, or otherwise, in relation to the Company or any associated company; and
(b) purchase and maintain insurance for any person who is or was a director, or a director of any associated company, against any loss or liability or any expenditure he or she may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or her, or otherwise, in relation to the Company or any associated company.

The Company has provided an indemnity for each director in respect of costs incurred in the defence of any proceedings brought against them and also liabilities owed to third parties, in either case arising out of their positions as directors.

Directors' and officers' liability insurance cover is in place in respect of the directors and was in place throughout the year under review.

DIRECTORS' FEES

The report on the directors' remuneration is set out in the Directors' Remuneration Report on pages 60 to 72. The Company's Articles of Association currently limit the aggregate fees payable to the non-executive directors to £450,000 per annum.

INVESTMENT MANAGERS

It is the opinion of the directors that the continuing appointment of the investment managers listed on page 13 is in the interests of the Company's shareholders as a whole and that the terms of engagement negotiated with them are competitive and appropriate to the investment mandates. The Board and the Company's AIFM review the appointments of the investment managers on a regular basis and make changes as appropriate.

SHARE CAPITAL

The Company's share capital comprises:

(a) ordinary shares of 5p nominal value each ('shares')

At 31 December 2023, there were 1,000,355,000 (2022: 1,000,355,000) ordinary shares of 5p each in issue.

During the year, 54,072,326 shares were bought back and are held in treasury and at 31 December 2023 there were 374,604,155 shares held in treasury. These shares do not carry voting rights or the right to receive dividends and thus the number of voting rights was 625,750,845 on a poll. Since the year end, a further 9,729,225 shares have been bought back and at 13 March 2024 there were 1,000,355,000 shares in issue of which 384,333,380 were held in treasury. The voting rights of the shares on a poll are one vote for every share held.

The Company's Articles of Association permit the Company to purchase its own shares and to fund such purchases from its accumulated realised capital profits. At the AGM on 4 May 2023 a special resolution was passed giving the Company authority, until the conclusion of the AGM in 2024, to make market purchases to be held in treasury of the Company's ordinary shares up to a maximum of 99,028,329 shares, being 14.99% of the issued ordinary share capital as at 4 May 2023. The Company has bought back 44,607,660 shares between the date of the last AGM and 13 March 2024.

The Board is seeking to renew its powers at the forthcoming AGM to buy shares into treasury, for possible reissuance when the shares trade at a premium. The Company makes use of share buybacks, purchasing shares to be held in treasury with the objective of achieving a sustainable low discount (or a premium) to net asset value. Shares are not bought back unless the result is an increase in the net asset value per ordinary share. Shares will only be re-sold from treasury at, or at a premium to, the net asset value per ordinary share.

The Company is also seeking to renew shareholder approval to issue shares, up to 10% of the starting total, provided that such shares are issued at, or at a premium to, net asset value.

(b) 2.7% preference shares of £1 nominal value each ('2.7% preference shares')

The 2.7% preference shareholders have no rights to attend and vote at general meetings. At 31 December 2023 there were 500,000 2.7% preference shares in issue. Further details on the preference shares are given in note 17 on page 109.

(c) 3.4% preference shares of £1 nominal value each ('3.4% preference shares')

The 3.4% preference shareholders have no rights to attend and vote at general meetings. At 31 December 2023 there were 2,055,000 3.4% preference shares in issue. Further details on the preference shares are given in note 17 on page 109.

At the AGM in 2023 a special resolution was passed giving the Company authority, until the conclusion of the AGM in 2024, to make market purchases for cancellation of the Company's own 2.7% preference shares and 3.4% preference shares up to a maximum of all those in issue. This authority has not been used. Accordingly, as at 31 December 2023 the Company had valid authority, outstanding until the conclusion of the AGM in 2024, to make market purchases for cancellation of 500,000 2.7% preference shares and 2,055,000 3.4% preference shares. No preference shares were bought back between the year end and the date of this report. The directors intend to seek a fresh authority at the AGM in 2024.

There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer which are known to the Company; and no agreements to which the Company is party that might affect its control following a successful takeover bid.

FINANCIAL INSTRUMENTS

The Company's financial instruments comprise its investment portfolio, cash balances, debtors and creditors which arise directly from its operations such as sales and purchases awaiting settlement, and accrued income. The financial risk management objectives and policies arising from its financial instruments and the exposure of the Company to risk are disclosed in note 14 to the financial statements, beginning on page 101.

INDEPENDENT AUDITOR

Resolutions to reappoint Grant Thornton UK LLP as the Company's auditor and to authorise the Audit & Risk Committee to determine their remuneration will be proposed at the forthcoming AGM. Further details are included in the Report of the Audit & Risk Committee on pages 57 to 59.

DIRECTORS' STATEMENT AS TO THE DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors confirm that:

(1) so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

(2) the directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

LISTING RULE 9.8.4

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report. Details of Mr Bell's Long-Term Bonus are included in the Directors' Remuneration Report on page 70. The directors confirm that there are no other disclosures to be made in respect of Rule 9.8.4.

ANTI-BRIBERY AND CORRUPTION POLICY

The Board has a zero-tolerance approach to instances of bribery and corruption. Accordingly, it expressly prohibits any director or associated persons when acting on behalf of the Company, from accepting, soliciting, paying, offering or promising to pay or authorise any payment, public or private in the UK or abroad to secure any improper benefit for themselves or for the Company. The Board applies the same standards to its service providers in their activities for the Company. A copy of the Company's Anti-Bribery and Corruption Policy can be found on its website at www.witan.com. The policy is reviewed regularly by the Audit & Risk Committee.

PREVENTION OF THE FACILITATION OF TAX EVASION

The Board has a zero-tolerance approach to the criminal facilitation of tax evasion. A copy of the Company's policy on preventing the facilitation of tax evasion can be found on the Company's website www.witan.com. The policy is reviewed annually by the Audit & Risk Committee.

COMMON REPORTING STANDARD ('CRS')

CRS is a global standard for the automatic exchange of information commissioned by the Organisation for Economic Cooperation and Development and incorporated into UK law by the International Tax Compliance Regulations 2015. CRS requires the Company to provide certain additional details to HMRC in relation to certain shareholders. The reporting obligation is an annual requirement. The Company's registrar, Computershare, has been engaged to collate such information and file the reports with HMRC on behalf of the Company.

MODERN SLAVERY ACT 2015

As an investment vehicle, the Company does not provide goods or services in the normal course of business and does not have customers. Accordingly, the directors consider that the Company is not required to make any anti-slavery or human trafficking statement under the Modern Slavery Act 2015.

Directors' Report continued

SECURITIES FINANCING TRANSACTIONS

As the Company undertakes securities lending, it is required to report on Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365). Securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions. In accordance with Article 13 of the Regulation, the Company's involvement in and exposures related to securities lending as at 31 December 2023 are detailed on pages 113 to 114.

GREENHOUSE GAS EMISSIONS

The Company has a staff of six employees, operating from small serviced office premises. Accordingly, it does not have any significant greenhouse gas emissions to report from its own operations (as it has consumed less than 40,000 kilowatt-hours of energy in the United Kingdom during the year), nor does it have responsibility for any other emission producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013, including those within its underlying investment portfolio. We do, however, voluntarily disclose our operational and portfolio CO_2 emissions on page 20 of this Report.

TASKFORCE FOR CLIMATE RELATED FINANCIAL DISCLOSURES ('TCFD')

The Company notes the TCFD recommendations on climate-related financial disclosures. The Company is an investment trust and, as such, it is exempt from the Listing Rules requirement to report against the TCFD framework.

ANNUAL GENERAL MEETING

The AGM will be held at 12.30 pm on Wednesday 1 May 2024 at Merchant Taylors' Hall, 30 Threadneedle Street, London EC2R 8JB. The formal notice of the AGM is set out in the accompanying circular to shareholders, together with explanations of the resolutions and arrangements for the meeting.

Approved by the Board and signed on its behalf by:

Frostrow Capital LLP
Company Secretary
15 March 2024

Statement of Directors' Responsibilities

in respect of the Annual Report, the Directors' Remuneration Report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards and have also chosen to prepare the parent company financial statements under UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period.

In preparing these financial statements, the directors are required to:

> select suitable accounting policies and then apply them consistently;

> make judgements and accounting estimates that are reasonable and prudent;

> state whether UK-adopted International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

> prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that:

> the financial statements, prepared in accordance with UK-adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

> the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description (on pages 35 to 37) of the principal risks and uncertainties that they face.

We also confirm that the financial statements, taken as a whole, are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

By order of the Board

Andrew Ross
Chairman
15 March 2024

Andrew Bell
Chief Executive Officer
15 March 2024

Note to those who access this document by electronic means:

The Annual Report for the year ended 31 December 2023 has been approved by the Board of Witan Investment Trust plc. Copies of the Annual Report and the Half Year Report are circulated to shareholders and, where possible, to investors through other providers' products and nominee companies (or written notification is sent when they are published online). It is also made available in electronic format for the convenience of readers. Printed copies are available from the Company's registered office in London.

Independent Auditor's Report to the members of Witan Investment Trust plc

for the year ended 31 December 2023

OPINION

Our opinion on the financial statements is unmodified

We have audited the financial statements of Witan Investment Trust plc (the 'parent company') and its subsidiary (the 'Group') for the year ended 31 December 2023, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Individual Company Statements of Changes in Equity, the Consolidated and Individual Company Balance Sheets, and Consolidated and Individual Company Cash Flow Statements and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

> the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2023 and of the Group's profit for the year then ended;

> the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;

> the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and

> the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or the parent company to cease to continue as a going concern.

Our evaluation of the directors' assessment of the Group's and the parent company's ability to continue to adopt the going concern basis of accounting included:

> Determining the appropriateness of the Group and parent company's going concern policy and procedures under the relevant accounting framework;

> Assessing the adequacy of disclosures concerning the basis of preparation of the financial statements and going concern;

> Assessing the accuracy of the prior year forecast and the underlying data used in management's forecasts;

> Inspecting management's going concern assessment and assessing their appropriateness by applying relevant sensitivities to the underlying assumptions, the conclusions made and the rationale for why a material uncertainty did not exist;

> Evaluating the reasonableness of the income forecasts prepared by management, including the assumptions used and level of headroom available, both in terms of cash resources and compliance with loan covenants;

> Obtaining support for the renewal of the revolving credit facility, which was renewed during the audit period and obtaining an understanding of the liquidity position of the Group and parent company;

> Considering the robustness of the forecasts to potential changes in underlying key assumptions;

> Obtaining an understanding of how management has assessed the impact of events/market conditions in relation to ongoing global macroeconomic factors in their forecasts;

> Assessing disclosures included in the financial statements in relation to the impact of macroeconomic uncertainties such as the impact of the Russian invasion of Ukraine, rising inflation and geopolitical instability in the Middle East; and

> Identifying applicable subsequent events and discussing their implications with management.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and the parent company's business model including effects arising from macroeconomic uncertainties, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and the parent company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Group's and the parent company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OUR APPROACH TO THE AUDIT

Grant Thornton

OVERVIEW OF OUR AUDIT APPROACH

Overall materiality:

Group: £15.6m which represents approximately 1% of the Group's net assets at the planning stage of the audit.

Parent company: £14.8m which represents approximately 1% of the parent company's net assets, capped at 95% of Group materiality

Key audit matters were identified as:

> Investments held at fair value through profit or loss (same as previous year); and

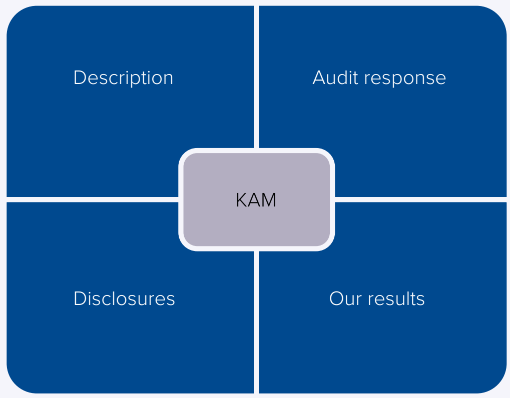
> Investment income (same as previous year).

Our auditors' report for the year ended 31 December 2022 included no key audit matters that have not been reported as key audit matters in our current year's report.

The Group is comprised of two components, the parent company and the subsidiary, and we have performed an audit of the financial information of the component using component materiality (full scope audit) on both components. No changes in scope have occurred since prior year.

KEY AUDIT MATTERS ('KAM')

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



In the graph below, we have presented the key audit matters, significant risks and other risks relevant to the audit.

