
CHELVERTON GROWTH TRUST PLC

Annual Report

for the year ended 31 August 2022

Contents

Investment Objective	1
Company Summary	2
Performance Statistics	2
Strategic Report including:	
– Chairman’s Statement	3
– Investment Manager’s Overview	5
– Portfolio Review	7
– Portfolio Holdings	8
– Portfolio breakdown by sector and by index	9
– Section 172(1) Statement	10
– Other statutory information	13
Directors	17
Investment Manager, Secretary and Advisers	18
Corporate Governance Statement	19
Report of the Directors	27
Directors’ Remuneration Report	31
Statement of Directors’ Responsibilities in respect of the Financial Statements	34
Independent Auditors’ Report	35
Income Statement	42
Statement of Changes in Equity	43
Statement of Financial Position	44
Statement of Cash Flows	45
Notes to the Financial Statements	46
Shareholder Information	60
Notice of Annual General Meeting	61
Form of Proxy	64

Investment Objective

The Company's objective is to provide capital growth through investment in companies listed on the Official List and traded on the Alternative Investment Market ("AIM") with a market capitalisation at the time of investment of up to £50 million, which are believed to be at a "point of change". The Company will also invest in unquoted investments where it is believed that there is a likelihood of the shares becoming listed or traded on AIM or the investee company being sold. Its investment objective is to increase net asset value per share at a higher rate than other quoted smaller company trusts and the MSCI Small Cap UK Index.

It is the Company's policy not to invest in any listed investment companies (including listed investment trusts).

At the Annual General Meeting held on 12 December 2019, Shareholders voted to amend the Company's Investment Policy to state that the Company:

- may participate in a CEPS PLC placing (if it were to have one);
- will liquidate its various other investments when it is felt appropriate to do so;
- will repay the outstanding Jarvis Loan; and
- will pay all outstanding liabilities.

Company summary

Benchmark	MSCI Small Cap UK Index
Investment Manager	Chelverton Asset Management Limited See page 18 for further details
Total net assets	£2,961,000 as at 31 August 2022
Market capitalisation	£1,693,000 as at 31 August 2022
Capital structure	5,460,301 Ordinary 1p shares carrying one vote each.

Performance Statistics

	Year ended 31 August 2022	Year ended 31 August 2021	% Change
Net assets	£2,961,000	£3,146,000	(5.88)
Net asset value per share (NAV)	54.24p	57.62p	(5.87)
MSCI Small Cap UK Index	370.37	502.41	(26.28)
Share price	31.00p	59.50p	(47.90)
(Discount)/premium to net asset value	(42.85)%	3.26%	
Revenue loss after taxation	£(111,000)	£(107,000)	
Revenue loss per share	(2.04)p	(1.95)p	
Capital (loss)/gain per share	(1.35)p	18.95p	

An investment company as defined under Section 833 of the Companies Act 2006.

REGISTERED IN ENGLAND No. 02989519

Strategic Report

The Strategic Report section of this Annual Report has been prepared to help Shareholders understand the operations of the Company and assess its performance.

Chairman's Statement

I am not intending within this report to discuss in detail the litany of well documented issues and problems currently facing the economies of the United Kingdom and Europe. Through the almost daily turmoil seen in Government, our politicians have managed to cause further angst and uncertainty. The world looks a very different place today from that when I reported to you a year ago, and certainly not for the better as had been hoped.

Notwithstanding this economic climate, I am pleased to report that the Company's value has held up well on a relative value basis. Most of the portfolio companies have made progress in the past year at an operating level. However, in these febrile, risk averse times, the prices of the AIM traded shares have not advanced to reflect these improvements.

As a result, the past year has been one of consolidation with a decrease in the Company's net asset value per share from 57.62p to 54.24p – a reduction of 5.87%. In the same period the Company's benchmark index, the MSCI Small Cap UK Index decreased by 26.28%.

The Manager's Report sets out in more detail the developments in the portfolio over the past twelve months. I am pleased to say that there has been some continued positive progress, and I wish to recognise the considerable efforts by everyone working in our investee companies to achieve the best they can within highly challenging conditions.

The Future

The Board is aware that the current structure of the Company is not appropriate for enabling our objective of achieving the best long-term outcomes for Shareholders.

To date the Company's strategy has been to return cash to Shareholders via regular tender offers. Over a number of years £5.4 million has been returned and 71% of the equity retired. This has been a successful strategy and has been well received.

The Board feels that the reduced size of the Company and the small number of investments, dictates that a further tender offer is inappropriate at this stage. Consequently, we are now investigating other options to maximise the return of funds to Shareholders. Nothing has been concluded at this time, but as soon as this process is complete, the Board will formally report its intended strategy to Shareholders. It is hoped that such a report will be published within the next six months.

Recognising the need to minimise the ongoing cost base of the Company, Board members have continued to provide their services at reduced salaries. In addition, our Investment Manager, Chelverton Asset Management, has cut its fees to zero.

The Board considers that there remains significant unrecognised value in the portfolio and wishes to only sell investments once an appropriate value is reflected.

To provide adequate liquidity for such a strategy to be pursued, we have put in place a loan facility with David Horner who has provided a £215,000 loan to the Company. The loan is interest free and unsecured and can be repaid by the Company at any time or on 18 months notice from Mr Horner.

Strategic Report *(continued)*

The Outlook

Despite the current market conditions in the UK, it is hoped that over the next twelve months we will start to see a return to more stable conditions which support a period of steady and sustainable growth. The market dislocation caused by Covid-19 and associated lockdowns should begin to reduce and the political and social fallout from the Ukrainian war will hopefully abate.

If the matters referred to above are resolved, then the improved certainty and clarity in the UK should encourage international investors back to invest in UK companies.

The companies in the portfolio have shown great resilience over the past three years, and it will be this strength that should enable them to prosper going forward.

Kevin Allen

Chairman

8 November 2022

Strategic Report *(continued)*

Investment Manager's Overview

Having emerged from the pandemic and associated lockdowns it had been hoped that the UK economy would bounce back and recover to be ahead of its 2019 levels.

Unfortunately, the impact of the lockdowns and the furlough scheme have proved to be far more disruptive than was ever considered likely. Supply chains have not yet recovered to their pre-Covid levels of consistency or speed of delivery. The increases in world demand, which have not been matched by production and supply, have resulted in the high levels of price inflation which we are now experiencing.

The portfolio is invested in small AIM traded or unquoted companies whose business is largely conducted in the UK. Therefore, the strength and growth of the UK economy is by far and away the most important determinant of our underlying companies' success.

The UK economy is dynamic and will adapt to the challenges it faces. There will always be opportunities for nimble businesses operating in niche markets and the issues our companies are facing are evolving almost on a weekly basis. The main problems currently faced are ones of supply of labour and input materials. In addition, the price and perhaps availability of energy, both gas and electricity, could be problematic over the winter period. However, successful businesses will always find solutions; a longer-term answer to these problems is to use less labour and energy by adopting new processes and procedures, thereby becoming competitive within the changing environment.

Those of us of a certain age will recall previous periods, not unlike the one we are now experiencing. We should take comfort that the UK economy came through those times in a stronger and more efficient state. I do believe that we will find a way through what now seems like an impenetrable fog of uncertainty.

Portfolio review

I am pleased to say that the recovery that we talked about last year in CEPS plc, the Company's largest holding (68.0% of the Company's portfolio), was demonstrated in the CEPS results for the year ended 2021. This positive trend continues with another solid performance reported in the latest interim accounts for the six months ended June 2022. The full year accounts will enjoy the benefits from a complete year's trading of several incremental acquisitions made during the prior year by CEPS businesses. Thus, we remain positive.

The Hickton Group, a subsidiary of CEPS plc, has deliberately increased its cost base by putting in additional controls to manage its rapid growth over the past two years and to provide the base to facilitate future growth.

The management team at Aford Awards acquired a large internet-based business to expand the range of its offering. The integration of this business into the Aford Awards operation near Maidstone is ongoing. It is hoped that further acquisitions will be made in the next year.

Friedmans has seen a very welcome return to sales and profits growth. The ongoing issues of the supply of lycra and currency volatility have however been problematical. Milano International, Friedmans subsidiary, manufacturing gymnastic sportswear, has struggled with a shortage of skilled labour. However, the management team are working hard to improve efficiency and therefore performance.

A cash offer was received for Universe at 12p per share which was a good price and accelerated the returns from the new management team mentioned last year. We stated at that time that we were expecting "to see significant progress in the business and the share price".

Strategic Report *(continued)*

Touchstar, as expected and heralded last year, has continued to improve its performance. This was evidenced in its latest interim results with increases in sales, gross margins, order book, profits, and consequently cash reserves. It will be important for Touchstar to utilise its hard created balance sheet strength to create value.

Petards has transformed its business to manage the reduction in sales in the railway supply side. It has significantly increased gross margins which has helped to manage the decline in its sales. Its objective two years ago was to move to a higher value-added service with stronger recurring revenue. It is well on the way to achieving this objective. As a measure of its undervalue, some 50% of market capitalisation is represented by cash reserves.

La Salle Education continued to make progress and is developing its business model on several fronts. We believe that the hard work of the past five years will begin to be demonstrated in the next set of results.

SpaDental/Main Dental Partners (MDP) continues to be problematical. Having lost an appeal to a negative judgement against it, MDP is waiting for the legal process to conclude. I am reticent to put any timetable on when this will be resolved and to the exact level of cash the Company could finally receive.

Redecol had received an offer to invest significant sums into the company however, the principal investor, tragically died in an accident and matters are consequently now on hold.

Peddalling Forth (t/a Velovixen), like most internet retailers, struggled once the lockdown environment ended. Sales were significantly lower and eventually we decided to accept a modest cash offer for our shares, there being no better alternative.

Outlook

The economic environment, at the time of writing, is looking very uncertain and problematical. Things will improve, however, at this stage, it is impossible to say when. The anticipated decline in inflation over the course of 2023 should be a big help as will the normalisation of the energy supply side. Gradually, the imbalance between demand and supply will disappear, not least because the UK and Europe are forecast to enter a period of recession.

The resolution of these issues will happen slowly, and the financial performance of our investee companies should begin to reflect the underlying progress that they have made over the past three years. This progress will, in the end, be evidenced by increases in their value.

David Horner

Chelverton Asset Management Limited
8 November 2022

Strategic Report *(continued)*

Portfolio Review as at 31 August 2022

Investment	Sector	Valuation £'000	% of total portfolio
<i>AIM Traded</i>			
CEPS Trading holding company for a number of companies supplying services and products	Support Services	2,075	68.0
Petards Group Development, provision and maintenance of advance security systems and related services	Support Services	180	5.9
Touchstar Software systems for warehousing and distribution	Technology Hardware & Equipment	595	19.5
<i>Nasdaq Traded</i>			
Touchpoint Group Holdings Provider of mobile satellite communications equipment and airtime	Support Services	—	—
<i>Unquoted</i>			
La Salle Education A UK based company dedicated to providing online mathematics education	Support Services	182	5.9
Redecol A medical device company focused on the development of asthma monitoring	Healthcare Equipment & Services	21	0.7
Portfolio Valuation		3,053	100.0

Strategic Report *(continued)*

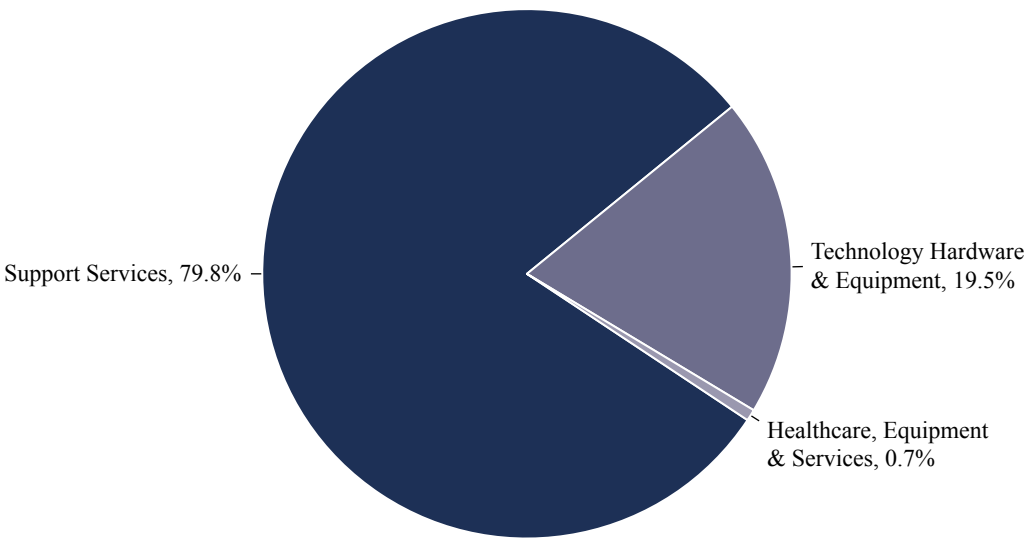
Portfolio Holdings as at 31 August 2022

Investment	31 August 2022		31 August 2021	
	Valuation £'000	% of total portfolio	Valuation £'000	% of total portfolio
CEPS	2,075	68.0	1,771	57.1
Touchstar	595	19.5	637	20.6
La Salle Education	182	5.9	182	5.9
Petards Group	180	5.9	190	6.1
Redecol	21	0.7	21	0.7
Touchpoint Group Holdings	–	–	–	–
Pedalling Forth*	–	–	240	7.7
Universe Group*	–	–	33	1.1
Zenith Energy*	–	–	24	0.8
Total	3,053	100.0	3,098	100.0

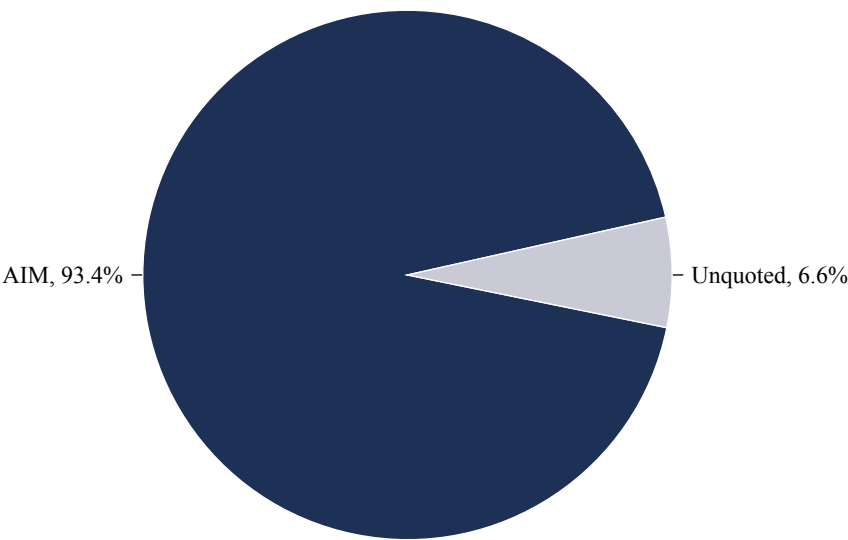
*Sold during the year.

