
Aurora UK Alpha plc

(formerly Aurora Investment Trust plc)

Annual Report 31 December 2024

Company No. 03300814



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Strategic Report

Financial and Performance Highlights

Investment Objective

To provide shareholders with long-term total returns by investing predominantly in a portfolio of UK listed companies.

Policy

Phoenix Asset Management Partners Limited ("Phoenix") was appointed as Investment Manager on 28 January 2016. Phoenix seeks to achieve the Company's Objective by investing, primarily, in a portfolio of UK listed equities.

The portfolio will remain relatively concentrated. The exact number of individual holdings will vary over time but typically the portfolio will include core holdings in 15 to 20 companies.

The Investment Policy of the Company can be found on page 7.

Benchmark

Performance is benchmarked against the FTSE All-Share Index (total return), representing the overall UK market.

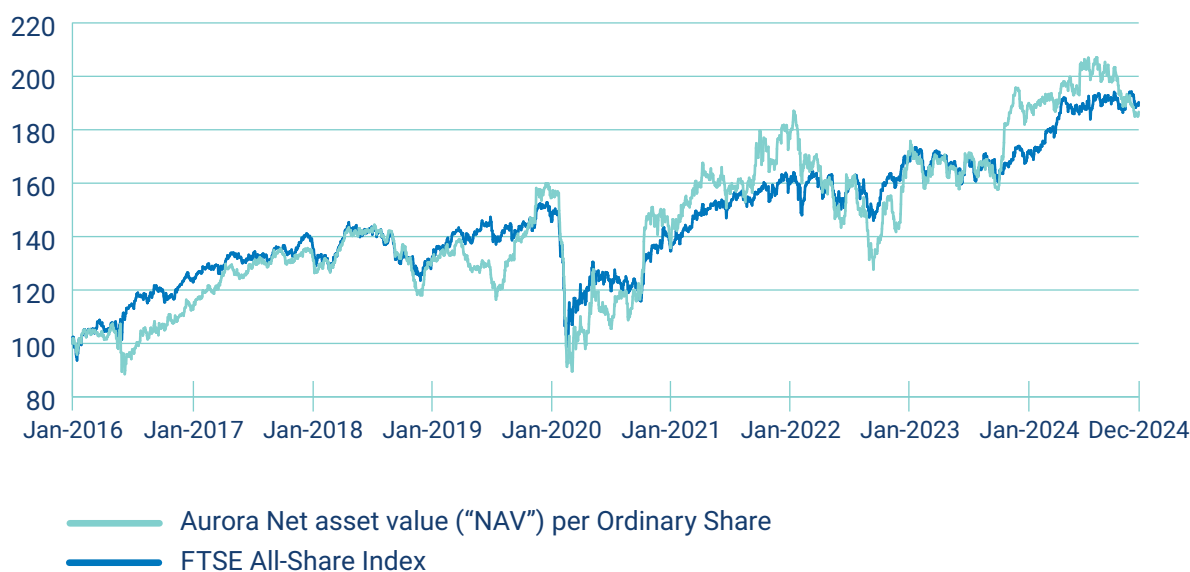
Dividend

The Board declared an interim dividend of 3.0p per share, which was paid on 6 December 2024. No interim dividend was paid in 2023 and the Board does not propose to recommend payment of a final dividend for 2024 (2023: final dividend 3.45p).

Annual General Meeting ("AGM")

The AGM of the Company will be held at 25 Southampton Buildings, London WC2A 1AL on 11 June 2025 at 1 p.m. There will be no Investment Manager presentation at the AGM. Instead, there will be a separate Investment Manager presentation and Q&A event at 3.30 p.m. on 15 October 2025 at the Chartered Accountants Hall, 1 Moorgate Place, London EC2R 6EA.

Performance



The chart above shows the Company's NAV performance (total return) compared to the FTSE All-Share Index (total return) since Phoenix became the Investment Manager.

Chair's Statement

Lucy Walker
Chair

7 April 2025

I am pleased to present the Aurora UK Alpha plc annual report for the year ended 31 December 2024, and extend a welcome to shareholders that joined the Company from Artemis Alpha Trust plc.

Performance

After a strong year in 2023, performance for the year to 31 December 2024 was disappointing, with a Net Asset Value ("NAV") per share total return* of -4.3% (2023: +36.3%). With a concentrated portfolio and a focus on identifying out of favour names, performance can go through difficult times, and unfortunately that has been the case recently. The share price total return* was -5.5% (2023: +28.5%) compared to the Company's benchmark FTSE All-Share Index total return of +9.5% (2023: +7.9%).

Top positive contributors in the year were Castelnu Group, Netflix and Lloyds Banking Group. Frasers Group and Barratt Redrow were the most significant detractors.

For further details on the portfolio and performance, see the Investment Manager's Report on pages 14 to 17.

Combination

The Company's most notable event in the year was the successful combination with Artemis Alpha Trust plc ("ATS"). The project was concluded on 29 November 2024, when the Company acquired approximately £101 million of net assets from ATS in consideration for the issue to ATS shareholders of 38,369,114 new shares in the Company. The enlarged Company continues to be managed by Phoenix Asset Management Partners Limited ("Phoenix") using the same deeply researched, concentrated, value-based approach as before. The scale of the enlarged Company is expected to improve secondary market liquidity of the shares and reduce the ongoing charges, since fixed costs are spread over a larger asset base. The Board is grateful to our shareholders and advisers, in particular Phoenix, for supporting the project. The Company, newly renamed Aurora UK Alpha plc, has a clearly differentiated proposition and this transaction leaves the Company in a strong position to further build its shareholder base and scale.

Investment Policy and Portfolio Management

During the year the Company's investment objective and policy were amended on two occasions. Neither were deemed material, and consequently FCA and shareholder approval were not sought. However, for good order we are seeking shareholder approval of the updated investment objective and policy at this year's AGM.

The first change, announced in June, saw the Board update the investment objective, replacing "long-term returns through capital and income growth" with "long-term total returns". Whilst largely synonymous, the Board considered the new wording more accurate given the Company has no income target. The Board will continue to distribute substantially all of the net revenue arising from the investment portfolio each year.

The second change related to the number of portfolio holdings. During the year, a new portfolio manager joined the team, Kartik Kumar, who previously managed Artemis Alpha Trust plc. Kartik, along with two analysts at Phoenix were each allocated a small amount of capital to manage. These sub-portfolios, while managed separately, will follow Phoenix's investment approach, and within a close-knit team. The investment

*Alternative Performance Measure (see page 93).

Chair's Statement

Continued

policy previously referenced holdings in 15 to 20 companies, so this was updated to "core holdings" to reflect that the aggregate number of holdings may exceed this. The portfolio will remain concentrated, and as at 31 December 2024 the top 5 stocks amounted to 61% and the top 20 stocks amounted to 89% by value of gross assets.

The Investment Manager and Performance Fees

Phoenix has managed the Company's portfolio since January 2016, making 2024 the ninth year, and throughout that time the team has employed a focused and patient investment approach.

Phoenix earns no ongoing annual management fee, and instead is paid an annual performance fee, equal to one third of any outperformance of the Company's NAV against its benchmark, the FTSE All Share Index (total return).

The performance fee is paid by issuance of the Company's ordinary shares, which are subject to a fixed three-year clawback period. This means issued shares will be returned by the Investment Manager in the event that outperformance versus the index reverses on the third-year anniversary. If outperformance fully reverses, the Investment Manager receives nothing.

The clawback period in relation to the performance fee for the year to 31 December 2021 ended on 31 December 2024 and this resulted in an entitlement for the Company to claw back 89,096 shares from Phoenix. These shares were duly delivered to the Company and cancelled in January.

Continuation

The Company's articles provide that shareholders shall have the opportunity to vote on the Company's continuation every three years. The last such opportunity was at the AGM in 2022 and, accordingly, the next occasion will be at the AGM on 11 June 2025. Consequently, a resolution for continuation of the Company as an investment trust is included in the notice of the meeting. The Board strongly recommends that shareholders vote in favour of the Company's continuation.

Share Price Discount

The Board closely monitors the discount at which the Company's shares trade to NAV. During 2024 the discount widened from 10.0% at the end of 2023 to 11.4% at the end of 2024.

While discounts across the investment trust sector remained wide, averaging 14.7% over the period, closing the discount remains a key objective of the Board.

Marketing activities are a key part of achieving this, and Phoenix along with the Company's new broker, Deutsche Numis, and Frostrow Capital as investor relations and marketing adviser continue to promote the Company proactively. Since the year end, the Board announced the Company may buy back some shares, demonstrating the value in the underlying portfolio and the Company's shares.

The Board is seeking to renew the power granted to it by shareholders to buy back shares at the forthcoming annual general meeting. The Board will also seek to renew its powers to issue new shares in order to be able to issue shares to investors should the shares return to a premium, as well as to enable the issue of shares to the Investment Manager in respect of performance fees earned.

Chair's Statement

Continued

Annual General Meeting ("AGM") and separate Investment Manager presentation event

Following on from the last two years, this year's AGM will not include an Investment Manager presentation. The AGM will be held at the Company's registered office, 25 Southampton Buildings, London WC2A 1AL, on 11 June 2025 at 1 p.m. to consider the business set out in the Notice of Meeting on pages 98 and 99.

A separate investor event will be held at 3.30 p.m. on 15 October 2025 at the Chartered Accountants Hall, 1 Moorgate Place, London EC2R 6EA. This event has been well attended in previous years and is intended to be of interest to both existing and prospective Aurora shareholders. It will include multiple speakers from the Investment Manager and is intended to be recorded and made available afterwards on the Company's website.

With respect to the AGM, the Board strongly encourages shareholders to register their votes online in advance of the meeting by visiting <https://uk.investorcentre.mpms.mufg.com/login> and following the instructions on the site. Appointing a proxy online will not restrict shareholders from attending the meeting in person should they wish to do so and will ensure their votes are counted if they are not able to attend. Shareholders are invited to send any questions they may have to the Company Secretary by email to info@frostrow.com ahead of the meeting.

Dividend

The Board declared an interim dividend of 3.0p per share in advance of the ATS combination, which was paid on 6 December 2024. An interim dividend was not paid in 2023 and the Board does not propose to recommend payment of a final dividend for 2024 (2023: final dividend 3.45p). The Board's previously published intention to distribute substantially all of the Company's net revenue proceeds remains unchanged.

Your Board

David Stevenson, having reached nine years of tenure, plans to retire from the Board in December 2025. The Board will instigate a recruitment process for another Director shortly.

Outlook

At the time of writing, the US market, long seen as the default outperformer, is under pressure, and many global uncertainties remain. But uncertainty can be fertile ground for long-term investors. What we can be certain of is the consistency of our Investment Manager's approach, to seek out exceptional companies at the moments when others won't. It's a discipline that can test patience, and 2024 was no exception – a year when many of those out-of-favour companies remained that way. We don't welcome volatility, but we do recognise its role as it often precedes outsized future returns. History tells us that the most compelling long-term performance is built in precisely these periods. The Investment Manager's commentary on pages 13 to 17 sets out in more detail reasons for confidence, not just in the resilience of the companies in the portfolio, but in their potential to thrive from here.

Lucy Walker
Chair
7 April 2025

Investment policy and results

The Company seeks to achieve its investment objective (see page 3) by investing predominantly in a portfolio of UK listed companies. The Company may from time to time also invest in companies listed outside the UK and unlisted securities. The investment policy is subject to the following restrictions, all of which are at the time of investment:

- The maximum permitted investment in companies listed outside the UK at cost price is 20% of the Company's gross assets;
- The maximum permitted investment in unlisted securities at cost price is 10% of the Company's gross assets;
- There are no pre-defined maximum or minimum sector exposure levels but these sector exposures are reported to and monitored by the Board in order to ensure that adequate diversification is achieved;
- The Company's policy is not to invest more than 15% of its gross assets in any one underlying issuer (measured at the time of investment) including in respect of any indirect exposure through Castelnau Group Limited ("Castelnau");
- The Company may from time to time invest in other UK listed investment companies, but the Company will not invest more than 10% in aggregate of the gross assets of the Company in other listed closed-ended investment funds; and
- Save for Castelnau Group Limited, the Company will not invest in any other fund managed by the Investment Manager.

While there is a comparable index for the purposes of measuring performance over material periods, no attention is paid to the composition of this index when constructing the portfolio and the composition of the portfolio is likely to vary substantially from that of the index. The portfolio will be relatively concentrated. The exact number of individual holdings will vary over time but typically the portfolio will include core holdings in 15 to 20 companies. The Company may use derivatives and similar instruments for the purposes of capital preservation.

The Company does not currently intend to use gearing. However, if the Board did decide to utilise gearing the aggregate borrowings of the company would be restricted to 30% of the aggregate of the paid-up nominal capital plus the capital and revenue reserves.

Any material change to the investment policy of the Company will only be made with the approval of shareholders at a general meeting. In the event of a breach of the Company's investment policy, the Directors will announce through a Regulatory Information Service the actions which will be taken to rectify the breach.

Dividend Policy

The Company does not have a fixed dividend policy. However, the Board expects to distribute substantially all of the net revenue arising from the investment portfolio. Accordingly, the Company is expected to pay an annual dividend that may vary each year.

Borrowing Policy

The Company is not prohibited from incurring borrowings for working capital purposes, however the Board has no current intention to utilise borrowings. Whilst the use of borrowings should enhance the total return on the ordinary shares where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the underlying return is falling, further reducing the total return on the ordinary shares. As a result, the use of borrowings by the Company may increase the volatility of the NAV per share.

Investment policy and results

Continued

The Company has a policy not to invest more than 10% of its gross assets in other UK listed investment companies. As a consequence of its investments, the Company may therefore itself be indirectly exposed to gearing through the borrowings from time to time of these underlying investment companies.

Purpose and Key Performance Indicators (“KPI’s”)

The Company’s purpose is encapsulated in its investment objective, which is to provide shareholders with long-term total returns by investing predominantly in a portfolio of UK listed companies. The Board measures the Company’s success in attaining its objective by reference to KPI’s as follows:

- a. To make an absolute total return for shareholders on a long-term basis;
- b. To make a relative total return for shareholders on a long-term basis, as measured against the Company’s benchmark, the FTSE All-Share Index (total return);
- c. The Board seeks to ensure that the operating expenses of running the Company as a proportion of NAV (the Ongoing Charges Ratio) are kept to a minimum; and
- d. The discount/premium to NAV per share at which the Company’s shares trade is also closely monitored in view of its effect on shareholder returns.

These are alternative performance measures (“APMs”). Whereas the Financial Statements (on pages 69 to 92) set out the required statutory reporting measures of the Company’s financial performance, the Board additionally assesses the Company’s performance against these APMs, which are viewed as being particularly relevant for the Company. These APMs are widely used in reporting within the investment company sector and the Directors believe they enhance the comparability of information and assist investors in understanding the Company’s performance. Further information on each of the KPI’s is set out below. Definitions of the APMs and the basis of their calculation are set out on pages 93 and 94.

The Chair’s Statement on pages 4 to 6 incorporates a review of the highlights during the year.

The Investment Management Review and Outlook on pages 14 to 17 gives details on investments made during the year and how performance has been achieved.

Performance (KPI’s a and b)

The Company’s performance in absolute terms and relative to the FTSE All-Share Index (total return) benchmark since Phoenix was appointed as Investment Manager in 2016 is shown below:

	Cumulative since 28 January 2016 to 31 December 2024 %	Year to 31 December 2024 %	Year to 31 December 2023 %
NAV per share (total return)	86.5	(4.3)	36.3
Share price (total return)	68.9	(5.5)	28.5
Benchmark (total return)	88.7	9.5	7.9

The Directors regard the Company’s share price total return to be the overall measure of performance over the long term, since it approximates the return in the hands of shareholders. It combines the change in the share price with the dividends paid to shareholders, which are added back as though reinvested at the ex-dividend date.

Investment policy and results

Continued

The Directors regard the Company's NAV per share total return to be a key indicator of the Investment Manager's performance. The NAV per share total return is the change in the Company's NAV per share with distributions to shareholders added back.

The Board monitors these against the Company's benchmark and peer investment companies.

The Company's performance under both of these total return measures disappointed in 2024, but the Company's strategy is to invest for the long term and short-term volatility is not indicative of the underlying intrinsic value of the portfolio.

Ongoing charges (KPI c)

Ongoing charges represent the costs that shareholders can reasonably expect the Company to pay from one year to the next under normal circumstances, excluding performance fees and taxation.

Phoenix does not earn an ongoing annual management fee, but instead is paid an annual performance fee, only if the benchmark is outperformed, equal to one third of the outperformance of the Company's NAV against its FTSE All-Share Index (total return) benchmark.

The Board monitors the Company's other operating costs carefully and aims to maintain a sensible balance between good quality services and costs. Based on the Company's average net assets for the year ended 31 December 2024, the Company's ongoing charges figure calculated in accordance with the Association of Investment Companies ("AIC") methodology was 0.45% (2023: 0.45%). As the size of the Company grows the ongoing charge figure, is expected to reduce.

Premium/Discount to NAV (KPI d)

The discount of the price at which the Company's shares trade to the NAV per share is considered a key indicator of performance as it impacts the share price total return and can provide an indication of how investors view the Company's performance and its investment objective. Accordingly, it is closely monitored by the Board as discussed in the Chair's Statement on page 5. The share price closed at a discount of 11.4% to the NAV per share as at 31 December 2024 (2023: 10.0% discount). During the course of the year, based on the daily published NAVs per share (which are not adjusted to comply with IFRS 2 (see pages 10 and 56), the Company's shares traded at a discount of between 3.6% and 15.5%, with an average discount of 9.4% (2023: the Company's shares traded at a discount of between 5.0% and 14.1% to NAV per share, with an average discount of 10.4%). Discount is further discussed on pages 5 and 34.

Revenue Result and Dividend

The Company's revenue after tax for the year ended 31 December 2024 was £2,556,000 (2023: £2,661,000). The Board declared an interim dividend of 3.0p per share, which was paid on 6 December 2024 to shareholders on the register on 1 November 2024, before the combination with Artemis Alpha Trust plc (no interim dividend was paid in 2023). The Board does not propose to recommend payment of a final dividend for 2024 (2023: final dividend 3.45p).

Investment policy and results

Continued

Our registrar, MUFG Corporate Markets ("MUFG"), administers a Dividend Re-Investment Plan ("DRIP") on behalf of the Company whereby direct shareholders resident in the United Kingdom can choose for MUFG to apply their cash dividend to buy further shares in the market. Details about the DRIP, including the terms and conditions and how to join or exit the DRIP are available at <https://uk.investorcentre.mpms.mufg.com/login> or by calling MUFG on +44 (0)371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales.

Five Year Summary

Year	Year end NAV per Share (pence)	Dividend per Share in respect of the year (pence)	Year end Share price (mid-market) (pence)
Year ended 31 December 2020	216.93	0.55	207.00
Year ended 31 December 2021	253.78	1.84	234.50
Year ended 31 December 2022	203.45	2.97	194.50
Year ended 31 December 2023	274.34	3.45	247.00
Year ended 31 December 2024	256.17	3.00	227.00

Net Asset Value per Share (NAV per share)

The Company recognises performance fees and clawbacks on fees paid in prior performance periods under IFRS 2 – Share Based Payment in its annual and half year financial statements. However, for the purposes of the Company's unaudited NAVs that are announced daily to the London stock exchange and other regulatory information services the current performance fee, and any clawback on fees paid in prior performance periods, are recognised on a liability basis, which diverges from the Company's accounting policy.

The table below is a reconciliation between the NAV per share as at 31 December 2024 announced on the London Stock Exchange on 2 January 2025 and the NAV per share disclosed in these financial statements. The difference is principally the result of amortising performance fees over the vesting period in accordance with IFRS 2 – Share-based Payment in these financial statements, whereas the NAV per share as at 31 December 2024 published on 2 January 2025 treated the performance fees as earned on 31 December 2024, in accordance with the investment management agreement. The remaining reconciling balances relate to adjustment of the unquoted investment valuations and expenses, due to timing lag.

	NAV £'000	NAV per share p
NAV as published on 2 January 2025	294,626	257.15
Deduct performance fees accrued under non-IFRS 2 approach	(561)	(0.49)
Adjustments on final valuation of unquoted investments and expenses	(564)	(0.49)
NAV as disclosed in these financial statements	293,501	256.17

NAV's and performance quoted on the Company's website, other than within the Interim and Annual Reports, are based on the unaudited daily NAVs.

Top Holdings as at 31 December 2024

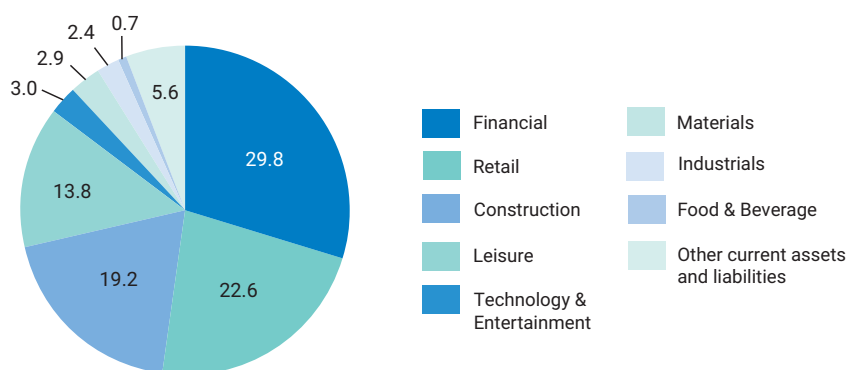
Company	Sector	Holding in Company	Valuation	Percentage of net assets	Date of first purchase	Average cost per share*	Share price	Market capitalisation
			£'000	%				Million
Castelnau Group Limited [#]	Financial	51,134,587	47,045	16.0	Oct-21	£0.92	£0.92	£303
Frasers Group Plc	Retail	7,118,886	43,354	14.8	Jun-07	£4.25	£6.09	£2,670
Barratt Redrow Plc	Construction	9,786,312	43,070	14.7	Nov-18	£4.64	£4.40	£4,289
Lloyds Banking Group Plc	Financial	47,069,000	25,784	8.8	Sep-08	£0.54	£0.55	£33,645
Ryanair Holdings Plc	Leisure	1,297,000	20,418	7.0	May-19	€12.08	€19.04	€20,574
Bellway Plc	Construction	466,940	11,636	4.0	Oct-12	£22.60	£24.92	£2,961
Other holdings (less than 3%)			85,615	29.1				
Total holdings			276,922	94.4				
Other current assets and liabilities			16,579	5.6				
Net assets			293,501	100.0				

* Average net cost including sales.