Independent Auditor's Report to the members of Witan Investment Trust plc continued

for the year ended 31 December 2023

Key Audit Matter – Group and parent company	How our scope addressed the matter – Group and parent company
Investments held at fair value through profit or loss We identified valuation of investments measured at fair value through profit or loss as one of the most significant assessed risks of material misstatement due to error. The parent company's investment objective is to provide long-term income and capital growth by investing in a diversified portfolio of global equities. The investment portfolio of £1.8 billion as at 31 December 2023 (2022: £1.8 billion) is a significant balance in the Consolidated and individual Balance Sheet at year end and the main driver of the Group's performance. Incorrect asset pricing or a failure to maintain proper legal title of the investments held by the Group could have an impact on the portfolio valuation and therefore, the return generated for shareholders. We identified the valuation of investments measured at fair value through profit or loss as one of the most significant assessed risks of material misstatement due to error as a result of the large volume of transactions in the year, the magnitude of the transactions being material in aggregate, as well as the overall material value of the investments held at year end.	In responding to the key audit matter, we performed the following audit procedures: > assessing whether the Group's accounting policy for the valuation of investments is in accordance with UK-adopted international accounting standards and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP'). > Assessing whether management have accounted for valuation in accordance with the above policy by checking that the investments were held at fair value through profit or loss; > independently pricing 100% of the listed equity and fund portfolio by obtaining the relevant bid prices and Net Asset Values ('NAV') from independent market information providers; > independently agreeing the valuation for unquoted funds held at year end to the latest available capital statements and audited fund financial statements; > recalculating the total investment valuation based on the Group's investment holdings, which was agreed to the holdings at the reporting date as reflected in the Group's accounting records; and > testing that quoted investments were actively traded by extracting a report of trading volumes in the week before and after the year-end from an independent market information provider for the equity investments held.

Key Audit Matter – Group and parent company	How our scope addressed the matter – Group and parent company
Relevant disclosures in the Annual Report and Accounts 2023 > **Financial statements: Note 1(h), Note 10, Note 14** The Group's accounting policy on investments held at fair value through profit or loss is shown in note 1(h) to the financial statements, related disclosures are included in note 10 and investment risks are included in note 14.	**Our results** Our testing did not identify any material misstatements in the valuation of the Group's investment portfolio as at the year-end.
Investment income We identified occurrence and completeness of investment income as one of the most significant assessed risks of material misstatement due to fraud and error. The Group and parent company measures performance on a total return basis and investment income is one of the significant components of this performance measure. The investment income reported by the Group for the year is £41.2 million (2022: £43.6 million) and is a significant material balance in the Consolidated Statement of Comprehensive Income. The parent company is subject to Investment Trust Company ('ITC') regulations and as a result is required to allocate returns between revenue and capital. There is a risk that income recognised in the year may be materially misstated through fraudulent transactions and error due to high volume of transactions. This could also impact the level of distribution required under ITC regulations.	In responding to the key audit matter, we performed the following audit procedures: > assessing whether the Group's accounting policy for recognition of investment income is in accordance with UK-adopted international accounting standards; > testing the completeness of investment income transactions by selecting a sample of investments and agreeing the relevant investment income receivable for those equities to the Group and parent company's records. For the selected investments we also obtained the respective dividend rate entitlements from independent market information providers and agreed to the amounts recorded in the Group and parent's accounting records. In addition, we agreed the receipt of the dividend income to bank statements; > For a sample of dividends selected from the income portfolio for occurrence, created an expectation of investment income based on dividend rates obtained from independent market information providers to the holding of the investment at the ex-divdend date and compared to the dividend income recorded for the respective investment; and > performing, on a sample basis, a search for special dividends on the equity investments held during the year to determine whether dividend income attributable to those investments has been properly recognised. We also assessed the appropriateness of categorisation of special dividends as either revenue or capital receipts.
Relevant disclosures in the Annual Report and Accounts 2023 > **Financial statements: Note 1e, Note 2** The Group's accounting policy on income, including investment income, is shown in note 1(e) to the financial statements and related disclosures are included in note 2.	**Our results** Our testing did not identify any material misstatements in the amount of investment income recognised during the year.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Independent Auditor's Report to the members of Witan Investment Trust plc continued

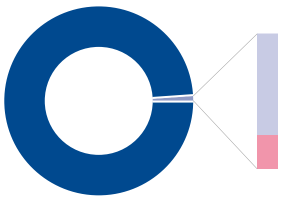
for the year ended 31 December 2023

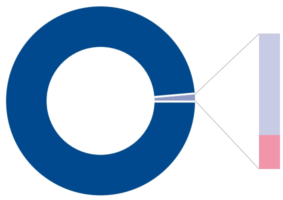
Materiality was determined as follows:

Materiality measure	Group	Parent company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£15.6m which is approximately 1% of the Group's net assets.	£14.8m which is approximately 1% of the parent company's net assets, capped at 95% of Group materiality.
Significant judgements made by auditor in determining materiality	In determining materiality, we made the following significant judgements: Net assets, which primarily comprise the Group's investment portfolio, are considered to be the key driver of the Group's total return performance and form a part of the net asset value calculation. In addition, 1% of net assets has been deemed reasonable based on the nature of the Group as it invests largely in listed investments and also by benchmarking against other entities in the same industry. Materiality for the current year is higher than the level that we determined for the year ended 31 December 2022 to reflect the increase in net asset value in the year from £1.54bn to £1.56bn.	In determining materiality, we made the following significant judgements: Net assets, which primarily comprise the parent company's investment portfolio, are considered to be the key driver of the Company's total return performance and form a part of the net asset value calculation. In addition, 1% of net assets has been deemed reasonable based on the nature of the parent company as it invests largely in listed investments and also by benchmarking against other entities in the same industry. Materiality for the current year is higher than the level that we determined for the year ended 31 December 2022 to reflect the increase in net asset value in the year from £1.54bn to £1.56bn.
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	£11.7m which is 75% of financial statement materiality.	£11.1m which is 75% of financial statement materiality.
Significant judgements made by auditor in determining performance materiality	In determining performance materiality, we made the following significant judgements: A 75% performance materiality was determined based on no uncorrected misstatements from the prior year, low levels of adjustments from previous years and the quality of the accounting records maintained by the entity.	In determining performance materiality, we made the following significant judgements: A 75% performance materiality was determined based on no uncorrected misstatements from the prior year, low levels of adjustments from previous years and the quality of the accounting records maintained by the entity.
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	

Materiality measure	Group	Parent company
Specific materiality	We determined a lower level of specific materiality for the following areas: Investment income Related party transactions and directors' remuneration	We determined a lower level of specific materiality for the following areas: Investment income Related party transactions and directors' remuneration
Communication of misstatements to the Audit & Risk Committee	We determine a threshold for reporting unadjusted differences to the Audit & Risk Committee.	
Threshold for communication	£0.8m and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£0.7m and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.





FSM: Financial statements materiality, PM: Performance materiality, TFPUM: Tolerance for potential uncorrected misstatements

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

We performed a risk-based audit that requires an understanding of the Group's and the parent company's business and in particular matters related to:

Understanding the Group, its components, and their environments, including Group-wide controls

> The engagement team obtained an understanding of the Group and its environment and assessed the risks of material misstatement at the Group level.

> The engagement team obtained an understanding of relevant internal controls at both the Group and third-party service providers. This included obtaining and reading internal controls reports prepared by the third-party service providers on the description, design, and operating effectiveness of the internal controls at the custodian and administrator.

Identifying significant components

> The Group audit team evaluated the identified components to assess their significance and determined the planned audit response based on a measure of materiality. Significance was determined, as a percentage of the Group's total assets, total income and profit before taxation as well as considering qualitative factors, such as a component's specific nature or circumstances.

> One component (parent company) was identified as a significant component.

Independent Auditor's Report to the members of Witan Investment Trust plc continued

for the year ended 31 December 2023

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

> Performance of full-scope audits of the financial information using component materiality of Witan Investment Trust plc (parent company) and Witan Investment Services. These full-scope audits included addressing all of our work on the identified key audit matters as described in the Key Audit Matter section above.

Performance of our audit

- Our full scope procedures gave a coverage of 97% of the Group's total income, 99% of the Group's total assets and 97% of the Group's profit before taxation.
- The Group audit team performed an interim visit to the Administrator in Glasgow to assess the control environment and visited the Administrator during fieldwork in their Dundee office to aid fieldwork procedures.
- The Group audit team performed all procedures as part of the audit.

Changes in approach from previous period

- No changes in approach were noted from the prior period.

OTHER INFORMATION

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinions on other matters prescribed by the Companies Act 2006 are unmodified

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

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

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

MATTER ON WHICH WE ARE REQUIRED TO REPORT UNDER THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

CORPORATE GOVERNANCE STATEMENT

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

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

> the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 43;

> the directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate as set out on page 43;

> the directors' statement on whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities set out on pages 42 and 43;

> the directors' statement on fair, balanced and understandable set out on page 77;

> the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 33 to 35;

> the section of the Annual Report that describes the review of the effectiveness of risk management and internal control systems set out on page 57; and

> the section describing the work of the Audit & Risk Committee set out on page 57.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Statement of Directors' Responsibilities set out on page 77, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

> We obtained an understanding of the legal and regulatory frameworks applicable to the Group and parent company and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and management. We determined that the most significant laws and regulations were Financial Services and Markets Act 2000 ('FSMA 2000') legislation and those that relate to the financial reporting framework, being UK-adopted international accounting standards, the Companies Act 2006, the Association of Investment Companies ('AIC') Statement of Recommended Practice (SORP) 'Financial Statements of Investment Trust Companies and Venture Capital Trusts', the AIC Code of Corporate Governance, sections 1158 to 1164 of the Corporation Tax Act 2010 and the Listing Rules of the Financial Conduct Authority (the 'FCA');

> We enquired of the directors and management to obtain an understanding of how the Group and parent company is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through reading the minutes of Board and Audit & Risk Committee meetings;

> We assessed the susceptibility of the Group and parent company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risks identified included:
> – evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud;
> – testing journal entries, including manual journal entries processed at the year-end for financial statements preparation and journals with unusual account combinations; and
> – challenging the assumptions and judgements made by management in its significant accounting estimates.

Independent Auditor's Report to the members of Witan Investment Trust plc continued

for the year ended 31 December 2023

> These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

> The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  – understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  – knowledge of the industry in which the Group and parent company operates;
  – understanding of the legal and regulatory frameworks applicable to the Company.

> We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

OTHER MATTERS WHICH WE ARE REQUIRED TO ADDRESS

We were re-appointed by the Audit & Risk Committee of Witan Investment Trust plc on 7 November 2023 to audit the financial statements for the year ended 31 December 2023. Our total uninterrupted period of engagement is eight years covering the years ended 31 December 2016 to 31 December 2023.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the parent company and we remain independent of the Group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit & Risk Committee.

USE OF OUR REPORT

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

Paul Flatley
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
15 March 2024

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2023

		Year ended 31 December 2023			Year ended 31 December 2022		
	Notes	**Revenue return £'000**	**Capital return £'000**	**Total £'000**	Revenue return £'000	Capital return £'000	Total £'000
Investment income	2	**41,251**	**–**	**41,251**	43,605	–	43,605
Other income	3	**1,223**	**–**	**1,223**	601	–	601
Gains/(losses) on investments held at fair value through profit or loss	10	**–**	**165,476**	**165,476**	–	(303,607)	(303,607)
Foreign exchange (losses)/gains on cash and cash equivalents		**–**	**(1,532)**	**(1,532)**	–	87	87
Total income		**42,474**	**163,944**	**206,418**	44,206	(303,520)	(259,314)
Expenses							
Management and performance fees	4	**(1,712)**	**(5,135)**	**(6,847)**	(1,918)	(5,754)	(7,672)
Other expenses	5	**(5,390)**	**(129)**	**(5,519)**	(5,384)	(101)	(5,485)
Profit/(loss) before finance costs and taxation		**35,372**	**158,680**	**194,052**	36,904	(309,375)	(272,471)
Finance costs	6	**(2,528)**	**(7,332)**	**(9,860)**	(1,637)	(4,657)	(6,294)
Profit/(loss) before taxation		**32,844**	**151,348**	**184,192**	35,267	(314,032)	(278,765)
Taxation	7	**(1,335)**	**(1,373)**	**(2,708)**	(1,451)	(338)	(1,789)
Profit/(loss) attributable to equity shareholders of the parent company		**31,509**	**149,975**	**181,484**	33,816	(314,370)	(280,554)
Earnings per ordinary share	9	**4.84p**	**23.02p**	**27.86p**	4.78p	(44.43)p	(39.65)p

The total column of this statement represents the Group's Statement of Comprehensive Income, prepared in accordance with IFRSs.

The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

The Group does not have any other comprehensive income and hence the total profit/(loss), as disclosed above, is the same as the Group's total comprehensive income.

All items in the above statement derive from continuing operations.

All income is attributable to the equity holders of Witan Investment Trust plc, the parent company. There are no non-controlling interests.

The notes on pages 91 to 112 form part of these financial statements.