Portfolio breakdown by sector and by index

Percentage of portfolio by sector



Percentage of portfolio by index



All investments are in companies based in the United Kingdom.

Strategic Report *(continued)*

Section 172(1) Statement

The Directors of the Company are required to promote the success of the Company for the benefit of the Members/Shareholders as a whole. Section 172(1) of the Companies Act 2006) expands this duty and requires the Directors to consider a broader range of interested parties when considering the promotion of the Company. This wider group of stakeholders will include employees, if any, suppliers, customers and others, and the Board will look to understand and take into account the needs of each stakeholder, although recognising that different stakeholders may have conflicting priorities and not all decisions made will be to the benefit of all stakeholder groups.

When making decisions the Board should consider the following:

- the likely consequences of any decisions in the long-term;
- the interests of the Company's employees (if applicable);
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

In line with similar small Investment Trusts and Investment Companies, Chelverton Growth Trust plc does not have any employees nor customers and relies on a number of third-party providers of services such as the Investment Manager, the Administrator, the Custodian and the Registrar to maintain its operations. The Company takes into account the regulations of the market in which it operates and has regard to the environment and the wider community in which it operates.

At every Board meeting the Directors review the performance of the Company towards meeting the Company's Investment Objective through its strategy. David Horner, a Director of the Company, is also a director of the Investment Manager and reports directly to the other Board members and answers any questions raised. The financial performance is reviewed and measured against the Key Performance Indicators as set by the Board. The compliance with existing legal and regulatory requirements are reviewed, together with any new regulations that are to be introduced or are being proposed. The new regulations are discussed and their potential impact on the Company and its stakeholders assessed. The Directors receive updates on the share trading activity and share price performance including the (discount)/premium to net asset value.

The Board recognises the importance of, and is committed to, understanding the views of Shareholders and maintaining communication with its Shareholders in the most appropriate manner.

This is undertaken through:

Annual General Meeting

The Company normally encourages all Shareholders to attend and participate at its Annual General Meeting ("AGM"). Whilst the formal business of the meeting is the primary purpose of the meeting, members of the Board are available to answer questions directly from Shareholders, to provide an update to the meeting and to offer Shareholders an insight into the business. Due to the restrictions under Covid-19, Shareholders were encouraged not to attend the AGM held on 11 January 2022 when all resolutions were passed on a poll of the proxy votes received. At the time of preparing this report it is hoped all Shareholders will be able to attend the AGM on 15 December 2022, in person. To ensure all Shareholders, whether they attend in person or not, vote on resolutions, the voting at the AGM will again be by a poll, based on all Shareholders voting. Therefore, you are encouraged to submit your proxy vote in accordance with the Notice of Annual General Meeting on pages 61 to 64.

Strategic Report *(continued)*

Section 172(1) Statement *(continued)*

The Board welcomes the opportunity at the AGM to meet and answer questions from Shareholders but where this is not possible encourages that any questions should be submitted by email to the Directors through the Company Secretary at cgw@iscaadmin.co.uk.

Published Reports

The Company produces Annual and Half-Yearly Reports. The Annual Report is posted to all Shareholders and the Half Yearly Report is available through the Company's website. The publication of these reports is considered to be the primary method of communication to Shareholders and other readers of the reports and provides detailed information on the portfolio, performance over the period and an assessment of the outlook for the Company. Reports from the various committees of the Board are included, as are descriptions of the Company's corporate governance.

Whilst the structure and layout of the Annual Report is often prescribed by regulation, the Board seek to ensure that the Report is readable and is mindful that it should be Fair, Balanced and Understandable.

Shareholder enquiries

Shareholders can contact the Company or any of its Directors through the Company Secretary, cgw@iscaadmin.co.uk, or by post to the Registered Office address. Although the Directors are Non-Executive and therefore not available full time, with the assistance of the Company Secretary they seek to maintain open communications to all Shareholders.

Key Suppliers

The Board recognises the key relationship the Company has with its Investment Manager, Chelverton Asset Management Limited, and the importance that this has to the overall success of the Company. In meeting the Company's Objectives, the Investment Manager's performance is essential. David Horner from the Investment Manager attends all Board meetings and is in regular contact with the other Directors outside of formal meetings through email, to ensure that communication is maintained in a timely fashion. The Company Secretary and Administrator, ISCA Administration Services Limited, is often the primary contact point for advisors and stakeholders in the Company. Regular communication is maintained between ISCA and the Directors, advising them of all matters concerning the Company.

Other Suppliers

As stated above the Company relies on the provision of outside parties to operate and has engaged with several advisors to maintain operations and to meet its regulatory obligations. Reports from these advisors are received and form part of discussions by the Directors as appropriate. The Board and its Committees undertake a review of all the suppliers at least annually to ensure that they are providing the Company with the required level of service. During these assessments the Board gives due consideration to the needs and objectives of the service providers and recognises that the success of service providers will often assist the Company in achieving its Objectives.

Regulators

The Company operates in an environment that is governed by legal and regulatory requirements, which prescribe what the Company can undertake and how it can operate. The Board recognises that these restrictions are there to protect stakeholders, including the government. The Board's view is to adopt the sentiment and ethos of the rules and regulations.

Environment and Community

As the Company does not have any direct employees nor any physical office environment of its own it has little direct impact on the community or the environment. The Company seeks to reduce its impact on the environment and the Half Yearly Report is only published electronically rather than through printed hard copies. The Board also engage through electronic means where possible rather than hold excessive face to face meetings, thereby reducing travel for attendees. The Investment Manager is able to assess the Environmental Impact of potential investee companies.

Strategic Report *(continued)*

Section 172(1) Statement *(continued)*

Decision-making

The Board recognises that all material decisions it makes will impact all stakeholders to a greater or lesser degree and it seeks to assess that impact when making the decision.

Other statutory information

As explained within the Report of the Directors on page 27, the Company carries on business as an investment trust. Investment trusts are collective closed-ended public limited companies.

Chelverton Growth Trust plc is a public limited company, limited by shares, registered and incorporated in England and Wales (registration number 02989519) with its registered office being Suite 8, Bridge House, Courtenay Street, Newton Abbot TQ12 2QS.

The Company is an investment company under section 833 of the Companies Act.

The Company's shares are listed on the London Stock Exchange main market under the code CGW (sedol 0262134) and L.E.I. 213800I86P8BAE6UVI83.

Board

The Board of Directors is responsible for the overall stewardship of the Company, including investment and dividend policies, corporate and gearing strategy, corporate governance procedures and risk management. Biographical details of the three Directors, can be found on page 17.

Investment Objective

The Company's objective is to provide capital growth through investment in companies listed on the Official List and traded on the Alternative Investment Market ("AIM") with a market capitalisation at the time of investment of up to £50 million, which are believed to be at a "point of change". The Company will also invest in unquoted investments where it is believed that there is a likelihood of the shares becoming listed or traded on AIM or the investee company being sold. Its investment objective is to increase net asset value per share at a higher rate than other quoted smaller company trusts and the MSCI Small Cap UK Index.

Investment Policy

The Company invests principally in securities of publicly quoted UK companies, though it may invest in unquoted securities. The performance of the Company's investments is compared to the MSCI Small Cap UK Index.

The Company may also invest in unquoted investments where it is believed that there is a likelihood of the shares becoming listed or traded on AIM or the investee company being sold.

It is the Company's policy not to invest in any listed investment companies or listed investment trusts.

At the Annual General Meeting held on 12 December 2019, Shareholders voted to amend the Investment Policy to state that the Company:

1. may participate in a CEPS PLC placing (if it were to have one);
2. will liquidate its various other investments when it is felt appropriate to do so;
3. will repay the outstanding Jarvis Loan; and
4. will pay all outstanding liabilities.

Strategic Report *(continued)*

Other statutory information *(continued)*

To comply with Listing Rules the Company's investment policy is detailed above and should be read in conjunction with the subsequent sections entitled investment strategy and the performance analysis.

It is intended, when deemed appropriate, that the Company will borrow for investment purposes.

The Investment Objective and Policy stated are intended to distinguish the Company from other investment vehicles which have relatively narrow investment objectives and which are constrained in their decision making and asset allocation. The Investment Objective and Policy allow the Company to be constrained in its investment selection only by valuation and to be pragmatic in portfolio construction by only investing in securities which the Investment Manager considers to be undervalued on an absolute basis. Portfolio risk is managed by investing in a diversified spread of investments. Although the Company's investment in CEPS represents 68.0% of the portfolio, it should be noted that CEPS is diversified across a number of underlying businesses.

Investment Strategy

Investments are selected for the portfolio only after extensive research which the Investment Manager believes to be key. The whole process through which equity must pass in order to be included in the portfolio is very rigorous. Only a security where the Investment Manager believes that the price will be significantly higher in the future will pass the selection process. The Investment Manager believes the key to successful stock selection is to identify the long-term value of a company's shares and to have the patience to hold the shares until that value is appreciated by other investors. Identifying long-term value involves detailed analysis of a company's earnings prospects over a five year time horizon.

The Company's Investment Manager is Chelverton Asset Management Limited ("CAM"), an investment manager focusing exclusively on achieving returns for investors based on UK investment analysis of the highest quality. The founder and employee owners of CAM include experienced investment professionals with strong investment performance records who believe rigorous fundamental research allied to patience is the basis of long-term investment success.

Note 16 gives details of the Directors' interests in the Investment Manager.

The Chairman's Statement on pages 3 and 4 and the Investment Manager's Overview on pages 5 and 6 give details of the Company's activities during the year under review.

Investment of Assets

At each Board meeting, the Board considers compliance with the Company's investment policy and other investment restrictions during the reporting period. An analysis of the portfolio at 31 August 2022 can be found on pages 7 to 9 of the report.

Environment Emissions

All of the Company's activities are outsourced to third parties. As such it does not have any physical assets, property, or operations of its own and does not generate any greenhouse gas or other emissions.

Review of Performance and Outlook

Reviews of the Company's returns during the financial year, the position of the Company at the year end, and the outlook for the coming year are contained in the Chairman's Statement on pages 3 and 4 and the Investment Manager's Overview on pages 5 and 6.

Strategic Report *(continued)*

Other statutory information *(continued)*

Principal risks and uncertainties and risk management

As stated within the Corporate Governance Statement on pages 19 to 26, the Board applies the principles detailed in the internal control guidance issued by the Financial Reporting Council, and has established a continuing process designed to meet the particular needs of the Company in managing the risks and uncertainties to which it is exposed.

The principal risks and uncertainties faced by the Company are described below and in note 15 which provides detailed explanations of the risks associated with the Company's financial instruments.

Market risk

The Company is exposed to market risk due to fluctuations in the market prices of its investments.

The Investment Manager actively monitors economic and company performance and reports regularly to the Board on a formal and informal basis. The Board formally meets with the Investment Manager quarterly when portfolio transactions and performance are reviewed. The Board acting as the Management Engagement Committee meets as required to review the performance of the Investment Manager. Further details regarding the Company's Committees and their duties are given on pages 21 to 23 of the Corporate Governance Statement.

The Company is substantially dependent on the services of the Investment Manager's investment team for the implementation of its Investment Policy.

The Company may hold a proportion of the portfolio in cash or cash equivalent investments from time to time. Whilst during positive stock market movements the portfolio may forego notional gains, during negative market movements this may provide protection.

Discount volatility

As with many investment trust companies, discounts can fluctuate significantly.

The Board recognises that it is in the long-term interests of Shareholders to reduce discount volatility and believes that the prime driver of discounts over the longer term is performance. The Board does not intend to adopt a precise discount target at which shares will be bought back. However, Ordinary shares will not be bought back for cancellation or into Treasury at a discount to NAV of less than 7.5%.

Regulatory risks

Relevant legislation and regulations which apply to the Company include the Companies Act 2006, the Corporation Tax Act 2010 ("CTA"), the Alternative Investment Fund Managers Directive ("AIFMD") and the Listing Rules of the Financial Conduct Authority ("FCA"). The Company has noted the recommendations of the UK Corporate Governance Code and its statement of compliance appears on pages 19 to 26. A breach of the CTA could result in the Company losing its status as an investment company and becoming subject to capital gains tax, whilst a breach of the Listing Rules might result in censure by the FCA. At each Board meeting the status of the Company is considered and discussed, so as to ensure that all regulations are being adhered to by the Company and its service providers.

The Board is not aware of any breaches of laws or regulations during the period under review and up to the date of this report.