Castelnau is a multi-sector financial holding company, listed on the Specialist Fund Segment of the London Stock Exchange. Castelnau is also managed by Phoenix and its value is excluded from the Company's net assets when calculating performance fees earned by Phoenix to avoid double charging. As a consequence of the combination of Artemis Alpha Trust plc with the Company, 14,713,166 additional Castelnau shares transferred into the portfolio on 29 November 2024. At the value ascribed to these shares for the purposes of the combination, this resulted in a combined holding in Castelnau at the time equivalent to 15.4% of gross assets. Whilst this exceeds the 15% single investment restriction set out in the Company's investment policy on page 7, it is not considered to constitute a breach of the investment policy since it was not due to an active investment decision and there is no current intention to reduce the holding.

Portfolio Analysis as at 31 December 2024

Sector	Percentage of Net Assets
	%
Financial*	29.8
Retail	22.6
Construction	19.2
Leisure	13.8
Technology & Entertainment	3.0
Materials	2.9
Industrials	2.4
Food & Beverage	0.7
Other current assets and liabilities	5.6
Total	100.0



* Castelnau is included in the Financial classification as it is a multi-sector financial holding company.

Statement from the Chief Investment Officer of the Investment Manager

Gary Channon
Chief Investment Officer Phoenix
Asset Management Partners

7 April 2025

It is an uncomfortable aspect of value investing that there is a disconnect between the work we do and the results we deliver. When it comes to communicating with investors it means that there is often a peculiar conundrum in that what we are able to talk authoritatively about, i.e. the fundamental performance of the portfolio and the value of our changes to it, bears little resemblance to the performance numbers that accompany our words. The numbers are real, they tell you how your investment has done, but over time periods like one year they won't reflect the work we have done on your behalf. You end up with seemingly incongruous statements like I am about to write about 2024. It was a year of good fundamental progress in the portfolio, our actions added to the intrinsic value but the NAV declined by 4.3%, and the share price was down by 5.5%. At the same time the FTSE All-Share rose by 9.5%.

To call it a year of good progress might sound delusional. Even if you give us a fairer and longer comparative period of 5 years there still isn't outperformance, there isn't even absolute performance, which is ultimately what we judge ourselves by. In the 5 years from December 2019 to December 2024 the share price has moved from 237p to 227p. In that same period though the intrinsic value of the portfolio, based upon our estimates of the individual intrinsic values of the portfolio holdings, has risen from 420p per share to 650p, and this I believe is a better measure of our efforts and the performance of our businesses.

The amount of upside to that level has increased from 60% to 171% and that is what we often refer to as the stretched elastic between price and value. Intrinsic value is our North Star for a reason, it anchors us on fundamentals and allows us to avoid or take advantage of the noise. Our decision making is rational and based upon values. Our history tells us that ultimately it ends up being the best predictor of what is to come.

In summary, I am incredibly optimistic about what the value in the fund means for future returns but back to that problem with value investing, I have no idea when it will show up in price but a high degree of confidence that it will.

Gary Channon
Chief Investment Officer
Phoenix Asset Management Partners
7 April 2025

Investment Manager's Report

Steve Tatters
Director
Phoenix Asset Management
Partners

7 April 2025

Introduction and Performance Summary

Over the year to 31 December 2024, the NAV per share total return was -4.3%, while the share price total return was -5.5%. For comparison, the FTSE All-Share Index delivered a positive return of 9.5% over the same period. Since Phoenix assumed management responsibilities on 28 January 2016, on a total return basis the NAV has risen 86.5%, slightly lagging the 88.7% return of the FTSE All-Share Index. Over this same timeframe, the share price total return was 68.9%.

Net assets concluded the year at £293 million, a notable increase from £208 million at the end of 2023. This growth was largely attributable to the combination with Artemis Alpha Trust plc ("ATS"), which successfully completed at the end of November, adding £101 million to the combined vehicle's assets. At the same time as the combination completed, we welcomed Kartik Kumar, the ATS manager, to the Phoenix investment team.

Given the underperformance relative to the benchmark in 2024, no performance fee was earned. We remind investors that our performance fee structure is designed for long-term alignment. Fees, if earned, are paid entirely in the Company's ordinary shares and are subject to a fixed three-year clawback. Should the initial outperformance versus the index reverse by the third-year anniversary, some or all the shares are returned. If outperformance fully reverses, Phoenix ultimately receives nothing for that period. In accordance with this, the clawback test conducted on 31 December 2024, for the fee awarded at the end of 2021 resulted in the return of all 89,096 shares, reflecting the underperformance over the subsequent three years.

Whilst 2025 has been eventful, performance is largely unchanged. As of 31 March, the NAV had fallen 0.8% year-to-date, compared to a 4.5% rise for the FTSE All-Share index.

While performance in 2024 was disappointing, our confidence in the portfolio is undiminished. That confidence is underpinned by the depth of work we have done on the holdings and the expertise we have built in their business models and competitive landscapes. We believe the value in those businesses will appear in the fullness of time as earning progression translates into investment return.

The Phoenix Approach

For the benefit of all shareholders, both new and longstanding, we believe it is useful to restate the philosophy and approach underpinning our management of your capital.

Our primary objective at Phoenix is the protection and compounding of the capital entrusted to us over the very long term. We aim for rates superior – meaning significantly higher and at lower risk – than passive strategies.

We pursue this goal by investing in businesses that we assess as earning high and enduring returns on their capital. While the price paid for an investment is crucial, the underlying economics of the business hold even greater importance for us, as we seek very long, potentially indefinite, holding periods.

Our conviction stems from the belief that markets occasionally misprice businesses, often driven by an overemphasis on short-term factors affecting what are fundamentally long-term securities.

Such mispricings can create highly attractive investment opportunities, offering substantial risk-adjusted returns. However, these can only be capitalised upon by the prepared mind. We concentrate our efforts on developing deep expertise within a specific niche of businesses, believing this gives us an edge in comprehending their long-term value.

Investment Manager's Report

Continued

We employ a distinct philosophical and analytical framework to minimise biases, integrating deep analysis, real-world monitoring, and clear thinking. This allows confident assessment of certain businesses and managements to support investment decisions at predetermined prices.

Phoenix operates as a learning organisation; this principle permeates our culture. We consistently apply our methodology, incorporating a feedback loop for continuous improvement.

Risk management is paramount. We invest only where we can actively assess competitive dynamics through rigorous monitoring programmes, deepening our understanding and reducing error risk. We avoid ruinous capital structures or business models and never invest above the low end of our intrinsic value range, aiming to prevent permanent capital loss.

This discipline enables a concentrated portfolio where risk is mitigated via the depth of our knowledge and monitoring. We diversify only sufficiently to protect against mistakes; otherwise, positions are focused and weighted according to our risk-adjusted assessment of the upside considering the range of potential outcomes and our level of confidence.

Understanding a company's 'economic moat' takes time and dedicated work. We research businesses as future opportunities, building knowledge for when a valuation opportunity arises. Management is another important factor. We back management teams with integrity and pay attention to alignment and competence. We seek out great managers who have built winning cultures.

Finally, we embrace patience – a willingness to do nothing, letting internal returns compound and waiting for the appropriate opportunity. This may mean periods of inactivity and holding cash, which we believe provides an edge over perpetually invested strategies.

Our approach necessitates a partnership with investors who understand and embrace this long-term perspective, accepting the volatility inherent in concentration and the often superficially unattractive nature of our investments at the time of purchase.

To follow the unfolding developments within our key holdings and gain timely perspective from us as managers about our thinking and activity, we encourage investors to read the quarter end factsheets published on the Company's website (www.auroraukalpha.com).

Performance & Activity Review 2024

2024 unfolded as a tale of two halves, significantly influenced by the UK political landscape and attendant market sentiment. The period leading up to the July General Election saw improving conditions, with NAV performance positive up to 31 July (+10.8%). However, the narrative shifted in the final five months as initial post-election optimism faded, giving way to market caution around the new government's first budget. This resulted in the NAV declining from its July peak to finish the year with a total return down 4.3%.

The most significant positive event influencing performance occurred mid-year. Positive news regarding the balance sheet restructuring at **Dignity**, the largest investment within **Castelnau Group**, led to a 35% uplift in **Castelnau's** NAV in early July. This single event propelled the Company's NAV by 9.1% in July alone, and made **Castelnau Group** the largest positive contributor for the full year, adding 1.9% to performance despite the later market downturn.

Investment Manager's Report

Continued

Other positive contributions came from **Netflix** and **Lloyds Banking Group**. **Netflix** continued its strong growth, particularly in the first half, driven by successful paid sharing initiatives and subscriber numbers significantly exceeding expectations (adding 9.3 million in Q1). Management continued to highlight the long-term market opportunity, while also experimenting with entry into new verticals. Its strong share price performance contributed 1.9% to the Company's NAV. **Lloyds** also performed well, adding 1.2% to NAV.

Hargreaves Lansdown, a position initiated late in 2023, was exited during the third quarter following a bid approach, realising value sooner than anticipated and contributing positively during its holding period. We expressed frustration at the time that we had only been able to build a 2% weighting before the price moved away and a bid was announced.

Frasers Group was the largest detractor to performance, negatively impacting NAV by 5.8% following a 33% decline in its share price during the year. The other material negative influence was **Barratt Redrow**, detracting 2.4% from NAV after a 19% share price fall.

The broader housebuilding sector navigated challenging conditions due to higher interest rates and affordability pressures. **Barratt** completed its merger with **Redrow** during the period. Within the portfolio, **Bellway** demonstrated resilience despite lower year-on-year completions, noting that moderating mortgage rates eased affordability pressures in the second half, supporting an increase in reservations towards year-end and into early 2025. It targets higher completions for the year ahead.

Lastly, whilst having a modest impact due to its size, we note the failure of **Randall & Quilter**, which provided a significant learning experience, reinforcing lessons about management alignment and trust.

The year was again one of modest portfolio activity, which reflected our confidence in the portfolio. There was a certain amount of rebalancing of the holdings that were transferred as part of the ATS transaction. We report on holdings above a 3% weight and at year end no holdings inherited as part of the ATS transaction were above a 3% weight. As at the end of March, **Nintendo** had become a 3.2% weight due to positive price performance in the early months of 2025.

In the first half of 2024, notable activity included the **Lloyds Banking Group** holding being increased by 1% and **Ryanair** being reduced by the same amount due to ongoing concerns over Boeing's ability to deliver their 737 MAX aircraft. We rebuilt the weighting in July following a fall in price.

We made one new investment in the year, taking a position in **Burberry** in September at an attractive price equivalent to circa £2 billion market capitalisation (£5.72 per share). This is our first investment in the luxury goods sector, despite over a decade studying it and therefore we limited the initial position size. Unfortunately the price moved out of our range before we got to a 2% weight, which was below our initial target allocation.

Our thesis rests on the enduring nature of luxury demand, the excellent economics of established brands (where value is often not captured by balance sheet assets), and their resilience to mismanagement. **Burberry**, with its deep heritage rooted in innovation like gabardine and iconic products like the trench coat, exemplifies these qualities.

The opportunity arose from multiple compounding negative factors: a cyclical luxury market retreat (especially in China), specific company missteps around pricing, and the general undervaluation of its London listing, capped by its FTSE 100 demotion.

This created a purchase price offering a significant margin of safety, allowing for potential setbacks in the turnaround under new leadership, while retaining considerable upside potential towards our intrinsic value estimate. We have a mid-case intrinsic value of £4.8 billion.

Investment Manager's Report

Continued

Outlook

Attempting short-term market forecasts is not our practice; our gaze remains fixed on the long-term intrinsic value of the businesses we own. The market's cautious stance towards the end of 2024 underscores the prevailing sensitivity to economic policy shifts.

When businesses are valued very cheaply, their fundamental success tends to translate more directly into investment returns, either through dividends or reinvestment driving per-share value growth, even without market re-rating.

The Company's portfolio currently trades at what we believe is a significant discount to intrinsic value, offering a substantial margin of safety.

This, combined with the quality of the underlying businesses, underpins our confidence in the potential for attractive long-term returns. The present discount at which the Company's shares trade adds an additional element to the valuation opportunity.

When we look back five years from now though, we think the most significant factor impacting business value and economic development will have been Artificial Intelligence. It's a freight train heading down the tracks and we've just scratched the surface on its potential impact.

Our early estimation is that enormous productivity gains are coming, initially potentially at the cost of employment. We are not sure if the future is dystopian or utopian yet, but it's certainly risk and opportunity for businesses.

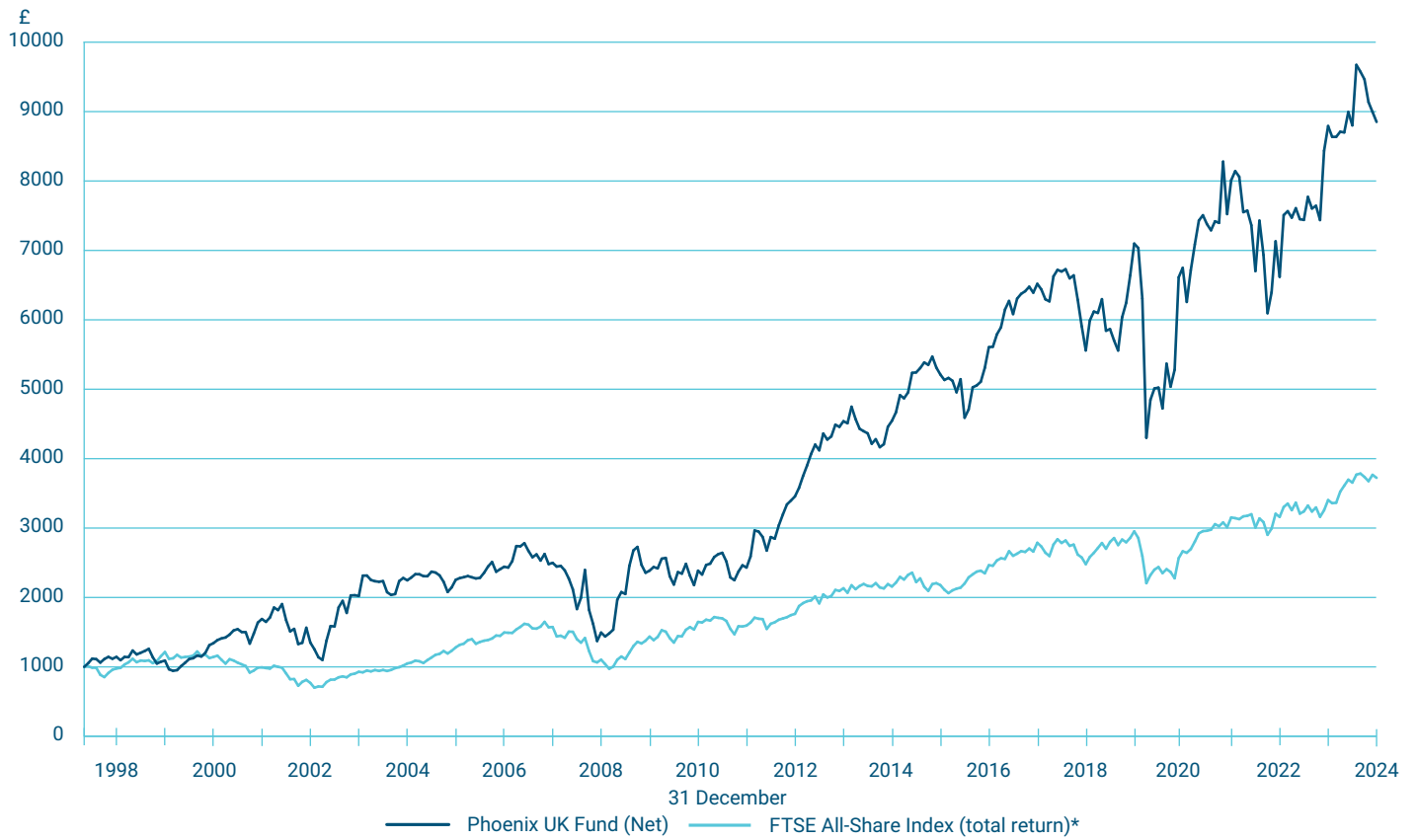
We remain committed to our disciplined, patient, long-term investment approach.

Steve Tatters
Director
Phoenix Asset Management Partners
7 April 2025

Value of £1,000 invested in the Phoenix UK Fund at launch to 31 December 2024

Phoenix UK Fund Track Record

The investment strategy followed by the Phoenix UK Fund is the same as that followed by the Company*



Source: Phoenix. All figures shown are net of fees and do not account for an investor's tax position. The FTSE All-Share Index is shown with dividends re-invested. The Fund's inception date is May 1998.

* Whilst the investment strategy is the same in all material respects, the portfolio holdings will not necessarily be the same and investors in the Company will have no exposure to the investment performance of the Phoenix UK Fund. For illustrative purposes only, not a recommendation to buy or sell shares in the Fund. Past performance is not a reliable indicator of future performance.

Phoenix UK Fund Track Record

Year	Investment Return (Gross) %	NAV Return (Net) %	FTSE All-Share Index %	NAV Per Share (A Class) £
1998 (8 mths)	17.6	14.4	(3.3)	1,143.71
1999	(1.3)	(4.6)	24.3	1,090.75
2000	24.7	23.0	(5.8)	1,341.46
2001	31.7	26.0	(13.1)	1,690.09
2002	(17.8)	(20.1)	(22.6)	1,349.64
2003	51.5	49.8	20.9	2,021.24
2004	14.1	11.2	12.8	2,247.26
2005	1.4	0.3	22.0	2,254.99
2006	9.5	8.3	16.8	2,442.90
2007	3.4	2.3	5.3	2,498.40
2008	(39.5)	(40.2)	(29.9)	1,494.31
2009	62.8	59.7	30.2	2,386.48
2010	1.1	0.0	14.7	2,386.37
2011	3.0	1.9	(3.2)	2,430.75
2012	48.3	42.2	12.5	3,456.27
2013	40.5	31.3	20.9	4,539.47
2014	1.9	0.1	1.2	4,544.25
2015	20.1	14.7	0.9	5,211.13
2016	9.1	7.6	16.8	5,605.58
2017	21.5	16.3	13.1	6,518.69
2018	(13.6)	(14.7)	(9.5)	5,558.97
2019	30.3	27.7	19.1	7,098.36
2020	(3.9)	(4.9)	(9.7)	6,748.66
2021	23.4	18.7	18.3	8,011.17
2022	(16.7)	(17.4)	0.2	6,619.32
2023	33.6	32.5	7.7	8,770.25
2024	1.5	0.7	9.4	8,851.34
Cumulative	1,532.2	785.1	272.3	n/a
Annualised Returns	11.1	8.5	5.1	n/a

Report under Section 172 of the Companies Act 2006

Directors' duty to promote the success of the Company

Section 172 of the Companies Act 2006 requires the Directors to seek to promote the success of the Company for the benefit of its members as a whole, having regard to the likely consequences of any decision in the long term, the need to foster the Company's business relationships with suppliers and others, the impact of the Company's operations on the community and the 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.

The Board seeks to understand the views of the Company's shareholders and their interests, and those of its other key stakeholders, and to consider these, together with the other matters set out in section 172, in Board discussions and decision-making. The Board keeps engagement mechanisms under review so that they remain effective and in fulfilling their duties the Directors carefully consider the likely consequences of their actions over the long term.

The following describes how the Directors have had regard to the views of the Company's stakeholders in their decision-making.

Shareholders

The Investment Manager regularly meets the largest shareholders and beneficial owners and reports back to the Board on those meetings. The Company's corporate broker, now Deutsche Numis, previously Panmure Liberum, and Frostrow Capital LLP ("Frostrow"), in its capacity as the Company's investor relations & marketing adviser, also meet with investors and seek to understand their views, which they relay to the Board. Additionally, the Company Chair is available to meet with investors on request and did engage with certain shareholders during the year. Through these interactions and other communications the Board and the Investment Manager seek to promote a supportive investor base of long-term investors.

The Board communicates with investors twice a year via the Annual Report and Half-yearly Report and more frequently via the Company's website which hosts various information, including news reports, video presentations by the Investment Manager and monthly factsheets. Additionally, the NAV per share is announced daily via a regulatory information service.

Shareholders may attend the Company's AGM, at which the Directors are available in person to meet with shareholders and to answer their questions. As has been the case for the last two years, the AGM this year will not include a presentation from the Investment Manager. Instead, a separate Investment Manager presentation and Q&A event, which the Directors will also attend, will be held at 3.30 p.m. on 15 October 2025 at the Chartered Accountants Hall, 1 Moorgate Place, London EC2R 6EA. This event is intended to be of interest to both existing and prospective Aurora shareholders and will include multiple speakers from the Investment Manager. It is intended for this event to be recorded and made available afterwards on the Company's website.

The Notice of Meeting on pages 98 and 99 sets out the business of the AGM and each resolution is explained in Explanatory Notes to the Resolutions, which follow the Notice, starting on page 104. Separate resolutions are proposed for each substantive issue. The Company Chair, and where relevant, each Committee Chair, welcomes engagement with the Company's shareholders (and the Company's other key stakeholders) on significant issues raised by them at the AGM or at other times. Details of the votes cast on each resolution will be announced via a regulatory information service shortly after the AGM and published on the Company's website.

Report under Section 172 of the Companies Act 2006

Continued

At each of its regular meetings the Board tracks shareholder changes and monitors the evolving shareholder profile. A list of the largest shareholders in the Company can be found on page 37.

Although the combination with Artemis Alpha Trust plc (“ATS”) during the year did not originate from shareholder interactions, the support for the transaction from shareholders is indicative of the alignment of the Board with shareholders’ wishes.

Other stakeholders

As an externally managed investment company, the Company has no employees and all operational activities are outsourced to third party service providers. These include the Investment Manager, the Company Secretary and Administrator, the Registrar, the Depositary, the Custodian, lawyers and financial advisers. The Board has identified these service providers to be key stakeholders in the Company, together with its shareholders and investee companies. The Board is aware of the need to foster the Company’s relationships with its key stakeholders through its stakeholder management activities.