Consolidated and Individual Company Statements of Changes in Equity

for the year ended 31 December 2023

Group **Year ended 31 December 2023**	Notes	**Ordinary share capital £'000**	**Share premium account £'000**	**Capital redemption reserve £'000**	**Other capital reserve £'000**	**Revenue reserve £'000**	**Total £'000**
Total equity at 31 December 2022		50,018	99,251	46,498	1,303,740	42,302	1,541,809
Total comprehensive income: Profit for the year		–	–	–	149,975	31,509	181,484
Transactions with owners, recorded directly to equity: Ordinary dividends paid	8	–	–	–	–	(38,748)	(38,748)
Buybacks of ordinary shares (held in treasury)	15	–	–	–	(122,880)	–	(122,880)
Total equity at 31 December 2023		**50,018**	**99,251**	**46,498**	**1,330,835**	**35,063**	**1,561,665**

Company **Year ended 31 December 2023**	Notes	**Ordinary share capital £'000**	**Share premium account £'000**	**Capital redemption reserve £'000**	**Other capital reserve £'000**	**Revenue reserve £'000**	**Total £'000**
Total equity at 31 December 2022		50,018	99,251	46,498	1,304,031	42,011	1,541,809
Total comprehensive income: Profit for the year		–	–	–	150,047	31,437	181,484
Transactions with owners, recorded directly to equity: Ordinary dividends paid	8	–	–	–	–	(38,748)	(38,748)
Buybacks of ordinary shares (held in treasury)	15	–	–	–	(122,880)	–	(122,880)
Total equity at 31 December 2023		**50,018**	**99,251**	**46,498**	**1,331,198**	**34,700**	**1,561,665**

Group Year ended 31 December 2022	Notes	Ordinary share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserve £'000	Revenue reserve £'000	Total £'000
Total equity at 31 December 2021		50,018	99,251	46,498	1,747,379	48,895	1,992,041
Total comprehensive income: (Loss)/profit for the year		–	–	–	(314,370)	33,816	(280,554)
Transactions with owners, recorded directly to equity: Ordinary dividends paid	8	–	–	–	–	(40,409)	(40,409)
Buybacks of ordinary shares (held in treasury)	15	–	–	–	(129,269)	–	(129,269)
Total equity at 31 December 2022		50,018	99,251	46,498	1,303,740	42,302	1,541,809

Company Year ended 31 December 2022	Notes	Ordinary share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserve £'000	Revenue reserve £'000	Total £'000
Total equity at 31 December 2021		50,018	99,251	46,498	1,747,595	48,679	1,992,041
Total comprehensive income: (Loss)/profit for the year		–	–	–	(314,295)	33,741	(280,554)
Transactions with owners, recorded directly to equity: Ordinary dividends paid	8	–	–	–	–	(40,409)	(40,409)
Buybacks of ordinary shares (held in treasury)	15	–	–	–	(129,269)	–	(129,269)
Total equity at 31 December 2022		50,018	99,251	46,498	1,304,031	42,011	1,541,809

The notes on pages 91 to 112 form part of these financial statements.

Consolidated and Individual Company Balance Sheets

as at 31 December 2023

	Notes	**Group 31 December 2023 £'000**	**Company 31 December 2023 £'000**	Group 31 December 2022 £'000	Company 31 December 2022 £'000
Non current assets					
Investments at fair value through profit or loss	10	**1,783,822**	**1,785,085**	1,760,824	1,762,015
Right-of-use asset: property	21	**125**	**125**	196	196
		1,783,947	**1,785,210**	1,761,020	1,762,211
Current assets					
Other receivables	11	**3,982**	**3,832**	4,661	4,885
Cash and cash equivalents		**22,434**	**21,624**	36,352	34,888
Total current assets		**26,416**	**25,456**	41,013	39,773
Total assets		**1,810,363**	**1,810,666**	1,802,033	1,801,984
Current liabilities					
Other payables	12	**(7,339)**	**(7,642)**	(6,242)	(6,193)
Bank loans	13	**(83,000)**	**(83,000)**	(96,500)	(96,500)
Total current liabilities		**(90,339)**	**(90,642)**	(102,742)	(102,693)
Total assets less current liabilities		**1,720,024**	**1,720,024**	1,699,291	1,699,291
Non current liabilities					
Other payables	12	**(160)**	**(160)**	(218)	(218)
Deferred tax liability on Indian capital gains		**(1,573)**	**(1,573)**	(667)	(667)
Borrowings:					
Secured debt	13	**(154,071)**	**(154,071)**	(154,042)	(154,042)
3.4 per cent. cumulative preference shares of £1	13, 17	**(2,055)**	**(2,055)**	(2,055)	(2,055)
2.7 per cent. cumulative preference shares of £1	13, 17	**(500)**	**(500)**	(500)	(500)
Total non current liabilities		**(158,359)**	**(158,359)**	(157,482)	(157,482)
Net assets		**1,561,665**	**1,561,665**	1,541,809	1,541,809
Equity attributable to equity holders					
Ordinary share capital	15	**50,018**	**50,018**	50,018	50,018
Share premium account		**99,251**	**99,251**	99,251	99,251
Capital redemption reserve		**46,498**	**46,498**	46,498	46,498
Retained earnings:					
Other capital reserves	16	**1,330,835**	**1,331,198**	1,303,740	1,304,031
Revenue reserve		**35,063**	**34,700**	42,302	42,011
Total equity		**1,561,665**	**1,561,665**	1,541,809	1,541,809
Net asset value per ordinary share	18	**249.57p**	**249.57p**	226.80p	226.80p

The financial statements of Witan Investment Trust plc (registered number 101625) were approved by directors and authorised for issue on 15 March 2024 and were signed on their behalf by

A J S Ross **A L C Bell**

As permitted by section 408 of the Companies Act 2006, the Company has not presented its own income statement. The profit of the Company dealt with in the accounts of the Group amounted to £181,484,000 (2022: loss of £280,554,000).

The notes on pages 91 to 112 form part of theses financial statements.

Consolidated and Individual Company Cash Flow Statements

for the year ended 31 December 2023

	Notes	Group 2023 £'000	Company 2023 £'000	Group 2022 £'000	Company 2022 £'000
Cash flows from operating activities					
Dividend income received		**40,956**	**40,956**	42,739	42,739
Interest received		**1,073**	**1,008**	299	291
Other income received		**162**	**162**	646	216
Operating expenses paid		**(11,235)**	**(10,516)**	(14,095)	(14,022)
Taxation on overseas income		**(1,490)**	**(1,490)**	(1,870)	(1,870)
Taxation recovered		**628**	**628**	2,640	2,640
Net cash inflow from operating activities		**30,094**	**30,748**	30,359	29,994
Cash flows from investing activities					
Purchases of investments		**(538,699)**	**(538,699)**	(797,777)	(797,777)
Sale of investments		**681,035**	**681,035**	948,911	948,911
Overseas capital gains tax on sales		**(468)**	**(468)**	(518)	(518)
Settlement of futures contracts		**718**	**718**	1,001	1,001
Net cash inflow from investing activities		**142,586**	**142,586**	151,617	151,617
Cash flow from financing activities					
Equity dividends paid	8	**(38,748)**	**(38,748)**	(40,409)	(40,409)
Buybacks of ordinary shares		**(123,048)**	**(123,048)**	(132,281)	(132,281)
Interest paid		**(9,694)**	**(9,694)**	(6,044)	(6,044)
Repayment of lease liability	21	**(76)**	**(76)**	(67)	(67)
Drawdown of bank loans	19	**149,250**	**149,250**	195,000	195,000
Repayment of bank loans	19	**(162,750)**	**(162,750)**	(196,500)	(196,500)
Net cash outflow from financing activities		**(185,066)**	**(185,066)**	(180,301)	(180,301)
(Decrease)/increase in cash and cash equivalents		**(12,386)**	**(11,732)**	1,675	1,310
Cash and cash equivalents at the start of the period		**36,352**	**34,888**	34,590	33,491
Effect of foreign exchange rate changes		**(1,532)**	**(1,532)**	87	87
Cash and cash equivalents at the end of the period		**22,434**	**21,624**	36,352	34,888

The notes on pages 91 to 112 form part of these financial statements.

Notes to the Financial Statements

for the year ended 31 December 2023

1 ACCOUNTING POLICIES

The financial statements of the Group and parent company have been prepared in accordance with UK-adopted International Accounting Standards ('IASs'). These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates.

(a) Basis of preparation

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. The principal accounting policies adopted are set out below. Where presentational guidance set out in the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('the SORP') issued by the Association of Investment Companies ('the AIC') in July 2022 is consistent with the requirements of IASs, the directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

Judgements and sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not always readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may vary from these estimates.

The Directors do not consider that there are any significant estimates or critical judgements in these financial statements.

(b) Going concern

The financial statements have been prepared on a going concern basis. The Group's business activities, together with the factors likely to affect its future development and performance, are set out in the Strategic Report on pages 1 to 43. The financial position of the Group as at 31 December 2023 is shown on the balance sheet on page 89. The cash flows of the Group for the year ended 31 December 2023 are not untypical and are set out on page 90.

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entity controlled by the Company (its subsidiary) made up to 31 December each year.

In accordance with IFRS 10 the Company has been designated as an investment entity on the basis that:

> It obtains funds from investors and provides those investors with investment management services;

> It commits to its investors that its business purpose is to invest solely for returns from capital appreciation and investment income; and

> It measures and evaluates performance of substantially all of its investments on a fair value basis.

The subsidiary of the Company was established for the sole purpose of operating or supporting the investment operations of the Company, and is not itself an investment entity. Therefore, under the principles of IFRS 10, the Company has consolidated its subsidiary as it is a controlled entity that supports the investment activity of the investment entity.

Control is achieved where the Company is exposed, or has the right, to variable returns from its investment in the subsidiary and has the ability to affect those returns through its power to direct the relevant activities. Where necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used by it into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

(d) Presentation of the Statement of Comprehensive Income

In order to better reflect the activities of an investment trust company, and in accordance with guidance issued by the AIC, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the Statement of Comprehensive Income. Additionally, the net revenue is the measure the directors believe appropriate in assessing the Group's compliance with certain requirements set out in section 1158 of the Corporation Tax Act 2010.

(e) Income

Dividends receivable on equity shares are recognised as revenue for the year on an ex-dividend basis. Where no ex-dividend date is available, dividends receivable on or before the year end are treated as revenue for the year. Provision is made for any dividends not expected to be received. The fixed returns on debt securities and non-equity shares are recognised on a time apportionment basis so as to reflect the effective yield on the debt securities and shares. Interest receivable from cash and short-term deposits is accrued to the end of the period. Stock lending fees and underwriting commission are recognised as earned. Any special dividends are looked at individually to ascertain the reason behind the payment. This will determine whether they are treated as revenue or capital. Where the Group has elected to receive its dividends in the form of additional shares rather than cash, the amount of cash dividend foregone is recognised as revenue. Any excess in the value of shares received over the amount of cash dividend foregone is recognised as a gain in the Statement of Comprehensive Income.

(f) Expenses

All expenses and interest payable are accounted for on an accruals basis. Expenses are presented as capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect the investment management fees and finance costs are allocated 25% to revenue and 75% to capital to reflect the Board's expectations of long-term investment returns. Any performance fees payable are allocated wholly to capital, reflecting the fact that, although they are calculated on a total return basis, they are expected to be attributable largely, if not wholly, to capital performance.

Notes to the Financial Statements continued

for the year ended 31 December 2023

1 ACCOUNTING POLICIES CONTINUED

(g) Taxation

The tax currently payable is based on the taxable profit for the period.

Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that were applicable at the Balance Sheet date.

In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the Statement of Comprehensive Income is the 'marginal basis'. Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue return column of the Statement of Comprehensive Income then no tax relief is transferred to the capital return column.

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

Deferred tax liabilities and assets are not recognised if they arise from the initial recognition of an asset or liability which, at the time of the transaction, does not affect the accounting profit or taxable profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on rates enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(h) Investments held at fair value through profit or loss

When a purchase or sale is made under a contract, the terms of which require delivery within the timeframe of the relevant market, the investments concerned are recognised or derecognised on the trade date.

All the Group's investments are defined by IFRSs as investments held at fair value through profit or loss. All gains and losses are allocated to the capital return within the Statement of Comprehensive Income as 'Gains or losses on investments held at fair value through profit or loss'. Also included within this heading are transaction costs in relation to the purchase or sale of investments.

The classification and measurement criteria determine if financial instruments are measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss.

Investment assets are classified based on both the business model, and the contractual cash flow characteristics of the financial instruments. This approach determined that all investments are classified and measured at fair value through profit or loss, which is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted. Investments in unit trusts or OEICs are valued at the closing price, the bid price or the single price as appropriate, released by the relevant investment manager.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been accumulated in equity is recognised in profit or loss.

Fair values for unquoted investments, or for investments for which there is only an inactive market, are established by using various valuation techniques. These may include recent arm's length market transactions, the current fair value of another instrument that is substantially the same, discounted cash flow analysis, option pricing models and reference to similar quoted companies. Where there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, that technique is utilised.

The subsidiary company, Witan Investment Services Limited, is held at fair value in the Company Balance Sheet. This is considered to be the net asset value of the shareholder's funds, as shown in its Balance Sheet.

(i) Cash and cash equivalents

Cash comprises cash in hand and on demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. The Company held only cash at bank as its cash and cash equivalents at 31 December 2023.

(j) Dividends payable

Interim dividends are recognised in the period in which they are paid. Final dividends are not recognised until approved by the shareholders in general meeting.

(k) Fixed borrowings

All secured notes are initially recognised at cost, being the fair value of the consideration received, less issue costs where applicable. After initial recognition, all interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method, with the interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future payments over the expected life of the financial liabilities, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(l) Foreign currency translation

Transactions involving foreign currencies are converted at the rate ruling at the date of the transaction.