Strategic Report *(continued)*

Other statutory information *(continued)*

Financial risk

The financial situation of the Company is reviewed in detail at each Board meeting. The content of the Company's Annual Report and financial statements is monitored and approved both by the Board and the Audit Committee.

Inappropriate accounting policies or failure to comply with current or new accounting standards may lead to a breach of regulations.

Liquidity risk

The Board monitors the liquidity of the portfolio at each Board meeting and regularly reviews the investments with the Investment Manager.

A more detailed explanation of the investment management risks facing the Company is given in note 15 to the financial statements.

Financial instruments

As part of its normal operations, the Company holds financial assets and financial liabilities. Full details of the role of financial instruments in the Company's operations are set out in note 15 to the financial statements.

The Board seeks to mitigate and manage these risks through continual review, policy setting and enforcement of contractual obligations. It also regularly monitors the investment environment and the management of the Company's investment portfolio. Investment risk is spread through holding a wide range of securities in different industrial sectors.

Statement regarding annual report and accounts

Following a detailed review of the Annual Report and Accounts by the Audit Committee, the Directors consider that taken as a whole it is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy.

Performance analysis using key performance indicators

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives, for example: the NAV, the movement in the Company's share price and the premium/discount of the share price in relation to the NAV.

The Company's Income Statement is set out on page 42.

The movement of the NAV is compared to the MSCI Small Cap UK Index, the Company's benchmark. The NAV per Ordinary share at 31 August 2022 was 54.24p (2021: 57.62p), a decrease of 5.87%. By comparison the benchmark fell by 26.28%.

The Company's share price at the year end was 31.00p (2021: 59.50p).

Strategic Report *(continued)*

Other statutory information *(continued)*

Viability Statement

The Board reviews the performance and progress of the Company over various time periods and uses these assessments, regular investment performance updates from the Investment Manager and a continuing programme of monitoring risk, to assess the future viability of the Company. The Directors consider that a period of two years is the most appropriate time horizon to consider the Company's viability and after careful analysis and consideration of the future prospects, as discussed in the Chairman's Statement on pages 3 and 4, the Directors believe that the Company is viable over a two-year period. The Directors are of the opinion that the Company has sufficient liquidity in the portfolio in readily realisable smaller capitalised AIM traded securities.

In order to maintain viability, the Company has a robust risk control framework for the identification and mitigation of risk which is reviewed regularly by the Board. The Directors also seek reassurance from suppliers that their operations are well managed and they are taking appropriate action to monitor and mitigate risk. The Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of assessment.

Current and future developments

A review of the main features of the year is contained in the Chairman's Statement and the Investment Manager's Overview on pages 3 to 6

The marketing and promotion of the Company will continue to involve the Board, led by the Investment Manager, with a proactive communications programme either directly or through its website, with existing and potential new Shareholders and other external parties.

The Directors are seeking to renew the appropriate powers at the next Annual General Meeting to enable the purchase of the Company's own shares, when it is in the interests of Shareholders as a whole.

Social, environmental and employee issues

The Company does not have any employees and the Board consists entirely of non-executive directors. As the Company is an investment trust, which invests in other companies, it has no direct impact on the community or the environment, and as such has no policies in this area.

Alternative Investment Fund Manager's Directive ("AIFMD")

The Board has registered itself as the AIFM with the FCA under the Directive and confirm that all required returns have been completed and filed.

By Order of the Board

Kevin Allen

Chairman

8 November 2022

Directors

The Directors are:

Kevin Allen (Chairman) recently retired after a career as an airline pilot and chartered accountant. He qualified with Coopers & Lybrand, before joining Overseas Containers (part of P&O Group) where he spent five years, latterly as chief accountant. In 1986 he joined Volvo Car UK as financial controller before moving to Kellock Limited, the factoring and invoice discounting arm of Bank of Scotland Group, as finance and operations director. He became finance director of Brockbank Group plc in 1993, serving on the boards of Brockbank Syndicate Management, Admiral Insurance Services and Brockbank Insurance Services Inc. until 2000. After a period working in a finance role within the Technology sector, he left to pursue a career as an airline pilot, latterly as a Captain with Jet2.

David Horner is managing director of Chelverton Asset Management Limited and the chairman of CEPS PLC. He qualified as a chartered accountant and has considerable experience of analysing and working with smaller companies. In 2013 he resigned his membership of The Institute of Chartered Accountants in England and Wales, as his career is now fully involved in fund management.

Ian Martin has successfully headed both quoted and unquoted companies in both the insurance and media industry. Until January 2019, he was a director of Neon Underwriting Limited. Prior to that from 2002 to 2012, he oversaw the growth of Avesco plc, the AIM quoted provider to the broadcast industry, including delivering Olympic ceremonies in London and Beijing. Prior to that he held senior board positions at Ascot Underwriting, Admiral Insurance and the Brockbank Group plc. Ian is currently chairman of Touchstar plc and a non- executive director of JJ Location Limited one of the most respected photographic studios in London.

Investment Manager, Secretary and Advisers

Investment Manager

Chelverton Asset Management Limited
11 Laura Place
Bath BA2 4BL
Tel: 01225 483 030

Chelverton Asset Management Limited was formed in 1998. The investment team consists of David Horner and David Taylor who have considerable experience of companies in the smaller quoted market sector.

The Company website is maintained by the Investment Manager and can be found at www.chelvertonam.com.

Secretary and Registered Office

ISCA Administration Services Limited
Suite 8, Bridge House
Courtenay Street
Newton Abbot TQ12 2QS
Tel: 01392 487056
Email: cgw@iscaadmin.co.uk

Auditors

Hazlewoods LLP
Staverton Court
Staverton
Cheltenham GL51 0UX

Registrar and Transfer Office

Share Registrars Limited
Molex House
The Millenium Centre
Crosby Way
Farnham GU9 7XX
Tel: 01252 821390
www.shareregistrars.uk.com

Custodians and Bankers

Jarvis Investment Management Limited
78 Mount Ephraim
Royal Tunbridge Wells TN4 8BS

Corporate Governance Statement

Shareholders hold the Directors of a Company responsible for the stewardship of that Company's affairs. Corporate governance is the process by which a board of directors discharges this responsibility. The Company's arrangements in respect of corporate governance are explained in this report.

During the year under review, the Company was required to comply with, or to explain its non-compliance with, the relevant provisions of the UK Corporate Governance Code 2018 ("UK Code") issued by the FRC which can be found at www.frc.org.uk.

The Directors acknowledge that the full UK Code is not applicable to an Investment Trust the size of Chelverton Growth Trust and has sought to continue its governance structure in operations similar to those it complied with in previous years when it was able to report under the AIC Code as it believes these are appropriate. The Board has decided it is not in Shareholders' interest to expand the Board to meet some of the provisions of the UK Code due to the likely limited long-term operation of the Company in its current form as detailed in the Chairman's Statement. The Company's governance structure is deemed appropriate to the current and medium-term strategy of the Company's operations and has been designed to support the Company's Investment Strategy and Investment Policy.

Areas of the UK Code the Company does not comply with are:

- The Company has not designated one of the Board to be the Senior Independent Director as required under Provision 12 of the UK Code.
- The Chairman of the Board is a member of the Audit Committee but does not chair the Committee, Provision 24 of the UK Code.
- The Board as a whole performs the function of the Remuneration Committee and the Nomination Committee rather than establishing separate committees, Provisions 17 and 37 of the UK Code.
- The Chairman was first appointed in November 1994 and therefore has served over nine years, Provision 19 of the UK Code.

As an investment company managed by third parties, the Company does not employ a Chief Executive, nor any executive Directors. The systems and procedures of the Investment Manager and the Administrator and the annual statutory audit as well as the size of the Company's operations, gives the Board confidence that an internal audit function is not appropriate. The Company is therefore not reporting further in respect of these areas.

Board of Directors

The Board believes that the two independent Directors, Mr Allen and Mr Martin, are independent in character and that there are no relationships or circumstances which are likely to affect their judgement.

The Board's policy on tenure for Directors including that of Chairman is that an appointment is not restricted to a fixed period and, subject to annual review, can continue beyond nine years. The continuing independence of Mr Allen has been fully considered in light of his having served for more than nine years on the Board since his first election. Mr Allen and Mr Martin were the founding Board members. Mr Martin, having previously resigned from the Board, was re-appointed on 19 December 2013. Their knowledge of the Company and experience is considered extremely valuable by the other Director. Mr Horner, as managing director of Chelverton Asset Management Limited the Investment Manager, is not independent.

Corporate Governance Statement *(continued)*

All Directors receive relevant training, collectively or individually, as necessary. The Directors believe that the Board has the balance of skills, experience, ages and length of service to enable it to provide effective leadership and proper governance of the Company. The Directors possess a range of business and financial expertise relevant to the direction of the Company and consider that they commit sufficient time to the Company's affairs.

Given the size and nature of the Board, it is not considered appropriate to appoint a Senior Independent Director. The Company does not have a Chief Executive Officer, but by appointing a management company the roles of Chairman and Chief Executive Officer are effectively separated. Brief biographical details of the Directors can be found on page 17.

The three Directors were reappointed at the Annual General Meeting, held on 11 January 2022, for a term to expire at the next Annual General Meeting. All three non-executive Directors will offer themselves for re-election at the forthcoming Annual General Meeting.

The Directors of the Company meet at regular Board Meetings. During the year to 31 August 2022, the Directors' attendance at meetings has been recorded as follows:

	Board Meetings	Audit Committee
K J Allen	4 of 4	2 of 2
D A Horner	4 of 4	n/a
I P Martin	4 of 4	2 of 2

Additional ad hoc meetings were held as necessary.

The Board subscribes to the view that long-serving Directors should not be prevented from forming part of an independent majority. It does not consider that the length of a Director's tenure reduces his ability to act independently. The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board and, as such, no limit on the overall length of service of any of the Company's Directors, including the Chairman, has been imposed, although the Board believes in the merits of periodic and progressive refreshment of its composition.

The basis on which the Company aims to generate value over the longer term is set out in the Strategic Report on pages 3 to 16. All matters, including corporate and gearing strategy, investment and dividend policies, corporate governance procedures and risk management are reserved for the approval of the Board of Directors. The Board receives full information on the Company's investment performance, assets, liabilities and other relevant information in advance of Board meetings.

Board responsibilities and relationship with Investment Manager

The Board is responsible for the Investment Policy and strategic and operational decisions of the Company and for ensuring that the Company is run in accordance with all regulatory and statutory requirements. These matters include:

- The maintenance of clear investment objectives and risk management policies, changes to which require Board approval;
- The monitoring of the business activities of the Company, including investment performance and annual budgeting; and
- Review of matters delegated to the Investment Manager and Company Secretary.

Corporate Governance Statement *(continued)*

The Investment Manager ensures that Directors have timely access to all relevant management and financial information to enable informed decisions to be made and contacts the Board as required for specific guidance. The Company Secretary and Investment Manager prepare quarterly reports for Board consideration on matters of relevance, for example current valuation and portfolio changes, cash availability and requirements and a breakdown of shareholdings by listing and sector. The Board takes account of Corporate Governance best practice.

The Directors review at each Board meeting the Company's investments and all other important issues to ensure that control is maintained over the Company's affairs. The Board is responsible for the Investment Policy and strategic and operational decisions of the Company. A formal schedule of matters specifically reserved for the Board's approval has been adopted. The management of the Company's assets is delegated to Chelverton Asset Management Limited, which has discretion to manage the assets of the Company in accordance with the Company's investment objectives and policies subject to the following:

- All proposed investments in unquoted companies are put to the Board for approval;
- Investments in quoted companies of over £100,000 in any single situation are referred to the Board; and
- Opportunistic top-up investments of up to £50,000 are permitted in any company on the basis that the Board is informed.

Corporate governance and social responsible investment policy

The Board is aware of its duty to act in the interests of the Company. The Board acknowledges that there are risks associated with investment in companies which fail to conduct business in a socially responsible manner. The Investment Manager considers social environmental and ethical factors which may affect the performance or value of the Company's investments. The Directors, through the Manager, encourage companies in which investments are held to adhere to best practice in the area of Corporate Governance. They believe that this can best be achieved by entering into a dialogue with company management to encourage them, where necessary, to improve their policies in this area. The Company's ultimate objective is to deliver superior long-term returns for Shareholders which the Board believe will be produced on a sustainable basis by investing in companies which adhere to best practice in the area of Corporate Governance. Accordingly the Investment Manager will seek to favour companies which pursue best practice in this area.

Chairman and Senior Independent Director

The Chairman, Mr Allen, is independent. He considers himself to have sufficient time to commit to the Company's affairs. Given the size and nature of the Board it is not considered appropriate to appoint a Senior Independent Director.

Board operation committees

The Company uses an Audit Committee to control and monitor its operations and provide a forum through which the Company's external Auditors report to the Board of Directors. The Committee meets at least twice a year and is chaired by Mr Martin. Mr Horner is not a member by virtue of his association with the Investment Manager. The Audit Committee's delegated responsibilities are clearly defined in written terms of reference, copies of which are available from the Company Secretary.

The primary responsibilities of the Audit Committee are: to review the effectiveness of the internal control environment of the Company and monitor adherence to best practice in corporate governance; to make recommendations to the Board in relation to the re-appointment of the Auditors and to approve their remuneration and terms of engagement; to review and monitor the Auditors' independence and objectivity and the effectiveness of the audit process and provide a forum through which the Company's Auditors report to the Board. The Audit Committee also has responsibility for monitoring the integrity of the financial statements, financial reporting process and accounting policies of the Company and for reviewing the Company's financial reporting and internal control policies and procedures. Committee members consider that individually and collectively they are appropriately experienced to fulfil the role required.