As part of the Board and stakeholder evaluation processes that are undertaken annually, the Board reviews its engagement mechanisms to ensure they remain effective.

In fulfilling their duties, the Directors carefully consider the likely consequences, for stakeholders and otherwise, of their actions over the long term.

During the Board’s quarterly meetings the Directors consider and are mindful of:

- i. the Company’s investment objective and policy;
- ii. the main trends and factors likely to affect the future development, performance and financial position of the Company;
- iii. the Company’s key performance indicators;
- iv. the Company’s peers;
- v. the Company’s overall strategy; and
- vi. the Company’s core values, which are integrity, accountability, transparency and commitment.

The service provider most fundamental to the Company’s long-term success is the Investment Manager, and the Board provides oversight and challenge to the Investment Manager at all Board meetings to ensure that the portfolio is managed in line with the Company’s published investment policy.

A description of key service providers’ roles together with the terms of their engagement can be found on pages 34 to 36. The Management Engagement Committee, on behalf of the Board, reviews the performance and terms of engagement of each of the Company’s key service providers annually to ensure each remains competitive and to consider the quality of the services they provide.

Environmental, Social and Governance (“ESG”) Matters

The Board expects companies in which the Company invests to have good governance standards and satisfies itself that the Investment Manager consistently and proactively engages with them on this basis.

All shareholdings are voted at listed company meetings worldwide where practicable in accordance with the Investment Manager’s own corporate governance policies.

Further details of the Investment Manager’s approach to ESG within its investment framework can be found on its website at www.phoenixassetmanagement.com.

Report under Section 172 of the Companies Act 2006

Continued

Monitoring of Key Decisions and the outcome of those decisions

The Board meets at least quarterly and at such other times as deemed appropriate. During these meetings, the Board considers reports from the Investment Manager on the Company's portfolio, investment activity and sector diversification. In addition, the Investment Manager provides an overview of engagement with the investee companies and with potential investee companies. The Board discusses the Company's portfolio and notable acquisitions or disposals at each of its meetings and challenges stock selection where deemed appropriate.

The Board receives reports from Frostrow, in its capacity as Company Secretary, Administrator and Investor Relations & Marketing Adviser, respectively on the latest governance, legal and investment trust sector issues, the Company's management accounts and, together with the Company's corporate stockbroker, on the Company's shareholder base, including changes thereto. The Depositary also provides oversight reports and the Company's corporate stockbroker also reports on performance relative to the Company's peers and the market liquidity of the Company's shares. Contact with shareholders by the Investment Manager, Frostrow and the Company's corporate stockbroker is also relayed to the Board who consider these discussions at their quarterly meetings.

During the year, in addition to regular interactions, the Management Engagement Committee on behalf of the Board reviewed the performance and terms of engagement of each of its key service providers, which included a review of their control reports and policies, such as whistleblowing, anti-bribery, anti-money laundering and corruption, cyber security, data protection policies and each entity's business continuity arrangements to ensure they were in place and were adequate. Additionally, for the second consecutive year service providers were asked to participate in a 360 degree review whereby they provided comments on their interactions with the Board and each other. It was partly as a result of these reviews that the Board decided to conduct a review of the Company's appointed corporate stockbroker. The Board is grateful for the support of Panmure Liberum over many years, but following this review and receiving alternative pitches decided to appoint Deutsche Numis as the Company's appointed corporate stockbroker going forward.

In relation to engagement with shareholders, the Board decided in 2023 to decouple the Investment Manager's presentation from the AGM and hold a separate Manager presentation event in October, where Directors were also available to interact. This was repeated in 2024 and seems to be a successful formula for increasing engagement, with good attendances in both years, and will be continued in 2025 as mentioned above.

The most significant decision in the year was to instigate the combination with ATS, which followed from a Board strategy meeting at the start of the year. This received overwhelming support (99.97% in favour) from the Company's shareholders, enhances the scale and profile of the Company, enhances liquidity of the shares and should improve the ongoing charges ratio as a result of fixed costs being spread over a larger asset base. The transaction completed on 29 November 2024.

Related decisions were to change the name of the Company and to pay an interim dividend before the transaction completed. The latter was for multiple purposes: to comply with the Board's published intention to distribute substantially all the Company's revenue to shareholders by way of dividends; to satisfy the investment trust status requirement that no less than 15% of the Company's qualifying revenue must be retained each year; and so as not to dilute the dividend for existing shareholders if the previous practice of recommending a final dividend for approval at the AGM was followed.

Report under Section 172 of the Companies Act 2006

Continued

Boardroom Diversity

The Board supports the principle of Boardroom diversity, and the Board currently comprises four non-executive Directors of which three are female and one male. One Director is from a minority ethnic background. The Board considers its composition, including the balance of skills, knowledge, diversity (including gender and ethnicity) and experience, amongst other factors on an annual basis and when appointing new Directors. The Board has considered the requirements under the FCA's Listing Rule UKLR 6.6.6R (10) in relation to target reporting, and has provided full details in the Corporate Governance Statement section on pages 40 and 41. Summary biographical details of the Directors are set out on pages 29 and 30.

Stewardship code

The Board and the Investment Manager support and have a strong commitment to the FRC's 2020 UK Stewardship Code, which is endorsed by the AIC and sets out principles of effective stewardship by institutional investors. Whilst the Investment Manager is not a formal signatory to the Stewardship Code, it has chosen to adhere to the 12 principles as closely as possible. Further details of the Investment Manager's approach to the Stewardship code can be found on the Investment Manager's website at www.phoenixassetmanagement.com.

Modern slavery disclosure

Due to the nature of the Company's business, being a company that does not have employees and does not offer goods or services to consumers, the Board considers that the Company falls outside of the scope of the Modern Slavery Act 2015 and is not required to issue a slavery and human trafficking statement. The Board considers the Company's supply chains, since it deals predominately with professional advisers and service providers in the UK financial service industry, to be low risk in this matter.

Anti-bribery and corruption

It is the Company's policy to conduct all of its business in an honest and ethical manner. The Company takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates. The Company's policy and the procedures that implement it are designed to support that commitment. The Board has made enquiries of its third-party service providers to ensure they have procedures and policies in place.

Criminal Finances Act 2017

The Company maintains a zero-tolerance policy towards the provision of illegal services, including the facilitation of tax evasion. The Company has received assurances from the Company's main service providers that they maintain a zero-tolerance policy towards the provision of illegal services, including the facilitation of tax evasion.

Other Strategic Report Information

Principal Risks and Risk Management

The Board is responsible for the identification, evaluation and management of the risks facing the Company. Risk is a key element of all the Board's deliberations. Additionally, the Board has delegated to the Audit Committee the formal regular review of these risks, together with their mitigation and the discerning of emerging risks, on its behalf. This process accords with the UK Corporate Governance Code and the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

The Audit Committee and the Board has carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity.

The Board's policy on risk management has not materially changed during the course of the reporting period and up to the date of this report. In particular, the Board undertakes a review of the performance of the Company and scrutinises and challenges notable transactions at each quarterly Board meeting.

The Audit Committee maintains a framework of the key risks and the policies and processes in place to monitor, manage and mitigate them where possible. This risk map is reviewed regularly by the Audit Committee, as set out in the Audit Committee Report starting on page 54.

The Audit Committee and the Board consider that the risks summarised below are the principal risks currently facing the Company. It is not an exhaustive list of all risks faced by the Company. In addition to these featured risks, during the year the Board also recognised risks associated with the project to combine the assets of ATS with the Company, including transaction execution risk and risks around portfolio realignment. The former was recognised as the most significant emerging risk until the transaction was completed on 29 November 2024. The assessment of the other risks outlined below did not change significantly over the course of the year.

Principal Risks and Uncertainties

Geopolitical and economic risks

The Company and its portfolio are at risk from economic and market conditions such as from rising interest rates; inflation; recession; local and global politics; and disruptive local and global events. These can disrupt trade and supply chains and cause increased market volatility, which could substantially and adversely affect the Company's prospects and the market prices of its investments. Increased interest rates, inflation and the threat of recession continue to be contemporary areas of concern, together with the conflicts in Ukraine and the Middle East.

The opportunity for the Board to mitigate such macro risks is somewhat limited. The Board and the Investment Manager monitor and discuss the macroeconomic environment at each Board meeting, along with potential impacts. The Investment Manager also provides a detailed update on the investments at each meeting, including, *inter alia*, developments in relation to the macro environment and trends. Mitigating factors include the experience and expertise of the Investment Manager, that the Company's portfolio, although concentrated, is diversified across a range of sectors, and that the Company has no leverage and a net cash balance. Sanctions imposed in relation to the Ukraine conflict have not had any direct impact on the Company to date.

Other Strategic Report Information

Continued

Investment objective and strategy risks

The Company's investment objective is to provide shareholders with long-term total returns by investing predominantly in a portfolio of UK listed companies. It is not assured that the objective will be met or that it will continue to meet investors' needs. Poor performance or the investment objective losing its attractiveness to shareholders could result in reputational damage and a widening discount.

The Board reviews performance at every Board meeting and challenges the Investment Manager on stock selection and diversification.

The Board also seeks to understand shareholder sentiment with respect to the investment objective and the strategy being followed with the help of the Company's Investment Manager, corporate broker and investor relations & marketing adviser.

Shareholders are provided with an opportunity to vote on the Company's continuation every three years. The continuation vote provides a gauge of the attractiveness of the Company to its shareholders. The next opportunity to vote on the Company's continuation will be at the AGM in 2025. The Board recommends that shareholders vote in favour of continuation and, given the level of support for the Company signalled in connection with the recent combination with ATS, is optimistic they will do. The previous continuation vote took place at the Company's AGM on 28 June 2022 and was successfully passed with overwhelming support from shareholders (100% voted in favour).

Risks related to the Investment Manager

The Company's success is closely dependent on the performance of the Investment Manager. In addition to the performance of the portfolio, the Company is also exposed to any potential loss of key personnel from, and the reputation of, the Investment Manager.

The Investment Manager has a well-defined investment strategy, a proven process and an extensive track record. The performance and the terms of engagement of the Investment Manager are reviewed annually by the Management Engagement Committee on behalf of the Board, in addition to the Board's ongoing communications, monitoring and challenge. The Investment Manager also reports regularly to the Board on personnel changes and other developments.

Discount risk

The Board specifically recognises the risk that the price of the Company's shares may not reflect their underlying net asset value, which could compromise shareholders' returns.

The Board, along with its advisers and the Investment Manager, monitors the discount closely and seeks to enhance share price performance through effective marketing. The Board also seeks authority from shareholders each year to buy back shares and has recently announced that it will consider doing so if the discount becomes excessive and persistent.

Other Strategic Report Information

Continued

Operational Risks

Operational Risks incorporate, amongst other things, the potential for errors or irregularities in published information, cyber risks, business continuity risks, and regulatory risks.

The Audit Committee has received internal controls reports from the relevant service providers, where available, and has satisfied itself that adequate controls and procedures are in place to limit any impact on the Company's operations, particularly with regard to a financial loss. It has also satisfied itself that they have appropriate business continuity plans in place. The performance of service providers is reviewed annually by the Management Engagement Committee. Each service provider's contract defines their duties and responsibilities and has safeguards in place including provisions for termination in the event of a breach or under certain circumstances.

ESG

The Board recognises the risks posed by environmental, social and governance ("ESG") factors, particularly with respect to portfolio risks and potential reputational risk should the Company not meet investor expectations in relation to ESG. Investment companies are currently exempt from reporting under the Task Force on Climate-Related Financial Disclosures ("TCFD") and the Company has not voluntarily adopted the requirements, but considers ESG factors that might affect portfolio companies to be an emerging risk area for the Company. The Board and Investment Manager also recognise the potential opportunity afforded by attention to the wider climate change agenda. ESG risk assessment is embedded in the Investment Manager's due diligence and decision-making process when investing in new companies and monitored thereafter. However, the Company does not have explicit sustainability investment objectives or policies and accordingly has not adopted a sustainability label under the FCA's UK Sustainability Disclosure Requirements and investment labels regime ("SDR").

Financial Risks

The Company is exposed to liquidity risk and credit risk arising from the use of counterparties. If a counterparty were to fail it could adversely affect the Company through either delay in settlement or loss of assets. The most significant counterparty to which the Company is exposed is the Depository, which is responsible for the safekeeping of the Company's custodial assets.

Further details on the Company's financial risks are included in Note 13 to the financial statements starting on page 88.

The Board reviews the services provided by the Depository and the internal controls report of the Custodian to ensure that the security of the Company's custodial assets is maintained. The Investment Manager is responsible for undertaking reviews of the creditworthiness of the counterparties that it uses.

Viability Statement

In accordance with the UK Corporate Governance Code, the Directors have carefully assessed the Company's position and prospects as well as the principal risks and have formed a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five financial years to 31 December 2029.

Other Strategic Report Information

Continued

The Board has chosen a five-year horizon in view of the long-term nature and outlook adopted by the Investment Manager when making investment decisions.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its liabilities as they fall due for at least five years to 31 December 2029. A continuation vote, as required by the Company's Articles, was held on 28 June 2022 and passed with overwhelming support from shareholders. The next vote will take place at the Company's AGM in 2025. Given the level of support for the Company signalled in connection with the recent combination with ATS, the Board is optimistic that the next vote will successfully pass.

In reaching their conclusion, the Directors have considered each of the principal risks and uncertainties set out above as well as the following assumptions in assessing the Company's viability:

- there will continue to be demand for investment trusts;
- the Board and Investment Manager will continue to adopt a long-term view when making investments;
- the Company invests principally in the securities of UK listed companies to which investors will wish to continue to have exposure; and
- regulation will not increase to a level that makes running the Company uneconomical.

Factors including higher interest rates, inflation, and the conflicts in Ukraine and the Middle East were also incorporated into the key assumptions. As part of this process the Board considered the impact of severe but plausible scenarios, including the impact of significant market movements, on the Company's liquidity and solvency, its income and expenses profile and that (although not utilised) gearing is an instrument permitted by the Company's investment policy. A significant proportion of the Company's investments comprise readily realisable securities which could, if necessary, be sold to meet the Company's cash requirements. The financial considerations were based on the going concern assessment, discussed on pages 37 and 38, and extended to cover the five-year period from the approval of this annual report.

The Board aspires for the Company to continue to grow and keeps its potential for doing so under review. Portfolio changes and market developments are also discussed at quarterly Board meetings.

The internal control framework of the Company is subject to formal review on at least an annual basis and this includes consideration of the operational resilience of the Company's service providers.

Outlook

The outlook for the Company is discussed in the Chair's Statement on page 6, and by the Investment Manager on pages 13 and 17.

This Strategic Report was approved by the Board on 7 April 2025.
Lucy Walker
Chair of the Board of Directors

Governance

Directors, Investment Manager, Other Service Providers and Advisers

Directors

Lucy Walker *Company Chair*

Lucy Walker joined the Board on 2 December 2019 and became Chair of the Company on 28 June 2022.

Lucy Walker is a founder and chair in investment management and technology. She founded the award-winning AM Insights fund data platform in 2020 to transform how fund data informs decisions in asset and wealth management. She is former SID of Henderson International Income Trust plc and former head of fund research and fund manager at Sarasin & Partners, where she advised on over £1.2 billion for clients. Named Marketing Influencer of the Year at the 2024 Women in Investment Awards, Lucy has been regularly featured in publications including the FT, and she engages a wide audience through her LinkedIn platform and Fund Selectors podcast.

Farah Buckley *Chair of the Audit Committee*

Farah Buckley joined the Board as a non-executive Director on 8 September 2022 and became chair of the Audit Committee on 27 February 2023.

She has spent over 23 years in financial services across audit, mergers & acquisitions and private equity. Previously the Head of Investment Solutions at asset manager Hermes GPE and the Head of UK at Adveq, the Swiss private equity investor, Farah brings extensive experience of growth, innovation and strategy. Farah worked at boutique corporate finance house McQueen where she worked on numerous deals within the retail, consumer and leisure sectors. She is a qualified chartered accountant having gained her ACA qualification at Deloitte. Farah is a non-executive director of Caledonia Investments plc, Leeds Building Society and Lloyds of London managing agent Apollo Syndicate Management Limited.

Lady Rachael Robathan *Chair of the Management Engagement Committee and the Nomination & Remuneration Committee*

Lady Robathan joined the Board on 2 December 2019 and served as Audit Committee chair from then until 8 September 2022, when she became chair of the Management Engagement Committee and the Nomination & Remuneration Committee.

She is a Westminster City Councillor and former Leader of the Council. First elected in 2010, she held the Finance, Property and Housing Cabinet portfolios before becoming Leader from 2020 to 2022. Prior to this, she worked for 20 years in emerging market investment management at Invesco and AIB Govett before joining Pictet as part of the UK based Family Office team. She is also a Trustee of Westminster Almshouses Foundation, a sheltered housing charity, a director of The Knightsbridge Neighbourhood Forum Limited and is a member of The Royal Parks Investment Committee.

Directors, Investment Manager, Other Service Providers and Advisers

Continued

David Stevenson

David Stevenson joined the Board as a non-executive Director on 2 February 2016.

He is a columnist for the Financial Times, Citywire and Money Week and author of a number of books on investment matters. He is the chairman of Secured Income Fund Plc and a non-executive director of Gresham House Energy Storage Fund Plc and Castelnau Group Limited (Guernsey). He is also a director and founder of ETFStream.com and Stockmarkets Digest Limited as well as founding director of Rocket Science Group Holdings Limited. He has also been a strategy consultant to a number of asset management firms and investment banks. Having been a Director of the Company for nine years, he plans to step down from the Board in December 2025.

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

Phoenix Asset Management Partners Limited
64-66 Glentham Road
London SW13 9JJ
Telephone: 0208 600 0100

The Company's Investment manager is Phoenix Asset Management Partners Limited ("Phoenix"). Phoenix is a specialist fund management company, founded in 1998. It manages the Phoenix UK Fund, which it has managed since 1998, and other segregated accounts following the same strategy. It has been the Company's Investment Manager since 28 January 2016.

Phoenix is a focused and patient investor, aiming to buy a relatively small number of great businesses, with a high return on capital, pricing power and strong prospects, at attractive prices and which it expects to hold for very long periods.

Phoenix defines risk as being the potential for a permanent loss of capital, rather than share price volatility. They see permanent loss of capital as a function of an insufficiently thorough understanding of a business and the potential threats it faces. An ongoing monitoring and research programme for every stock in the portfolio seeks to mitigate this risk.

Although the portfolio is concentrated, Phoenix pay attention to the fundamental business risks across the holdings, ensuring sufficient diversification and avoiding duplication and doubling up.

Directors, Investment Manager, Other Service Providers and Advisers

Continued

Other Service Providers and Advisers

Company Secretary, Administrator, Investor Relations & Marketing Adviser and Registered Office

Frostrow Capital LLP
25 Southampton Buildings
London WC2A 1AL

Registrar

MUFG Corporate Markets
Central Square
29 Wellington Street
Leeds LS1 4DL

Depository & Custodian

Northern Trust Investor Services Ltd
50 Bank Street
London E14 5NT

Stockbroker

Deutsche Numis
45 Gresham Street
London EC2V 7BF

Auditor

BDO LLP
55 Baker Street
London W1U 7EU

Website Address: www.auroraukalpha.com

Registered Number – 03300814

A MEMBER OF THE ASSOCIATION OF INVESTMENT COMPANIES



Directors' Report

By Order of the Board
Frostrow Capital LLP
Company Secretary

7 April 2025

The Directors present their report and Financial statements for the year ended 31 December 2024.

Strategic Report

The Directors' Report should be read in conjunction with the Strategic Report on pages 3 to 27, including the Principal Risks and Uncertainties faced by the Company.

Corporate Governance

The Corporate Governance Statement on pages 39 to 46 forms part of this report.

Legal and Taxation Status

The Company was incorporated and registered in England and Wales on 10 January 1997 as a public limited company, registered number 03300814. It is an investment company as defined by section 833 of the Companies Act 2006 and operates as an investment trust within the meaning of the Corporation Tax Act 2010 (CTA) and the Investment Trusts (Approved Company) (Tax) Regulations 2011. HM Revenue & Customs has approved the Company's status as an investment trust and, in the opinion of the Directors, the Company has conducted its affairs so as to enable it to maintain such approval.

The Board and Re-Election of Directors

The Directors of the Company, who are listed on pages 29 and 30, all served throughout the year to 31 December 2024. All Directors are non-executive. In accordance with the AIC Corporate Governance Code, the entire Board is subject to annual re-election and accordingly resolutions will be put to shareholders to re-elect all of the Directors at the Company's forthcoming AGM. Having been a Director of the Company for nine years, David Stevenson plans to step down from the Board in December 2025.

The report on Corporate Governance starting on page 39 contains a description of the Board's method of operation, its work during the year, together with that of its Committees, and of how its performance has been evaluated.

Director's Indemnities and Insurance

Subject to the provisions of the Companies Act 2006 and certain provisions contained in the deeds of indemnity issued by the Company, the Company will indemnify each of the Directors against all liabilities which each Director may suffer or incur arising out of or in connection with any claim made or proceedings taken against them, or any application made under sections 661(3), 661(4) or 1157 of the Companies Act 2006 by them, on the grounds of their negligence, default, breach of duty or breach of trust, in relation to the Company or any Associated Company. The indemnities would provide financial support from the Company after the level of cover provided by the Company's Directors' and Officers' insurance policy has been fully utilised.

A policy of insurance against Directors' and Officers' liabilities is maintained by the Company.

Directors are permitted, in the furtherance of their duties, to take independent professional advice at the expense of the Company.

Directors' Report

Continued

Disclosure of information to the auditor

The Directors are listed on pages 29 and 30. The Directors confirm that:

- to the best of each Director's knowledge and belief, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Continuation of the Company

The Company's articles require that a continuation vote is held every three years. A resolution to approve the continuation of the Company as an investment trust will be put to shareholders at the AGM to be held on 11 June 2025.

Share Capital and Voting Rights

The Company has a single share class, being ordinary shares that each have a nominal value of 25p, and has not issued any other forms of security. Each share, other than any held by the Company in Treasury, entitles the holder to one vote on a poll. Should voting on a resolution at a shareholder meeting be by show of hands rather than by poll, each shareholder present in person or by proxy will have one vote.