Foreign currency monetary assets and liabilities that are fair valued and denominated in foreign currencies are re-translated into sterling at the rate ruling on the Balance Sheet date. Foreign exchange differences arising on translation are recognised in profit and loss in the Statement of Comprehensive Income and allocated to the capital return.

(m) Adoption of new and revised accounting standards

Standards not affecting the reported results nor the financial position

The following new and revised Standards and Interpretations are applicable in the current year. Their application has not had any significant impact on the amounts reported in these financial statements.

> IAS 1 Amendments - Disclosure of Accounting Policies (effective from 1 January 2023)

> IAS 8 Amendments - Definition of Accounting Estimates (effective from 1 January 2023)

> IAS 12 Amendments - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective from 1 January 2023)

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not been applied in these financial statements, were in issue but not effective (and in some cases had not yet been adopted) for use in the UK.

> IAS 1 Amendments - Classification of Liabilities as Current or Non-Current (effective from 1 January 2024)

> IAS 1 Amendments - Non-current Liabilities with Covenants (effective from 1 January 2024)

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods. Beyond the information above, it is not practical to provide a reasonable estimate of the effect of these Standards until a detailed review has been completed.

(n) Derivative financial instruments

The Group's activities expose it primarily to the financial risks of changes in market prices, foreign currency exchange rates and interest rates. Derivative transactions which the Company may enter into comprise forward exchange contracts (the purpose of which is to manage currency risks arising from the Company's investing activities), quoted options on shares held within the portfolio, or on indices appropriate to sections of the portfolio (the purpose of which is to provide protection against falls in the capital values of the holdings) and futures contracts appropriate to sections of the portfolio (to provide additional market exposure or to provide protection against falls in the capital values of the holdings). The Company may also write options on shares represented in the portfolio where such options are priced attractively relative to the investment managers' longer-term expectations for the relevant share prices. The Group does not use derivative financial instruments for speculative purposes. Hedge accounting is not used.

The use of financial derivatives is governed by the Group's policies as approved by the Board, which has set written principles for the use of financial derivatives.

Changes in the fair value of derivative financial instruments are recognised in the Statement of Comprehensive Income as they arise. If capital in nature, the associated change in value is presented as a capital item in the Statement of Comprehensive Income.

(o) Nature and purpose of reserves

Ordinary share capital

The ordinary share capital on the balance sheet relates to the number of shares in issue and in treasury. Only when the shares are cancelled, either from treasury or directly, is a transfer made to the capital redemption reserve.

Share premium account

The balance classified as share premium includes the premium above nominal value from the proceeds on issue of any equity share capital comprising ordinary shares of 5p.

Capital redemption reserve

The capital redemption reserve is used to record the amount equivalent to the nominal value of any of the Company's own shares purchased and cancelled in order to maintain the Company's capital.

Other capital reserves

Gains and losses on disposal of investments and changes in fair values of investments are transferred to the capital reserve. The capital element of the management and performance fees and relevant finance costs are charged to this reserve. Any associated tax relief is also credited to this reserve. Other capital reserves also comprise treasury reserves. Realised capital reserves are distributable by way of dividend.

Revenue reserve

This reflects all income and costs which are recognised in the revenue column of the Statement of Comprehensive Income. The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.

(p) Leases

A lease is identified at inception of a contract where it conveys rights to control the use of an identified asset for a period of time in exchange for consideration. At commencement, the Company as a lessee recognises a right-of-use asset equal to the lease liability at inception plus any direct costs, and the lease liability is measured at the present value of the unpaid lease payments discounted at the incremental borrowing rate of the Company. Subsequently, the Company as a lessee applies the cost model to the right-of-use asset which is depreciated over the useful life of the right-of-use asset, the lease liability is increased by interest on the outstanding balance and reduced by lease payments paid. A remeasurement of the right-of-use asset and the lease liability occurs when there is a change to the lease contract.

The Company has elected not to separate any non-lease element from the lease payments.

Notes to the Financial Statements continued

for the year ended 31 December 2023

2 INVESTMENT INCOME

	2023 £'000	2022 £'000
UK dividends from listed investments	**12,676**	11,869
UK special dividends from listed investments	**78**	1,589
UK stock dividends from listed investments	**237**	772
Total UK dividends	**12,991**	14,230
Overseas dividends from listed investments	**27,446**	28,522
Overseas special dividends from listed investments	**814**	832
Fixed Interest	**–**	21
Total investment income	**41,251**	43,605

	2023 £'000	2022 £'000
Analysis of investment income by geographical segment:		
United Kingdom	**12,991**	14,251
North America	**4,606**	5,009
Continental Europe	**7,169**	5,906
Japan	**1,263**	1,517
Asia (ex Japan)	**1,928**	2,156
Latin America	**2,424**	5,735
Other	**10,870**	9,031
Total investment income	**41,251**	43,605

3 OTHER INCOME

	2023 £'000	2022 £'000
Deposit interest	**1,061**	379
Stock lending income	**145**	222
Other income	**17**	–
Total other income	**1,223**	601

At 31 December 2023 the total value of securities on loan by the Company for stock lending purposes was £45,656,000 (2022: £35,380,000). The maximum aggregate value of securities on loan at any time during the year ended 31 December 2023 was £61,910,000 (2022: £122,950,000). Collateral, revalued on a daily basis at a level equivalent to at least 105% (2022: 105%) of the market value of the securities lent, was provided against all securities on loan.

4 MANAGEMENT AND PERFORMANCE FEES

	Year ended 31 December 2023			Year ended 31 December 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Management fees paid to third-party managers	**1,712**	**5,135**	**6,847**	1,918	5,754	7,672
Total management and performance fees	**1,712**	**5,135**	**6,847**	1,918	5,754	7,672

A summary of the terms of the management agreements is given on page 41 in the Strategic Report.

5 OTHER EXPENSES

Auditor's remuneration

The analysis of the auditor's remuneration is as follows:

	2023 Revenue £'000	2022 Revenue £'000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	**79**	72
Fees payable to the Company's auditor and its associates for other services to the Group:		
– the audit of the Company's subsidiary	**13**	12
Total audit fees	**92**	84
Other services[1]:		
– audit-related services	**25**	25
Total non-audit fees	**25**	25
Total fees paid	**117**	109

(1) These fees relate to the Client Assets Sourcebook audit for the year ended 31 December 2023. The fees for this work were specifically approved by the Audit & Risk Committee (see page 59).

	2023 Revenue £'000	2022 Revenue £'000
Auditor's remuneration (see above)	**117**	109
Tax advisory services	**50**	44
Directors' fees (see the Directors' Remuneration Report on pages 60 to 72)	**379**	319
Employers' national insurance contributions on the directors' fees	**42**	36
Employee costs (including executive director's remuneration):		
– salaries and bonuses	1,219	1,122
– employers' national insurance contributions	184	166
– pension contributions (or payments in lieu thereof)	85	83
Total employee costs	**1,488**	1,371
Advisory, consultancy and legal fees	**197**	253
Investment accounting fees	**231**	241
Company secretarial fees	**175**	162
Insurances	**137**	139
Occupancy costs - Office fees and Rates	**59**	48
Depreciation on right-of-use asset: property	**71**	76
Bank charges and safe custody fees	**284**	343
Depositary fees	**125**	127
Marketing expenses	**1,072**	1,170
Other expenses	**808**	840
Irrecoverable VAT	**155**	106
Total[1]	**5,390**	5,384

(1) The total includes costs of £573,000 (2022: £515,000) of the subsidiary company which are offset (2022: offset) by the subsidiary company's income from that business. The analysis relates to the revenue return column only.

Expenses included in the capital return column for 2023 were £129,000 (2022: £101,000). These related to investment advisory costs.

Notes to the Financial Statements continued

for the year ended 31 December 2023

5 OTHER EXPENSES CONTINUED

The average number of staff employed by the Group and Company during the year:

	2023	2022
Management, marketing and operation of Witan Investment Trust and Witan Investment Services	6	6
Total	**6**	6

6 FINANCE COSTS

	Year ended 31 December 2023			Year ended 31 December 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Interest payable on overdrafts and loans repayable within one year	1,291	3,874	5,165	404	1,211	1,615
Interest payable on secured notes repayable in more than five years	1,153	3,458	4,611	1,149	3,446	4,595
Preference share dividends	83	–	83	83	–	83
Interest payable on lease liability	1	–	1	1	–	1
Total	**2,528**	**7,332**	**9,860**	1,637	4,657	6,294

7 TAXATION

7.1 Analysis of tax charge for the year

	Year ended 31 December 2023			Year ended 31 December 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
UK corporation tax at an effective rate of 23.5% (2022: standard rate of 19%)	–	–	–	–	–	–
Foreign tax suffered	1,780	467	2,247	2,102	558	2,660
Recovery of prior years' withholding tax	(181)	–	(181)	(347)	–	(347)
Foreign tax recoverable	(264)	–	(264)	(304)	–	(304)
Movement in deferred tax liability on Indian capital gains	–	906	906	–	(220)	(220)
Total current tax for the year (see note 7.2)	1,335	1,373	2,708	1,451	338	1,789

7.2 Factors affecting the current tax charge for the year

The UK corporation tax rate was 19% until 31 March 2023 and 25% from 1 April 2023, giving an effective rate of 23.5% (2022: standard rate of 19%). The tax assessed for the year is lower than that resulting from applying the effective standard rate of corporation tax in the UK. The difference is explained below:

	Year ended 31 December 2023			Year ended 31 December 2022		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
Profit/(loss) before taxation	**32,844**	**151,348**	**184,192**	35,267	(314,032)	(278,765)
Corporation tax at an effective rate of 23.5% (2022: standard rate of 19%)	**7,718**	**35,567**	**43,285**	6,701	(59,666)	(52,965)
Effects of:						
Non-taxable UK dividends	**(3,520)**	**–**	**(3,520)**	(2,704)	–	(2,704)
Non-taxable overseas dividends	**(5,473)**	**–**	**(5,473)**	(5,581)	–	(5,581)
Withholding tax suffered	**1,335**	**467**	**1,802**	1,451	–	1,451
Non-taxable (gains)/losses on investments held at fair value through profit or loss	**–**	**(38,887)**	**(38,887)**	–	57,685	57,685
Currency losses/(gains) not taxable	**–**	**360**	**360**	–	(17)	(17)
Excess management expenses not utilised in year	**1,255**	**2,960**	**4,215**	1,568	2,556	4,124
Movement in deferred tax liability on Indian capital gains	**–**	**906**	**906**	–	(220)	(220)
Preference dividends not deductible in determining taxable profit	**20**	**–**	**20**	16	–	16
Current tax charge	**1,335**	**1,373**	**2,708**	1,451	338	1,789

7.3 Deferred tax

The Company is liable to Indian capital gains tax under Section 115 AD of the Indian Income Tax Act 1961. On 1 April 2018, the Indian Government withdrew an exemption from capital gains tax on investments held for twelve months or longer. The Company has recognised a deferred tax liability of £1,573,000 (2022: £667,000) on capital gains which may arise if Indian investments are sold.

Due to the Company's status as an investment trust, and the intention to continue meeting the conditions required to maintain that status in the foreseeable future, the Company has not provided for any other deferred tax on any capital gains and losses arising on the revaluation or disposal of investments. No provision has been made for deferred tax on income outstanding at the end of the year as this will be covered by unrelieved business charges and eligible unrelieved foreign tax (2022: £nil).

7.4 Factors that may affect future tax charges

At 31 December 2023, the Company has excess expenses of £313,872,000 (2022: £301,830,000) carried forward. This sum has arisen due to cumulative deductible expenses having exceeded income over the life of the Company. It is considered too uncertain that there will be sufficient taxable profits against which these expenses can be offset and, therefore, in accordance with IAS 12, a deferred tax asset of £78,468,000 (2022: £75,458,000) in respect of unrelieved loan relationship deficits and unrelieved management expenses based on a prospective corporation tax rate of 25% (2022: 25%) has not been recognised. The increase in the standard rate of corporation tax became effective from 1 April 2023. Provided the Company continues to maintain its current investment profile, it is unlikely that the expenses will be utilised and that the Company will obtain any benefit from this contingent asset.

Notes to the Financial Statements continued

for the year ended 31 December 2023

8 DIVIDENDS

	2023 £'000	2022 £'000
Amounts recognised as distributions to equity holders in the year:		
Fourth interim dividend for the year ended 31 December 2022 of 1.60p (2021: 1.52p) per ordinary share	**10,746**	11,107
First interim dividend for the year ended 31 December 2023 of 1.45p (2022: 1.40p) per ordinary share	**9,550**	10,003
Second interim dividend for the year ended 31 December 2023 of 1.45p (2022: 1.40p) per ordinary share	**9,325**	9,779
Third interim dividend for the year ended 31 December 2023 of 1.45p (2022: 1.40p) per ordinary share	**9,134**	9,584
Refund of unclaimed dividends	**(7)**	(64)
	38,748	40,409
Fourth interim dividend for the year ended 31 December 2023 of 1.69p (2022: 1.60p) per ordinary share	**10,464**	10,746

Total in respect of the year:

Set out below is the total dividend to be paid in respect of the year. This is the basis on which the minimum distribution requirements of section 1158 of the Corporation Tax Act 2010 are considered.