Corporate Governance Statement *(continued)*

The Audit Committee has direct access to the Company's Auditors, Hazlewoods LLP, whose representatives attend the year end Audit Committee meeting. On the basis of these meetings the Audit Committee has been able to assess the effectiveness of the external audit. A formal statement of independence is received from the external Auditors each year. The Committee has advised the Board that based on its assessment of their performance and independence Hazlewoods LLP has fulfilled its obligations to the Company and Shareholders.

The Company does not have an internal audit function. All of the Company's management functions are delegated to independent third parties and, as a result, this function is not felt to be appropriate. However the need for one is reviewed annually.

Significant Issues Considered by the Audit Committee in Relation to the Financial Statements

Matter	Action
Global Economic	
The ongoing Covid-19 pandemic and the conflict in Ukraine has adversely affected the global economy and this, in turn, may impact on the valuation of investee companies.	The Board actively liaises with the Investment Manager to obtain a full understanding of the impact on the investee companies.
Key service providers could experience high levels of staff illness and interruption to their operations.	The Board receives details from its key service providers of the steps taken to protect their employees and operations and the alternative working policies they have in place to ensure business continuity.
Investment Portfolio Valuation	
The Company's portfolio is invested predominantly in quoted and unquoted securities. Ninety-three percent of the portfolio is liquid and traded on recognised stock exchanges. Errors in the portfolio valuation could have a material impact on the Company's NAV per share.	Quoted securities are valued at bid price at the end of each month by the Company Secretary. The unquoted securities are reviewed on a quarterly basis by the Investment Manager and at the year end with the Auditors.
Misappropriation of Assets	
Misappropriation of the Company's investments or cash balances could have a material impact on its NAV per share.	The portfolio is agreed on a monthly basis by the Company Secretary and the Investment Manager during the completion of the monthly accounts. The Company Secretary reconciles cash balances on a monthly basis.
Income Recognition	
Incomplete or inaccurate income recognition could have an adverse effect on the Company's NAV and earnings per share.	The level of income received for the year is agreed with the Investment Manager and the Company Secretary.

The Audit Committee reviews the scope and results of the audit and, during the year, considered and approved Hazlewoods LLP's plan for the audit of the financial statements for the year ended 31 August 2022. At the conclusion of the audit Hazlewoods LLP did not highlight any issues to the Audit Committee which would cause it to qualify its audit report nor did it highlight any fundamental internal control weaknesses. Hazlewoods LLP issued an unqualified audit report which is included on pages 35 to 41.

Hazlewoods LLP was first appointed as Auditor to the Company on 27 February 2007. As part of its review of the continuing appointment of the Auditor, the Committee considers the length of tenure of the audit firm, its fees and independence, along with any matters raised during each audit. The Committee has discussed with Hazlewoods LLP its objectivity, independence and experience in the investment trust sector.

Corporate Governance Statement *(continued)*

The Committee had previously recommended the re-appointment of Hazlewoods LLP on each occasion since their initial appointment. The Audit Partner for the Company has been rotated twice since their initial appointment, most recently in respect of the financial year ended 31 August 2018. The audit for 2018 was Hazlewoods LLP's twelfth year as Auditor and in accordance with Auditing Practice Board Ethical Standard 3 (Revised) the audit was put out to tender in respect of the 2018 year end. The Committee invited tenders from three audit firms and the tender documents were discussed in detail. Based on a number of criteria the Committee agreed to recommend to the Board the re-appointment of Hazlewoods LLP as Auditors to the Company.

Hazlewoods LLP has indicated their willingness to continue in office as Auditor of the Company. Following its review, the Committee considers that individually and collectively Hazlewoods LLP are appropriately experienced to fulfil the role required.

The Committee has considered the independence and objectivity of the Auditor and it is satisfied in these respects that Hazlewoods LLP has fulfilled its obligations to the Company and its Shareholders. No non-audit services were provided in the year. The Committee has advised that based on its assessment of their performance and independence, Hazlewoods LLP has fulfilled its obligations to the Company and its Shareholders and on this basis recommends their re-appointment as Auditor.

The Board acting as a Nomination Committee considers the appointment and re-appointment of Directors and meets as and when required, and is chaired by Mr Allen. The Board meets for the purpose of considering appointments to, and removals from, the Board and determining the appointment process when required.

The Board, excluding Mr Horner, reviews the performance of the Investment Manager under the Investment Management Agreement. Based on this review it has concluded that the Investment Manager's appointment continues to be in the best interest of Shareholders as a whole. The Board also reviewed the performance of the Company Secretary, the Custodian and the Registrar and matters concerning their respective agreements with the Company.

The Board of Directors of the Company comprised three male Directors in the year to 31 August 2022. The Board is aware of the recommendations of the Parker Report and forthcoming changes to the Listing Rules. While the Board recognises the benefits of diversity in future appointments to the Board, the key criteria for the appointment of new directors will be the appropriate skills and experience in the interest of Shareholder value. The Directors are satisfied that the Board currently contains members with an appropriate breadth of skills and experience.

The Board as a whole fulfils the function of a Remuneration Committee. Remuneration details are given in the Directors' remuneration report on pages 31 to 33. At 31 August 2022, there were no Directors' service agreements and no Director had been granted any options to acquire shares in the Company.

Company Secretary

On 21 December 2015, ISCA Administration Services Limited was appointed as Company Secretary and Administrator to the Company and is responsible for ensuring that Board and Committee procedures are followed and that applicable regulations are complied with. The Company Secretary also ensures timely delivery of information and reports and that the statutory obligations of the Company are met. All the Directors have direct access to the advice and services of the Company Secretary.

Independent professional advice and Director's training

There is an agreed procedure for Directors to seek independent professional advice if necessary at the Company's expense on any matter that concerns them in the furtherance of their duties. The Chairman liaises on a regular basis with the other Directors and the Company Secretary to ensure that they are maintaining adequate training and continuing professional development.

Corporate Governance Statement *(continued)*

Directors' Indemnities and Liability Insurance

The Company has, as permitted by the Companies Act 2006 and the Company's Articles of Association, maintained Directors and Officers Indemnity insurance cover on behalf of the Directors indemnifying them against costs, charges, losses, damages and liabilities incurred for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company or in connection with the activities of the Company. The policy does not provide cover for fraudulent or dishonest actions by the Directors. Save for the indemnity provisions contained in the Articles of Association and the Directors' letters of appointment, there are no qualifying third-party indemnities.

Performance evaluation

In accordance with corporate governance best practice, formal performance evaluation of the Board, Audit Committee and individual Directors was undertaken following the year end by verbal consultation between the independent Directors. It was concluded that the Board represented an effective combination of skill and expertise and continued to operate successfully as a small, proficient unit. The performance of each Director continues to be effective and demonstrates commitment to the role.

Company information

The following information is disclosed in accordance with The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 and DTR 7.2.6.

- The Company's capital structure and voting rights are summarised on page 2.
- Details of the substantial Shareholders in the Company are listed on page 28.
- The rules concerning the appointment and replacement of Directors are contained in the Company's Articles and are discussed on pages 19 and 20.
- The Board is seeking to renew its current powers to buy back shares as detailed on page 30.
- There are: no restrictions concerning the transfer of securities in the Company; no special rights with regard to the control attached to securities; no restrictions on voting rights; and no agreements which the Company is party to that might affect its control following a successful takeover.
- The Company's Articles can be amended by a Special Resolution at a General Meeting of the Company's Shareholders.
- There are no agreements between the Company and its Directors concerning compensation for loss of office.

Relations with Shareholders

Communication with Shareholders is addressed by both the Board and the Investment Manager and the Directors are available to enter into dialogue with Shareholders. The Directors maintain communication with major Shareholders throughout the year. In recent years it has been difficult for Shareholders to attend and vote at the Annual General Meeting, however, this year attendance should be possible and Shareholders are encouraged to take the opportunity to meet with the Directors of the Board at the meeting to address questions to the Investment Manager, the Board and the Chairman of the Audit Committee and ensure that their views are understood. The Board and the Investment Manager are always available to discuss issues affecting the Company and Shareholders.

Any Shareholder who would like to lodge questions in advance of the Annual General Meeting is invited to do so by email to the Company Secretary at cgw@iscaadmin.co.uk or in writing to the address given on page 18. The Company always responds to letters from individual Shareholders.

Corporate Governance Statement *(continued)*

The Annual and Half Yearly Reports of the Company are prepared by the Board and its advisers to present a full and readily understandable review of the Company's performance. Copies of the Annual Report are dispatched to Shareholders by mail. The Annual and Half Yearly Reports are also available for downloading from the Company's website maintained by the Investment Manager at www.chelvertonam.com.

Internal controls

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. It has established an ongoing process designed to meet the particular needs of the Company in managing the risks to which it is exposed, consistent with the internal control guidance issued by the FRC.

Adequate internal controls are in place for identifying, evaluating and managing risks faced by the Company. This process, together with key procedures established with a view to providing effective financial control, has been in place for the full financial year and up to the date the financial statements were approved and is consistent with the internal control guidance issued by the FRC.

The Board has undertaken a robust review of the Company's principal risks and has reviewed the need for an internal audit function. It has decided that the systems and procedures employed by the Directors, provide sufficient assurance that a sound system of internal control, which safeguards the assets, is maintained. An internal audit function specific to the Company is therefore considered unnecessary. The Board, through its Audit Committee reviews the audit planning prepared by the external auditor to ensure that adequate and appropriate reviews and testing is undertaken by the external auditor to assure the Board that an internal audit function is not required by the Company.

Internal control assessment process

Risk assessment and the review of internal controls are undertaken by the Board in the context of the Company's overall investment objective. The review covers the key business, operational, compliance and financial risks facing the Company. In arriving at its judgement of what risks the Company faces, the Board has considered the Company's operations in the light of the following factors:

- the nature and extent of risks which it regards as acceptable for the Company to bear within its overall business objective;
- the threat of such risks becoming a reality;
- the Company's ability to reduce the incidence and impact of risk on its performance; and
- the cost and benefits to the Company of third parties operating the relevant controls.

Against this background, the Board has split the review of risk and associated controls into four sections reflecting the nature of the risks being addressed. These sections are as follows:

- Corporate strategy;
- Published information, compliance with laws and regulations;
- Relationship with service providers; and
- Investment and business activities.

Corporate Governance Statement *(continued)*

Given the nature of the Company's activities and the fact that most functions are subcontracted, the Directors have obtained information from key third party suppliers regarding the controls operated. To enable the Board to make an appropriate risk and control assessment the information and assurances sought from third party suppliers include the following:

- Details of the control environment operated by the third party suppliers;
- Identification and evaluation of risks and control objectives by third party suppliers;
- Assessment of the communication procedures with third party suppliers; and
- Assessment of the control procedures operated by third party suppliers.

The key procedures which have been established to provide internal controls are as follows:

- investment management is provided by Chelverton Asset Management Limited. The Board is responsible for setting the overall Investment Policy and monitors the action of the Investment Manager at regular Board meetings;
- administration and company secretarial duties for the Company are performed by ISCA Administration Services Limited;
- custody of assets is undertaken by Jarvis Investment Management Limited;
- the duties of investment management, accounting and the custody of assets are segregated. The procedures of the individual parties are designed to complement one another;
- the Directors of the Company clearly define the duties and responsibilities of their agents and advisers. The appointment of agents and advisers is conducted by the Board after consideration of the quality of the parties involved; the Board monitors their ongoing performance and contractual arrangements;
- mandates for authorisation of investment transactions and expense payments are set by the Board; and
- the Board reviews financial information produced by the Investment Manager and the Company Secretary in detail on a regular basis.

In accordance with guidance issued to directors of listed companies, the Directors have carried out a review of the effectiveness of the system of internal control. The last review was undertaken on 20 October 2022 and concluded that the controls were suitable and operated effectively for the Company.

On behalf of the Board

Kevin Allen

Chairman

8 November 2022

Report of the Directors

The Directors present their report and audited financial statements of the Company for the year ended 31 August 2022. This report also contains certain information required in accordance with s992 of the Companies Act 2006.

The registered company number for Chelverton Growth Trust PLC is 02989519.

Status, objective and review

The principal activity of the Company is to carry on business as an investment trust. The Company has been granted approval from HM Revenue & Customs ('HMRC') as an authorised investment trust under Section 1158 of the Corporation Tax Act 2010. The Company will be treated as an investment trust company for each subsequent accounting period, subject to there being no serious breaches of the conditions. The Directors are of the opinion that the Company has conducted its affairs for the year ended 31 August 2022 so as to be able to continue to qualify as an authorised investment trust. The Company is an investment company as defined in Section 833 of the Companies Act 2006.

Results and dividend

The results for the year are set out in the Income Statement on page 42. The Directors do not recommend the payment of a dividend for the year (2021: nil).

Directors

The Directors in office during the year and at the date of this report, all of whom are non-executive, are shown below:

	Date of appointment
K J Allen	8 November 1994
D A Horner	1 May 2006
I P Martin	19 December 2013

In accordance with the UK Code of Corporate Governance, non-executive directors should be subject to annual re-election. All Directors will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election.

The Board as a whole believes that Messrs Allen, Horner and Martin, collectively and individually, make active and effective contributions in their roles as Directors of the Company and that Shareholders should vote in favour of their re-election, respectively, for the following reasons:

Mr Horner is managing director of Chelverton Asset Management Limited, the Company's Investment Manager. He has considerable experience of analysing and working with smaller companies.

Mr Allen is a founding Director of the Company. He is a chartered accountant and has held a number of financial management positions within varied sectors where he has gained a thorough knowledge of smaller companies' managerial issues. His financial experience enables him to contribute significantly on accounting and reporting matters. Mr Allen is deemed independent by the other Board members notwithstanding his length of service.