Shares contractually issued to the Investment Manager in lieu of the Investment Manager's fees are subject to a three-year lock-in period during which the Investment Manager cannot sell the shares awarded to it. Aside from this, no special restrictions or obligations apply to any of the Company's shares. Shareholders have equal rights with regards to distributions of all kinds in proportion to their shareholdings. Final dividends are payable subject to approval by shareholders at general meetings or AGMs; interim dividends can be declared by the Directors and do not require shareholder approval.

The Board seeks shareholders' authority each year to issue and buy back shares. As at 31 December 2024 the Directors had shareholders' authority to buy back up to 11,436,279 shares and to issue, and/or sell from Treasury, up to 15,258,544 shares.

During the year the Company issued to the Investment Manager, 172,373 ordinary shares at a price of 260.32 pence per share on 17 January 2024 and 41,891 ordinary shares at a price of 267.79 pence per share on 29 April 2024. These were to settle performance fees earned in the year to 31 December 2023 pursuant to the terms of the Company's Investment Management Agreement with Phoenix Asset Management Partners Limited. As such they are subject to a three-year lock-in following the date of issue and a fixed three-year clawback period.

Separately, in connection with the combination of ATS with the Company, following approval by the Company in a General Meeting, the Company issued, on 29 November 2024, 38,369,114 ordinary shares to ATS shareholders at a deemed price of 262.58 pence per share, in consideration for the transfer to the Company of approximately £101 million of net assets from ATS.

No shares were issued in 2023.

Directors' Report

Continued

No shares were bought back during the year under review. However, the three-year clawback period in relation to the performance fee for the year ended 31 December 2021 ended on 31 December 2024 and this resulted in an entitlement as at 31 December 2024 to claw back 89,096 shares from the Investment Manager. These shares were delivered to the Company and were cancelled on 15 January 2025. Following this cancellation there were 114,572,742 ordinary shares in issue. The number of ordinary shares with voting rights was also 114,572,742 after the claw back. Further details on the Investment Manager's performance fees are disclosed in Note 4, starting on page 81.

No performance fee has been earned for the year ended 31 December 2024.

The total number of shares that have been issued to the Company's Investment Manager since their appointment in 2016 to date, net of claw backs, is 1,505,196.

Discount and Premium Control

The Board aims for the ordinary share price over the long term to reflect the level and movement of the NAV per share. Means by which it is hoped this can be achieved are as follows:

- (i) The Company will use clear and transparent communication that seeks to attract new and existing investors to invest and keep investing in the Company.
- (ii) Execution of the investment strategy as communicated and the delivery of excellent long-term investment returns in excess of most peers and the benchmark.
- (iii) The Board may arrange for the Company to buy back its shares when the discount to NAV per share is persistent and it considers that a share buyback represents the best use of shareholders' funds.
- (iv) The Board intends to issue new shares and/or sell shares from Treasury when the Company's shares trade at a premium to the then prevailing NAV per share when the Board considers this to be in the best interest of shareholders.

Holding Shares in Treasury

The Board monitors on an ongoing basis whether shares in the Company should be repurchased and, if so, whether they should be held in Treasury or whether they can and should be sold from Treasury. Any sales of shares from Treasury are made at prices not less than the latest available NAV per share at the time of sale. On 31 December 2024, the clawback period on restricted shares issued to the Investment Manager in relation to the performance period to 31 December 2021 ended and 89,096 shares that had been issued to the Investment Manager in respect of that period were returned to the Company. These were held in Treasury as at 31 December 2024 and subsequently cancelled on 15 January 2025.

Investment Management Agreement

The Company entered into an Investment Management Agreement with Phoenix on 28 January 2016.

Phoenix does not earn an ongoing annual management fee. Rather, it is paid an annual performance fee equal to one third of the outperformance of the Company's NAV per share total return (including dividends and adjusted for the impact of share buybacks and the issue of new shares) over the FTSE All-Share Index (total return) for each financial year. The Company's NAV per share return is based on the weighted number of shares in issue and NAV over the relevant period.

Directors' Report

Continued

The total annual performance fee is capped at 4% per annum of the NAV of the Company at the end of the relevant financial year, in the event that the NAV per share has increased in absolute terms over the period, and 2% in the event that the NAV per share has decreased in absolute terms over the period. Any outperformance that exceeds these caps will be carried forward and only paid if the Company outperforms, and the annual cap is not exceeded, in subsequent years.

The performance fee is subject to a high-water mark so that no performance fee will be payable in any year until all underperformance of the Company's NAV since the last performance fee was payable has been made up. The performance fee will also be subject to a clawback if over a rolling period of three years following the end of the last financial year for which a performance fee was payable the Company underperforms. Specifically, Phoenix must return a number of shares the value of which equals the difference between the calculated Performance Fee and the Performance Fee that would have been earned had the relevant performance period included the lock-in period.

The performance fee will be paid to Phoenix by means of the issue of shares (issued at the prevailing NAV per share at the time) and such shares must be retained by Phoenix for a minimum period of three years from the date of issue. No performance fee was earned in the performance fee period ended 31 December 2024 (2023: £560,903). Further details on the performance fees are disclosed in Note 4, starting on page 81.

Continuing Appointment of the Investment Manager

The Management Engagement Committee has reviewed the position of the Investment Manager and recommended to the Board that the Phoenix Investment Management Agreement should be continued. The process of evaluation is described in the report on Corporate Governance. Having taken into account the long-term performance of Phoenix, the prospects for the Company and the recommendations of the Management Engagement Committee, the Board has concluded that continuing the appointment of Phoenix as Investment Manager on the terms outlined above is in the best long-term interests of shareholders.

Alternative Investment Fund Managers' Regulation ("UK AIFMD")

The Company is classified as an Alternative Investment Fund under UK AIFMD and is therefore required to have an Alternative Investment Fund Manager ("AIFM"). Because of the scale of its overall funds under management, Phoenix, the Company's AIFM, is classed as a full-scope AIFM. This brings the Company into the full scope of UK AIFMD, requiring *inter alia* the appointment of a Depository. The AIFM is required to make certain disclosures on its remuneration in respect of the AIFM's relevant reporting period, which is the year ended 31 December 2024. These disclosures are available on the AIFM's website, www.phoenixassetmanagement.com, in a document labelled MIFIDPRU Disclosure that can be found in the regulatory documents, or are available on request from the AIFM.

Company Secretary, Administrator and Investor Relations & Marketing Adviser

Frostrow Capital LLP provides the Company with all of the usual and necessary services of an administrator and company secretary and also serves as the Company's investor relations & marketing adviser, under an administration and distribution agreement dated 28 September 2022. Under that agreement, which is terminable on six months notice, Frostrow is entitled to a periodic fee equal to 17.5 basis points per annum of the Company's market capitalisation up to (but not including) £150 million plus 15 basis points per annum on that part of the Company's market capitalisation in excess of £150 million.

Directors' Report

Continued

Depository and Custodian

Since 28 September 2022 the positions of Depository and Custodian to the Company have been held by Northern Trust Investor Services Ltd.

Banking

The Company's cash balances were held with Northern Trust at 31 December 2024 and 31 December 2023. At 31 December 2024 the gross external borrowings of the Company were £nil (2023: £nil).

Leverage (under UK AIFMD)

The AIFM is required to set a limit as a percentage of net assets for the Company utilising methods prescribed under UK AIFMD. These methods are known as the gross method and the commitment method. Under both methods the AIFM has set a maximum limit of leverage for the Company of 15,000%. This equates to 150x leverage.

The Company's leverage under each of these methods at its year end is shown below:

	Gross method	Commitment method
Maximum leverage limit	15,000%	15,000%
Actual leverage at 31 December 2024	96.81%	99.56%

Disclosure Required By Listing Rule UKLR 6.6.4

The above rule requires listed companies to report certain information in a single identifiable section of their annual financial reports. The Company confirms that, other than the allotment of equity securities (UKLR 6.6.1(6)) detailed on page 86, there is no information to report under this rule for the year ended 31 December 2024.

Retail Distribution of Investment Company Shares

The Company has concluded that the distribution of its shares, being ordinary shares in an investment trust, is not restricted as a result of the FCA rules determining which investment products can be promoted to ordinary retail investors. The Company conducts its affairs so that there is no bar to a financial adviser recommending the Company's shares to ordinary retail investors when the adviser deems it appropriate.

Market Information

The Company's shares are listed on the London Stock Exchange. The market price is shown daily in the *Financial Times*. The NAV per share is calculated daily and released daily to the London Stock Exchange and monthly to the AIC. The Company subscribes to the website www.trustnet.com, which compares the Company's performance to that of its peer group.

Substantial Interests in Share Capital

The Company was aware of the following substantial interests of 3% or more in the voting rights of the Company as at 31 December 2024 and 31 March 2025.

Directors' Report

Continued

Shareholder	31 March 2025		31 December 2024	
	Number of shares	% of issued share capital	Number of shares	% of issued share capital
Rothschild Wealth Management	11,134,152	9.7	10,669,146	9.3
RBC Brewin Dolphin	7,169,033	6.3	7,293,069	6.4
Raymond James Investment Services	6,940,077	6.1	6,850,767	6.0
Phoenix Asset Management Partners	6,580,345	5.7	5,400,345	4.7
1607 Capital Partners	6,345,164	5.5	6,686,088	5.8
Hargreaves Lansdown	6,159,414	5.4	6,338,044	5.5
HSBC Private Bank	4,981,185	4.3	5,276,310	4.6
Interactive Investor	4,346,680	3.8	4,637,132	4.0
Rossie House Investment Management	4,275,904	3.7	4,311,923	3.8
ING Luxembourg	4,057,873	3.5	3,961,873	3.5

Greenhouse Gas Emissions

As an Investment Company with no physical assets, property, employees or operations of its own, the Company does not provide goods or services in the normal course of its business and nor does it have customers. In consequence, the Company has no direct greenhouse gas emissions to report from its operations, nor does it have responsibility for any other sources of emissions under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 ("SECR"). The Company consumed less than 40,000 kWh of energy during the year and is therefore exempt from having to report against SECR.

Going Concern

The financial statements have been prepared on the going concern basis. The Directors have a reasonable expectation, after making enquiries, that the Company has adequate resources to continue in existence for at least 12 months from the date of approval of this Annual Report. In reaching this conclusion, the Directors have considered the liquidity of the Company's portfolio of investments as well as its latest financial position and forecast of income and expenses.

As at 31 December 2024, the Company held £17,076,000 (2023: £6,248,000) in cash and cash equivalents, £272,105,000 (2023: £200,733,000) in quoted investments and £4,817,000 (2023: £1,476,000) in unquoted investments. The total ongoing operating expenses for the year ended 31 December 2024 were £966,000 (2023: £749,000). It is estimated that 39.0% of the Company's latest portfolio could be liquidated in a non-market impacting way within 7 days, using 25% of historic three-month average daily volume. This approach is considered conservative as it does not include the Company's ability to access liquidity through block trades.

Directors' Report

Continued

The Company's going concern status has been assessed under stress scenarios, which incorporated key assumptions such as significant falls in the Company's investment portfolio value and investment income. These scenario tests encompassed possible impacts from factors such as the existing and potential further risks arising from the conflicts in the Middle East and Ukraine, as well as any tail risks from Brexit. A prolonged and deep market decline could lead to falling investment values or interruptions to cash flow, however the Company currently has more than sufficient liquidity to meet any liabilities when they fall due in the foreseeable future. The Board is keeping the development of external risk factors under close scrutiny and does not believe that these will have any impact on the Company's going concern status.

At the date of approval of this Annual Report the Company's cash and cash equivalents balance and the market value of its investments are well in excess of the estimated level of liabilities and the Company has substantial operating expenses cover.

Annual General Meeting

The Company's Annual General Meeting ("AGM") will be held at 25 Southampton Buildings, London WC2A 1AL on 11 June 2025 at 1 p.m.

The business of the meeting is summarised in some detail in the Explanatory Notes to the Resolutions on pages 104 to 106 of this Annual Report.

The AGM resolutions include the following items of special business:

Resolution 10 (ordinary resolution) Authority to allot shares.

Resolution 11 (special resolution) Authority to disapply pre-emption rights.

Resolution 12 (special resolution) Authority to repurchase shares.

Resolution 13 (special resolution) Authority to hold General Meetings (other than the AGM) on at least 14 clear days' notice.

Additionally, as required by the Company's Articles, Resolution 2 (ordinary resolution) has been inserted this year to approve the continuation of the Company as an investment trust. Also, as set out in the Chair's Statement on page 4, shareholders are being asked by way of Resolution 9 to ratify non-material changes made to the Company's Investment Objective and Policy during the year.

The full text of the resolutions can be found in the Notice of AGM beginning on page 98.

The Board considers that the proposed resolutions are in the best interests of shareholders as a whole. Accordingly, the Board unanimously recommends to shareholders that they vote in favour of the resolutions to be proposed at the forthcoming AGM, as the Directors intend to do in respect of their own beneficial holdings.

By order of the Board
Frostrow Capital LLP
Company Secretary
7 April 2025

Corporate Governance Statement

The Corporate Governance Statement forms part of the Directors' Report

7 April 2025

Introduction

The Board is committed to maintaining and demonstrating high standards of corporate governance. The Board has considered the Association of Investment Companies' 2019 Code of Corporate Governance (the "AIC Code"); the AIC Code addresses the principles and provisions set out in the 2018 UK Corporate Governance Code (the "UK Code") as well as setting out additional provisions on issues that are of specific relevance to investment companies, including the Company.

The Board considers that reporting against the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to shareholders. The AIC Code is available on the AIC website (www.theaic.co.uk) and includes an explanation of how the AIC Code adapts the principles and provisions set out in the UK Code to make them relevant for investment companies.

The Company has complied with the AIC Code and the relevant provisions of the UK Code, except as set out below. The Board considers that the following provisions are not relevant to the position of the Company, being an externally managed investment company with no employees. The Company has therefore not reported further in respect of these provisions.

- Senior Independent Director – Being small in number, the Board has decided not to nominate a Senior Independent Director.
- Executive Directors – The UK Code includes provisions relating to the role of the chief executive and executive Directors' remuneration. The Board considers these provisions are not relevant to the Company as it does not have any employees and, as such, it does not have any executive board members.
- Internal Audit function – The UK Code includes provisions for an internal audit function. For reasons set out in the AIC Code, the Board considers these provisions are not relevant to the Company as it is an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no internal operations.

Evaluation of the Board and its Committees

The Directors undertook an internal evaluation of the Board and its Committees in November 2024, based on questionnaires and led by Lady Rachael Robathan. At the same time a 360 degree evaluation process was conducted whereby questionnaires were completed by the Board and the Company's principal service providers, each providing scores and comments on the respective entities they had interactions with. This provided some third party insight into their views of the Board's effectiveness in addition to the Directors' internal assessment. The Directors concluded that, overall, the Board and its Committees worked effectively, incorporated appropriate qualifications, skills, knowledge, experience, diversity and independence and provided good oversight of the Company on behalf of shareholders.

Re-elections at the forthcoming AGM

Having considered the appointment of each Board member individually, the Board regards each to have invaluable experience, knowledge and commitment both within and outside meetings and strongly recommends that shareholders vote in favour of each Board member's re-election at the forthcoming AGM. Notwithstanding the forgoing, having been a Director of the Company for nine years, David Stevenson will not serve until the 2026 AGM and plans to step down from the Board in December 2025.

Corporate Governance Statement

Continued

Independence

The Board has noted the inference of the provisions in the AIC Code that Non-Executive Directors who sit on the board of other companies managed by the same manager should be presumed not to be independent. The Board has further noted that Mr Stevenson, as the Company's nominated representative on the Board of Castelnau Group Limited which was the Company's largest investment position at 31 December 2024, would fall within this definition. However, it is the Board's assessment that the provisions in place to manage actual or potential situational conflicts of interest are sufficiently robust and all of the Directors undertake to always promote the success of the Company. The Board has concluded that Mr Stevenson continues to demonstrate independence of character and judgement. His skills and experience contribute significantly to the strength of the Board and his continued service is invaluable to the long-term success of the Company. The Directors have a broad range of relevant experience to meet the Company's requirements as can be seen from their biographies on pages 29 and 30. In accordance with the Company's Conflicts of Interest policy (see page 44), Mr Stevenson will recuse himself from any decisions relating to Castelnau.

The Board believes that during the period ended 31 December 2024 its composition was appropriate for the Company's nature and size. All of the Directors are considered independent of the Investment Manager and are able to allocate sufficient time to the Company to discharge their responsibilities effectively. Mr Stevenson plans to retire from the Company's Board in December 2025. He will step down from the Castelnau board at the same time and the Company's Board will nominate another of their number to replace him at Castelnau.

Balance of Skills and Diversity

As described on the previous page under "Evaluation of the Board and its Committees", the Nomination & Remuneration Committee, on behalf of the Board, conducts a review of the Board's strengths and weaknesses with the aim of ensuring that there is available a good balance of attributes that are useful to the direction of the Company, in addition to the skills and commitment of the Investment Manager.

The Company's policy on diversity is that the Board should be comprised of Directors who collectively possess the necessary balance of professional skills, experience, length of service and industry knowledge and that appointments to the Board should be made on merit, against objective criteria, including diversity in its broadest sense.

The objective of the policy is to have a broad range of approaches, backgrounds, skills, knowledge and experience represented on the Board. The Board believes that this will make the Board more effective in promoting the long-term success of the Company and generating value for its shareholders by ensuring there is a breadth of perspectives among the Directors and the capacity to challenge needed to support good decision-making.

The Board confirms that its members are highly experienced, both generally and in respect of the direction of an investment trust company, and that the backgrounds and seniority of the Directors provide the Board with a high overall level of independence.

The Board has noted the FCA's listing rules UKLR 6.6.6R(9) to (11) which require companies to report against the following diversity targets using prescribed tables:

- (a) At least 40% of individuals on the board are women;
- (b) At least one of the senior board positions is held by a woman; and
- (c) At least one individual on the board is from a minority ethnic background.

Corporate Governance Statement

Continued

The following tables set out the Company's positions against these targets in compliance with the rules. Being an externally managed investment company, the Company does not have the roles of CEO or CFO, nor has the Board appointed a senior independent director, and therefore, as allowed by the rules, it does not need to report against target (b) above as it is not applicable. Accordingly, for both tables, the right hand column, which relates to target (b), is deliberately left blank and other columns related specifically to executive management have been excluded in entirety. Each Director volunteered how they wished to be included in the tables.

The Board has chosen to align its diversity reporting reference date with the Company's financial year end and proposes to maintain this alignment for future reporting periods.

(a) Table for reporting on gender identity or sex

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)
As at 31 December 2024			
Men	1	25	
Women	3	75	
Not specified/prefer not to say	–	–	

(b) Table for reporting on ethnic background

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)
As at 31 December 2024			
White British or other White (including minority-white groups)	3	75	
Mixed/Multiple Ethnic Groups	–	–	
Asian/Asian British	1	25	
Black/African/Caribbean/Black British	–	–	
Other ethnic group	–	–	
Not specified/prefer not to say	–	–	

Policy with regard to tenure and reappointment

The Directors recognise that independence is not a function of length of service and that experience is an important attribute within the Board. The Board has noted the implication of the provisions in the UK Corporate Governance Code that Non-executive Directors who have served for more than nine years should be presumed not to be independent. The AIC does not believe that this presumption is appropriate for investment companies and therefore does not recommend that long-serving Directors be prevented from forming part of the independent majority of an investment trust board. Accordingly, the Directors may decide to recommend a Director with more than nine years' service for re-election. In accordance with the AIC Code of Corporate Governance, Directors stand for re-election annually. The performance of each Director is appraised by the Nomination & Remuneration Committee annually. The Directors have

Corporate Governance Statement

Continued

appointment letters which do not state any specific term. Notwithstanding the forgoing, the tenure of each independent non-executive Director, including the Chair, is not ordinarily expected to exceed nine years.

How the Board operates

The Company does not have any employees. The Board has contractually delegated the Company's operations to external agencies, including the Investment Manager for the management of the Company's investment portfolio, the depositary (which includes responsibility for the safeguarding of the Company's custodial assets), the registrar and the administrator and company secretary. Each of these contracts was entered into after full and proper consideration of the quality and cost of services offered, including the financial control systems in operation in so far as they relate to the affairs of the Company. The Board reviews these contracts annually.

The Board does not undertake any executive function but is responsible to shareholders for the overall strategy and performance of the Company. It reviews and evaluates all aspects of the Company's performance and all functions performed by the service providers. The Board has a culture of open and inclusive debate on all issues and aims to conduct itself responsibly, ethically and fairly in its dealings with shareholders, service providers and other stakeholders.

A formal schedule of matters reserved for the Board has been established covering strategy; structure and capital; investment objective, policy and limits; gearing; dividend and corporate governance policy; performance; key contracts; risk; financial reporting and Board membership. This is reviewed annually to ensure compliance with latest regulatory requirements and best market practice.

Division of Responsibility

The AIC Corporate Governance Code requires the Board to agree the responsibilities of the Chair, Board and Committees and to set them out in writing and make them publicly available.

Role of the Board

- To set the parameters for monitoring the investment strategy and investment policy;
- To review the Company's investment performance;
- To consider all strategic policy matters, including share issuance and buy backs, discount/premium monitoring, corporate governance matters, dividends, gearing and oversight of the Company's activities;
- To promote the long-term success of the Company and generate value for shareholders;
- To establish the Company's purpose, values and strategy, and satisfy itself that these and its culture are aligned;
- To ensure the necessary resources are in place for the Company to meet its objective;
- To establish key performance indicators and to measure performance against them;
- To establish a framework of prudent and effective controls, which enable risk to be assessed and managed; and
- To ensure effective engagement with and encourage participation from shareholders and other stakeholders.

Corporate Governance Statement

Continued

Role of the Chair of the Board

- To provide leadership to the Board;
- To promote high standards of governance;
- To ensure the Board is provided with sufficient information to enable it to discharge its duties;
- To ensure each Board member's views are considered and appropriate action taken;
- To ensure each Committee has the support required to fulfil its duties;
- To ensure the Board assesses and improves its performance, following the advice of the Nomination & Remuneration Committee;
- To oversee the induction of new Directors and the development of existing Directors;
- To remain independent of the Investment Manager, whilst providing effective support, challenge and advice;
- To support other service providers;
- To ensure the Board as a whole has a clear understanding of the views of shareholders;
- To ensure regular engagement with each service provider; and
- To keep up to date with key developments.