	2023 £'000	2022 £'000
Revenue profits available for distribution (Company only)	**31,437**	33,741
First interim dividend for the year ended 31 December 2023 of 1.45p (2022: 1.40p) per ordinary share	**(9,550)**	(10,003)
Second interim dividend for the year ended 31 December 2023 of 1.45p (2022: 1.40p) per ordinary share	**(9,325)**	(9,779)
Third interim dividend for the year ended 31 December 2023 of 1.45p (2022: 1.40p) per ordinary share	**(9,134)**	(9,584)
Fourth interim dividend for the year ended 31 December 2023 of 1.69p (2022: 1.60p) per ordinary share	**(10,464)**	(10,746)
Revenue reserves utilised in the year (Company only)	**(7,036)**	(6,371)

9 EARNINGS PER ORDINARY SHARE

The earnings per ordinary share figure is based on the net profit for the year of £181,484,000 (2022: loss of £280,554,000) and on 651,467,218 ordinary shares (2022: 707,617,951), being the weighted average number of ordinary shares in issue during the year.

The earnings per ordinary share figure detailed above can be further analysed between revenue and capital, as below. The Company has no securities in issue that could dilute the return per ordinary share. Therefore the basic and diluted earnings per ordinary share are the same.

	2023 £'000	2022 £'000
Net revenue profit	**31,509**	33,816
Net capital profit/(loss)	**149,975**	(314,370)
Net total profit/(loss)	**181,484**	(280,554)
Weighted average number of ordinary shares in issue during the year	**651,467,218**	707,617,951
	Pence	Pence
Revenue earnings per ordinary share	**4.84**	4.78
Capital earnings/(loss) per ordinary share	**23.02**	(44.43)
Total earnings/(loss) per ordinary share	**27.86**	(39.65)

10 INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

10.1 Analysis of investments held at fair value through profit or loss

	2023		2022	
	Group £'000	**Company £'000**	Group £'000	Company £'000
Investments in the United Kingdom	**315,728**	**315,728**	343,414	343,414
Overseas investments	**1,468,094**	**1,468,094**	1,417,410	1,417,410
Investment in subsidiary undertaking	**–**	**1,263**	–	1,191
	1,783,822	**1,785,085**	1,760,824	1,762,015

10.2 Group changes in investments held at fair value through profit or loss

	Valuation 31 December 2022 £'000	Purchases £'000	Sales £'000	Investment gains/(losses) £'000	**Valuation 31 December 2023 £'000**	**Cost 31 December 2023 £'000**
United Kingdom	343,414	74,179	148,232	46,829	**316,190**	**288,423**
North America	629,490	211,541	251,549	117,078	**706,560**	**520,139**
Continental Europe	366,776	140,068	166,100	11,226	**351,970**	**352,246**
Japan	60,847	56	6,663	(1,912)	**52,328**	**59,072**
Asia (ex Japan)	78,628	47,619	35,038	(3,034)	**88,175**	**62,609**
Latin America	33,904	7,062	14,269	9,074	**35,771**	**23,958**
Other	247,765	58,815	59,249	(14,503)	**232,828**	**261,430**
	1,760,824	539,340	681,100	164,758	**1,783,822**	**1,567,877**

	Valuation 31 December 2021 £'000	Purchases £'000	Sales £'000	Investment gains/(losses) £'000	Valuation 31 December 2022 £'000	Cost 31 December 2022 £'000
United Kingdom	447,597	163,041	237,293	(29,931)	343,414	320,265
North America	844,352	294,971	348,134	(161,699)	629,490	604,492
Continental Europe	375,612	176,500	165,633	(19,703)	366,776	308,158
Japan	67,545	2,860	5,609	(3,949)	60,847	65,826
Asia (ex Japan)	114,354	101,738	149,055	11,591	78,628	24,118
Latin America	23,092	23,531	11,010	(1,709)	33,904	31,435
Other	344,903	35,027	32,957	(99,208)	247,765	275,074
	2,217,455	797,668	949,691	(304,608)	1,760,824	1,629,368

The above figures do not include any gains/losses on futures positions (see note 10.3).

Total transaction costs included in gains or losses on investments at fair value through profit or loss include purchase costs of £957,000 (2022: £1,315,000) and sales costs of £322,000 (2022: £524,000). These comprise mainly stamp duty and commission.

The Group received £681,100,000 (2022: £949,691,000) from investments sold in the period. The book cost of these investments when they were purchased was £600,827,000 (2022: £931,175,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

10.3 Gains/(losses) in investments held at fair value through profit or loss

	2023 £'000	2022 £'000
Gains/(losses) on investments	**164,758**	(304,608)
Gains on derivatives – futures contracts	**718**	1,001
	165,476	(303,607)

There were no open contracts as at 31 December 2023 or 31 December 2022.

Notes to the Financial Statements continued

for the year ended 31 December 2023

10 INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS CONTINUED

10.4 Substantial share interests

The Company has notified interests in 3% or more of the voting rights of seven of the investee companies, all of which are closed-ended investment funds. It is the Company's stated policy to invest no more than 15% of its gross assets in other listed investment companies (including listed investment trusts).

Stock	% holding of shares in issue	Investment held at fair value through profit or loss £'000
Apax Global Alpha Limited	**5.68%**	**44,736**
VH Global Sustainable Energy Opportunities plc	**13.15%**	**42,132**
Princess Private Equity Limited	**4.77%**	**29,310**
Schroders Real Estate Investment Trust Limited	**8.37%**	**18,202**
NB Distressed Debt Investment Fund Limited	**14.88%**	**6,939**
Hostmore plc	**14.05%**	**3,898**
Unbound Group plc[1]	**15.82%**	**nil**

(1) Suspended from AIM in July 2023 and delisted from January 2024, with any value recovery uncertain.

11 OTHER RECEIVABLES

	2023		2022	
	Group £'000	**Company £'000**	Group £'000	Company £'000
Sales for future settlement	**845**	**845**	780	780
Taxation recoverable	**856**	**856**	1,304	1,304
Amounts due from subsidiary	**–**	**–**	–	704
Prepayments and accrued income	**2,167**	**2,017**	2,401	1,921
Other debtors	**114**	**114**	176	176
	3,982	**3,832**	4,661	4,885

12 OTHER PAYABLES – CURRENT LIABILITIES

	2023		2022	
	Group £'000	**Company £'000**	Group £'000	Company £'000
Purchases for future settlement	**1,071**	**1,071**	667	667
Preference dividends	**39**	**39**	39	39
Outstanding buybacks of ordinary shares	**1,506**	**1,506**	1,674	1,674
Lease liability	**77**	**77**	77	77
Amounts due to subsidiary	**–**	**357**	–	–
Accruals	**4,646**	**4,592**	3,785	3,736
	7,339	**7,642**	6,242	6,193

Other payables – non current liabilities

	Group £'000	**Company £'000**	Group £'000	Company £'000
Bonuses payable in more than one year	**102**	**102**	83	83
Lease liability payable in more than one year	**58**	**58**	135	135
	160	**160**	218	218

13 BORROWINGS

	2023		2022	
	Group £'000	**Company £'000**	Group £'000	Company £'000
Financial instruments redeemable other than in instalments are as follows:				
Amounts falling due within one year:				
Bank loans	**83,000**	**83,000**	96,500	96,500
Amounts falling due after more than one year:				
Secured debt:				
3.29 per cent. secured notes due 2035	**20,905**	**20,905**	20,898	20,898
3.47 per cent. secured notes due 2045	**53,693**	**53,693**	53,684	53,684
2.39 per cent. secured notes due 2051	**49,700**	**49,700**	49,692	49,692
2.74 per cent. secured notes due 2054	**29,773**	**29,773**	29,768	29,768
	154,071	**154,071**	154,042	154,042
2,055,000 3.4 per cent. cumulative preference shares of £1 each (see note 17 on page 109)	**2,055**	**2,055**	2,055	2,055
500,000 2.7 per cent. cumulative preference shares of £1 each (see note 17 on page 109)	**500**	**500**	500	500
	239,626	**239,626**	253,097	253,097

At the year end, the Company had a £125,000,000 secured and committed multi-currency borrowing facility with BNP Paribas (expiring 29 November 2024). The terms of this loan facility contain covenants that total net borrowings do not exceed 20% of the NAV. The facility has an accordion facility enabling it to be increased to £150,000,000 on the same terms. At the year end, £83,000,000 of the loan was drawn down at an interest rate of 6.08%.

During 2015 the Company issued £21,000,000 (nominal) 3.29 per cent. secured notes due 2035 and £54,000,000 (nominal) 3.47 per cent. secured notes due 2045 net of issue costs totalling approximately £528,000. These costs will be written back over the life of the secured notes.

During 2017 the Company issued £30,000,000 (nominal) 2.74 per cent. secured notes due 2054 net of issue costs totalling approximately £252,000. These costs will be written back over the life of the secured notes.

During 2019 the Company issued £50,000,000 (nominal) 2.39 per cent. secured notes due 2051 net of issue costs totalling approximately £315,000. These costs will be written back over the life of the secured notes.

The secured notes are secured by floating charges over all the undertakings and assets of the Company. The security of the charges applies pari passu to the issues. The terms of each of the four secured notes contain covenants that the NAV should at no time be less than £575,000,000 and that total net borrowings do not exceed 25% of the NAV at any time.

14 FINANCIAL INSTRUMENTS

The following disclosures apply to both the Group and the Company.

Risk management policies and procedures

As an investment company, Witan invests in equities and other investments for the long term so as to secure its investment objective as stated on the inside front cover. In pursuing its investment objective, the Group is exposed to a variety of risks that could result in either a reduction in the Group's net assets or a reduction in the profits available for distribution by way of dividends.

These risks, market risk (comprising price risk, currency risk and interest rate risk), liquidity risk and credit risk, and the directors' approach to the management of them, are set out below.

The objectives, policies and processes for managing the risks and the methods used to manage the risks, as set out below, have not changed from the previous accounting period, although in some instances additional resources have been allocated to some areas.

14.1 Market risk

The fair value of a financial instrument held by the Group may fluctuate due to changes in market prices. This market risk comprises: price risk (see note 14.2), currency risk (see note 14.3) and interest rate risk (see note 14.4). The Board reviews and agrees policies for managing these risks, which have remained substantially unchanged from those applying in the year ended 31 December 2022. The investment managers assess the exposure to market risk when making each investment decision and monitor the overall level of market risk on the whole of their investment portfolios on an ongoing basis.

Notes to the Financial Statements continued

for the year ended 31 December 2023

14 FINANCIAL INSTRUMENTS CONTINUED

14.2 Price risk

Price risks (i.e. changes in market prices other than those arising from interest rate risk or currency risk) may affect the value of the quoted and the unquoted investments.

Management of the risk

The Board manages the risks inherent in the investment portfolios by regularly reviewing relevant information from the investment managers. The Board meets regularly and at each meeting reviews investment performance. The Board monitors the managers' compliance with their mandates and also whether each mandate and asset allocation is compatible with the Company's objective.

When appropriate, the Company has the ability to manage its exposure to risk through the controlled use of derivatives.

The Group's exposure to other changes in market prices at 31 December on its quoted equity investments and other investments, was as follows:

	2023 £'000	2022 £'000
Investments held at fair value through profit or loss	**1,783,822**	1,760,824

Concentration of exposure to price risks

An analysis of the Group's investment portfolio is shown on page 34. This shows that the greater geographical weighting is to North American companies, with significant exposure also to the UK, Asia and Continental Europe. Accordingly, there is a concentration of exposure to those regions, although an investment's country of domicile or of listing does not necessarily equate to its exposure to the economic conditions in that country.

Price risk sensitivity

The following table illustrates the sensitivity of the profit after taxation for the year and the value of the shareholders' funds to an increase or decrease of 15% in the fair values of the Group's equity investments (including exposure through futures contracts). This level of change is considered to be reasonably possible based on observation of market conditions and historical trends. The sensitivity analysis is based on the Group's equities and equity exposure through options and futures at each balance sheet date, with all other variables held constant. The results of these example calculations are significant but not unreasonable, given that most of the Group's assets are equity investments.

	2023		2022	
	Increase in fair value £'000	**Decrease in fair value £'000**	Increase in fair value £'000	Decrease in fair value £'000
Changes to the Consolidated Statement of Comprehensive Income				
Revenue return	**–**	**–**	–	–
Capital return – investments	**267,573**	**(267,573)**	264,124	(264,124)
	267,573	**(267,573)**	264,124	(264,124)

14.3 Currency risk

A proportion of the Company's assets, liabilities and income is denominated in currencies other than sterling (the Group's and Company's functional currency in which it reports its results). As a consequence, movements in exchange rates affect the sterling value of those items.

Management of the risk

The investment managers monitor their exposure to currencies as part of their normal investment processes. The Board receives a monthly report on the currency exposures of the entire fund.