Mr Martin is also a founding Director of the Company, he left the Board in 2001 and rejoined in 2013. He has also held a number of management positions within varied sectors where he gained a thorough knowledge of smaller companies' managerial issues. His financial experience enables him to contribute significantly on accounting and reporting matters. Mr Martin is deemed independent by the other Board members.

Report of the Directors *(continued)*

None of the Directors has a contract of service with the Company nor, save as disclosed below, has there been any other contract or arrangement between the Company and any Director at any time during the year. None of the Directors nor any persons connected with them had a material interest in any of the Company's transactions, arrangements or agreements during the year, save as disclosed below. Mr Horner is the managing director of Chelverton Asset Management Limited, the Company's Investment Manager and is also the chairman of CEPS PLC in which the Company has a significant investment. The three Directors also have personal holdings in Chelverton Asset Management Holdings in which Mr Horner is a director and in which the Company previously had an investment. Mr Martin is the chairman of Touchstar plc in which the Company has an investment.

Substantial shareholdings

The Directors had been notified of the following notifiable interests in the voting shares of the Company at 31 August 2022.

	Number of shares	% of total voting rights
IONIC Investments SA	968,539	17.74
Mr D A Horner	778,213	14.25
Miton Global Opportunities PLC	600,000	10.99
Mr K J Allen	221,762	4.06

Share capital

At the year end and at the date of this report there were 5,460,301 Ordinary 1p shares in issue each carrying one vote in the event of a poll. No shares are held in Treasury.

Management and administration agreements

The Company's investments are managed by Chelverton Asset Management Limited ("CAM") under an agreement dated 28 June 2001. As previously stated above, Mr Horner is a director of CAM.

The Company previously paid CAM, in respect of its services as Investment Manager, an annual fee of 0.5% of gross assets, payable monthly in arrears. With effect from 1 September 2020, the Investment Manager has agreed to waive its rights to receive an investment management fee. As a result, the amount payable to CAM for the year ending 31 August 2022 was nil (2021: nil). At the year end nil (2021: nil) was outstanding to CAM.

The appointment of CAM as Investment Manager may be terminated by either party giving to the other not less than twelve months' notice of such termination. There are no specific provisions contained within the Investment Management Agreement relating to the compensation payable in the event of termination of the agreement other than entitlement to fees, which would be payable within any notice period.

Under an agreement dated 21 December 2015, company secretarial services and the general administration of the Company are undertaken by ISCA Administration Services Limited ("ISCA") for an annual fee of £40,000.

Appointment of CAM as the Investment Manager

The Board, excluding Mr Horner, continually reviews the performance of the Investment Manager. In the opinion of the independent Directors the continuing appointment of CAM, as Investment Manager, on the terms outlined in the Investment Management Agreement dated 28 June 2001 and amended on 1 December 2006, is in the best interests of the Shareholders as a whole. Further, the Board is satisfied that CAM has the required skill and expertise to continue to manage the Company's portfolio.

Report of the Directors *(continued)*

Payment of suppliers

The Company does not follow any code or standard on payment practice. However it is the Company's payment policy to obtain the best possible terms for all business and, therefore, there is no consistent policy as to the terms used. The Company agrees with its suppliers the terms on which business will be transacted, and it is the Company's policy to abide by those terms. At 31 August 2022, suppliers' invoices amounting to nil remained outstanding.

Going concern

In assessing the going concern basis of accounting, the Directors have regard to the guidance issued by the Financial Reporting Council. They have considered the current cash position of the Company, and forecast revenues for the current financial year. The Directors have also taken into account the Company's Investment Policy, which is described on pages 12 and 13 and which is subject to regular Board monitoring processes, and is designed to ensure the Company holds sufficient liquid securities to meet possible cash flow needs. The Board has also considered the risk to the Company of the ongoing Covid-19 pandemic and the conflict in Ukraine as detailed on page 22.

The Company retains title to all assets held by its custodian. Note 15 to the financial statements sets out the financial risk profile of the Company and indicates the effect on its assets and liabilities of falls and rises in the value of securities, market rates of interest and changes in exchange rates.

The Directors believe, in the light of the controls and review processes noted above and bearing in mind the nature of the Company's business and assets, that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

Financial instruments

The Company's financial instruments comprise its investment portfolio, cash balances and debtors and creditors that 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 15 to the financial statements.

Annual General Meeting

The Notice of Annual General Meeting, to be held on 15 December 2022, is set out on pages 61 to 64.

Annual General Meeting

There are currently no restrictions on public meetings such as the Company's Annual General Meeting, but the Board is mindful that not all Shareholders may wish to attend and vote in person. To ensure that all votes are counted for the resolutions being put to the meeting, a Poll will be called on all resolutions. Shareholders are encouraged to submit their proxy votes ahead of the meeting to ensure that their votes count towards deciding each resolution. Appointing the Chair of the meeting rather than a named person will ensure that the vote will count.

If Shareholders have any questions that they would like to raise at the Meeting, these should be submitted in advance to the following email address: cgw@iscaadmin.co.uk.

Report of the Directors *(continued)*

Continuation of the Company as an Investment Trust

At the AGM in December 2020 Shareholders approved the resolution for the Company to continue as an Investment Trust for a further five years.

It is proposed in Resolution 7 that at the Annual General Meeting the Company be given renewed authority to buy back its own shares in the market, which may either be cancelled or held in Treasury. Any decision regarding placing into Treasury, or issuing shares from Treasury will only be taken if, in the opinion of the Directors, the decision would be in the interest of Shareholders as a whole and at prices below NAV. Of the authority granted at the Annual General Meeting, held on 11 January 2022, to repurchase shares other than under a tender offer, authority to repurchase 818,499 shares remained outstanding.

As at 7 November 2022, being the latest practicable date before the publication of this Annual Report, there are no outstanding warrants or options to subscribe for any Ordinary shares of the Company.

Disclosure of information to Auditors

The Directors who held office at the date of approval of the Report of the Directors' confirm that so far as they are aware:

- there is no relevant audit information of which the Company's Auditors are unaware; and
- they have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

Re-appointment of Auditor

The Board agree that the re-appointment of Hazlewoods LLP as Auditors to the Company shall be recommended. Therefore a resolution will be put to the Shareholders at the Annual General Meeting proposing the re-appointment of Hazlewoods LLP as Auditors to the Company. Hazlewoods LLP have indicated their willingness to continue in office.

On behalf of the Board

Kevin Allen

Chairman

8 November 2022

Directors' Remuneration Report

The Board has prepared this report, in accordance with Schedule 8 to The Large and Medium-Sized Companies and Groups (Accounts and Reports) (Amendments) Regulations 2013. An ordinary resolution will be put to the members to approve the report at the forthcoming Annual General Meeting.

The law requires your Company's Auditors to audit certain disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditors' opinion is included in their report on pages 35 to 41.

Remuneration Committee

The Company has three non-executive directors. The Board as a whole fulfils the function of a Remuneration Committee which considers and approves Directors' remuneration.

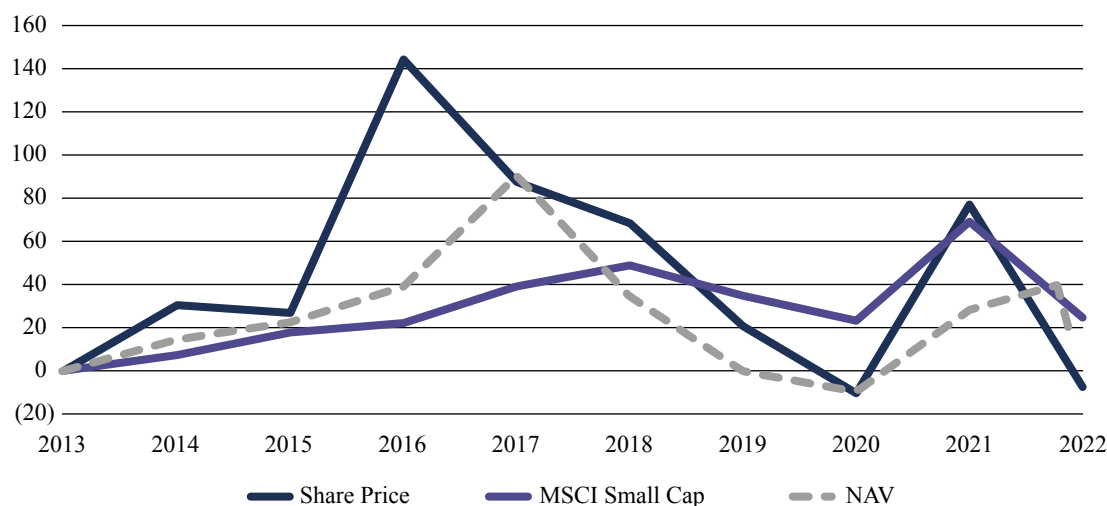
The Board is mindful of its obligation to set remuneration levels which will attract and maintain an appropriate calibre of individuals whilst simultaneously protecting the interests of Shareholders. The Company's Articles cap Directors' fees to £100,000 per annum. During the year to 31 August 2022, the Board reviewed the existing remuneration levels and recommended they remained unchanged from those to 31 August 2021. However, the Directors agreed to continue to waive a part of the Directors' fees and a Directors' fee of £10,000 for the Chairman and £10,000 for the other Directors will be paid for the foreseeable future.

Directors' service contracts

It is the Board's policy that none of the Directors has a service contract. The terms of their appointment provide that a Director may be removed without notice and that compensation will not be due on leaving office.

Your Company's share price performance

The graph below shows the percentage growth over the past ten years in the Company's NAV and share price compared to the growth in the MSCI Small Cap UK Index. The Chairman's Statement and Investment Manager's Overview on pages 3 to 6 give further details on the performance of the NAV.



Directors' Remuneration Report *(continued)*

Directors' emoluments for the year (audited)

The Directors who served during the year received the following emoluments in the form of fees:

	2022 £	2021 £
K J Allen*	10,000	10,000
I P Martin*	10,000	10,000
D A Horner**	—	—
	20,000	20,000

* Fees partially waived from 1 April 2020.

** Mr Horner has waived his fees.

Directors' beneficial and family interests (audited)

The interests of the Directors and their families in the Ordinary shares of the Company are set out below. Directors are encouraged to hold shares in the Company so as to align their interests with those of the other Shareholders in the Company.

	At 31 August 2022	At 31 August 2021
K J Allen	221,762	221,762
D A Horner	778,213	778,213
I P Martin	1,200	1,200

There have been no changes to any of the above holdings between 31 August 2022 and the date of this report. None of the Directors has any non-beneficial interests to disclose.

Relative importance of spend on pay

	2022 £	2021 £	% Change
Cost of shares purchased for cancellation under tender offer and buyback	—	—	n/a
Total remuneration paid to Directors	20,000	20,000	—

Other than as declared in note 16 on page 58, none of the Directors nor any persons connected with them had a material interest in the Company's transactions, arrangements or agreements during the year.

The Directors' Remuneration Report for the year ended 31 August 2021 was approved by Shareholders at the Annual General Meeting held on 11 January 2022. The votes cast by proxy were as follows:

	Number of votes	% of votes cast
For and discretionary	1,251,548	98.25
Against	22,326	1.75
Total votes cast	1,273,874	100.00
Number of votes withheld	8,748	

Directors' Remuneration Report *(continued)*

Remuneration Policy

The Directors' Remuneration Policy was approved by Shareholders at the Annual General Meeting held on 11 January 2022. The votes cast by proxy were as follows:

	Number of votes	% of votes cast
For	1,249,873	98.25
Against	22,326	1.75
Total votes cast	1,272,199	100.00
Number of votes withheld	10,423	

The Board's policy is that the remuneration of non-executive Directors should be sufficient to attract and retain directors with suitable skills and experience, and is determined in such a way as to reflect the experience of the Board as a whole, in order to be comparable with other organisations and appointments. It is intended that this policy will continue for the year ending 31 August 2023.

The fees for non-executive Directors are determined within the limits set out in the Company's Articles. The approval of Shareholders would be required to increase the limits set out in the Articles. Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits, as the Board does not consider such arrangements or benefits necessary or appropriate. Fees for any new Director appointed will be made on the same basis.

The policy was last approved by Shareholders at the Annual General Meeting on 11 January 2022 and will remain valid until the Annual General Meeting in 2025.

	Expected Fees for Year to 31 August 2023*	Fees for Year to 31 August 2022**
	£	£
Chairman's fee	10,000	10,000
Non-Executive Director fee	10,000	10,000

* Assuming the Directors continue to waive a proportion of their entitlement to the full fee.

** Reflecting the reduced amount paid to the Directors as stated on page 31.

Approval

This Directors' Remuneration Report was approved by the Board of Directors on 8 November 2022.

On behalf of the Board

Kevin Allen

Chairman

Statement of Directors' Responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements and have elected to prepare them in accordance with applicable United Kingdom law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 Company and of its profit or loss for that period.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable UK 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 to 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.

Under applicable law and regulations, the Directors are also responsible for preparing a Report of the Directors, Directors Remuneration Report and Corporate Governance Statement.

The Directors, to the best of their knowledge, state that:

- the financial statements, prepared in accordance with UK Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and loss of the Company; and
- the Strategic Report incorporating the Chairman's Statement and Investment Manager's Overview together with the Report of the Directors include a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces.

The Directors are responsible for the maintenance and integrity of the corporate and financial information related to the Company including on the website of the Investment Manager www.chelvertonam.com.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Kevin Allen

Chairman

8 November 2022

Independent Auditors' Report to the members of Chelverton Growth Trust PLC

Opinion

We have audited the financial statements of Chelverton Growth Trust Plc ('the Company') for the year ended 31 August 2022, which comprise the Income Statement, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flows 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 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.