Role of Committees

Audit Committee

- To consider the Company's risk management;
- To consider the internal control reports of each of the Company's key service providers;
- To consider the need for an internal audit function;
- To review the Half-yearly and the Annual Report and financial statements and recommend them to the Board for approval;
- To agree the scope of the external Auditor's work;
- To approve the remuneration of the external Auditor;
- To consider the external Auditors' appointment/re-appointment and the Auditor's independence and objectivity; and
- To manage the audit tender process.

Management Engagement Committee

- To consider the terms of engagement and continued appointment of the Investment Manager; and
- To consider the terms of appointment of each of the Company's service providers and the continued appointment of each.

Nomination & Remuneration Committee

- To consider succession planning arrangements;
- To oversee the Board's appraisal process;
- To consider the engagement of an external board evaluation agency or recruitment consultant and agree their fees;
- To consider Board appointments/re-appointments;
- To oversee the recruitment process of additional Board members; and
- To consider the Board's remuneration.

Corporate Governance Statement

Continued

Conflicts of Interest

As required by law, a Director must avoid a situation where they have an interest that conflicts with the Company's interests. The Company's Articles of Association permit the Directors to authorise potential conflicts of interest. The Directors are able to impose limits or conditions when giving authorisation if they think this is appropriate. The policy observed by the Board in dealing with conflicted matters is as follows:

- Any Board member so conflicted must recuse themselves from the decisions involving the relevant conflict. As stated earlier, Mr Stevenson will recuse himself from decisions concerning Castelnau Group Limited;
- Only Directors who have no interest in the matter being considered are able to debate the matter and take the relevant decision; and
- In taking decisions the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's long-term success and be in the best interest of the Company's shareholders.

The Directors have declared any potential conflicts of interest to the Company. These are entered into the Company's conflicts of interest register, which is reviewed regularly by the Board. The Directors are obliged to advise the Company Secretary as soon as they become aware of any potential conflicts of interest.

Attendance at Board meetings

The Board holds at least four meetings a year. During the year ended 31 December 2024 there were five regular meetings of the Board, one of which being specifically to consider strategy matters. Additional ad hoc Board and committee meetings were held as required for administrative purposes and in connection with the combination with ATS. Directors' attendance of all meetings is set out below.

Type and number of meetings	Board (scheduled)	Management			Ad Hoc Board and Committees
		Audit Committee	Engagement Committee	Nomination & Remuneration	
meetings	5	3	1	1	6
Lucy Walker	5	3	1	1	5
Farah Buckley	5	3	1	1	5
Lady Rachael Robathan	5	3	1	1	5
David Stevenson	5	3	1	1	4

Board Committees

The Board has formed three permanent committees: the Audit Committee, the Management Engagement Committee and the Nomination & Remuneration Committee. The role, responsibilities and activities during the year of the Audit Committee are detailed in its report on pages 54 to 57. Those of the Management Engagement Committee and the Nomination & Remuneration Committee are shown below.

The Board considers that all of the Directors are independent and so may be members of each Committee. The main purpose of the Committees in the context of the Company's structure is that their existence ensures time is set aside on a formal basis to cover certain important issues of governance, without those issues obscuring the flow of general Board business. Each Committee has a separate chair, as detailed under

Corporate Governance Statement

Continued

the separate headings below. The Committees have formal terms of reference, which are available to shareholders upon request from the Company's registered office and can be viewed via the Company's website at www.auroraukalpha.com.

Management Engagement Committee

The Management Engagement Committee considers issues related to the engagement of the Investment Manager and other service providers, making recommendations as appropriate to the Board. The Committee considers whether amounts paid to service providers are appropriate, with particular reference to those contracted to the Company on a continuing basis, including the Investment Manager, and whether those contracts should be maintained. Lady Rachael Robathan chairs the Management Engagement Committee and all of the Directors are members.

The criteria which are taken into consideration when reviewing the performance of the Investment Manager are as follows:

- The performance of the Company;
- Commitment to the investment trust business generally and to the Company in particular;
- Investment management skills and experience, track record, use of gearing, knowledge of currency issues and other investment-related considerations;
- General management skills – understanding of administrative and financial issues and working relationship with the Administrator/Company Secretary;
- Shareholder relations – consciousness of and commitment to shareholders and share price awareness; and
- Reasonableness of the Investment Management Agreement – fees, notice period and duties.

The Management Engagement Committee is also responsible for reviewing the remuneration and services of the Company's other service providers.

The Committee met once in 2024 and considered the appraisal of the Investment Manager and other key service providers. As explained on page 39 under "Evaluation of the Board and its Committees", a 360 degree evaluation process was conducted in December 2024 whereby questionnaires were completed by the Board and the Company's principal service providers, each providing scores and comments on the respective entities they had interactions with. This provided third party insight into the effectiveness of the service providers, and the Board, in addition to the Directors' own assessment.

The Committee recommended that the Company's appointed corporate broker be reviewed in the new year. Subject to this, the Committee concluded that the continued appointment of each of the service providers, including the Investment Manager, was in the best interest of shareholders.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee has been established to identify and interview candidates for vacancies on the Board, consider the Board's remuneration and undertake Board appraisals. It is established as a principle that this process should be led by independent Directors. Lady Rachael Robathan chairs the Committee and all of the Directors are members. The Committee meets at least annually.

During the year the Committee oversaw a Board and Committee appraisal process and also considered the Directors' fees.

Corporate Governance Statement

Continued

Internal Controls and Risk Management

The Board has delegated the review of the effectiveness of the Company's risk management and system of internal controls to the Audit Committee, as set out in the Audit Committee Report on pages 54 and 55. The Board recognises its ultimate responsibility for the Company's system of internal controls and accordingly receives and considers reports from the Audit Committee. The system of internal controls is designed to manage rather than eliminate the risk of errors and irregularities, so it can provide only reasonable assurance against material misstatement or loss. The Board has undertaken a robust review of the Company's risk management and internal control framework, which covers financial, operational and compliance controls.

As an externally managed investment company, the Board has contractually delegated to external agencies the services the Company requires to operate. The Board continuously monitors the performance of all the principal service providers with a formal evaluation process being undertaken each year. The Audit Committee, on behalf of the Board, reviews internal controls reports and key policies (including measures taken to mitigate cyber risks and disaster recovery procedures) put in place by its principal service providers.

The Administrator reports separately in writing to the Board concerning risks and internal control matters within its purview, including internal financial control procedures, compliance with investment trust rules and secretarial matters, highlighting any changes that have occurred. Additional ad hoc reports are received as required and Directors have access at all times to the advice and services of the Corporate Company Secretary, which is responsible to the Board for ensuring that Board procedures are followed and applicable rules and regulations are complied with. Contact with the Investment Manager and the Administrator enables the Board to monitor the Company's progress towards its objectives and encompasses an analysis of the risks involved.

The Board believes that the existing arrangements represent an appropriate control framework and has concluded that the Company's risk management and internal control systems are adequate to meet the needs of the Company.

The Directors' statement of responsibilities in respect of the accounts is on pages 52 and 53, a statement of going concern is on pages 37 and 38, and the report of the independent auditor is on pages 58 to 67.

Principal and emerging risks

The Directors confirm that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The principal risks and how they are being managed are set out in the Strategic Report.

By order of the Board
Frostrow Capital LLP
Company Secretary
7 April 2025

Directors' Remuneration Report

Lady Rachael Robathan
Chair of the Nomination & Remuneration Committee

7 April 2025

This Remuneration Report has been prepared in accordance with the requirements of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

The Directors' Remuneration Policy (which must be put to shareholders at least every three years and is binding) was approved by shareholders at the AGM in 2023 and is set out below. The annual Remuneration Policy Implementation Report (which must be put to a shareholder advisory vote every year) for 2024 will be put to shareholders at this year's Annual General Meeting.

The law requires the Company's Auditor to audit certain disclosures provided in this report. Where disclosures have been audited, they are indicated as such and the Auditor's opinion is included in their report to shareholders on pages 58 to 67.

Directors' Remuneration Policy

It is the policy of the Board and the Nomination & Remuneration Committee that the remuneration of non-executive Directors should be fair and should reflect experience, time commitment and work involved, responsibilities and potential liabilities of the Board as a whole. The non-executive Directors' fees are determined within the maximum limit set out in the Company's Articles of Association, which currently stands at £250,000 per year.

The Directors are not eligible for bonuses, pension benefits, share benefits, share options, long-term incentive schemes or other benefits and fees are not linked to Director's individual or collective performance.

There are no arrangements in place with respect to compensation for loss of office (for whatever reason) or recruitment incentive remuneration and Directors have no entitlement to any such payments.

No Director has waived or agreed to waive any emoluments from the Company.

Directors are entitled to be reimbursed for any reasonable expenses properly incurred by them in connection with the performance of their duties and attendance at board, general and committee meetings.

The Directors' fees are subject to regular review by the Nomination & Remuneration Committee having regard to the above factors, the rate of inflation and fee trends in the investment company sector. Notwithstanding the above, the Company's Articles also provide that additional discretionary payments can be made for services which in the opinion of the Board are outside the scope of the ordinary duties of a Director. Any such payment would reflect the Board's assessment of the value to the Company of such services. The above principles also apply to any new appointments.

The Company has no employees and consequently has no policy on the remuneration of employees. The Board will consider, where raised, shareholders' views on Directors' remuneration.

The Directors do not have service contracts. Directors are appointed under letters of appointment, copies of which are available for inspection at the registered office of the Company. These do not state any specific term. In accordance with the AIC Corporate Governance Code all of the Directors put themselves forward for annual re-election.

Directors' Remuneration Report

Continued

Remuneration Policy Implementation Report

The Nomination & Remuneration Committee considers the framework for the remuneration of the Directors on an annual basis. It reviews the ongoing appropriateness of the Company's remuneration policy and the individual remuneration of the Directors by reference to the activities and particular complexities of the Company and in comparison with other companies of a similar structure and size, also taking into account the inflationary environment. No remuneration consultants were appointed during the year (2023: none). During its latest review, in December 2024, the Committee decided to continue the practice adopted in recent years of incrementing the fees by the annual increase in the Consumer Price Index.

Accordingly, with effect from 1 January 2024 the Directors' fees increased to: £47,124 per annum for the Company Chair; £35,460 per annum for the Audit Committee Chair; and £30,384 per annum for the other Directors. No additional discretionary payments were made in the year, nor in the previous year.

No payments were made to former Directors.

Performance

The chart below shows the performance of the Company's shares, with dividends reinvested, compared with that of the FTSE All-Share Index (total return), which is the Company's Benchmark, over the past 10 years.



Directors' Remuneration Report

Continued

Relative importance of spend on pay

The table below shows the proportion of the Company's income spent on pay.

	Year to 31 December 2024 £'000	Year to 31 December 2023 £'000	Change favourable/ (unfavourable) £'000
Revenue income	3,568	3,459	109
Spend on Directors' fees	140	139	(1)
Other expenses	826	610	(216)
Dividends paid to Shareholders	4,921[#]	2,260	2,661

[#] Represents two years' dividends.

The information in the table above is required by the Regulations with the exception of other expenses, which have been included to show the total operating expenses of the Company.

Single Total Figure of Remuneration for The Year (Audited)

The fees and expenses paid to the Directors who served during the years ended 31 December 2024 and 31 December 2023 were as follows:

	31 December 2024			31 December 2023		
	Fees £	Taxable expenses [^] £	Total £	Fees £	Taxable expenses [^] £	Total £
Lucy Walker	45,968	–	45,968	44,200	–	44,200
Farah Buckley ^{*3}	34,590	203	34,793	32,503	114	32,617
Lady Rachael Robathan	29,640	–	29,640	28,500	–	28,500
David Stevenson	29,640	104	29,744	28,500	196	28,696
Helen Vaughan ^{*4}	n/a	n/a	n/a	5,543	381	5,924
Total	139,838	307	140,145	139,246	691	139,937

[^] Taxable expenses primarily comprise travel and associated expenses incurred by the Directors in attending Board and Committee meetings in London. These are reimbursed by the Company and, under HMRC Rules, are subject to tax and National Insurance and therefore are treated as a benefit in kind within this table.

^{*} Please refer to the notes underneath the Changes in Directors' Remuneration table on the following page.

None of the fees referred to above were paid to any third-party in respect of services provided by the Directors.

Directors' Remuneration Report

Continued

Changes in Directors' Remuneration

Director	2025		2024		2023		2022		2021
	Fee Level (projected)	% Change	Fee Level	% Change	Fee Level	% Change	Fee Level	% Change	Fee Level
Lucy Walker ¹	47,124	2.5	45,968	4.0	44,200	29.5	34,133	31.5	25,964
Lady Rachael Robathan ²	30,384	2.5	29,640	4.0	28,500	(0.6)	28,675	(0.1)	28,700
David Stevenson	30,384	2.5	29,640	4.0	28,500	10.5	25,800	4.9	24,600
Farah Buckley ³	35,460	2.5	34,590	6.4	32,503	300.1	8,124	–	n/a
Helen Vaughan ⁴	n/a	n/a	n/a	n/a	n/a	–	9,479	–	n/a
Lord Flight ⁵	n/a	n/a	n/a	n/a	n/a	–	17,264	(48.9)	33,800
The Hon. James Nelson ⁶	n/a	n/a	n/a	n/a	n/a	–	12,582	(48.9)	24,600

¹ Appointed as a non-executive Director on 2 December 2019. Appointed Deputy Chair of the Board on 19 October 2021. Succeeded Lord Flight as Chair of the Company on 28 June 2022.

² Appointed as Audit Committee Chair on 2 December 2019. Stepped down from being Chair of the Audit Committee on 8 September 2022.

³ Appointed as a non-executive Director on 8 September 2022. Appointed as Audit Committee Chair on 27 February 2023.

⁴ Appointed as Audit Committee Chair on 8 September 2022. Stepped down from the Board on 27 February 2023.

⁵ Chairman of the Company until his retirement on 28 June 2022.

⁶ Non-executive Director until his retirement on 28 June 2022.

Directors' Shareholdings (audited)

The Directors' shareholdings in the Company were:

	Ordinary shares of 25p each as at 31 December	
	2024	2023
Lucy Walker	31,050	26,300
Lady Rachael Robathan	9,584	9,584
David Stevenson	18,266	18,266
Farah Buckley	4,500	4,500

Since the year end Farah Buckley has purchased a further 5,500 shares. No other changes have been notified to the date of this report.

There are no requirements or formal guidelines in effect for Directors to hold shares in the Company, although the Board welcomes such holdings. The interests of each Director includes the interests of connected persons of which the Company is aware. Connected persons are persons closely associated as defined in the Market Abuse Regulation.

Statement of shareholder voting

The Company is committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. Where there are substantial votes against resolutions in relation to Directors' remuneration, the reasons for any such vote will be sought and any actions in response will be detailed in future Directors' Remuneration Reports.

Directors' Remuneration Report

Continued

The voting on the 2023 Remuneration Policy Implementation Report that was put to shareholders at the AGM on 12 June 2024 and on the Directors' Remuneration Policy that was put to shareholders at the AGM on 27 June 2023 is set out below.

Resolution	Votes For	%	Votes Against	%	Total Votes Cast	Votes Withheld
Approval of the Remuneration Policy Implementation Report for the year ended 31 December 2023	21,774,587	99.9	16,000	0.1	21,790,587	93,822
Approval of the Directors' Remuneration Policy	22,711,675	99.9	21,763	0.1	22,733,438	91,792

Lady Rachael Robathan
Chair of the Nomination & Remuneration Committee
7 April 2025

Statement of Directors' Responsibilities for the Annual Report

Lucy Walker
Chair of the Board of Directors

7 April 2025

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with UK-adopted International Accounting Standards and in accordance with those parts of the Companies Act 2006 that apply to companies reporting under UK-adopted International Accounting Standards.

Under company law, 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 the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Under applicable law and regulations, the Directors are responsible for preparing a Strategic Report, a Directors' Report, a Corporate Governance Statement and a Directors' Remuneration Report which comply with that law and those regulations.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Remuneration Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors have delegated responsibility to the Investment Manager for the maintenance and integrity of the Company's website.

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

Statement of Directors' Responsibilities for the Annual Report

Continued

Directors' confirmations

The Directors consider that the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. Each of the Directors, whose names and functions are listed on pages 29 and 30 confirm that, to the best of their knowledge:

- the Company's financial statements, which have been prepared in accordance with UK-adopted international accounting standards and in accordance with those parts of the Companies Act 2006 that apply to those companies reporting under UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and net return of the Company; and
- the Strategic Report includes 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.

For and on behalf of the Board
Lucy Walker
Chair of the Board of Directors
7 April 2025

Audit Committee Report

Farah Buckley
Chair of the
Audit Committee

7 April 2025

I am pleased to present the Audit Committee's report to shareholders for the year ended 31 December 2024.

Composition

All of the Directors are members of the Audit Committee (the "Committee").

According to the UK Code the Chair of the Board should not be a member. However, the AIC Code permits the Chair to be a member of, but not chair, the Committee if they were independent on appointment – which the Company Chair was and in the Board's view continues to be. In view of the size of the Board, the Directors feel it is appropriate for her to continue as a member, so that the Committee can continue to benefit from her experience and knowledge.

The members of the Committee consider that they have the requisite skills and experience to fulfil the responsibilities of the Committee. The Committee as a whole has competence relevant to the sector.

Role and Responsibilities

The Committee's principal functions are:

- to monitor the integrity of the Company's annual and half-year financial statements and any announcements relating to the Company's financial performance and to challenge judgements and assumptions made in their construction;
- to review the internal controls and risk management systems of the Company and its third-party service providers;
- to make recommendations to the Board regarding the appointment, re-appointment or removal of the external Auditor, and to be responsible for leading an audit tender process at least once every 10 years;
- to have primary responsibility for the Company's relationship with the external Auditor, including reviewing the external Auditor's independence and objectivity as well as the effectiveness of the external audit process;
- to agree the scope of the external Auditor's work and to approve their remuneration; and
- to develop and implement policy on the engagement of the external Auditor to supply non-audit services and to review and approve any non-audit work to be carried out by the external Auditor.

Meetings

The Committee meets formally at least twice a year. There were three Committee meetings during the year ended 31 December 2024. In addition, the Committee Chair met the audit partner for a private discussion on the audit process and was pleased to find that the auditors had nothing significant to bring to her attention.

Committee evaluation

The Committee's activities fell within the scope of the review of Board effectiveness performed during the year as mentioned on page 39.

Audit Committee Report

Continued

Work of the Audit Committee

During the year ended 31 December 2024 the Committee:

- Reviewed the Audit Committee terms of reference and the Company's accounting policies;
- Reviewed and recommended to the Board for Approval the Annual Report and financial statements for the year to 31 December 2023;
- reviewed and recommended to the Board for Approval the Half-yearly Report for the six months to 30 June 2024;
- In relation to the financial statements, agreed the valuations of the Company's portfolio of investments and considered significant accounting matters including going concern;
- Considered the Company's exposure to illiquid investments;
- Met with the external auditor without management present;
- Reviewed and approved the audit plan with respect to the 31 December 2024 year end audit;
- Discussed and approved the audit fee;
- Reviewed the Company's key risks and internal controls, including reviewing the internal control reports of its key service providers; and
- Assessed whether there was a need for an internal audit function.

Internal Controls and Risk Management

The Board has overall responsibility for risk management and for the review of the internal controls of the Company.

The Audit Committee, on behalf of the Board, reviews the key business, operational, compliance and financial risks facing the Company. In arriving at its judgement of what risks the Company faces, the Committee and the Board have considered the Company's operations in light of the following factors:

- the nature of the Company, with all management functions outsourced to third party service providers;
- the nature and extent of risks which it regards as acceptable for the Company to bear within its overall investment objective;
- the likelihood of such risks crystallising; and
- the Company's ability to reduce the likelihood and impact of such risk.

A summary of the principal risks facing the Company is provided in the Strategic Report on pages 24 to 26.

Against this background, a risk matrix has been developed which covers the key risks the Company faces, the likelihood of their occurrence and their potential impact, how these risks are monitored and the mitigating controls in place.

The Board has delegated to the Audit Committee responsibility for the review and maintenance of the risk matrix and it reviews, in detail, the risk matrix each time it meets, bearing in mind emerging risks and any changes to the Company, its environment or service providers since the last review. Any significant changes to the risk matrix are discussed with the whole Board.

There were no changes to the Company's risk management processes during the year and no significant failings or weaknesses were identified from the Committee's most recent risk review.

The Committee reviews internal controls reports from its principal service providers on an annual basis. The Committee is satisfied that appropriate systems have been in place for the year under review and up to the date of approval of this report.

Audit Committee Report

Continued

Financial statements and significant accounting matters

The Audit Committee considered the following significant accounting matters in relation to the Company's financial statements for the year ended 31 December 2024:

Performance fee

No performance fee was earned for the performance period from 1 January 2024 to 31 December 2024. The clawback period in relation to the performance fee for the year to 31 December 2021 ended on 31 December 2024 and this resulted in an entitlement for the Company to claw back 89,096 shares from Phoenix. These shares were duly delivered to the Company and cancelled in January 2024. This claw back was treated in the financial statements for the year ended 31 December 2024 as having occurred as at 31 December 2024. Performance fees have been accounted for under IFRS 2 Share-based Payment in the Company's financial statements on the basis of accounting advice sought in 2022. This varies from the treatment used for the purpose of the unaudited net asset values per share released daily by the Company because the Board believes that for that purpose recognising performance fee charges and any subsequent clawback on a liability basis i.e. divergent from IFRS 2, better represents the related economic impacts and is more informative to investors.

Valuation of investments

The Company holds most of its assets in quoted investments. The valuation of these investments is the most material matter in the production of the financial statements. The Audit Committee reviewed the procedures in place for ensuring accurate valuation of investments and discussed the valuation of the Company's investments at the year end with the Investment Manager and the Administrator. The results of the audit in this area were discussed with the external auditor, with no significant issues arising.

The Company holds a small proportion of the portfolio in unquoted companies. These were predominantly holdings transferred to the Company from ATS and, given the proximity of the transfer to the Company's year end, these investments have been valued at the values ascribed for the purposes of the transaction. The valuations of the unquoted holdings were discussed with the external auditor.