Income denominated in foreign currencies is converted into sterling on receipt. The Group does not normally use financial instruments to mitigate the currency exposure in the period between the time that income is included in the financial statements and its receipt.

Foreign currency exposure

The fair values of the Group's monetary items that have foreign currency exposure at 31 December are shown below. Where the Group's equity investments (which are not monetary items) are denominated in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

2023	US$ £'000	Euro £'000	Yen £'000	Other £'000
Receivables (due from brokers, dividends and other income receivable)	**1,253**	**968**	**166**	**645**
Cash at bank and on deposit	**1,489**	**52**	**–**	**204**
Payables (due to brokers, accruals and other creditors)	**(571)**	**–**	**–**	**(2,073)**
Total foreign currency exposure on net monetary items	**2,171**	**1,020**	**166**	**(1,224)**
Investments at fair value through profit or loss that are equities	**710,985**	**309,498**	**46,667**	**105,647**
Total net foreign currency exposure	**713,156**	**310,518**	**46,833**	**104,423**

2022	US$ £'000	Euro £'000	Yen £'000	Other £'000
Receivables (due from brokers, dividends and other income receivable)	776	777	263	1,155
Cash at bank and on deposit	8,730	125	–	71
Payables (due to brokers, accruals and other creditors)	(796)	–	–	(1,088)
Total foreign currency exposure on net monetary items	8,710	902	263	138
Investments at fair value through profit or loss that are equities	618,175	322,058	56,021	118,398
Total net foreign currency exposure	626,885	322,960	56,284	118,536

The above amounts are not necessarily representative of the exposure to risk during the year as levels of foreign currency exposure change significantly throughout the year.

Foreign currency sensitivity

The following table illustrates the sensitivity of the profit/loss after tax for the year and the Group's equity in regard to the Group's monetary financial assets and financial liabilities and the exchange rates for the £/US dollar, £/Euro and £/Japanese yen. The results of these example calculations are significant but not unreasonable in the context of the majority of the Group's assets being invested overseas.

It assumes the following changes in exchange rates:
£/US dollar +/- 15% (2022: 15%)
£/Euro +/- 15% (2022: 15%)
£/Japanese yen +/- 15% (2022: 15%)

The sensitivity analysis is based on the Group's foreign currency financial instruments held at the balance sheet date and takes account of any forward foreign exchange contracts that offset the effects of changes in currency exchange.

If sterling had depreciated against the currencies shown, this would have the following effect:

	2023			2022		
	US$ £'000	**Euro £'000**	**Yen £'000**	US$ £'000	Euro £'000	Yen £'000
Changes to the Consolidated Statement of Comprehensive Income						
Revenue return	**1,203**	**1,322**	**222**	1,626	913	225
Capital return	**124,473**	**54,617**	**8,235**	109,090	56,834	9,886
Change to the profit/loss after tax	**125,676**	**55,939**	**8,457**	110,716	57,747	10,111
Change to the shareholders' funds	**125,676**	**55,939**	**8,457**	110,716	57,747	10,111

Notes to the Financial Statements continued

for the year ended 31 December 2023

14 FINANCIAL INSTRUMENTS CONTINUED

If sterling had appreciated against the currencies shown, this would have the following effect:

	2023			2022		
	US$ £'000	**Euro £'000**	**Yen £'000**	US$ £'000	Euro £'000	Yen £'000
Changes to the Consolidated Statement of Comprehensive Income						
Revenue return	**(890)**	**(977)**	**(164)**	(1,202)	(675)	(166)
Capital return	**(91,912)**	**(40,369)**	**(6,087)**	(80,632)	(42,008)	(7,307)
Change to the profit/loss after tax	**(92,802)**	**(41,346)**	**(6,251)**	(81,834)	(42,683)	(7,473)
Change to the shareholders' funds	**(92,802)**	**(41,346)**	**(6,251)**	(81,834)	(42,683)	(7,473)

14.4 Interest rate risk

Interest rate movements may affect the level of income receivable from fixed interest securities and cash at bank and on deposit.

Management of the risk

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions.

The Group holds cash balances, partly to meet payments as they fall due but also when appropriate to offset the long-term borrowings that it has in place.

The Group finances part of its activities through preference shares that do not have redemption dates and through secured notes that were issued as part of the Company's planned gearing.

Interest rate exposure

The exposure at 31 December 2023 of financial assets and financial liabilities to interest rate risk is shown by reference to:

> floating interest rates: when the interest rate is due to be re-set; and

> fixed interest rates: when the financial instrument is due to be repaid.

The Group's exposure to floating interest rates on assets/liabilities is £60,566,000 (2022: £60,148,000). This represents cash holdings minus variable rate borrowing.

The Group's exposure to fixed interest rates on assets is £nil (2022: £nil).

The Group's exposure to fixed interest rates on liabilities is £156,626,000 (2022: £156,597,000). This represents fixed rate borrowing.

Interest receivable and finance costs are at the following rates:

> interest received on cash balances, or paid on bank overdrafts and loans, is at margin under/over SONIA or its foreign currency equivalent (2022: same);

> the finance charge on the preference shares is at a weighted average interest rate of 3.3% (2022: 3.3%); and

> the finance charge on the secured notes is at a weighted average interest rate of 2.96% for an average period of 24.0 years (2022: 2.96% for an average period of 25.0 years).

The above year-end amounts are not representative of the exposure to interest rates during the year, as the level of exposure changes as investments are made in fixed interest securities, long-term debt is partially redeemed and as the level of cash balances varies during the year. In the context of the Group's balance sheet, the exposure to interest rate risk is not considered to be material.

Interest rate sensitivity

Based on the Group's monetary financial instruments at each balance sheet date, an increase or decrease of 200 basis points in interest rates would decrease or increase revenue after tax by £34,000 (2022: £244,000), capital return after tax by £1,245,000 (2022: £1,447,000), and total profit after tax and shareholders' funds by £1,211,000 (2022: £1,203,000).

This level of change is considered to be reasonably possible based on observation of current market conditions. This is not representative of the year as a whole, since the exposure changes as investments are made. In the context of the Group's balance sheet, the outcome is not considered to be material.

14.5 Liquidity risk

This is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities.

Management of the risk

Liquidity risk is not significant as the majority of the Group's assets are investments in quoted equities and other quoted securities that are readily realisable. Fixed and variable liabilities are set out in Note 13 above. The Group's liquidity exposure is set out below.

Liquidity risk exposure

	2023			2022		
	Within 1 year £'000	**Between 1 and 5 years £'000**	**More than 5 years £'000**	Within 1 year £'000	Between 1 and 5 years £'000	More than 5 years £'000
Secured notes(1)	**4,582**	**18,327**	**248,130**	4,582	18,327	253,000
Preference shares(2)	**83**	**332**	**2,555**	83	332	2,555
Other creditors and accruals	**6,146**	**102**	**–**	5,436	750	–
Bank loan and interest payable	**83,454**	**–**	**–**	96,827	–	–
	94,265	**18,761**	**250,685**	106,928	19,409	255,555

(1) The above figures show interest payable over the remaining terms of each instrument. The figures also include the capital to be repaid.
(2) The figures in the 'More than 5 years' columns do not include the ongoing annual finance cost of £83,000.

The Board gives guidance to the investment managers as to the maximum amount of the Company's resources that should be invested in any one company. The investment managers may hold cash from time to time but the Group's overall equity exposure is unlikely to fall below 80% in normal conditions.

14.6 Credit risk

The failure of the counterparty to a transaction to discharge its obligations under that transaction could result in the Group suffering a loss.

Management of the risk

The risk is managed as follows:

> cash at bank is held only with reputable banks with high quality external credit ratings;

> transactions involving derivatives are entered into only with investment banks, the credit rating of which is taken into account so as to minimise the risk to the Group of default;

> investment transactions are carried out with a large number of brokers, whose credit standard is reviewed periodically by the investment managers, and limits are set on the amount that may be due from any one broker; and

> stock lending transactions are carried out with a number of approved counterparties, the credit ratings of which are reviewed periodically, and limits are set on the amount that may be sent to any one counterparty. Other than stock lending, none of the Company's financial assets or liabilities is secured by collateral or other credit enhancements.

None of the Group's financial assets is past its due date or impaired.

Notes to the Financial Statements continued

for the year ended 31 December 2023

14 FINANCIAL INSTRUMENTS CONTINUED

Credit risk exposure

The table below summarises the credit risk exposure of the Group as at the year end.

	2023 £'000	2022 £'000
Cash	**22,434**	36,352
Receivables:		
Sales for future settlement	**845**	780
Accrued income	**2,167**	2,401
Other debtors	**114**	176
	25,560	39,709

14.7 Fair values of financial assets and financial liabilities

Except for those financial liabilities measured at amortised cost that are shown below, the financial assets and financial liabilities are either carried in the balance sheet at their fair value (investments and derivatives) or the balance sheet amount is a reasonable approximation of fair value (amounts due from brokers, dividends and interest receivable, amounts due to brokers, accruals, cash at bank and bank overdrafts).

Financial liabilities

	2023		2022	
	Fair value £'000	**Balance sheet amount £'000**	Fair value £'000	Balance sheet amount £'000
Financial liabilities measured at amortised cost:				
Non current liabilities				
Preference shares	**1,300**	**2,555**	1,354	2,555
Secured notes	**104,760**	**154,071**	105,630	154,042
	106,060	**156,626**	106,984	156,597

The fair values shown above are derived from the offer price at which the securities are quoted on the London Stock Exchange or, in the case of the secured notes, calculating a present value by using a discount rate which reflects the yield on a UK gilt of similar maturity plus a credit spread of 1.40% (2022: 1.40%).

Level 1 Financial liabilities

The Company's preference shares are actively traded on a recognised stock exchange. Their fair value has therefore been deemed Level 1. The carrying values are disclosed in note 13.

Level 3 Financial liabilities

The Company's secured notes are not traded on a recognised stock exchange and so the fair value is calculated by using a discount rate which reflects the yield on a UK gilt of similar maturity plus a credit spread of 1.40% (2022: 1.40%). Their fair value has therefore been deemed Level 3. The carrying values are disclosed in note 13.

Fair value hierarchy disclosures

The table below sets out fair value measurements using the IFRS 13 fair value hierarchy.

Financial assets and financial liabilities at fair value through profit or loss

At 31 December 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	1,640,374	–	–	1,640,374
Investments in other funds	–	115,537	27,911	143,448
Total	**1,640,374**	**115,537**	**27,911**	**1,783,822**

At 31 December 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	1,621,300	–	–	1,621,300
Investments in other funds	–	106,796	32,728	139,524
Total	1,621,300	106,796	32,728	1,760,824

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in an active market for identical assets.
Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices within Level 1.
Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

The valuation techniques used by the Group are explained in the accounting policies in note 1(h). There were no transfers during the year between Level 1 and Level 2.

Level 2 Financial assets

Level 2 Financial assets refer to investments in GMO Climate Change Fund (2022: GMO Climate Change Fund).

Level 3 Financial assets

A reconciliation of fair value movements within Level 3 is set out below:

Level 3 investments at fair value through profit or loss	2023 £'000	2022 £'000
Opening balance	32,728	37,774
Acquisitions	–	–
Total losses included in the Statement of Comprehensive Income - on assets held at year end	(4,817)	(5,046)
Closing balance	**27,911**	32,728

The key inputs to unquoted investments (i.e. the holdings in Unquoted Growth Funds with Lindenwood and Lansdowne) included within Level 3 are net asset value (NAV) statements provided by investee entities, which represent fair value (2022: same). The NAVs of the Unquoted Growth Funds represent the amalgam of fair value of multiple underlying investments. The fair value attributable to these underlying investments (and therefore the fair value of the Unquoted Growth Funds) is derived using the various techniques as set out in the accounting policy for the valuation of unquoted investments held at fair value through profit or loss on page 92.

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for the year ended 31 December 2023

14 FINANCIAL INSTRUMENTS CONTINUED

Capital management

The Group's capital management objectives are:

- to ensure that it will be able to continue as a going concern; and
- to maximise the income and capital return to its equity shareholders through an appropriate balance of equity capital and debt.

The Group's total capital employed at 31 December 2023 was £1,801,291,000 (2022: £1,794,906,000) comprising £239,626,000 of debt (2022: £253,097,000) and £1,561,665,000 of equity share capital and other reserves (2022: £1,541,809,000).

Gearing

The Group's policy is to manage the effective gearing in the portfolio to be below 20%, other than temporarily in exceptional circumstances. Effective gearing is defined as the difference between shareholders' funds and the total market value of the investments expressed as a percentage of shareholders' funds. At 31 December 2023 effective gearing was 14.2% (2022: 14.2%) and the calculation is set out below:

	2023 £'000	2022 £'000
Value of investments per the balance sheet	**1,783,822**	1,760,824
Shareholders' funds per the balance sheet (A)	**1,561,665**	1,541,809
Excess of gross value of investments over shareholders' funds (B)	**222,157**	219,015
Effective gearing (B as a percentage of A)	**14.2%**	14.2%

The Board monitors and reviews the broad structure of the Group's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account the Executive Team's view on the market;
- the opportunity to buy back equity shares, which takes account of the difference between the net asset value per share and the share price (i.e. the level of share price discount or premium); and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Group's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

The Company is subject to several externally imposed capital requirements:

- the terms of issue of the Company's secured notes require the aggregate amount outstanding in respect of borrowings, measured in accordance with the policies used to prepare the annual financial statements, not to exceed a sum equal to the Company's capital and reserves at any time (see also note 13 on page 101 for details of other covenants);
- as a public company, the Company has a minimum issued share capital of £50,000; and
- in order to be able to pay dividends out of profits available for distribution by way of dividends, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by company law.