Our approach to the audit

Our audit approach is based on a thorough understanding of the Company's business, including the Company's system of internal control, and assessing the risks of material misstatements in the financial statements. The day-to-day management of the Company's investment portfolio, the maintenance of the Company's accounting records, and the custody of its investments is outsourced to third-party service providers. Accordingly, our audit work is focused on obtaining an understanding of, and evaluating, internal controls at the Company and third-party service providers and inspecting records and documents held by the third-party service providers. We undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls over individual systems and the management of specific risks including the risk of management override of controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Our approach to the audit also focused on the key audit matters that we identified. 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) we identified, including those which 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.

Independent Auditors' Report *(continued)*

Key audit matters identified were valuation, ownership and existence of investments and, in particular, the valuation of unquoted investments and the allocation between capital and revenue items in the income statement. This is not a complete list of all risks identified by our audit.

Key audit matter	How our scope addressed this matter
<i>Ownership, existence and valuation of investments</i> <p>The Company's business is to invest predominantly in companies listed on the Official List and traded on the AIM of the London Stock Exchange with a market capitalisation at the time of investment of up to £50 million to provide capital growth. The Company also invests in unquoted investments where it is believed there is a likelihood that the unquoted investment will become listed, traded or sold.</p> <p>Accordingly, the investment portfolio is the single most significant asset in the financial statements and the key driver to the performance of the business. We therefore identified the ownership and existence of the investment portfolio as a risk that requires particular audit attention.</p>	<i>Existence and ownership</i> <p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none">• testing investment additions and disposals to contracts and bank statements; and• confirming investment holdings to either third party confirmations, direct investee confirmations or share certificates. <p>The Audit Committee identified the ownership of investments as a significant issue in its report on page 22, where the Committee also described the action that it has taken to address this risk.</p> <i>Valuation</i> <p>In respect of quoted investments, our audit work included, but was not restricted to:</p> <ul style="list-style-type: none">• understanding management's process to recognise and measure listed or traded investments;• assessing whether the Company's accounting policy for valuation of quoted investments is in accordance with FRS 102; and• comparing quoted investment valuations to an independent source of market prices. <p>In respect of unquoted investments, our audit work included, but was not restricted to:</p> <ul style="list-style-type: none">• understanding management's process to measure unquoted investments; and• discussing the valuation basis with management, reviewing, and challenging the basis and reasonableness of the key assumptions, estimates and judgements made by management. <p>The Company's accounting policy on valuation of investments is shown in note 1 to the financial statements and related disclosures are included in note 7. The Audit Committee identified the valuation of investments as a significant issue in its report on page 22, where the Committee also described the action that it has taken to address this matter.</p>

Independent Auditors' Report *(continued)*

Key audit matter

How our scope addressed this matter

Allocation of capital and revenue items

The Company has elected to apportion its expenses between revenue and capital.

This allocation is important as one of the conditions of having Investment Trust status for tax purposes is the retention of a maximum of 15% of its income (classified as revenue) for the accounting period and the allocation of expenditure has a direct impact on this. The split has to be performed on the basis of 'the Board's expected long-term split of returns'.

Our audit work included, but was not restricted to:

- examining the historical trends of the Company and assessing whether the allocation of cost between revenue and capital is fair and reasonable.

The Company's accounting policies in respect of material estimates and judgements are set out in note 1.

Management override of controls

Under ISA 240 – The Auditors Responsibilities Relating to Fraud in an Audit of Financial Statements, there is a presumption that the risk of management override of controls is always present.

Our audit work included, but was not restricted to:

- reviewing material estimates, judgements and decisions made by management; and
- reviewing journal entries processed in the accounting records

The Company's accounting policies in respect of material estimates and judgements are set out in note 1.

Revenue recognition

ISA 240 – The Auditors Responsibilities Relating to Fraud in an Audit of Financial Statements, states that there is always a presumed risk that revenue may be misstated due to the improper recognition of revenue. In particular we identified completeness and occurrence of investment income as a risk that requires particular audit attention.

Our audit work included, but was not restricted to:

- assessing whether the Company's accounting policy for revenue recognition is in accordance with FRS 102;
- obtaining an understanding of management's process to recognise revenue in accordance with the stated accounting policy;
- testing income transactions by comparing dividends during the year obtained from an independent source with those recognised by the Company;
- testing gains and losses on investments to third party contracts;
- performing cut-off testing of dividend income around the year end; and

For income from unquoted investments our audit work included, but was not restricted to:

- checking the investment income that the Company was entitled to during the year directly with the underlying investment entities.

The accounting policy on income, including its recognition, is shown in note 1 to the financial statements and the components of that income are included in note 2.

Independent Auditors' Report *(continued)*

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. For the purpose of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of an omission or a misstatement that individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. We also determine a level of performance materiality, which we use to determine the extent of testing needed, 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.

We established materiality for the financial statements as a whole to be £64,000, which is 2% of the value of the Company's net assets. For income and expenditure items we determined that misstatements of lesser amounts than materiality for the financial statements as a whole would make it probable that the economic decisions of the users of the financial statements would have been changed or influenced by the misstatement or omission. Accordingly, we established materiality for revenue items within the income statement to be £28,000, which is 25% of the Company's negative net return from revenue ordinary activities before taxation.

Conclusions relating to going concern

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.

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included considering the Directors' procedures for overseeing the activities of the Company and reviewing its results and forecasts. The application of those procedures has been supported by reviewing Board minutes and other accessible documentation which confirm that the Directors regularly benchmark key performance indicators which include, but are not restricted to, comparing performance against the MSCI Small Cap UK Index, frequent monitoring of available funds, anticipated cash outflows and financial headroom. We have also reviewed the appropriateness of the Directors' disclosures in the financial statements.

In conjunction with the evaluating of management's assessment of going concern, we have observed that resources are carefully planned and managed with the intention of ensuring that the Company has sufficient resources available and accessible to ensure that the Company's commitments and obligations are capable of being met as they fall due.

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 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 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.

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.

Independent Auditors' Report *(continued)*

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 course of 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 this gives rise to 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.

Opinions on other matters prescribed by the Companies Act 2006

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 those reports have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in:

- the Strategic Report or the Directors' Report; or
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

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 Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- a Corporate Governance Statement has not been prepared by the Company.

Independent Auditors' Report *(continued)*

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 entity's compliance with the provisions of the UK Corporate Governance Code.

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 and our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 29;
- Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 16;
- Director's statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on page 29;
- Directors' statement on fair, balanced and understandable set out on page 11;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 25;
- Section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 25 and 26; and
- Section describing the work of the Audit Committee set out on pages 21 to 23.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 34, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Independent Auditors' Report *(continued)*

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The audit evidence available in relation to the investment portfolio and associated returns are publicly available and considered to be strong sources of audit evidence. Ownership of investments has been verified by reference to this information.

The nature of the company's activities means that overheads are generally consistent and predictable and where unexpected variances occur, adequate evidence is available.

Our audit work, which utilises the above audit evidence, along with the audit procedures outlined in our description of our approach to the audit above, provides us with a reasonable assurance that our audit procedures will detect irregularities, including fraud.

A fuller 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/auditors-responsibilities.

Other matters which we are required to address

Following the recommendation of the Audit Committee, we were appointed by the Audit Committee on 2 November 2017 to audit the financial statements for the year ending 31 August 2018 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 16 years.

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

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

The purpose of our audit work and to whom we owe our responsibilities

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 Auditors' 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.

Ryan Hancock (Senior Statutory Auditor)

For and on behalf of Hazlewoods LLP,
Statutory Auditor, Cheltenham
8 November 2022

Income Statement

for the year ended 31 August 2022

	Note	2022			2021		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments at fair value	7	–	(72)	(72)	–	1,042	1,042
Income	2	9	–	9	10	–	10
Investment management fee	3	–	–	–	–	–	–
Other expenses	4	(120)	(2)	(122)	(117)	(7)	(124)
Net (loss)/gain on ordinary activities before taxation		(111)	(74)	(185)	(107)	1,035	928
Taxation on ordinary activities	5	–	–	–	–	–	–
Net (loss)/gain on ordinary activities after taxation		(111)	(74)	(185)	(107)	1,035	928
		Revenue	Capital	Total	Revenue	Capital	Total
(Loss)/gain per Ordinary share (pence)	6	(2.04)	(1.35)	(3.39)	(1.95)	18.95	17.00

All revenue and capital items in the above statement derive from continuing operations.

No operations were acquired or discontinued during the year.

The total column of this statement is the Statement of Total Comprehensive Income of the Company prepared in accordance with applicable Financial Reporting Standards (“FRS”). The supplementary revenue return and capital return columns are prepared in accordance with the Statement of Recommended Practice (“AIC SORP”) issued in July 2022 by the Association of Investment Companies.

The notes on pages 46 to 59 form part of these accounts.

Statement of Changes in Equity

for the year ended 31 August 2022

	Called up Share Capital £'000	Special Reserve* £'000	Capital Reserve** £'000	Capital Redemption Reserve £'000	Revenue Reserve* £'000	Total £'000
Year ended 31 August 2022						
1 September 2021	55	787	2,011	134	159	3,146
Net loss after taxation for the year	–	–	(74)	–	(111)	(185)
31 August 2022	55	787	1,937	134	48	2,961
Year ended 31 August 2021						
1 September 2020	55	787	976	134	266	2,218
Net gain/(loss) after taxation for the year	–	–	1,035	–	(107)	928
31 August 2021	55	787	2,011	134	159	3,146

* Distributable reserves. The Special Reserve and Revenue Reserve may be used for the repurchase of the Company's own shares.

** The Capital Reserve has not been analysed between those amounts that are distributable and those that are not distributable.

The notes on pages 46 to 59 form part of these accounts.

Statement of Financial Position

as at 31 August 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Investments at fair value	7	3,053	3,098
Current assets			
Debtors	9	146	146
Cash and cash equivalents		10	34
		156	180
Creditors – amounts falling due within one year	10	(248)	(132)
Net current (liabilities)/assets		(92)	48
Net assets		2,961	3,146
Share capital and reserves			
Called up share capital	12	55	55
Special reserve		787	787
Capital reserve		1,937	2,011
Capital redemption reserve		134	134
Revenue reserve		48	159
Equity Shareholders' funds		2,961	3,146
Net asset value per Ordinary share	13	54.24p	57.62p

These financial statements were approved and authorised for issue by the Board of Directors on 8 November 2022 and signed on their behalf by

Kevin Allen

Chairman

The notes on pages 46 to 59 form part of these accounts.

Statement of Cash Flows

for the year ended 31 August 2022

	Note	2022 £'000	2021 £'000
Cash flows used in operating activities			
Net (loss)/gain on ordinary activities		(185)	928
Adjustment for:			
Net capital loss/(gain)		74	(1,035)
Expenses charged to capital		(2)	(7)
Interest paid		3	10
Change in creditors		1	(14)
Change in debtors		—	4
Cash used in operations		(109)	(114)
Cash flows (used in)/from investing activities			
Purchases of investments		(160)	—
Proceeds from sales of investments		133	339
Net cash (used in)/from investing activities		(27)	339
Cash flows from/(used in) financing activities			
Loan advanced		215	—
Capital repayment of loan		(100)	(220)
Interest paid		(3)	(10)
Net cash from/(used in) financing activities		112	(230)
Net decrease in cash		(24)	(5)
Cash at the beginning of the year		34	39
Cash at the end of the year	11	10	34

The notes on pages 46 to 59 form part of these accounts.

Notes to the Financial Statements

for the year ended 31 August 2022

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 (“FRS 102”), the Companies Act 2006 and with the AIC Statement of Recommended Practice (“SORP”), ‘Financial Statements of Investment Trust Companies and Venture Capital Trusts’, issued in July 2022. All the Company’s activities are continuing.

Income recognition

Dividends receivable on quoted equity shares are included as revenue when the investments concerned are quoted ‘ex-dividend’. Dividends receivable on equity and non-equity shares where no ex-dividend date is quoted are brought into account when the Company’s right to receive payment is established. All other income is included on an accruals basis.

Expenses

All expenses are accounted for on an accruals basis and charged through the revenue account in the Income Statement except as follows:

- expenses which are incidental to the acquisition or disposal of an investment are treated as capital and separately identified and disclosed (see note 7); and
- management fees, bank interest and loan interest have been allocated 75% to capital reserve and 25% to revenue reserve in the Income Statement, being in line with the Board’s expected long-term split of returns, in the form of capital gains and income respectively, from the investment portfolio of the Company.

Investments

All investments held by the Company are classified as ‘fair value through profit or loss’. Investments are initially recognised at cost, being the fair value of the consideration given. After initial recognition, investments are measured at fair value, with changes in the fair value of investments and impairment of investments recognised in the Income Statement and allocated to capital. Realised gains and losses on investments sold are calculated as the difference between sales proceeds and cost.

Investments are recognised and derecognised on the trade date where a purchase or sale is under a contract whose terms require delivery within the time-frame established by the market concerned, and are initially measured at fair value.

For investments actively traded in organised financial markets, fair value is generally determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date, without adjustment for transaction costs necessary to realise the asset. For investments traded on other financial markets such as NASDAQ, fair value is generally determined by reference to the share price at close of business on the balance sheet date, discounted to reflect the best estimate of the discount that may need to be applied for the shares to be sold as a single investment.

For investments that are not actively traded in organised financial markets, fair value is determined as set out below under the heading ‘significant judgements and estimation uncertainty’.

Cash and cash equivalents

Cash and cash equivalents includes funds held by the custodian on behalf of the Company.

Notes to the Financial Statements *(continued)*

for the year ended 31 August 2022

1. ACCOUNTING POLICIES *(continued)*

Current assets

All current assets, except for those held at fair value through profit or loss, are subject to review for impairment at least at each reporting date.

- Current assets at amortised cost include debtors, prepayments and cash.
- Current assets held at fair value through profit or loss include the deferred consideration from the SpaDental Share Purchase Agreement and loan notes. Assets in this category are measured at fair value, with gains or losses recognised in profit or loss.