Going concern

The Audit Committee reviewed the Company's financial resources and concluded that it is appropriate for the Company's financial statements to be prepared on a going concern basis as described in the Directors' Report.

External Auditor

Chris Meyrick was the audit partner for the financial year under review, which was the third audit of the Company's financial statements conducted by BDO LLP since their appointment. He confirmed BDO LLP's willingness to continue to act as Auditor to the Company for the forthcoming financial year. The re-appointment of BDO will be put to shareholders at the forthcoming AGM.

Audit Committee Report

Continued

Conclusion with respect to the Annual Report and financial statements

The Audit Committee has concluded that the Annual Report for the year ended 31 December 2024, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. The Audit Committee has reported its conclusions to the Board of Directors. The Audit Committee reached this conclusion through a process of review of the document and enquiries to the various parties involved in the production of the annual report.

Provision of non-audit services

The Audit Committee has put in place a non-audit services policy to ensure that the auditor's independence and objectivity are not impaired. The Company has appointed Ernst & Young to provide tax compliance services. No non-audit work was performed for the Company by the auditor during the year ended 31 December 2024 and the Committee has no current plans to seek any non-audit services from the auditor.

Effectiveness of external audit

The Audit Committee is responsible for reviewing the effectiveness of the external audit process. The Committee undertook a formal evaluation of the audit process following completion of the December 2023 year end audit. The Committee was, and continues to be, satisfied with the Auditor's independence and the effectiveness of the audit process, together with the degree of diligence and professional scepticism brought to bear. The Audit Committee received a presentation of the audit plan for the December 2024 year end audit from the external auditor prior to its commencement and a presentation of the results of the audit following completion of the main audit testing.

Farah Buckley
Chair of the Audit Committee
7 April 2025

Independent Auditor's Report to the Members of Aurora Investment Trust plc

Chris Meyrick
Senior Statutory Auditor
for and on behalf of
BDO LLP
Statutory Auditor,
Chartered Accountants
London

7 April 2025

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its net return for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Aurora UK Alpha plc (the 'Company') for the year ended 31 December 2024 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Cash Flow Statement and notes to the financial statements, including a summary of material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit Committee.

Independence

Following the recommendation of the Audit Committee, we were appointed by the Board of Directors on 20 September 2022 to audit the financial statements for the year ended 31 December 2022 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is three years, covering the years ended 31 December 2022 to 31 December 2024. We remain 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. The non-audit services prohibited by that standard were not provided to the Company.

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:

- Evaluating the appropriateness of the Directors' method of assessing the going concern in light of economic and market conditions by reviewing the information used by the Directors in completing their assessment;
- Assessing the appropriateness of the Directors' assumptions and judgements made by comparing the prior year forecasted costs to the actual costs incurred to assess the accuracy of historical forecasting;

Independent Auditor's Report

Continued

- Assessing the appropriateness of the Directors' assumptions and judgements made in their base case and stress tested forecasts, including consideration of the available cash resources relative to forecast expenditure and commitments;
- Reviewing the wording of the going concern disclosures, and assessed its consistency with the directors' assessment of going concern, including underlying management forecasts;
- Challenging the Directors' assumptions and judgements made in their forecasts including performing an independent analysis of the liquidity of the portfolio; and
- Reviewing the Directors' assessment of the likelihood of the passing of the upcoming continuation vote, including consideration of engagement with major shareholders and historic records.

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 it has 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.

Overview

		2024	2023
Key audit matters	Valuation and ownership of listed and unlisted investments	✓	✓
Materiality	Company financial statements as a whole: £3.00 million (2023: £2.10 million) based on 1% (2023: 1%) of net assets.		

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Independent Auditor's Report

Continued

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, 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.

Key audit matter	How the scope of our audit addressed the key audit matter
<p>Valuation and ownership of listed and unlisted investments (Note 1(c) and Note 2 to the financial statements)</p>	<p>The investment portfolio at the year-end comprised of listed and unlisted investments, of £272.1m and £4.8m respectively, held at fair value through profit or loss.</p> <p>We considered the valuation and ownership of investments to be a significant audit area as investments represent the most significant balance in the financial statements and underpins the principal activity of the entity.</p> <p>There is a risk that the prices used for the listed investments held by the Company are not reflective of fair value. We do not consider the use of bid price for listed investments to be subject to significant estimation uncertainty.</p> <p>The unlisted investments may have significant judgement involved in selecting a valuation methodology and estimation uncertainty involved in determining their valuations.</p> <p>There is also a risk of error in the recording of investment holdings such that those recordings do not appropriately reflect the property of the Company.</p>
	<p>We responded to this matter by testing the valuation and ownership of the portfolio of listed and unlisted investments.</p> <p>In respect of the listed investments, we have performed the following procedures:</p> <ul style="list-style-type: none"> • Assessed the design and implementation of controls surrounding the valuation of the listed investments; • Confirmed the year-end bid price was used by agreeing to externally quoted prices; • Assessed if there were contra indicators, such as liquidity considerations, to suggest bid price is not the most appropriate indication of fair value by considering the realisation period for individual holdings; • Obtained direct confirmation of the number of shares held per equity investment from the custodian regarding all investments held at the balance sheet date; and • Recalculated the valuation by multiplying the number of shares held per the statement obtained from the custodian by the valuation per share. <p>In respect of the unlisted investments, we have performed the following procedures:</p> <ul style="list-style-type: none"> • Assessed the design and implementation of controls surrounding the valuation of the unlisted investments. • Challenged whether the valuation methodology was the most appropriate in the circumstances under the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines and the applicable accounting standards.

Independent Auditor's Report

Continued

Key audit matter	How the scope of our audit addressed the key audit matter
<p>For these reasons and given the materiality of the balance to the financial statements as a whole, we considered this to be a Key Audit Matter.</p>	<ul style="list-style-type: none"> • Verified the cost or price of recent investments to supporting documentation; • Considered whether the investment was an arm's length transaction through reviewing the parties involved in the transaction and checking whether or not they were already investors of the investee Company; and • Considered whether there were any indications that the cost or price of recent investment was no longer representative of fair value considering, inter alia, the current performance of the investee company and the milestones and assumptions set out in the investment proposal. <p>Key observations: Based on our procedures performed we are satisfied that the valuation and ownership of investments are not materially misstated.</p>

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Independent Auditor's Report

Continued

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Company Financial Statements	
	2024 £million	2023 £million
Materiality	3.00	2.10
Basis for determining materiality	1% of net assets	1% of net assets
Rationale for the benchmark applied	As an investment trust, the net asset value is the key measure of performance for users of the financial statements.	
Performance materiality	2.25	1.57
Basis for determining performance materiality	75% of materiality	70% of materiality
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £150,000 (2023: £105,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the 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.

Independent Auditor's Report

Continued

Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

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

Going concern and longer-term viability	<ul style="list-style-type: none"> The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 37 and 38; and The 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 pages 26 and 27.
Other Code provisions	<ul style="list-style-type: none"> Directors' statement on fair, balanced and understandable set out on page 53; Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 24; The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 46; and The section describing the work of the audit committee set out on page 55.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	<p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none"> the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.
	<p>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.</p>
Directors' remuneration	<p>In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.</p>

Independent Auditor's Report

Continued

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, 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 Auditor's Report

Continued

Extent to which the audit was capable of detecting irregularities, including fraud

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with the Investment Manager, Administrator and the Audit Committee;
- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations; and
- Review of any legal correspondence.

We considered the significant laws and regulations to be Companies Act 2006, the FCA listing and DTR rules, the principles of the AIC Code of Corporate Governance, industry practice represented by the AIC SORP, International Financial Reporting Standards ("IFRS"), and the Company's qualification as an Investment Trust under UK tax legislation as any non-compliance of this would lead to the Company losing various deductions and exemptions from corporation tax.

Our procedures in respect of the above included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of the Investment Manager, Administrator and Audit Committee relating to the existence of any non-compliance with laws and regulations;
- Review of a selection of legal invoices to understand the nature of legal costs incurred;
- Reviewing minutes of meeting of Those Charged With Governance throughout the period for instances of non-compliance with laws and regulations; and
- Reviewing the assessment in relation to Investment Trust compliance to check that the Company was meeting its requirements to retain their Investment Trust Status.

Fraud

We assessed the susceptibility of the financial statements to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry with the Investment Manager, Administrator and the Audit Committee regarding any known or suspected instances of fraud;
- Review of minutes of meetings of the Audit Committee for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the areas most susceptible to be management override of controls.

In addressing the risk of management override of control, we:

- With respect to the estimates and judgements involved in the valuation of the unlisted investments, the procedures set out in the Key Audit Matter section in our report were performed;
- With respect to the estimates and judgements applied by management in the accounting of the performance fee assessed their appropriateness and the existence of any systematic bias;
- Considered the opportunity and incentive to manipulate accounting entries and assessed the reasonableness of relevant adjustments made in the period end financial reporting process;
- Reviewed for significant transactions outside the normal course of business;
- Incorporated an element of unpredictability in the nature, timing and extent of audit procedures; and
- Performed a review of unadjusted audit differences, if any, for indications of bias or deliberate misstatement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, who were deemed to have the appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

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

Chris Meyrick (Senior Statutory Auditor)
For and on behalf of BDO LLP Statutory Auditor
55 Baker Street
London
W1U 7EU
7 April 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



Financial Statements

Income Statement

Notes		Year ended 31 December 2024			Year ended 31 December 2023		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
2	(Losses)/gains on investments	-	(13,648)	(13,648)	-	53,535	53,535
	Gains on currency	-	202	202	-	-	-
3	Income	3,568	-	3,568	3,459	-	3,459
	Gross return	3,568	(13,446)	(9,878)	3,459	53,535	56,994
4	Investment performance fee clawback/(charge)	-	166	166	-	(2,824)	(2,824)
4	Other expenses	(966)	14	(952)	(749)	-	(749)
	Net return before tax	2,602	(13,266)	(10,664)	2,710	50,711	53,421
5	Tax	(46)	-	(46)	(49)	-	(49)
	Net return for the year	2,556	(13,266)	(10,710)	2,661	50,711	53,372
8	Return per share – basic and diluted	3.21p	(16.66)p	(13.45)p	3.50p	66.66p	70.16p

The total column represents the Income Statement of the Company, prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the United Kingdom.

The revenue and capital columns, including the revenue and capital earnings per ordinary share data, are supplementary information prepared under guidance published by the AIC.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period.

The Company does not have any other comprehensive income. Therefore, no separate Statement of Comprehensive Income has been presented.

The notes on pages 74 to 92 form part of these accounts.

Statement of Financial Position

Approved by the Board of Directors on 7 April 2025 and signed on its behalf by:
Lucy Walker
 Chair of the Board
 Company no. 03300814

	31 December 2024	31 December 2023
Notes	£'000	£'000
NON-CURRENT ASSETS		
2	Investments held at fair value through profit or loss	202,209
	276,922	
CURRENT ASSETS		
6	Trade and other receivables	372
	1,109	
	Cash and cash equivalents	6,248
	17,076	
	18,185	6,620
	TOTAL ASSETS	295,107
		208,829
CURRENT LIABILITIES:		
	Other payables	(115)
	(1,606)	
	(1,606)	(115)
	NET ASSETS	293,501
		208,714
EQUITY		
9	Called up share capital	19,019
	28,665	
	Share premium account	111,166
	202,665	
	Capital redemption reserve	312
	312	
	Treasury shares	–
	(22)	
9	Other reserve	(219)
	(559)	
9	Share-based payment reserve	166
	–	
9	Capital reserve	74,999
	61,534	
	Revenue reserve	3,271
	906	
	TOTAL EQUITY	293,501
		208,714
9	Number of voting shares in issue	76,078,460
	114,572,742	
10	NAV per share	274.34p
	256.17p	

The notes on pages 74 to 92 form part of these accounts.

Statement of Changes in Equity

Year to 31 December 2024

Notes	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Treasury shares £'000	Other reserve £'000	Share-based payment reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening equity	19,019	111,166	312	-	(219)	166	74,999	3,271	208,714
Net return for the year	-	-	-	-	-	-	(13,432)	2,556	(10,876)
9 Share-based payment credit	-	-	-	-	-	(166)	166	-	-
4 Performance fee clawback in relation to performance year 2021	-	-	-	(22)	221	-	(199)	-	-
4 Share issuance in relation to 2023 performance fee	54	507	-	-	(561)	-	-	-	-
7 Dividends paid	-	-	-	-	-	-	-	(4,921)	(4,921)
Issue of new Ordinary Shares on the combination with Artemis Alpha Trust plc	9,592	90,992	-	-	-	-	-	-	100,584
Closing equity	28,665	202,665	312	(22)	(559)	-	61,534	906	293,501

The notes on pages 74 to 92 form part of these accounts.

Statement of Changes in Equity

Year to 31 December 2023

Notes	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Treasury shares £'000	Other reserve £'000	Share- based payment reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening equity	19,152	111,166	179	(133)	(2,877)	-	24,421	2,870	154,778
Net return for the year	-	-	-	-	-	-	53,369	2,661	56,030
9 Shares cancelled in relation to 2021 performance fee clawback (crystallised)	(133)	-	133	133	-	-	(133)	-	-
4 Performance fee in relation to performance year 2020 (crystallised)	-	-	-	-	2,658	-	(2,658)	-	-
4 Performance fee charge in relation to performance year 2021	-	-	-	-	-	166	-	-	166
7 Dividends paid	-	-	-	-	-	-	-	(2,260)	(2,260)
Closing equity	19,019	111,166	312	-	(219)	166	74,999	3,271	208,714

The notes on pages 74 to 92 form part of these accounts.

Cash Flow Statement

	Note	Year to 31 December 2024	Year to 31 December 2023
		£'000	£'000
Net cash inflow from operating activities	11	3,324	2,607
Investing activities			
Payments to acquire non-current asset investments	2	(29,265)	(11,503)
Receipts on disposal of non-current asset investments	2	41,488	12,056
Net cash inflow from investing activities		12,223	553
Financing activities			
Dividends paid	7	(4,921)	(2,260)
Net cash outflow from financing activities		(4,921)	(2,260)
Increase in cash and cash equivalents		10,626	900
Cash and cash equivalents at beginning of year		6,248	5,348
Gains on currency		202	–
Cash and cash equivalents at the end of the year		17,076	6,248

The notes on pages 74 to 92 form part of these accounts.

Notes to the Financial Statements

1. Reporting entity

The Company is a closed-ended investment company, registered in England and Wales on 10 January 1997 with Company number 03300814. The Company's registered office is 25 Southampton Buildings, London WC2A 1AL.

Details of the Directors, Investment Manager and Advisers can be found on pages 29 to 31.

Basis of Accounting

The financial statements of the Company have been prepared in accordance with UK-adopted International Accounting Standards ("IFRS") and the applicable legal requirements of the Companies Act 2006.

The annual financial statements have also been prepared in accordance with the Association of Investment Companies ("AIC") Statement of Recommended Practice ("SORP") for the financial statements of investment trust companies and venture capital trusts, except to any extent where it is not consistent with the requirements of IFRS, then this will be noted and explained.

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been prepared alongside the Income Statement.

The functional currency of the Company is Sterling because this is the currency of the primary economic environment in which the Company operates. The financial statements are presented in Sterling rounded to the nearest thousand, except where otherwise indicated.

Going concern

The financial statements have been prepared on the going concern basis. The Directors have a reasonable expectation, after making enquiries, that the Company has adequate resources to continue in existence for at least 12 months from the date of approval of this Annual Report.

In reaching this conclusion, the Directors have considered the liquidity of the Company's portfolio of investments as well as its latest financial position and forecast of income and expenses.

As at 31 December 2024, the Company held £17,076,000 (2023: £6,248,000) in cash and cash equivalents, £272,105,000 (2023: £200,733,000) in quoted investments and £4,817,000 (2023: £1,476,000) in unquoted investments. The total ongoing operating expenses for the year ended 31 December 2024 were £966,000 (2023: £817,000). It is estimated that 39.0% of the Company's latest portfolio could be liquidated in a non-market impacting way within 7 days, using 25% of historic three-month average daily volume. This approach is considered conservative as it does not include the Company's ability to access liquidity through block trades.

Notes to the Financial Statements

Continued

The management has assessed the Company's going concern status under stress scenarios, which incorporated key assumptions such as significant falls in the Company's investment portfolio and investment income. These scenario tests encompassed possible impacts from factors such as the existing and potential further risks arising from the conflicts in the Middle East and Ukraine. A prolonged and deep market decline could lead to falling investment values or interruptions to cash flow, however the Company currently has more than sufficient liquidity to meet any liabilities when they fall due in the foreseeable future. The Board is keeping the development of external risk factors under close scrutiny and does not believe that these will have any impact on the Company's going concern status.

The Board notes that at the date of approval of this Annual Report, the aggregate of the Company's cash and cash equivalents balance and investments held is well in excess of the estimated level of liabilities, and the Company has substantial operating expenses cover.

The next continuation vote will take place at the Company's AGM on 11 June 2025. Given the positive support for the Company in the recent corporate transaction, the Board expects the resolution to be passed and not impact the Company's going concern status.

Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment being an investment business in accordance with its Investment Objective and Policy.

Material accounting policies

The material accounting policies adopted are described below:

a. Accounting Convention

The accounts are prepared under the historical cost basis, except for the measurement at fair value of investments and measurement of performance fees awarded.

b. Issue of Shares Pursuant to the Combination of Artemis Alpha Trust plc ("ATS") with the Company

On 29 November 2024, the Company issued new ordinary shares to shareholders of ATS in consideration for the receipt by the Company of assets pursuant to the combination with ATS (see page 4 for more information). The cost to acquire the assets and liabilities of ATS has been allocated between the acquired identifiable assets and liabilities based on their relative fair values on the acquisition date without attributing any amount to goodwill or to deferred taxes. Investments, cash and other assets were transferred from ATS. All assets were acquired at their fair value. The value of the assets received, in exchange for shares issued by the Company, have been recognised in share capital and share premium, as shown in the Statement of Changes in Equity. Listing costs in respect of the shares issued have been recognised in share premium, whereas other costs in relation to the combination have been recognised through capital in the Income Statement.

c. Investments

Investments are measured at fair value through profit or loss. Gains or losses on investments and transaction costs on acquisition or disposal of investments are included in the Income Statement as a capital item.

Notes to the Financial Statements

Continued

1. Reporting entity continued

For investments that are actively traded in organised financial markets, fair value is determined by reference to stock exchange quoted market bid prices at the close of business on the year-end date. All purchases and sales of investments are recognised on the trade date, i.e. the date that the Company commits to purchase or sell an asset.

Unquoted investments are measured at fair value in accordance with the International Private Equity and Venture Capital valuation guidelines and IFRS 13. Further details on the valuation of unquoted investments may be found in Notes 1(g) and 13.

d. Income from Investments

Special Dividends are assessed on their individual merits and are credited to the capital column of the Income Statement if the substance of the payment is a return of capital. All other investment income is taken to the revenue column of the Income Statement.

e. Share Capital and Reserves

The share capital represents the nominal value of equity shares.

The share premium account represents the accumulated premium paid for shares issued above their nominal value less issue expenses. This reserve is not distributable.

The capital redemption reserve arises when shares are bought back by the Company or returned by the Investment Manager under the performance fee clawback arrangement, and subsequently cancelled, at which point an amount equal to the par value of the shares is transferred from share capital to this reserve. This reserve is not distributable.

Other reserve represents the restricted shares issued in settlement of performance fees that are still within a lock-in period. This reserve is not distributable.

The share-based payment reserve represents the cumulative share-based payment expenses in relation to performance fees earned. Upon vesting, the relevant share-based payment reserve balance will be transferred to the realised capital reserve. This reserve is not distributable.

The capital reserve represents realised and unrealised capital and exchange gains and losses on the disposal and revaluation of investments and of foreign currency items. In addition, performance fee costs are allocated to the capital reserve. The amount within the capital reserve less unrealised gains (those on investments not readily convertible to cash) is available for distribution. The realised gains within the capital reserve amounted to £56,397,000 as at 31 December 2024 (2023: £43,101,000). The Company may use this reserve for share buybacks, but otherwise has no intention to make distributions out of its capital reserve.

The revenue reserve represents the surplus of accumulated revenue profits, being the excess of income derived from holding investments less the costs associated with running the Company. This reserve may be distributed by way of dividends, to the extent realised.

Notes to the Financial Statements

Continued

f. Expenses

All expenses are charged through the revenue column of the Income Statement except the following:

- expenses that are incidental to the acquisition or disposal of an investment are charged to the capital column of the Income Statement; and
- expenses are charged to the capital column of the Income Statement where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect the performance fees have been charged to the Income Statement in line with the Board's expected long-term returns, in the form of capital gains, from the Company's portfolio.

g. Critical Judgements, Estimations or Assumptions

The Directors have reviewed matters requiring judgements, estimations or assumptions. The preparation of the financial statements requires management to make judgements, estimations or assumptions that affect the amounts reported for assets and liabilities as at the year end date and the amounts reported for revenue and expenses during the year. However, the nature of the estimation means that actual outcomes could differ from those estimates.

Performance fees

The performance fee is calculated on the Company's NAV outperformance against its benchmark. Performance fees, if earned, are settled by the issue of shares in the Company, which are subject to a fixed three-year clawback period. If the outperformance versus the index reverses on the third-year anniversary the Company is entitled to recover and cancel the shares.

In measuring the performance fee, the Board has made judgements in relation to the service period, which it considers to be the current year of service plus the further three year clawback period. The Board has made the judgement that the performance fee contains a non-market based performance condition since the hurdle is based on the outperformance of the Company's NAV against its benchmark.

However, as the performance fee is calculated as a fixed amount which is settled by a variable number of shares, the cumulative charge over the vesting period will equate to either the amount calculated at the end of the first year where the performance of the Investment Manager remains on target, or a lower amount where it is considered that the clawback will take effect. This is as a result of the performance fee charge being adjusted during the service period, which is a requirement of IFRS 2 where there is a non-market based performance condition.

The performance fee is recognised on a straight line basis in the Income Statement and is based on the outcome of the performance fee calculation as stated in the Investment Management Agreement. This amount excludes the projection of whether a clawback may occur at the end of the performance period. Clawbacks are adjusted based on the management's expectation in terms of the number of restricted shares that will ultimately vest at each reporting date, and if applicable, credited back to the Income Statement.