These requirements are unchanged since the previous year end and the Company has complied with them.

15 CALLED UP SHARE CAPITAL

	Group and Company 2023 £'000	Group and Company 2022 £'000
Called up and issued: 625,750,845 ordinary shares of 5p each (2022: 679,823,171)	**31,288**	33,991
Held in treasury: 374,604,155 ordinary shares of 5p each (2022: 320,531,829)	**18,730**	16,027
Total 1,000,355,000 shares (2022: 1,000,355,000)	**50,018**	50,018

During the year, 54,072,326 ordinary shares were bought back at a cost of £122,880,000 (2022: 58,152,696 shares bought back at a cost of £129,269,000). All of the shares were placed in treasury. Shares held in treasury do not carry a right to receive a dividend.

In the event of a poll at a general meeting of the Company, an ordinary shareholder who is present in person or by proxy has one vote for every £0.05 nominal value of shares registered in their name. Accordingly, on a poll, each ordinary shareholder has one vote for every one share held.

16 RESERVES

Other capital reserves of £1,330,835,000 (2022: £1,303,740,000) comprises capital reserve arising on investments sold of £1,114,890,000 (2022: £1,172,284,000) and capital reserve arising on revaluation of investments held of £215,945,000 (2022: £131,456,000),

17 PREFERENCE SHARES

Included in non current liabilities is £2,555,000 in respect of issued preference shares as follows:

	Group and Company 2023 £'000	Group and Company 2022 £'000
2,055,000 3.4 per cent. cumulative preference shares of £1 each	**2,055**	2,055
500,000 2.7 per cent. cumulative preference shares of £1 each	**500**	500
	2,555	2,555

The 3.4 per cent. and 2.7 per cent. cumulative preference shares constitute a single class and confer the right, in priority to any other class of shares:

(i) to receive a fixed cumulative preferential dividend at the respective rates (exclusive of tax credit thereon for payments made prior to 6 April 2016) of 3.4 per cent. and 2.7 per cent. per annum, such dividend being payable half-yearly on 15 January and 15 July in each year, in respect of the 3.4 per cent. cumulative preference shares, and on 1 February and 1 August in each year in respect of the 2.7 per cent. cumulative preference shares; and

(ii) to receive repayment of capital at par in a winding up of the Company (but do not confer any further right to participate in profits or assets).

The preference shareholders are entitled to receive notices of general meetings of the Company but are not entitled to attend or vote thereat, except on a resolution for the voluntary liquidation of the Company or for any alteration to the objects of the Company set out in its Articles of Association.

In the event of a poll at a general meeting of the Company, every member of the Company who is present in person or by proxy and who is entitled to vote thereat, whether an ordinary shareholder or, in the circumstances outlined above, a preference shareholder, has one vote for every £0.05 nominal value of shares registered in their name. Accordingly, on a poll each preference shareholder has 20 votes for every one share held.

Notes to the Financial Statements continued

for the year ended 31 December 2023

18 NET ASSET VALUE PER ORDINARY SHARE

The net asset value per ordinary share of 249.57p (2022: 226.80p) is based on the net assets attributable to the ordinary shares of £1,561,665,000 (2022: £1,541,809,000) and on the 625,750,845 ordinary shares in issue at 31 December 2023 (2022: 679,823,171).

The movements during the year of the net assets attributable to the ordinary shares were as follows:

	£'000
Total net assets at 1 January 2023	**1,541,809**
Total profit for the year	**181,484**
Dividends paid in the year on the ordinary shares (see note 8)	**(38,748)**
Share buybacks	**(122,880)**
Net assets attributable to the ordinary shares at 31 December 2023	**1,561,665**

An alternative net asset value per ordinary share can be calculated by deducting from the total assets less current liabilities of the Company, the bonus and leases payable in greater than one year, the preference shares and the secured notes at their market (or fair) values rather than at their par (or book) values. Details of the alternative values are set out in note 14.7. The net asset value per ordinary share at 31 December 2023 calculated on this basis is 257.65p (2022: 234.09p) as set out below.

	2023		2022	
	Debt at Balance Sheet amount £'000	**Debt at fair value £'000**	Debt at Balance Sheet amount £'000	Debt at fair value £'000
Total assets less current liabilities per Balance Sheet	**1,720,024**	**1,720,024**	1,699,291	1,699,291
Liabilities at Balance Sheet value/fair value	**(158,359)**	**(107,793)**	(157,482)	(107,869)
	1,561,665	**1,612,231**	1,541,809	1,591,422
Ordinary shares in issue at 31 December	**625,750,845**	**625,750,845**	679,823,171	679,823,171
NAV per share	**249.57p**	**257.65p**	226.80p	234.09p

19 RECONCILIATION OF GROUP LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2023				2022			
	Long-term debt £'000	**Short-term debt £'000**	**Lease liability £'000**	**Total £'000**	Long-term debt £'000	Short-term debt £'000	Lease liability £'000	Total £'000
Opening liabilities from financing activities	**156,597**	**96,500**	**212**	**253,309**	156,573	98,000	262	254,835
Cash flows:								
Drawdown of bank loans	**–**	**149,250**	**–**	**149,250**	–	195,000	–	195,000
Repayment of bank loans	**–**	**(162,750)**	**–**	**(162,750)**	–	(196,500)	–	(196,500)
Repayment of lease finance	**–**	**–**	**(78)**	**(78)**	–	–	(51)	(51)
Non-cash:								
Effective interest	**29**	**–**	**–**	**29**	24	–	–	24
Interest on lease liability	**–**	**–**	**1**	**1**	–	–	1	1
Closing liabilities from financing activities	**156,626**	**83,000**	**135**	**239,761**	156,597	96,500	212	253,309

20 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At 31 December 2023 and 31 December 2022 there were no capital commitments in respect of securities not fully paid up and no underwriting liabilities.

21 LEASE ARRANGEMENTS

21.1 Right-of-use asset: property

	2023 £'000	2022 £'000
Opening balance	**196**	249
Depreciation through profit and loss	**(71)**	(53)
Closing balance	**125**	196

21.2 Lease liabilities

At the balance sheet date, the Group and Company had outstanding commitments for the future minimum lease payments under non-cancellable leases, which fall due as follows:

	2023 £'000	2022 £'000
Within one year	**77**	77
In the second to fifth years inclusive	**58**	135
Total undiscounted lease payments at the end of the period	**135**	212

At the balance sheet date, the Group and Company had a discounted lease liability as follows:

	2023 £'000	2022 £'000
Current	**77**	77
Non current	**58**	135
Total lease liability	**135**	212

21.3 Amounts recognised in the profit for the year

	2023 £'000	2022 £'000
Depreciation on right-of-use asset	**71**	53
Interest on lease liability	**1**	1

21.4 Outflows recognised in the cash flow statement for the year

Financing	2023 £'000	2022 £'000
Repayment of lease finance	**76**	76

21.5 Other leasing information

The lease payments represent rentals payable by the Group and Company for its office property.

22 SUBSIDIARY UNDERTAKING

The Company has an investment in the issued ordinary share capital of its wholly-owned subsidiary undertaking, Witan Investment Services Limited, which was incorporated on 28 October 2004, is registered in England and Wales and operates in the United Kingdom.

Notes to the Financial Statements continued

for the year ended 31 December 2023

23 RELATED PARTY TRANSACTIONS DISCLOSURES

Balances and transactions between the Company and its subsidiary, which are related parties, amounting to £580,000 (2022: £440,000) have been eliminated on consolidation and are not disclosed in this note. The amount of £580,000 (2022: £440,000) relates to fees for the provision of alternative fund manager, executive and marketing management services charged by the subsidiary to the Company.

Remuneration of key management personnel

The remuneration of the directors, who are the key management personnel of the Company for each of the relevant categories specified in IAS 24 'Related Party Disclosures' is provided in the audited part of the Directors' Remuneration Report on pages 60 to 72.

Directors' transactions

Dividends totalling £85,000 (2022: £81,000) were paid in the year in respect of ordinary shares held by the Company's directors.

24 SEGMENT REPORTING

Operating segments are determined based on internal management reporting of the Group that is reviewed regularly by the 'Chief Operating Decision Maker' (who is the Chief Executive Officer) and used to allocate resources and assess their performance.

Geographical information

The Group operates in one geographic area, the UK, and primarily invests in companies listed in the UK and other recognised overseas exchanges.

Operating segments

The Group has two reportable segments: (i) its activity as an investment trust, which is the business of the parent company, Witan Investment Trust plc, and recorded in the accounts of that company; and (ii) the provision of alternative investment fund manager, executive and marketing management services which is the business of the subsidiary company, Witan Investment Services Limited, and recorded in the accounts of that company. Each segment is managed separately as they have different objectives.

Performance is measured based on segment profit or loss included in the internal management reports that are reviewed by the Chief Executive Officer. Transactions between reportable segments include activities from the provision of alternative investment fund manager, executive and marketing management services. Segment information is measured on the same basis as that used in the preparation of the Group financial statements.

	31 December 2023			31 December 2022		
	Investment trust £'000	**Management services £'000**	**Total £'000**	Investment trust £'000	Management services £'000	Total £'000
External revenue	**42,474**	**–**	**42,474**	44,206	–	44,206
Other revenue	**163,944**	**–**	**163,944**	(303,520)	–	(303,520)
Segment expense						
Management expense	**(6,847)**	**–**	**(6,847)**	(7,672)	–	(7,672)
Other expense	**(4,946)**	**(573)**	**(5,519)**	(4,971)	(514)	(5,485)
Finance costs	**(9,860)**	**–**	**(9,860)**	(6,294)	–	(6,294)
Segment profit/(loss) before taxation	**184,765**	**(573)**	**184,192**	(278,251)	(514)	(278,765)
Taxation	**(2,708)**	**–**	**(2,708)**	(1,789)	–	(1,789)
Segment profit/(loss) after taxation	**182,057**	**(573)**	**181,484**	(280,040)	(514)	(280,554)
Segment net assets	**1,560,402**	**1,263**	**1,561,665**	1,540,618	1,191	1,541,809

25 SUBSEQUENT EVENTS

Since the year end, the Board has declared a fourth interim dividend in respect of the year ended 31 December 2023 of 1.69 pence per ordinary share (see also page 9 and note 8 on page 98).

From 1 January to 13 March 2024, 9,729,225 ordinary shares of 5p were bought back for £23,236,000.

Other Financial Information (unaudited)

SECURITIES FINANCING TRANSACTIONS

The Company engages in Securities Financing Transactions as defined in Article 3 of Regulation (EU) 2015/2365. Securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions. In accordance with Article 13 of the Regulation, the Company's involvement in and exposures related to securities lending as at 31 December 2023 are detailed below.

GLOBAL DATA

The amount of securities on loan as a proportion of total lendable assets and of the Company's net assets at 31 December 2023 is disclosed below:

Stock lending

Market value of securities on loan	% of lendable assets	% of Total assets
£45,656,000	2.56	2.55

CONCENTRATION DATA

The largest collateral issuers across all the securities financing transactions as at 31 December 2023 are disclosed below:

Issuer	Market value of collateral received £'000
Roche Holding AG	11,152
TE Connectivity Ltd	9,384
Teradyne Inc	8,930
CVS Pass Thru TR 2009	8,680
Mettler-Toledo International	8,657
ENEL SPA	5,471
Waste Management Inc	310
	52,584

The top counterparties of each type of securities financing transactions as at 31 December 2023 are disclosed below:

Counterparty	Market value of securities on loan £'000
BNP Paribas	41,405
JP Morgan	4,251
	45,656

Other Financial Information (unaudited) continued

AGGREGATE TRANSACTION DATA

The following table discloses a summary of aggregate transaction data related to the collateral received from securities on loan as at 31 December 2023:

Counterparty	Counterparty location	Type	Quality	Collateral currency	Settlement basis	Custodian	Market value of collateral received £'000
BNP Paribas	France	Equity	Main Market Listing	USD	Triparty	BNP Paribas	**36,913**
BNP Paribas	France	Equity	Main Market Listing	CHF	Triparty	BNP Paribas	**10,201**
JP Morgan	US	Equity	Main Market Listing	EUR	Triparty	BNP Paribas	**5,470**
							52,584

All of the collateral is held within segregated accounts.

The lending and collateral transactions are on an open basis and can be recalled on demand.

Re-use of collateral

The funds do not engage in any re-use of collateral.