Current liabilities

All current liabilities, except for those held at fair value through profit or loss, are subject to review for impairment at least at each reporting date.

- Current liabilities at amortised cost include accruals and other creditors.
- Current liabilities held at fair value through profit or loss include short term loans. Liabilities in this category are measured at fair value, being equivalent to par value.

Significant judgements and estimation uncertainty

Preparation of the financial statements requires the Directors to make significant judgements. The items in the financial statements where these judgements have been made are:

Investments that are not actively traded in organised financial markets, are valued at the Directors' estimate of the investment's net realisable value being their estimate of fair value. Generally, fair value will be at the most recent transaction price. In the case of direct investments in unquoted companies initial valuation is based on the transaction price. Where better indications of fair value become available, such as through subsequent issues of capital, dealings between third parties, net asset value or funds under management, the valuation is adjusted to reflect the new evidence. This represents the Directors' view of the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

The recoverability of the Spa Dental debtor as shown in note 9 and the impairment of the interest has been considered by the Directors who believe that the amounts are stated at fair value.

Capital reserve

The following are accounted for in this reserve:

- gains and losses on the realisation of investments;
- net movement arising from changes in the fair value of investments that can be readily converted to cash without accepting adverse terms;
- realised exchange differences of a capital nature;
- expenses, together with related taxation effect, charged to this account in accordance with the above policies; and
- net movement arising from the changes in the fair value of investments that cannot be readily converted to cash without accepting adverse terms, held at the year end.

Notes to the Financial Statements *(continued)*

for the year ended 31 August 2022

1. ACCOUNTING POLICIES *(continued)*

Special reserve

The Special Reserve was created by the cancellation of the Share Premium account by order of the High Court on 13 January 2016. It can be used for the repurchase of the Company's own shares.

Taxation

The charge for taxation, where relevant, is based on the revenue before taxation for the year. Tax deferred or accelerated can arise due to timing differences between the treatment of certain items for accounting and taxation purposes.

Full provision is made for deferred taxation under the liability method, on all timing differences not reversed by the balance sheet date, in accordance with FRS 102.

The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue on the same basis as the particular item to which it relates, using the Company's effective rate of tax for the accounting period.

Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business, being investment business.

2. INCOME

	2022			2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income from investments						
UK net dividend income	–	–	–	14	–	14
Loan stock interest	9	–	9	(4)	–	(4)
Total income	9	–	9	10	–	10

3. INVESTMENT MANAGEMENT FEE

	2022			2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	–	–	–	–	–	–

With effect from 1 September 2020, the Investment Manager has agreed to waive the entitlement to a fee.

Notes to the Financial Statements *(continued)*

for the year ended 31 August 2022

4. OTHER EXPENSES

	2022 £'000	2021 £'000
Administrative and secretarial services	40	36
Directors' remuneration	20	20
Auditors' remuneration		
– audit services	18	18
– non-audit services	–	–
Finance costs	3	10
Other expenses	41	40
	122	124

5. TAXATION

	2022			2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Analysis of charge in year						
Current Tax	–	–	–	–	–	–

Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	2022			2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Theoretical tax at UK corporation tax rate of 19% (2021: 19%)						
Corporation tax	(21)	(14)	(35)	(20)	196	176
Investment income not taxable	–	–	–	(3)	–	(3)
Non-taxable investment losses/(gains)	–	14	14	–	(198)	(198)
Excess expenses for the year	21	–	21	23	2	25
Current tax charge for the year	–	–	–	–	–	–

At 31 August 2022, the Company had surplus management expenses and losses of £4,924,000 (2021: £4,813,000) which have not been recognised as a deferred tax asset. This is because the Company is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, it is unlikely that the Company will be able to reduce future tax liabilities through the use of existing surplus expenses. Due to the Company's status as an investment trust and the intention to continue meeting the conditions required to obtain approval as an investment trust in the foreseeable future, the Company has not provided for deferred tax on any gains and losses arising on the revaluation or disposal of investments.

Notes to the Financial Statements *(continued)*

for the year ended 31 August 2022

6. RETURN PER ORDINARY SHARE

	2022			2021		
	Revenue pence	Capital pence	Total pence	Revenue pence	Capital pence	Total pence
Basic	(2.04)	(1.35)	(3.39)	(1.95)	18.95	17.00

Revenue return per Ordinary share is based on the net revenue loss on ordinary activities after taxation attributable of £111,000 (2021: £107,000) and on 5,460,301 (2021: 5,460,301) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

Capital return per Ordinary share is based on the net capital loss of £74,000 (2021: gain of 1,035,000) and on 5,460,301 (2021: 5,460,301) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

Total return per Ordinary share is based on the total loss of £185,000 (2021: gain of £928,000) and on 5,460,301 (2021: 5,460,301) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

7. INVESTMENTS

	2022 £'000	2021 £'000
Fully Listed	–	24
Traded on AIM	2,850	2,631
Unquoted	203	443
NASDAQ	–	–
	3,053	3,098

	Fully Listed £'000	Traded on AIM £'000	Unquoted* £'000	NASDAQ £'000	Total £'000
Opening book cost	118	3,696	772	166	4,752
Opening investment holding losses	(94)	(1,065)	(329)	(166)	(1,654)
	24	2,631	443	–	3,098
Movements in the year:					
Purchases	–	160	–	–	160
Sales – proceeds	(24)	(82)	(27)	–	(133)
– losses on sales	(94)	(132)	(273)	–	(499)
Movement in investment holding losses	94	273	60	–	427
Closing valuation	–	2,850	203	–	3,053
Closing book cost	–	3,642	472	166	4,280
Closing investment holding losses	–	(792)	(269)	(166)	(1,227)
Closing valuation	–	2,850	203	–	3,053

Notes to the Financial Statements *(continued)*

for the year ended 31 August 2022

7. INVESTMENTS *(continued)*

	2022 £'000	2021 £'000
Realised (losses)/gains on sales	(499)	338
Movement in fair value of investments	427	704
Net (losses)/gains on investments	(72)	1,042

All quoted investments are made up of equity shares.

* Unquoted investments are valued at the Directors' estimate of their net realisable value, being their estimate of fair value.

Transaction costs

During the year, the Company incurred transaction costs of nil (2021: nil) and nil (2021: nil) on purchases and sales of investments, respectively.

Analysis of movements in unquoted investments

	Cost at 31 August 2021 £'000	Additions £'000	Disposals £'000	Cost at 31 August 2022 £'000	Realised (loss)/ gain £'000	Movement in unrealised losses £'000	Valuation at 31 August 2022 £'000	Valuation at 31 August 2021 £'000
Investment								
La Salle Education	180	–	–	180	–	–	182	182
Peddalling Forth	300	–	(300)	–	(291)	60	–	240
Parmenion	–	–	–	–	18	–	–	–
Redecol	292	–	–	292	–	–	21	21
	772	–	(300)	472	(273)	60	203	443

Notes to the Financial Statements *(continued)*

for the year ended 31 August 2022

7. INVESTMENTS *(continued)*

Details of material holdings in unquoted investments

Investment	Cost at 31 August 2022 £'000	Valuation at 31 August 2022 £'000	Cost at 31 August 2021 £'000	Valuation at 31 August 2021 £'000	Equity held %	Last accounts period end	Net assets £'000	Turnover*	Pre tax profit* £'000
La Salle Education	180	182	180	182	5.2	31 Dec '21	198	–	–
Redecol	292	21	292	21	1.0	31 Jan '21	279	–	–

* Where turnover and pre-tax profit are not disclosed, the investee companies are eligible to file filleted accounts at Companies House.

A full listing of portfolio holdings is included in the portfolio review on pages 7 and 8.

8. SIGNIFICANT INTERESTS

At 31 August 2022, the Company had a holding of 3% or more of the issued class of share that is material in the context of the accounts in the following investments:

	Number of shares	Percentage of issued share capital	Issued share capital
Security			
CEPS	5,460,301	26.00	21,000,000
Touchstar	850,000	10.03	8,475,077
La Salle Education	260,000	5.19	5,012,014
Petards	2,000,000	3.48	57,528,229

9. DEBTORS

	2022 £'000	2021 £'000
Amounts falling due within one year		
Prepayments and other debtors	8	8
Amounts due from investment proceeds*	138	138
	146	146

* Represents the amount due from SpaDental in the form of deferred consideration from a Share Purchase Agreement and an Assignment of Loan. From the date of completion, interest accrues on the balance outstanding of the purchase price at the rate of 3.5% above the base rate of Lloyds Bank, payable six monthly in arrears. At 31 August 2022, interest was past due and impaired and a total of £1,000 has been written off in the year under review.

Notes to the Financial Statements *(continued)*

for the year ended 31 August 2022

10. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Accruals and other creditors	33	32
Short term loan	215	100
	<u>248</u>	<u>132</u>

On 4 June 2018, the Company entered into a £600,000 loan agreement with Jarvis Securities plc. Interest was payable monthly in arrears at the rate of 4.5% plus the Bank of England base rate.

The loan was drawn down on 4 June 2018. Partial repayments were made of £280,000 on 11 May 2020, £220,000 on 2 March 2021, £50,000 on 7 February 2022 and £50,000 on 31 May 2022. The loan has therefore been fully repaid.

On 16 September 2021, the Company entered into an interest free loan agreement with Mr Horner. Drawdowns were made of £165,000 on 16 September 2021, £25,000 on 30 May 2022 and £25,000 on 31 May 2022. At the year end, £215,000 was outstanding. The loan is unsecured, interest free and can be repaid by the Company at any time or on 18 months notice from Mr Horner.

11. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2021 £'000	Cash flows £'000	At 31 August 2022 £'000
Cash and cash equivalents			
Cash	34	(24)	10
	<u>34</u>	<u>(24)</u>	<u>10</u>
Borrowings			
Debt due within one year	(100)	(115)	(215)
Total	<u>(66)</u>	<u>(139)</u>	<u>(205)</u>

12. CALLED UP SHARE CAPITAL

	2022 £'000	2021 £'000
Allotted, called up and fully paid:		
5,460,301 (2021: 5,460,301) Ordinary shares of 1p each	<u>55</u>	<u>55</u>

Duration of Company

At the Annual General Meeting of the Company held on 10 December 2020 and, if the Company has not then been liquidated, unitised or reconstructed, at each fifth annual general meeting of the Company convened by the Board thereafter, the Board shall propose an ordinary resolution that the Company should continue as an investment trust for a further five year period.

Notes to the Financial Statements *(continued)*

for the year ended 31 August 2022

13. NET ASSET VALUE PER ORDINARY SHARE

The basic net asset value per Ordinary share of 54.24p (2021: 57.62p) is based on net assets of £2,961,000 (2021: £3,146,000) and on 5,460,301 (2021: 5,460,301) Ordinary shares, being the number of shares in issue at the year end.

14. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At 31 August 2022, there were no capital commitments outstanding (2021: £160,132) and no contingent liabilities (2021: £nil).

15. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES

The Company's financial instruments comprise securities and other investments, cash balances and debtors and creditors that arise from its operations, for example, in respect of sales and purchases awaiting settlement and debtors for accrued income.

The Company primarily invests in companies traded on AIM with a market capitalisation at the time of investment of up to £50 million. The Company finances its operations through its issued capital, existing reserves and the loan from David Horner as detailed in note 10.

In following its investment objective, the Company is exposed to a variety of risks that could result in a reduction in the Company's net assets. These risks are market risk (comprising exchange rate risk, interest rate risk and other price risk), credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below:

(i) Market risk – market price risk

Market price risk arises mainly from uncertainty about future prices of financial investments used in the Company's business. It represents the potential loss the Company might suffer through holding market positions by way of price movements other than movements in exchange rates and interest rates.

The Company's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Manager who gives timely reports of relevant information to the Directors. Investment performance is also reviewed at each Board meeting.

The Directors are conscious of the fact that the nature of AIM investments is such that prices can be volatile. Investors should be aware that the Company is exposed to a higher rate of risk than exists within a company which holds traditional blue chip securities.

Adherence to the investment objectives and the internal control limits on investments set by the Company mitigates the risk of excessive exposure to any one particular type of security or issuer.

The Company's exposure to other changes in market prices at 31 August 2022 on its investments is as follows:

	2022	2021
	£'000	£'000
Fair value through profit or loss investments	<u>3,053</u>	<u>3,098</u>

A 20% decrease in the market value of investments at 31 August 2022 would have decreased net assets attributable to Shareholders by 11 pence per share (2021: 11 pence per share). An increase of the same percentage would have an equal but opposite effect on net assets available to Shareholders.

Notes to the Financial Statements *(continued)*

for the year ended 31 August 2022

15. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES *(continued)*

(ii) Market risk – exchange rate risk

All of the Company's assets are in sterling and accordingly the only currency exposure the Company has is through the trading activities of its investee companies.

(iii) Market risk – interest rate risk

Changes in interest rates may cause fluctuations in the income and expenses of the Company.

The majority of the Company's financial assets are non-interest bearing. As a result, the Company's financial assets are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

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 exposure at 31 August of financial assets and financial liabilities to interest rate risk is as follows:

	2022 £'000	2021 £'000
Amounts due from investment proceeds	138	138
Short term loan	–	(100)

The Company receives no interest on its bank balances, currently receives no interest from SpaDental, as stated in note 9, and pays no interest on its loan so the effect of an interest rate increase of 1% would decrease net revenue before taxation on an annualised basis by £nil (2021: £1,000). If there was a decrease in interest rates of 0.1% (2021: 0.1%) net revenue before taxation would increase by £nil (2021: £100). These calculations are based on balances as at 31 August 2022 and may not be representative of the year as a whole.

The carrying amounts of financial assets best represents the maximum credit risk exposure at the balance sheet date. Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to securities held with the custodian to be delayed.