The Board has considered it necessary to make certain judgements in relation to the recognition and measurement of the performance fee, which it considers are reasonable and supportable. However, it is acknowledged that if alternative judgements were made, for accounting purposes, the measurement of the performance fee charge to the income statement may be significantly different in timing within the service period.

Notes to the Financial Statements

Continued

1. Reporting entity continued

The Investment Manager earned a performance fee of £560,903 in 2023 and this was settled by the issuance of 214,264 shares. As at 31 December 2024, based on estimates produced by the Company's in-house assessment model, it is expected that no shares issued in relation to 2023 will ultimately vest at the end of the clawback period on 31 December 2026, and therefore no IFRS 2 expenses have been charged in the Income Statement.

No performance fee was earned during 2024 and the fee assessment period has been extended to 2025.

The performance fee earned during 2021 crystallised on 31 December 2024. Due to the Company underperformance versus the benchmark over the three-year clawback period, 100% of the 89,096 shares issued to the Investment Manager were clawed back as at 31 December and have subsequently been cancelled.

Valuation of Unquoted Investments

The Company has six unquoted investments, two of which are nil valued. These are classified as Level 3 investments under the fair value hierarchy, please refer to Note 13 for definitions of fair value hierarchy. Their fair value as at 31 December 2024 is £4,817,000 or 1.6% of NAV (2023: three unquoted investments, two of which were nil valued, representing £1,476,000 or 0.7% of NAV).

The investments are valued in accordance with the Company's accounting policy set out in 1c. For each unlisted investment, one or more of the following valuation techniques is used:

Market Approach: Based on recent investment price, market multiples, or industry benchmarks.

Net Assets Approach: Based on the value of the investment's underlying assets.

Price of Recent Investment: If a recent transaction has occurred, its price may indicate fair value, though this is not automatic. Fair value is reassessed at each reporting date for changes since the transaction.

Multiple Methodology: A revenue, EBITDA, or earnings multiple is applied to the investee's maintainable earnings or revenue.

Net Assets: Fair value is based on the proportionate share of the reported net asset value, using valuation reports from the manager or general partner, adjusted for any changes or new information up to the reporting date.

Observable market data is preferred when assessing the appropriate methodology.

In making the judgment that the valuation method is appropriate, the Board considers additional information, including an independent valuation review report produced by Kroll Advisory Ltd where available, and published financial statements.

A 10% reduction of the unquoted valuations would have a negative impact of £481,700 (2023: £147,600) on the Company's NAV as at 31 December 2024 and a 10% increase of the unquoted valuation would have the exact opposite impact.

Notes to the Financial Statements

Continued

2. Investments held at Fair Value Through Profit or Loss

	Year to 31 December 2024	Year to 31 December 2023
	£'000	£'000
Listed securities	272,105	200,733
Unquoted securities	4,817	1,476
Total non-current investments held at fair value through profit or loss	276,922	202,209
Movements during the year:		
Opening balance of investments, at cost	170,145	170,415
Additions, at cost	129,849	11,503
Disposals – proceeds received or receivable*	(41,488)	(12,056)
– realised profits	13,445	283
– at cost	(28,043)	(11,773)
Cost of investments held at fair value through profit or loss at 31 December	271,951	170,145
Revaluation of investments to market value:		
Opening balance	32,064	(21,188)
Unrealised (losses)/gains	(27,093)	53,252
Balance at 31 December	4,971	32,064
Market value of non-current investments held at fair value through profit or loss at 31 December	276,922	202,209

* These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

Notes to the Financial Statements

Continued

2. Investments held at Fair Value Through Profit or Loss continued

Gains/(losses) on investments

	Year to 31 December 2024	Year to 31 December 2023
	£'000	£'000
Realised gains on disposal of investments	13,445	283
Movement in unrealised (losses)/gains on investments held	(27,093)	53,252
Total (losses)/gains on investments	(13,648)	53,535

Transaction costs on investment purchases and sales for the year ended 31 December 2024 are disclosed in the following table.

Transaction costs

	Year to 31 December 2024	Year to 31 December 2023
	£'000	£'000
Transaction costs on purchases of investments	127	16
Transaction costs on disposals of investments	21	9
Total transaction costs included in gains or losses on investments at fair value through profit or loss	148	25

3. Income

	Year to 31 December 2024	Year to 31 December 2023
	£'000	£'000
Income from investments:		
UK dividends	2,396	3,017
Overseas dividends	695	370
Other income:		
Deposit interest	477	72
Total income	3,568	3,459

Notes to the Financial Statements

Continued

4. Investment Management Performance Fees and Other Expenses

	Year ended 31 December 2024			Year ended 31 December 2023		
	Revenue*	Capital	Total	Revenue*	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Investment management performance fee (clawback)/charge	–	(166)	(166)	–	2,824	2,824
Administration fees	350	–	350	279	–	279
Depositary and Custody fees	74	–	74	64	–	64
Registrar's fees	43	–	43	36	–	36
Directors' fees	140	–	140	139	–	139
Audit fees**	84	–	84	68	–	68
Printing	16	–	16	19	–	19
Broker's fees	48	–	48	48	–	48
Professional fees	90	–	90	34	–	34
Consultancy fees	13	–	13	14	–	14
Miscellaneous expenses***	108	–	108	48	–	48
Combination related expenses****	–	(14)	(14)	–	–	–
Total other expenses	966	(180)	786	749	2,824	3,573

* All expenses include any relevant irrecoverable VAT.

** The amounts excluding VAT paid or accrued for the audit of the Company are £70,000 (2023: £57,000).

*** The 2023 miscellaneous expenses figure included £68,000 of credits in respect of historic periods received by the Company during the year. No historic credits are included for 2024.

**** As part of the combination between the Company and Artemis Alpha Trust plc that took place on 29 November 2024, the Company incurred £735,000 of costs which have been charged to capital. Within the terms of the combination, Phoenix will contribute £750,000 towards the offsetting of the direct costs related to the transaction. The contribution will be made by way of a reduction in the performance fee payable to Phoenix by the Company in respect of the financial years ending 31 December 2024, 31 December 2025 and 31 December 2026. The fee reduction will constitute a waiver of the performance fee of £750,000. As no performance fee was earned in relation to this year end, a £750,000 receivable is recognised as at 31 December 2024.

Investment Management Performance Fees

The Company's Investment Manager does not earn an ongoing annual management fee, but will be paid a performance fee equal to one third of any outperformance of the Company's NAV per share total return (including dividends and adjusted for the impact of share buybacks and the issue of new shares) over the FTSE All-Share Index (total return) for each financial year or, if applicable, extended performance period.

The total annual performance fee is capped at 4% per annum of the NAV of the Company at the end of the relevant financial year, in the event that the NAV per Ordinary Share has increased in absolute terms over the period, and 2% in the event that the NAV per Ordinary Share has decreased in absolute terms over the period. Any outperformance that exceeds these caps will be carried forward and only paid if the Company outperforms, and the annual cap is not exceeded, in subsequent years.

The performance fee is subject to a high-water mark so that no fee will be payable in any following year until all underperformance of the Company's NAV since the last performance fee was paid has been made up.

Performance fees are settled by issuance of new shares. Such shares are issued at the NAV per share prevailing at the date of issue, so that the then current value of the shares equates in terms of NAV to the performance fees calculated at the end of the relevant financial period.

Notes to the Financial Statements

Continued

4. Investment Management Performance Fees and Other Expenses continued

Any part of the performance fee that relates to the performance of Phoenix SG will be accrued but will not be paid until such time as the Company's investment in Phoenix SG has been realised or is capable of realisation. The position will be reviewed at that time by reference to the realised proceeds of sale or the fully realisable value of Phoenix SG as compared to the original cost of acquisition.

Performance fees are calculated annually and, if earned, settled by way of share issuance by the Company, 80% is settled shortly after the year end date and the remaining 20% is settled upon approval of the Company's Annual Report. Shares issued to the Investment Manager are subject to a 3-year clawback period, during which the Investment Manager is not entitled to sell, pledge or transfer the shares, but is entitled to dividends and voting rights. If the Company's NAV underperforms its benchmark index on a total return basis over the clawback period, shares issued to the Investment Manager will be proportionally or entirely clawed back and cancelled by the Company.

Share-based Payment

The performance fee arrangement is recognised as an equity settled share-based payment under IFRS 2, and the related expenses are charged or credited in the Income Statement on a straight-line basis over a vesting period of the performance fee calculation period followed by 3 years of clawback period.

At the end of each reporting period, the Company reviews cumulative total returns between the Company's NAV and its benchmark index in relation to each performance year in which a performance fee was earned and adjusts the cumulative charges of share-based payment expenses accordingly.

A total share-based payment clawback of £166,000 has been recognised in the Company's Income Statement for the year ended 31 December 2024.

Performance year	Fees earned (£)	Shares issued (Number of)	Vesting period (Years)	Vesting status	Year to 31 December 2024 Income Statement charge/(credit) (£)	Year to 31 December 2023 Income Statement charge/(credit) (£)
2021	22,195	89,096	4	Fully clawed back on 31 December 2024	(165,896)	165,896
2022*	–	–	n/a	n/a	n/a	n/a
2023	560,903	172,373	5	Vesting period ends on 31 December 2026	–	–
2024**	–	–	n/a	n/a	n/a	n/a

* No performance fee was earned during 2022 and the fee assessment period was extended to 2023.

** No performance fee was earned during 2024 and the fee assessment period has been extended to 2025.

Notes to the Financial Statements

Continued

Share-based Payment Sensitivity Analysis

Performance fee period to		31 December 2022 and 2023
End date for clawback period		31 December 2026
As at 31 December 2024		%
Company cumulative NAV returns	a	(3.9)
Cumulative index returns	b	4.6
Under performance	$(1+a)/(1+b)-1$	(8.2)

Impact on the Company's profit after tax for the year ended 31 December 2024, if the Company's underperformance changes by:

In relation to performance fee period	31 December 2022 and 2023
Percentage	£'000
-10%	-
-5%	-
-1%	-
+1%	-
+5%	-
+10%	(281)

5. Taxation

	Year to 31 December 2024			Year to 31 December 2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Corporation tax	-	-	-	-	-	-
Overseas withholding tax	46	-	46	49	-	49
Tax charge in respect of the current year	46	-	46	49	-	49

Notes to the Financial Statements

Continued

5. Taxation continued

Current taxation

The taxation charge for the year is different from the standard rate of corporation tax in the UK of 25.0% (2023: 23.5%). The differences are explained below:

	Year to 31 December 2024	Year to 31 December 2023
	£'000	£'000
Net return before tax	(10,664)	53,421
Theoretical tax at UK corporation tax rate of 25.0% (2023: 23.5%)	(2,666)	12,554
Effects of:		
Capital losses/(gains) that are not taxable	3,412	(12,581)
UK dividends which are not taxable	(599)	(709)
Overseas withholding tax	46	49
Overseas dividends that are not taxable	(174)	(87)
Excess management expenses	27	823
Tax charge in respect of the current year	46	49

Due to the Company's status as an investment trust and its intention to continue meeting the conditions required to maintain its status in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

Deferred Tax

The Company has £14,681,000 (2023: £14,524,000) in respect of excess unutilised management expenses, equivalent to a potential tax saving of £4,000,000 (2023: £3,631,000) at the prospective tax rate of 25% (2023: 25%) and £1,491,000 (2023: £1,491,000) in respect of loan interest, equivalent to a potential tax saving of £373,000 (2023: £373,000) at the prospective tax rate of 25% (2023: 25%).

These amounts could be utilised to the extent that the Company has sufficient future taxable revenue. A deferred tax asset has not been recognised in respect of these expenses.

6. Trade and other receivables

	At 31 December 2024	At 31 December 2023
Phoenix contribution receivable	750	–
Other receivables	359	372
Total trade and other receivables	1,109	372

The £750,000 contribution receivable (2023: £nil) from Phoenix Asset Management Partners Limited ("Phoenix"), relates to the Manager's contribution towards offsetting the costs directly related to the ATS combination during the period. Please refer to Note 4 for further detail.

Notes to the Financial Statements

Continued

7. Ordinary Dividends

	Year to 31 December 2024	Year to 31 December 2023
	£'000	£'000
Dividends reflected in the financial statements:		
Final dividend paid for the year ended 31 December 2023 at 3.45p per share (2022: 2.97p)	2,632	2,260
Interim dividend paid for the year ended 31 December 2024 at 3.00p per share (2023: nil)	2,289	–
Dividends not reflected in the financial statements:		
No final dividend for the year ended 31 December 2024 (2023: 3.45p per share)	–	2,632

8. Earnings Per Share

Earnings per share are based on the loss of £10,710,000 (2023: profit of £53,372,000) attributable to the weighted average of 79,629,980 (2023: 76,078,460) ordinary shares of 25p in issue during the year.

Supplementary information is provided as follows: revenue earnings per share are based on the revenue profit of £2,556,000 (2023: profit of £2,661,000); capital earnings per share are based on the net capital loss of £13,266,000 (2023: profit of £50,711,000), attributable to the weighted average of 79,629,980 (2023: 76,078,460) ordinary voting shares of 25p. There is no difference between the weighted average diluted and undiluted number of shares. There is no difference between basic and diluted earnings per share as there are no dilutive instruments.

9. Share Capital and Reserves

	At 31 December 2024	At 31 December 2023
<i>Allotted, called up and fully paid</i>		
Ordinary shares in issue at 1 January (Number)	76,078,460	76,608,771
Shares issued	38,583,378	–
Shares cancelled	–	(530,311)
Ordinary shares in issue at 31 December (Number)	114,661,838	76,078,460
Ordinary Shares of 25p at 31 December (£'000)	28,665	19,019
Ordinary shares clawed back and held in treasury	(89,096)	–
Shares with voting rights at 31 December (Number)	114,572,742	76,078,460

Notes to the Financial Statements

Continued

9. Share Capital and Reserves continued

At 31 December 2024, the Company had 114,661,838 ordinary shares in issue, of which 89,096 shares were held in Treasury (2023: 76,078,460 shares in issue, with no shares held in Treasury). The number of voting shares at 31 December 2024 was 114,572,742 (2023: 76,078,460), being the number of ordinary shares in issue less the number of shares held in Treasury.

Movement in share capital during the period

On 17 January 2024 the Company issued to the Investment Manager 172,373 ordinary shares, at a price of 260.32 pence per share, and on 29 April 2024 issued a further 41,891 ordinary shares, at a price of 267.79 pence per share, to settle performance fees earned in the year to 31 December 2023.

In connection with the ATS corporate transaction the Company issued on 29 November 2024 38,369,114 ordinary shares to ATS shareholders at a deemed price of 262.58 pence per share, in consideration for the transfer to the Company of approximately £101 million of net assets from ATS.

On 31 December 2024, the clawback period on restricted shares issued to the Investment Manager in relation to the performance period ended 31 December 2021 ended. All of the 89,096 shares originally issued to the Investment Manager were clawed back by the Company. These were held in Treasury as at 31 December 2024 and subsequently cancelled on 15 January 2025.

Other Reserve

The other reserve balance represents the restricted shares issued in settlement of performance fees that are still within a lock-in period.

The clawback period for the performance fee earned during the year ended 31 December 2021 ended on 31 December 2024. The Company's cumulative NAV total return underperformed that of the benchmark index over the vesting period. As a result, the 89,096 restricted shares originally issued in settlement of the £221,219 performance fee earned were clawed back as at 31 December 2024.

Share-based Payment Reserve

The share-based payment reserve represents the cumulative share-based payment expenses in relation to performance fees earned. A total share-based payment clawback of £166,000 has been recognised in relation to the 2021 performance fee which crystallised on 31 December 2024, resulting in a nil balance as at year end. No expenses have been charged for the combined performance period of 2023 and 2024 as no shares issued in settlement of the fee earned during this period are expected to ultimately vest based on the estimates produced by the Company's in-house model. This is subject to review and change at the Company's future reporting dates. Further details can be found in Note 4.

10. Net Assets Per Ordinary Share

The figure for Net Assets per Ordinary Share is based on Net Assets of £293,501,000 (2023: £208,714,000) divided by 114,572,742 voting ordinary shares in issue at 31 December 2024 (2023: 76,078,460).

Notes to the Financial Statements

Continued

11. Reconciliation of Net Cash Flow from Operating Activities

	Year to 31 December 2024	Year to 31 December 2023
	£'000	£'000
Net return after tax	(10,710)	53,372
Losses/(gains) on investments	13,446	(53,535)
Increase in trade and other receivables	(737)	(62)
Increase in other payables	1,491	8
Investment performance fee (clawback)/charge	(166)	2,824
Net cash inflow from operating activities	3,324	2,607

12. Transactions with Related Parties and Investment Manager

Details of the management, administration and secretarial contracts can be found in the Directors' Report.

There were no transactions with Directors other than as disclosed in the Directors' Remuneration Report on pages 47 to 51 and in Note 4 on page 81. No fees payable to the Directors were outstanding as at 31 December 2024.

Phoenix Asset Management Partners Limited ("Phoenix"), the Company's AIFM and Investment Manager, and Castelnau Group Limited ("Castelnau") are considered to be related parties under the Listing Rules. Details of transactions with Phoenix can be found in Note 4 beginning on page 81.

Castelnau is a related party as the Company is a substantial shareholder under the UK Listing Rules. The Company's holding of Castelnau shares increased during the year as a consequence of the Artemis Alpha Trust plc combination, since that company also held Castelnau shares. As at 31 December 2024, the Company held 15.8% (2023: 11.4%) of the issued share capital in Castelnau. There were no transactions with Castelnau itself during the year and there were no balances outstanding with Castelnau as at 31 December 2024.

As part of the terms of the combination between the Company and Artemis Alpha Trust plc that took place on 29 November 2024, Phoenix will contribute £750,000 towards the offsetting of the direct costs related to the transaction. The contribution will be made by way of a reduction in the performance fee payable to Phoenix by the Company in respect of the financial years ending 31 December 2024, 31 December 2025 and 31 December 2026. The fee reduction will constitute a waiver of the performance fee of £750,000. A £750,000 receivable from Phoenix has been recognised as at 31 December 2024.

Notes to the Financial Statements

Continued

13. Financial Instruments

Investments are carried in the balance sheet at fair value. For other financial assets and financial liabilities, the balance sheet value is considered to be a reasonable approximation of fair value.

Financial assets

The Company's financial assets may include equity investments, fixed interest securities, short-term receivables and cash and cash equivalents balances. The currency and cash-flow profile of those financial assets was:

	2024			2023		
	Interest bearing	Non-interest bearing	Total	Interest bearing	Non-interest bearing	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Non-current equity investments at fair value through profit or loss:						
£ sterling denominated security holdings	-	228,871	228,871	-	169,963	169,963
€ euro denominated security holdings	-	25,492	25,492	-	15,349	15,349
\$ usd denominated security holdings	-	22,511	22,511	-	16,897	16,897
kr sek denominated security holdings	-	48	48	-	-	-
	-	276,922	276,922	-	202,209	202,209
Cash at bank and cash equivalents:						
Floating rate – £ sterling	17,156	-	17,156	6,248	-	6,248
Floating rate – € euro	(80)	-	(80)	-	-	-
	17,076	-	17,076	6,248	-	6,248
Current assets:						
Receivables	-	1,109	1,109	-	372	372
	17,076	278,031	295,107	6,248	202,581	208,829

The cash and equivalents balance comprises of cash at bank of £9,169,000 (2023: £6,248,000) held by the Company's Depository, Northern Trust Investor Services Ltd, and UK Treasury Bills of £7,907,000 (2023: £nil).

Financial liabilities

The Company finances its investment activities through its ordinary share capital and reserves. It has discontinued the use of borrowing for such purposes. The Company's financial liabilities comprise short-term trade payables. Foreign currency balances are stated in the accounts in sterling at the exchange rate as at the Balance Sheet date.

There were no short-term trade payables (other than accrued expenses).

Notes to the Financial Statements

Continued

Fair Value Hierarchy

Under IFRS 13 investment companies are required to disclose the fair value hierarchy that classifies financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair values.

Classification	Input
Level 1	Valued using quoted prices in active markets for identical assets
Level 2	Valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1
Level 3	Valued by reference to valuation techniques using inputs that are not based on observable market data

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset.

Classification	Year to 31 December 2024	Year to 31 December 2023
	£'000	£'000
Level 1	272,105	200,733
Level 2	–	–
Level 3	4,817	1,476
Total non-current investments held at 'FVTPL'	276,922	202,209

There were no transfers between levels during the year.

As part of the ATS combination, £95,876,000 of assets were acquired in Level 1 holdings and £4,681,000 in Level 3 holdings.

The movement in the Level 3 unquoted investments during the year is shown below:

	Year to 31 December 2024	Year to 31 December 2023
	£'000	£'000
Opening balance	1,476	2,871
Additions during the year*	4,681	–
Unrealised losses	(1,340)	(1,395)
Closing balance	4,817	1,476

* Additions to the Level 3 unquoted investments during 2024 related to the ATS combination. No other unquoted assets were acquired during the year.

Notes to the Financial Statements

Continued

13. Financial Instruments continued

Fair Value Hierarchy continued

The Level 3 unquoted investment balance represents the Company's investment in six unquoted investments, two of which are valued at nil value. The fair value estimate of the investment in Phoenix SG is based on the attributable proportion of the reported net asset value of the Level 3 investment derived from the fair value of the underlying investments. Valuation reports provided by the fund manager are used to calculate fair value where there is evidence that the valuation is derived using fair value principles that are consistent with the Company's accounting policies and valuation methods. Such valuation reports may be adjusted to take account of changes or events to the reporting date, or other facts and circumstances which might impact the underlying value. Unquoted investments that were acquired during the period as a result of the ATS combination are valued at the cost ascribed for the purposes of the transaction, given the close proximity of the transfer to the Company's year end.

The transaction valuations were prepared in line with the valuation methodology described in the accounting policy for the Valuation of Unquoted Investments, as detailed in Note 1g.