Return and cost

The return and cost of engaging in securities lending by the Company and the securities lending agent in absolute terms and as a percentage of overall returns are disclosed below:

Total gross amount of securities lending income	Direct and indirect costs and fees deducted by securities lending agent	% return of the securities lending agent	Net securities lending income retained by the Company	% return to the Company
£193,000	**£48,000**	**25%**	**£145,000**	**75%**

Additional Shareholder Information

ALTERNATIVE INVESTMENT FUND MANAGERS' DIRECTIVE

Witan Investment Trust plc is an 'alternative investment fund' ('AIF') for the purposes of the UK version of the EU Alternative Investment Fund Managers' Directive (Directive 2011/61/EU) (the 'AIFMD') as transposed into UK Law on the UK's exit from the EU. The Company has appointed its subsidiary, Witan Investment Services Limited ('WIS'), to act as its AIFM. WIS is authorised and regulated by the United Kingdom Financial Conduct Authority as a 'full scope UK AIFM'.

The Company is required to make certain disclosures available to investors in accordance with the AIFMD. Those disclosures that are required to be made pre-investment are included within the Investor Disclosure Document ('IDD') which can be found on the Company's website (www.witan.com). There have not been any material changes to the disclosures contained within the IDD since it was last updated in March 2023.

The Company and AIFM also wish to make the following disclosures to investors:

> the investment strategy, geographic and sector investment focus and principal stock exposures are included in the Strategic Report. A list of the top 40 portfolio holdings is included on pages 32 to 33;

> none of the Company's assets is subject to special arrangements arising from their illiquid nature;

> the Strategic Report and note 14 to the accounts set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the risk limits set, with no breach expected;

> there are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by the Company;

> all authorised Alternative Investment Fund Managers are required to comply with the AIFMD Remuneration Code in respect of the AIFM's remuneration. The relevant disclosures required are contained within the IDD; and

> information in relation to the Company's leverage is contained within the IDD.

SHAREHOLDER INFORMATION

Points of reference

Shareholders can follow the progress of their investment through the newspapers. Witan's share price appears daily in the national press stock exchange listings under 'Investment Trusts' or 'Investment Companies' and is also included on the Witan website (www.witan.com). The London Stock Exchange Daily Official List ('SEDOL') code is BJTRSD3.

Dividend

A fourth interim dividend of 1.69 pence per share has been declared, payable on 15 March 2024. The record date for the dividend was 23 February 2024 and the ex-dividend date for the dividend was 22 February 2024 (see page 9 and note 8 on page 98).

Dividend Tax Allowance

Under current UK tax rules, individuals have an annual tax-free dividend income allowance. The amount is subject to change by Parliament; the allowances applicable to particular years are disclosed on HMRC's website. Above this amount, individuals pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company will continue to provide registered shareholders with a confirmation of the dividends it has paid and this should be included with any other dividend income received when calculating and reporting total dividend income received. It is the shareholder's responsibility to include all dividend income when calculating any tax liability.

Capital Gains Tax

The calculation of the tax on chargeable gains will depend on your personal circumstances. If you are in any doubt about your personal tax position, you are recommended to contact your professional adviser.

Please note that tax assumptions may change if the law changes, and the value of tax relief (if any) will depend upon your individual circumstances. Investors should consult their own tax advisers in order to understand any applicable tax consequences.

Beneficial Owners of Shares – Information Rights

Beneficial owners of shares who have been nominated by the registered holder of those shares to receive information rights under section 146 of the Companies Act 2006 should direct all communications to the registered holder of their shares rather than to the Company's Registrar, Computershare, or to the Company directly.

Additional Shareholder Information continued

DEFINITIONS AND ALTERNATIVE PERFORMANCE MEASURES ('APMs')

Benchmark: The Company's equity benchmark is 85% Global (MSCI All Country World Index) and 15% UK (MSCI UK IMI Index). From 1 January 2017 to 31 December 2019 the benchmark was 30% UK, 25% North America, 20% Asia Pacific, 20% Europe (ex UK) and 5% Emerging Markets. From 1 October 2007 to 31 December 2016 the benchmark was 40% UK, 20% North America, 20% Europe (ex UK) and 20% Asia Pacific. With effect from August 2020, the source for the benchmark index changed to MSCI International, replacing the previous FTSE source.

Debt valuation: The par, or face, value of the Company's debt is the amount repayable at maturity. The fair value is the discounted value calculated using the yield on a gilt of similar maturity plus a credit spread (see note 14.7 on pages 106 to 108).

Gearing: The difference between shareholders' funds and the total market value of the investments (including the face value of futures positions) expressed as a percentage of shareholders' funds. See page 108.

Net asset value and net asset value per share (debt at par and debt at fair value): Net asset value is the value of total assets less all liabilities of the Company. The Net Asset Value, or NAV, per ordinary share is calculated by dividing this amount by the total number of ordinary shares in issue (excluding those shares held in treasury). See note 18 on page 110 for further details.

Net asset value total return: Total return on net asset value ('NAV'), on a debt at fair value to debt at fair value basis, assuming that all dividends paid out by the Company were reinvested, without transaction costs, into the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

Total return calculation	Year ended 31 December 2023	Year ended 31 December 2022
Opening cum income NAV per share (pence) (A)	**234.1**	267.4
Closing cum income NAV per share (pence) (B)	**257.6**	234.1
Total dividend adjustment factor[1] (C)	**1.023942**	1.024030
Adjusted closing cum income NAV per share (B x C = D)	**263.8**	239.8
Net asset value total return (D/A - 1)	**12.7%**	(10.3)%

(1) The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the cum income NAV at the ex-dividend date.

Net contribution from borrowing: The estimated percentage contribution to NAV attributable to gearing, net of the cost of gearing, as a percentage of NAV.

Ongoing charge: The ongoing charge reflects those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue as a collective fund, excluding the costs of acquisition and disposal, finance costs and gains or losses arising on investments. See page 41 for an explanation of the calculation.

Premium/discount: The amount by which the market price per share is either higher (premium) or lower (discount) than the net asset value per share expressed as a percentage of the net asset value per share.

Share price total return: on a last traded price to last traded price basis, assuming that all dividends received were reinvested, without transaction costs, into the shares of the Company at the time the shares were quoted ex-dividend.

Revenue earnings per share

The revenue return per share is calculated by taking the return on ordinary activities after taxation and dividing it by the weighted average number of shares in issue during the year (see note 9 on page 98 for further information).

Total return calculation	Year ended 31 December 2023	Year ended 31 December 2022
Opening share price (pence) (A)	**221.5**	252.0
Closing share price (pence) (B)	**237.5**	221.5
Total dividend adjustment factor[1] (C)	**1.026500**	1.026240
Adjusted closing share price (B x C = D)	**243.8**	227.3
Share price total return (D/A – 1)	**10.1%**	(9.8)%

(1) The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the last traded price quoted at the ex-dividend date.

The Association of Investment Companies ('AIC') has produced a guide providing more information about Investment Companies: "Investment Companies – Democratising capital, funding growth and meeting investors' needs November 2022", which may be accessed via the following link: https://www.theaic.co.uk/sites/default/files/documents/AICInvestmentCompaniesReport22.pdf

Source data: All equity and index performance data in this Annual Report is sourced from Morningstar as is all Witan performance data for periods exceeding one year. Manager performance data is sourced from BNP Paribas.

HISTORICAL RECORD

	Market price per ordinary share in pence[1]	Debt at fair value: Net asset value per ordinary share in pence[1][2]	Debt at fair value: Share price (discount)/ premium %[2]	Debt at par value: Net asset value per ordinary share in pence[1][3]	Debt at par value: Share price (discount)/ premium %[3]	Revenue earnings per ordinary share in pence[1]	Dividends per ordinary share in pence[1]
31 December 2013	133.8	143.5	(6.8)	145.0	(7.7)	3.10	2.88
31 December 2014	150.7	149.8	0.6	152.1	(0.9)	3.20	3.08
31 December 2015	156.0	156.2	(0.2)	157.7	(1.1)	3.70	3.40
31 December 2016	180.4	187.8	(4.0)	190.6	(5.3)	4.40	3.80
31 December 2017	215.8	219.2	(1.6)	222.0	(2.8)	4.80	4.20
31 December 2018	194.2	196.7	(1.3)	199.0	(2.5)	5.20	4.70
31 December 2019	231.5	233.1	(0.7)	236.9	(2.3)	6.01	5.35
31 December 2020	230.5	236.0	(2.4)	240.1	(4.2)	3.08	5.45
31 December 2021	252.0	267.4	(5.8)	269.9	(6.6)	3.59	5.60
31 December 2022	221.5	234.1	(5.4)[4]	226.8	(2.4)	4.78	5.80
31 December 2023	**237.5**	**257.6**	**(7.8)[4]**	**249.6**	**(4.8)**	**4.84**	**6.04**

(1) Comparative figures for the years 2013 - 2018 have been restated due to the sub-division of each ordinary share of 25p into five ordinary shares of 5p each on 28 May 2019.
(2) The net asset value per ordinary share is calculated by deducting from the total assets less liabilities of the Group the fixed borrowings at their fair (or market) values. The share price discount/premium reflects this calculation.
(3) The net asset value per ordinary share is calculated by deducting from the total assets less liabilities of the Group the fixed borrowings at their par (not their market) values. The share price discount/ premium reflects this calculation.
(4) The average discount to the net asset value, including income, with debt at fair value, in 2023 was 9.0% (2022: 7.8%). (source: Datastream)

HOW TO INVEST

There are various ways to invest in Witan Investment Trust plc. Witan's shares can be traded through any UK stockbroker and most share dealing services and platforms that offer investment trusts (including Hargreaves Lansdown, Barclays Smart Investors, Fidelity, Halifax Share Dealing Limited, Interactive Investor and A J Bell), as well as Computershare, the Company's Registrars. Advisers who wish to purchase Witan shares for their clients can do so via a number of online platforms, including Seven Investment Management, Raymond James Investment Services, Strawberry Invest (formerly FundsDirect or Ascentric), Transact, Nucleus, Fidelity Adviser Solutions and others. Further information can be found at https://www.witan.com/investing-in-witan/how-to-invest/online-platforms.

The Company conducts its affairs so that its shares can be recommended by independent financial advisers ('IFAs') to private retail investors. The shares are excluded from the Financial Conduct Authority's restrictions which apply to non-mainstream pooled investment products because they are shares in a UK-listed investment trust.

GLOSSARY OF TERMS USED ON PAGE 18

Engagement: The company is open to stakeholder engagement.

Board: The company has a management structure that focuses on sustainability.

Compliance: The company complies with best practice in approach to and tracking of ESG risks.

Diversity: The company has diversity and inclusion targets that are achievable.

Remuneration: The company has an element of its remuneration policy which is linked to sustainability performance.

Sustainability: The company has products or services which are increasingly sustainable or otherwise support the transition to a more sustainable world.

Carbon: The company has an ambition or commitment to minimise its environmental impact.

Disclosure: There are strong climate change disclosures and reporting.

Collaboration: The company is an active member of sustainability partnerships or initiatives.

Reporting: The company produces regular, detailed and transparent sustainability disclosures.

Contacts

REGISTERED OFFICE OF THE COMPANY AND ITS SUBSIDIARY, WITAN INVESTMENT SERVICES LIMITED

14 Queen Anne's Gate
London SW1H 9AA

The Company is a public company limited by shares.

REGISTERED NUMBER

Registered as an investment company in England and Wales, Number 101625.

COMPANY SECRETARY

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CUSTODIAN, INVESTMENT ADMINISTRATOR

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DEPOSITARY

BNP Paribas Trust Corporation UK Limited
10 Harewood Avenue
London NW1 6AA

REGISTRAR

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0370 707 1408[1]

[1] Calls cost no more than calls to geographic numbers (01 or 02) and must be included in inclusive minutes and discount schemes in the same way. Calls from landlines are typically charged up to 9p per minute; calls from mobiles typically cost between 3p and 55p per minute. Calls from landlines and mobiles are included in free call packages.

AUDITOR

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STOCKBROKER

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SOLICITORS

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Herbert Smith Freehills LLP
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Primrose Street
London EC2A 2EG

The Company is a member of:

DISABILITY ACT

Copies of this Annual Report and other documents issued by Witan Investment Trust plc are available from the Company Secretary. If needed, copies can be made available in a variety of formats, including Braille, audio tape or larger type as appropriate.

You can contact our Registrar, Computershare Investor Services PLC, which has installed textphones to allow speech and hearing impaired people who have their own telephone to contact them directly, without the need for an intermediate operator, by dialling 0370 702 0005. Specially trained operators are available during normal business hours to answer queries via this service. Alternatively, if you prefer to go through a 'typetalk' operator (provided by The Royal National Institute for Deaf People), you should dial 18001 followed by the number you wish to dial.

UNSOLICITED APPROACHES FOR SHARES: WARNING TO SHAREHOLDERS

Many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high-risk shares in US or UK investments. They can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

Please note that it is very unlikely that either the Company or the Company's Registrar, Computershare Investor Services PLC, would make unsolicited telephone calls to shareholders and that any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment 'advice'.

Shareholders who suspect they may have been approached by fraudsters should advise the Financial Conduct Authority ('FCA') using the share fraud report form at www.fca.org.uk/scams or call the FCA Customer Helpline on 0800 111 6768. You may also wish to call either the Company Secretary or the Registrar at the numbers provided above.

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