(iv) Liquidity risk

Ninety-three percent of the Company's portfolio is fully listed on the London Stock Exchange or AIM quoted securities which under normal conditions can be sold to meet funding commitments if necessary. These may however be difficult to realise in adverse market conditions. The Company's unquoted investments, representing the remaining seven percent of the portfolio, could be more difficult to realise as they are not tradable instruments.

(v) Credit risk

The Company does not have any significant exposure to credit risk arising from one individual party. Credit risk is spread across a number of counterparties, each having an immaterial effect on the Company's cash flows should a default happen. The Company assesses its debtors from time to time to ensure they are neither past due or impaired. During the year under review it has identified the interest from SpaDental as being past due and impaired as detailed in note 9.

(vi) Maturity analysis of financial liabilities

The Company's financial liabilities comprise of creditors as disclosed in note 10. All items are due within one year.

Notes to the Financial Statements *(continued)*

for the year ended 31 August 2022

15. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES *(continued)*

(vii) Managing capital

The Company's capital management objectives are to increase net asset value per share at a higher rate than other quoted smaller company trusts and the MSCI Small Cap UK Index.

Primarily the Company finances its operations through its issued capital and existing reserves. However to help fund further investment the Company borrowed on a short term loan £215,000 from Mr Horner. At the year end an amount of £215,000 remained outstanding. Further details are given in note 10.

(viii) Fair values of financial assets and financial liabilities

All financial assets and liabilities of the Company are held at fair value or amortised cost which equates to fair value.

(ix) Financial instruments by category

The financial instruments of the Company fall into the following categories:

	At amortised cost £'000	Loans and receivables £'000	Assets at fair value through profit or loss £'000	Total £'000
31 August 2022				
Assets as per the Statement of Financial Position				
Investments	–	–	3,053	3,053
Debtors	8	138	–	146
Cash at bank and cash equivalents	10	–	–	10
Total	18	138	3,053	3,209
Liabilities as per the Statement of Financial Position				
Creditors	33	215	–	248
Total	33	215	–	248
31 August 2021				
Assets as per the Statement of Financial Position				
Investments	–	–	3,098	3,098
Debtors	8	138	–	146
Cash at bank and cash equivalents	34	–	–	34
Total	42	138	3,098	3,278
Liabilities as per the Statement of Financial Position				
Creditors	32	100	–	132
Total	32	100	–	132

Notes to the Financial Statements *(continued)*

for the year ended 31 August 2022

15. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES *(continued)*

Fair value hierarchy

In accordance with FRS 102, the Company must disclose the fair value hierarchy of financial instruments.

The fair value hierarchy consists of the following three classifications:

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

Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 – The price of a recent transaction for an identical asset, where quoted prices are unavailable.

The price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If it can be demonstrated that the last transaction price is not a good estimate of fair value (e.g. because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted.

Level 3 – Inputs for the asset or liability that are based on observable market data and unobservable market data, to estimate what the transaction price would have been on the measurement data in an arm's length exchange motivated by normal business considerations.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be investments actively traded in organised financial markets. Fair value is generally determined by reference to Stock Exchange quoted market bid prices or last traded in respect of SETS at the close of business on the balance sheet date, without adjustment for transaction costs necessary to realise the asset.

Investments, whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed equities. The Company does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified as Level 2.

Investments classified within Level 3 have significant unobservable inputs. Level 3 instruments include unquoted holdings. As observable prices are not available for these securities, the Company has used valuation techniques to derive the fair value. The Company has no Level 2 investments, and Level 3 investments consist only of unquoted holdings.

Notes to the Financial Statements *(continued)*

for the year ended 31 August 2022

15. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES *(continued)*

Financial assets at fair value through profit or loss

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
At 31 August 2022				
Investments	2,850	–	203	3,053
Total	2,850	–	203	3,053
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
At 31 August 2021				
Investments	2,655	–	443	3,098
Total	2,655	–	443	3,098

The following table presents the movement in the Level 3 investments for the year ended 31 August 2022:

	Investments £'000
Opening balance	443
Sales proceeds	(27)
Total losses on investments in the Income Statement	(213)
Closing balance	203

16. RELATED PARTY TRANSACTIONS

Under the terms of the agreement dated 28 June 2001, the Company has appointed Chelverton Asset Management Limited to be the Investment Manager. The fee arrangements for these services and fees payable are set out in the Report of the Directors on page 28 and in note 3 to the accounts. Mr Horner, a Director of the Company, is also a director of Chelverton Asset Management Limited, a subsidiary of Chelverton Asset Management Holdings Limited, and chairman of CEPS PLC, in which the Company has a significant investment.

Mr Martin is the chairman of Touchstar plc, in which the Company holds an investment as set out on page 7.

The three Directors also have individual holdings in Chelverton Asset Management Holdings Limited, a company which has Mr Horner as a director and in which the Company had a direct holding until sold on 26 February 2021. The Directors' holdings are detailed below:

	Percentage of holding in shares %	Ordinary shares held £'000
K J Allen	1	1
D A Horner*	55.25	55.25
I P Martin	2	2

* Director and connected persons total holdings.

As stated in noted 10, during the year the Company entered into a loan agreement with Mr Horner. At the year end £215,000 remained outstanding.

Notes to the Financial Statements *(continued)*

for the year ended 31 August 2022

17. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern;
- to provide an adequate return to Shareholders;
- to support the Company's stability and growth;
- to provide capital for the purpose of further investments.

The Company actively and regularly reviews and manages its capital structure to ensure an optimal capital structure, taking into consideration the future capital requirements of the Company and capital efficiency, projected operating cash flows and projected strategic investments opportunities. The management regards capital as total equity and reserves, for capital management purposes.

Shareholder Information

Shareholders wishing to communicate directly with the Board should contact the Company Secretary who will pass on Shareholder details to the relevant Board member.

Contact details

Company Secretary:	ISCA Administration Services Limited	Tel: 01392 487 056 Fax: 01392 891 155 cgw@iscaadmin.co.uk
Registrar:	Share Registrars Limited	Tel: 01252 821 390 www.shareregistrars.uk.com
Investment Manager:	Chelverton Asset Management Limited	Tel: 0207 222 8989 or 01225 483 030
Website:		www.chelvertonam.com

Postal address details are shown on page 18.

Key dates

August	Company year end
November	Annual results
January	AGM
April	Half-year results

Frequency of NAV publication

The Company's net asset value is released to the Stock Exchange monthly and is posted on the Investment Manager's website: www.chelvertonam.com.

Notice of Annual General Meeting

This document is important and requires your immediate attention. If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or otherwise transferred all of your shares in Chelverton Growth Trust PLC, please forward this document as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Notice is hereby given that the Annual General Meeting of Chelverton Growth Trust PLC will be held at the offices of Chelverton Asset Management Limited, Ground Floor Office, Basildon House, 7 Moorgate, London EC2R 6AF at 11.30 am on Thursday, 15 December 2022, for the following purposes:

To consider and if thought fit to pass the following resolutions as ordinary resolutions:

1. To receive and adopt the financial statements for the year ended 31 August 2022, together with the Report of the Directors and Independent Auditors' report thereon.
2. To receive and if thought fit, to accept the Directors' Remuneration Report for the year ended 31 August 2022.
3. To re-elect Mr K Allen as a Director of the Company.
4. To re-elect Mr D Horner as a Director of the Company.
5. To re-elect Mr I Martin as a Director of the Company.
6. To re-appoint Hazlewoods LLP as Auditors to the Company, to hold office from the conclusion of this Meeting until the next Annual General Meeting, and to authorise the Directors to determine their remuneration.

The following resolution will be proposed as special resolution.

7. THAT the Company is hereby generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 to renew its authority to make market purchases of ordinary shares of 1p each in the capital of the Company ("Ordinary shares"), provided that:
 - (i) the maximum number of Ordinary shares hereby authorised to be purchased shall be 818,499 (or, if less, 14.99% of the issued Ordinary share capital in circulation immediately following the passing of this resolution);
 - (ii) the minimum price which may be paid for each Ordinary share is 1p;
 - (iii) the maximum price which may be paid for each Ordinary share is, in respect of a share contracted to be purchased on any day, an amount equal to 105 per cent. of the average of the middle market quotations for Ordinary shares taken from London Stock Exchange Daily Official List for the 5 business days immediately preceding the day on which the contract of purchase is made;
 - (iv) this authority will (unless renewed) expire at the conclusion of the next Annual General Meeting of the Company held after the date on which this resolution is passed or, if earlier, fifteen months after that date; and
 - (v) the Company may make a contract to purchase Ordinary shares under the authority conferred by this resolution before this authority expires, such contract which will or may be executed wholly or partly after the expiry of this authority.

Registered Office
Suite 8, Bridge House
Courtenay Street
Newton Abbot TQ12 2QS

By order of the Board
ISCA Administration Services Limited
Secretary
8 November 2022

Notice of Annual General Meeting *(continued)*

NOTES:

Entitlement to attend and vote

1. Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001 and paragraph 18(c) of The Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009, the Company specifies that only those members registered on the Company's register of members 48 hours before the time of the Meeting shall be entitled to attend and vote at the Meeting. In calculating the period of 48 hours mentioned above no account shall be taken of any part of a day that is not a working day. All voting will be undertaken on a poll using the proxy votes submitted.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. It is recommended that you appoint the Chairman of the Meeting as your proxy. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the registrars of the Company, Share Registrars Limited on 01252 821 390.
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

6. The notes to the proxy form explain how to direct your proxy on how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Share Registrars Limited at Molex House, The Millenium Centre, Crosby Way, Farnham, Surrey GU9 7XX;
- and received by Share Registrars Limited no later than 48 hours (excluding non-business days) prior to the Meeting.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy using CREST

7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual.

CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCO Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual.

The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent 7RA36 by the latest time(s) for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

Notice of Annual General Meeting *(continued)*

CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCO Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of CREST by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Appointment of proxy by joint members

8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

9. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Share Registrars Limited on 01252 821 390.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

10. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
11. By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Limited at Molex House, The Millenium Centre, Crosby Way, Farnham, Surrey GU9 7XX. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

In either case, the revocation notice must be received by Share Registrars Limited no later than 48 hours (excluding non-business days) prior to the Meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Issued shares and total voting rights

12. As at 7 November 2022, the Company's issued share capital comprised 5,460,301 ordinary shares of 1p each. No ordinary shares are held in treasury. Each ordinary share carries the right to one vote at an Annual General Meeting of the Company and, therefore, the total number of voting rights in the Company as at 7 November 2022 is 5,460,301.

Communications with the Company

13. Except as provided above, members who have general queries about the Meeting should telephone the Company Secretary on 01392 487 056 (no other methods of communication will be accepted). You may not use any electronic address provided either in this notice of general meeting; or any related documents (including the chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

Website

14. This notice, together with information about the total number of shares in the Company in respect of which members are entitled to exercise voting rights at the meeting at 7 November 2022 (the business day prior to the approval of this Notice) and, if applicable, any members' statements, members' resolutions or members' matter of business received by the Company after the date of this Notice, will be available on the Company's website: www.chelvertonam.com.

Form of Proxy

For use at the Annual General Meeting of Chelverton Growth Trust PLC

I/We (Block Capitals please)

a member/members of Chelverton Growth Trust PLC ("the Company"),

hereby appoint the Chairman of the Meeting/

NUMBER OF SHARES HELD

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at the offices of Chelverton Asset Management Limited, Ground Floor Office, Basildon House, 7 Moorgate, London EC2R 6AF at 11.30 am on Thursday, 15 December 2022, and at any adjournment thereof.

Signature

Date

☐ Please mark this box to indicate that this proxy appointment is one of multiple appointments being made (see note 7).

Please indicate with an X in the spaces below how you wish your votes to be cast.

ORDINARY RESOLUTIONS

RESOLUTION 1 To adopt the financial statements for the year ended 31 August 2022, together with the Reports of the Directors and Independent Auditors thereon.

RESOLUTION 2 To receive and accept the Directors' Remuneration Report.

RESOLUTION 3 To re-elect Mr K Allen as a Director of the Company.

RESOLUTION 4 To re-elect Mr D Horner as a Director of the Company.

RESOLUTION 5 To re-elect Mr I Martin as a Director of the Company.

RESOLUTION 6 To re-appoint Hazlewoods LLP as Auditors to the Company and to authorise the Directors to determine their remuneration.

FOR	AGAINST	WITHHELD

SPECIAL RESOLUTION

RESOLUTION 7 To authorise the Company to renew its authority to make market purchases of its Ordinary shares.

--	--	--

NOTES

1. A member may appoint a proxy of his/her own choice. If such an appointment is made, delete the words 'the Chairman of the Meeting' and insert the name of the person appointed proxy in the space provided.
2. If the appointer is a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised on that behalf.
3. In the case of joint holders, the signature of any one holder will be sufficient but the names of all the joint holders should be stated.
4. If this form is returned without any indication as to how the person appointed proxy shall vote, the proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting.
5. To be valid, this form must be completed and deposited at Share Registrars Limited at Molex House, The Millenium Centre, Crosby Way, Farnham, Surrey GU9 7XX not less than 48 hours before the time fixed for holding the Meeting or adjourned Meeting. Only those Shareholders registered in the register of members 48 hours prior to the meeting shall be entitled to attend and vote at the Meeting in respect of the number of shares registered in their name at that time. Changes to the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
6. A "vote withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against the resolution. The "vote withheld" option is provided to enable you to instruct the registered holder to abstain from voting.
7. You are entitled to appoint more than one proxy provided that each proxy is appointed to exercise rights attached to a different share or shares held by you. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional Proxy Form(s) may be obtained by contacting the Registrars helpline or you may photocopy this form. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided, if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.