Risk Analysis

The general risk analysis undertaken by the Board and its overall policy approach to risk management are set out in the Strategic Report. Issues associated with portfolio distribution and concentration risk are discussed in the Investment Policy section of the Strategic Report. This note, which is incorporated in accordance with accounting standard IFRS 7, examines in greater detail the identification, measurement and management of risks potentially affecting the value of financial instruments and how those risks potentially affect the performance and financial position of the Company. The risks concerned are categorised as follows:

- a. Potential Market Risks, which are principally:
 - i. Currency Risk
 - ii. Interest Rate Risk and
 - iii. Other Price Risk.
- b. Liquidity Risk
- c. Credit Risk

Each is considered in turn below:

A (i) Currency Risk

The portfolio as at 31 December 2024 was invested predominantly in sterling denominated securities and there was limited currency risk arising from the possibility of a fall in the value of sterling impacting upon the value of investments or income.

The Company had no foreign currency borrowings at 31 December 2024 or 31 December 2023.

The Company does not hedge its currency exposures currently, but under its investment policy and restrictions, derivative or similar financial instruments can be employed if considered necessary for the purpose of capital preservation.

Notes to the Financial Statements

Continued

Currency sensitivity

The table below shows the impact on the Company's profit after taxation for the year ended and net assets as at 31 December 2024, if sterling had strengthened/weakened by 10% against Euro, USD and SEK.

	2024	2023
	£'000	£'000
Euro	(2,310)/2,824	(1,395)/1,705
USD	(2,046)/2,501	(1,536)/1,877
SEK	(4)/5	–

A (ii) Interest Rate Risk

The Company held £7,907,000 of UK Treasury Bills at 31 December 2024 (31 December 2023: none).

With the exception of cash and cash equivalents, no interest rate risks arise in respect of any current asset. All cash and cash equivalents held as a current asset is sterling denominated, earning interest at the bank's or custodian's variable interest rates.

The Company had no borrowings at 31 December 2024 or 31 December 2023.

A (iii) Other Price Risk

The principal price risk for the Company is the price volatility of shares that are owned by the Company. As described in the Investment Manager's Review, the Company spreads its investments across different sectors and geographies, but as shown by the Portfolio Analysis on page 12, the Company may maintain relatively strong concentrations in particular sectors selected by the Investment Manager.

The Board manages these risks through the use of investment limits and guidelines as set out in the Company's investment policy and restrictions, and monitors the risks through regular financial and compliance reports provided by the Company's key service providers.

The effect on the portfolio of a 10.0% increase or decrease in market prices would have resulted in an increase or decrease of £27,692,000 (2023: £20,221,000) in the investments held at fair value through profit or loss at the period end, which is equivalent to 9.4% (2023: 9.7%) in the net assets attributable to equity holders. This analysis assumes that all other variables remain constant.

B Liquidity Risk

Liquidity Risk is considered to be small, because most of the portfolio is invested in readily realisable securities. As a consequence, cash flow risks are also considered to be immaterial. The Investment Manager estimates that, under normal market conditions and without causing excessive disturbance to the prices of the securities concerned, 39.0% (2023: 31.2%) of the portfolio could be liquidated in a non-market impacting way within seven days, based on 25% of average daily volume. This is conservative as it does not include the ability to access liquidity through block trades.

Notes to the Financial Statements

Continued

13. Financial Instruments continued

C Credit Risk

The Company invests in quoted and unquoted equities in line with its investment objective and policy. The Company's investments are held by Northern Trust Investor Services Ltd ("the Depository"), which is a large and reputable international banking institution. The Company's normal practice is to remain fully invested at most times and not to hold large quantities of cash. At 31 December 2024, cash at bank comprised £9,242,000 (2023: £6,248,000) held by the Depository. In addition to cash held with the Depository, the Company also held £7,907,000 in UK Treasury Bills as at 31 December 2024 (2023: £nil).

Credit Risk arising on transactions with brokers relates to transactions awaiting settlement. This risk is considered to be very low because transactions are almost always undertaken on a delivery versus payment basis with member firms of the London Stock Exchange.

A credit risk also arises due to the £750,000 payable from Phoenix in relation to the combination expenses costs, as detailed in Note 12. The credit risk in relation to this receivable is deemed to be low.

D Capital management policies and procedures

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to shareholders

by pursuing investment policies commensurate with the level of risk.

The Company considers its capital to be issued share capital and reserves, and monitors capital on the basis of the carrying amount of equity, less cash as presented on the face of the statement of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company does not currently intend to use gearing, but as set out in its investment objective and policy, borrowings of up to 30% of the aggregate of the paid-up nominal capital plus the capital and revenue reserves are permitted.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders (within the statutory limits applying to investment trusts), return capital to shareholders, issue new shares, or sell assets.

14. Post Year End Events

On 31 December 2024, the clawback period on restricted shares issued to the Investment Manager in relation to the performance period ended 31 December 2021 ended. All of the 89,096 restricted shares originally issued to the Investment Manager were returned to the Company and held in Treasury. These shares were subsequently cancelled on 15 January 2025.

Alternative Performance Measures ("APMs")

An APM is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. Definitions of these APMs together with how these measures have been calculated follow:

Share price discount to NAV per share (APM)

The amount, expressed as a percentage, by which the share price is less than the NAV per share.

		As at 31 December 2024	As at 31 December 2023
NAV per share	a	256.17	274.34
Share price	b	227.00	247.00
Discount	(b÷a)-1	(11.4)%	(10.0)%

Ongoing charges ratio (APM)

A measure of the regular, recurring annual costs of running an investment company, expressed as a percentage of average net assets. The measure is calculated by expressing the regular expenses of the year as a percentage of the average net assets during the year. Charges relating to performance fees are excluded from the calculation.

		As at 31 December 2024	As at 31 December 2023
		£'000	£'000
Average NAV	a	215,951	181,978
Annual expenses	b	1,118	749
Adjusting for non-recurring expenses/(credits)*	c	152	(68)
Annual ongoing expenses	d=b-c	966	817
Ongoing charges figure	d÷a	0.45%	0.45%

* Non-recurring items relates to costs incurred on the combination of Artemis Alpha Trust plc with the Company, which completed on 29 November 2024 (2023: relate to credits of a one-off nature received in respect of historic periods).

Alternative Performance Measures ("APMs")

Continued

Total returns (APM)

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

Year ended 31 December		31 December 2024		31 December 2023	
		NAV per share	Share price	NAV per share	Share price
Opening at 1 January	a	274.34p	247.00p	203.45p	194.50p
Closing at 31 December	b	256.17p	227.00p	274.34p	247.00p
Price movement	$c=(b÷a)-1$	(6.6%)	(8.1%)	34.8%	27.0%
Impact of dividend reinvestment (as a percentage of opening balances)	d	2.4%	2.6%	1.5%	1.5%
Total return	c+d	(4.3%)	(5.5%)	36.3%	28.5%

Glossary

AIC	Association of Investment Companies.
Alternative Investment Fund or "AIF"	An investment vehicle under UK AIFMD. (see below) and the Company is classified as an AIF.
Alternative Investment Fund Managers Regulations ("UK AIFMD")	A directive agreed by the European Parliament and the Council of the EU and transposed into UK legislation, the UK AIFMD classifies certain investment vehicles, including investment companies, as Alternative Investment Funds ("AIFs") and requires them to appoint an Alternative Investment Fund Manager ("AIFM") and depositary to manage and oversee the operations of the investment vehicle. The Board of the Company retains responsibility for strategy, operations and compliance and the Directors retain a fiduciary duty to shareholders.
Annual General Meeting or AGM	A meeting held once a year which shareholders can attend and where they can vote on resolutions put forward at the meeting and ask Directors questions about the company in which they are invested.
Alternative Performance Measures ("APMs")	See definitions of each APM on pages 93 and 94.
Articles	The Company's Articles of Association adopted on 10 June 2019.
Company Secretary or Administrator	Frostrow Capital LLP.
Custodian	An entity that is appointed to safeguard a company's assets.
Discount	The amount, expressed as a percentage, by which the share price is less than the net asset value per share.
Depositary	Certain AIFs must appoint depositaries under the requirements of UK AIFMD. A depositary's duties include, inter alia, safekeeping of the Company's assets and cash monitoring. Under UK AIFMD the depositary is appointed under a strict liability regime.
Dividend	Income receivable from an investment in shares.
Ex-dividend date	The date from which a purchaser of shares is not entitled to receive a dividend which has been declared and is due to be paid to shareholders.
Financial Conduct Authority or "FCA"	The independent body that regulates the financial services industry in the UK.
Index	A basket of stocks which is considered to replicate a particular stock market or sector.
Investment company	A company formed to invest in a diversified portfolio of assets.
Investment Manager	Phoenix Asset Management Partners Limited.
Investment Trust	An investment company based in the UK which meets certain tax conditions that enable it to be exempt from UK corporation tax on its capital gains. The Company is an investment trust.

Glossary

Continued

Leverage	An alternative word for "Gearing". Under UK AIFMD, leverage is any method by which the exposure of an AIF is increased through borrowing of cash or securities or leverage embedded in derivative positions. Under UK AIFMD, leverage is broadly similar to gearing, but is expressed as a ratio between the assets (excluding borrowings) and the net assets (after taking account of borrowing). Under the gross method, exposure represents the sum of the Company's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.
Liquidity	The extent to which assets can be converted into cash at short notice.
Net assets	An investment company's assets less its liabilities.
Net asset value per share (NAV per share)	The Company's net assets divided by the number of shares in issue (excluding any shares held in Treasury).
Portfolio	A collection of different investments held in order to deliver returns to shareholders and to spread risk.
Share buyback	A purchase of a company's own shares. Shares can either be bought back for cancellation or held in Treasury.
Share price	The price of a share as determined by a relevant stock market.
Treasury shares	A company's issued shares owned by itself which are available to be sold by the company to raise funds.
Volatility	A measure of how much a share moves up and down in price over a period of time.

Notice of Meeting



Frostrow Capital LLP
Company Secretary

Registered Office:
25 Southampton Buildings
London WC2A 1AL

7 April 2025

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to any matter referred to in this document or as to the action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

If you have sold or otherwise transferred all of your ordinary shares, please send this document at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom or by whom the sale or transfer was made, for delivery to the purchaser or transferee. However, the distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

Notice is hereby given that the Annual General Meeting ("AGM") of Aurora UK Alpha plc will be held at 25 Southampton Buildings, London WC2A 1AL on 11 June 2025 at 1 p.m.

The AGM is being called for the following purposes:

To consider, and if thought fit to pass, the following resolutions, of which resolutions 1 to 10 inclusive will be proposed as ordinary resolutions and resolutions 11 to 13 will be proposed as special resolutions.

ORDINARY RESOLUTIONS

1. To receive the Annual Report for the year ended 31 December 2024, including the financial statements and the Directors' and Auditor's reports thereon.
2. To approve the continuation of the Company as an investment trust for a further period of three years.
3. To approve the Remuneration Policy Implementation Report for 2024.
4. To re-elect Lucy Walker as a Director of the Company.
5. To re-elect Farah Buckley as a Director of the Company.
6. To re-elect Lady Rachael Robathan as a Director of the Company.
7. To re-elect David Stevenson as a Director of the Company.
8. To re-appoint BDO as Auditor to the Company and to authorise the Audit Committee to fix the Auditor's remuneration.
9. To ratify changes to the Company's Investment Objective and Policy made during 2024, as set out in the Chair's Statement in the Company's annual report for the year ended 31 December 2024.
10. THAT in substitution for any pre-existing power to allot or grant rights to subscribe for or convert any securities into ordinary shares in the Company the Directors be and are hereby generally and unconditionally authorised, pursuant to and in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all powers of the Company to allot ordinary shares in the Company up to a maximum of 20% of the issued share capital in the Company as at the date of passing this resolution. This authority shall expire (unless previously varied, revoked or renewed by the Company in general meeting) 15 months after the date of the passing of this resolution or at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, whichever should first occur, save that the Company may before such expiry make an offer or enter into an agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or enter into an agreement as if the authority conferred hereby had not expired.

SPECIAL RESOLUTIONS

11. THAT, subject to the passing of resolution 10, and in addition to all existing powers, the Directors be and are hereby empowered, pursuant to section 570 of the Act, to allot equity securities (as defined in section 560 of the Act) for cash either pursuant to the authority conferred by resolution 10 or by way of a sale of Treasury shares, as if section 561 of the Act did not apply to any such allotment or sale, provided that this power:
- a. shall expire (unless previously varied, revoked or renewed by the Company in general meeting) 15 months from the passing of this resolution, or at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, whichever is earlier, save that the Company may before such expiry make an agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot equity securities (including by way of sale of Treasury shares) as if such expiry had not occurred; and
 - b. shall be limited to the allotment of equity securities up to a maximum of 20% of the issued share capital of the Company as at the date of passing this resolution.
12. THAT, in substitution for any pre-existing authority that will have expired on the date hereof, but without prejudice to the exercise of such authority prior to the date hereof, the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 ("the Act") to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 25p each in the capital of the Company ("ordinary shares") provided that:
- a. the maximum aggregate number of ordinary shares hereby authorised to be purchased shall be 14.99% of the issued share capital of the Company at the date of passing this resolution;
 - b. the minimum price which may be paid for an ordinary share is 25p;
 - c. the maximum price which may be paid for an ordinary share is an amount equal to the higher of (i) 105% of the average of the middle market quotations for an ordinary share taken from the Daily Official List of the UK Listing Authority for the 5 business days immediately preceding the day on which the ordinary share is purchased; and (ii) the higher of the price of the last independent trade in ordinary shares and the highest then current independent bid for ordinary shares on the London Stock Exchange; and
 - d. unless varied, revoked or renewed the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2026 or, if earlier, on the expiry of 15 months from the passing of this resolution, save that the Company may at any time prior to such expiry, enter into a contract or contracts to purchase ordinary shares under such authority which would or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares pursuant to any such contract or contracts as if the authority conferred hereby had not expired.
13. THAT the period of notice required for general meetings of the Company (other than Annual General Meetings) shall be not less than 14 days.

**By order of the Board
For and on behalf of Frostrow Capital LLP
Company Secretary
25 Southampton Buildings
London WC2A 1AL
7 April 2025**

Notes

1. Proxies

Members are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the meeting. A member may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company, but must attend the meeting for your votes to be counted. Appointing the Chair of the AGM as your proxy will ensure that your votes are cast in accordance with your wishes.

2. Voting by proxy

Hard copy forms of proxy have not been included with this notice. Members are strongly urged to vote electronically, by logging onto

<https://uk.investorcentre.mpms.mufg.com/login> and following the instructions.

However, you can request a hard copy proxy form directly from our Registrar, MUFG Corporate Markets, via telephone on +44 (0) 371 664 0300 or via email at: shareholderenquiries@cm.mpms.mufg.com. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be completed and returned to the office of the Company's registrar, MUFG Corporate Markets, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL, not later than 1 p.m. on 9 June 2025. In the case of a member that is a company, the instrument appointing a proxy must be executed under its seal or signed on its behalf by a duly authorised officer or attorney or other person authorised to sign. Any power of attorney or other authority under which the instrument is signed (or a certified copy of it) must be included with the instrument.

Members who wish to change their proxy instructions should 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 applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence. CREST members may register votes by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 1 p.m. on 9 June 2025 in order to be considered valid. Before you can appoint a proxy via this process, you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

Appointing a proxy will not prevent a member from attending the meeting and voting in person.

3. Revoking instructions

In order to revoke a proxy instruction, members will need to inform the Company. Members should send a signed hard copy notice clearly stating their intention to revoke a proxy appointment to MUFG Corporate Markets, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL.

In the case of a member that 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 of attorney) must be included with the revocation notice. If a member attempts to revoke their proxy appointment but the revocation is received after the time for receipt of proxy appointments then, subject to paragraph 2, the proxy appointment will remain valid.

4. Right to attend and vote

Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that in order to have the right to attend and vote at the meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company at close of business on 9 June 2025 or, in the event of any adjournment, at close of business on the date which is two business days before the day of the adjourned meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

5. Corporate members

Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.

6. Nominated persons

Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may have a right, under an agreement between him/her and the member by whom he/she was nominated, to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right, under such an agreement, to give instructions to the member as to the exercise of voting rights.

The statement of the above rights of the members in relation to the appointment of proxies does not apply to Nominated Persons. Those rights can only be exercised by shareholders of the Company.

7. Total number of shares and voting rights

As at 7 April 2025 (being the last practicable business day prior to the publication of this notice) the Company's issued share capital consists of 114,572,742 ordinary shares, carrying one vote each. No shares are held in Treasury. The total available voting rights in the Company as at that date are 114,572,742.



8. Website

Further information regarding the meeting which the Company is required by section 311A of the Companies Act 2006 to publish on a website in advance of the meeting can be accessed at www.auroraukalpha.com.

9. Joint Shareholders

In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

10. CREST Shareholders

Shareholders who hold their shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Company's registrar by not later than 48 hours before the start of the meeting. Instructions on how to vote through CREST can be found by accessing the following website: euroclear.com. Shareholders are advised that CREST and the internet are the only methods by which completed proxies can be submitted electronically.

If you are a CREST system user (including a CREST personal member) you can appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by MUFG Corporate Markets (ID number RA10) not later than 48 hours before the start of the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which MUFG Corporate Markets is able to retrieve the message. CREST personal members or other CREST sponsored members should contact their CREST sponsor for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

11. Withheld votes and votes at discretion

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 resolutions. If no voting indication is given, a proxy may vote or abstain from voting at their discretion. A proxy may vote (or abstain from voting) as they think fit in relation to any other matter that is put before the meeting.

12. Questions

Any member attending the AGM has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the AGM but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.

Questions may be tendered ahead of the meeting, by email to: info@frostrow.com, or by writing to the Company Secretary at the Company's Registered address, which is set out on page 31.

13. Website statements from Shareholders

Under section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:

- (i) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are laid before the meeting; or
- (ii) any circumstance connected with an Auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006.

The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

14. Shareholder resolutions

Under sections 338 and 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company:

- (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or
- (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business.

A resolution may properly be moved or a matter may properly be included in the business unless:

- (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise);
- (b) it is defamatory of any person; or
- (c) it is frivolous or vexatious.

Such a request may be in hard copy form or in electronic form, and must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 30 April 2025, being the date six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

Explanatory Notes to the Resolutions

Resolution 1 – To receive the Annual Report

The principal purpose for an annual general meeting is for members to formally receive the Company's annual report and financial statements. The Annual Report for the year ended 31 December 2024, incorporating the financial statements and this Notice of Meeting, will be presented at the AGM and shareholders will have the opportunity to ask questions relating to it.

Resolution 2 – Continuation

Article 5 of the Company's Articles of Association requires the Board to propose an Ordinary Resolution at every third annual general meeting to approve the continuation of the Company as an investment trust.

Resolution 3 – Remuneration Policy Implementation Report

It is mandatory for listed companies to put their report on the implementation of the remuneration policy to an advisory shareholder vote every year. The Remuneration Policy Implementation Report is set out on page 48 of this Annual Report.

Resolutions 4 to 7 – Re-election of Directors

Resolutions 4 to 7 deal with the re-election of the Directors. Biographies of each of the Directors can be found on pages 29 and 30 of this Annual Report.

Specific reasons why (in the Board's opinion) each Directors' contribution is, and continues to be, important to the Company's long-term success are as follows:

Lucy Walker

Lucy brings deep investment management experience, enabling her to engage with the Investment Manager on portfolio and strategy, as well as a first-hand understanding of the Company's investor base.

Farah Buckley

Farah brings extensive experience of growth, innovation and strategy gained from over 23 years in financial services across audit, mergers & acquisitions and private equity, allowing effective oversight of the investment activities of the Company and complementing the perspectives and experience of the other Directors.

Lady Rachael Robathan

Rachael has over 20 years' experience as an investment manager as well as a broad range of skills from her leadership of a major Local Authority and other Board roles.

David Stevenson

David has extensive fintech and financial services experience and as an investment columnist for over 20 years has a deep understanding of the Company's investor base. He spends a vast amount of time talking to investors, both professional and private, about funds and asset allocation. He is additionally a very experienced fund non-executive director and chair.

Resolution 8 – Re-appointment of the Auditor and the determination of their remuneration

Resolution 8 is for the re-appointment of BDO LLP as the Company's independent Auditor to hold office until the next AGM of the Company and also authorises the Audit Committee to set their remuneration. Following the implementation of the Competition and Markets Authority order on Statutory Audit Services, only the Audit Committee may negotiate and agree the terms of the Auditor's service agreement.

Resolution 9 - Ratification of Investment Objective and Policy Changes

As explained in the Chair's Statement on page 4 certain non-material changes were made to the Company's Investment Objective and Policy during the course of 2024 and the Board has resolved, for good order, to seek ratification of these changes from shareholders.

Resolutions 10 and 11 – Issue of Shares

Ordinary Resolution 10 in the Notice of Annual General Meeting is to renew the authority to allot new ordinary shares up to an aggregate of 20% of the Company's existing issued share capital at the date of the Annual General Meeting. As at the date of this annual report this amounted to 22,914,548 shares. This authority (if granted) will expire on the date of the next Annual General Meeting or after a period of 15 months from the date of the passing of the resolution, whichever is earlier. This means that the authority will have to be renewed at the next Annual General Meeting unless previously renewed.

When shares are to be allotted, Section 551 of the Companies Act 2006 (the "Act") provides that existing shareholders have pre-emption rights and that the new shares must be offered first to such shareholders in proportion to their existing holding of shares. However, shareholders can, by special resolution, authorise the Directors to allot shares otherwise than by a pro rata issue to existing shareholders. Special Resolution 11 will, if passed, give the Directors power to allot (and/or sell from Treasury) for cash equity securities up to the equivalent of 20% of the Company's existing share capital, as if Section 551 of the Act does not apply. This is the same nominal amount of share capital that the Directors are seeking the authority to allot pursuant to Resolution 10. This authority will also expire on the date of the next Annual General Meeting or after a period of 15 months, whichever is earlier. This authority will not be used in connection with a rights issue by the Company.

The Directors intend to use the authority given by Resolutions 10 and 11 to allot shares and disapply pre-emption rights only in circumstances where this will be clearly beneficial to shareholders as a whole. The issue proceeds would be available for investment in line with the Company's investment policy. No issue of shares will be made which would effectively alter the control of the Company without the prior approval of shareholders in general meeting.

Resolution 12 – Share Repurchases

The principal aim of a share buy-back facility is to enhance shareholder value by acquiring shares at a discount to net asset value, as and when the Directors consider this to be appropriate. The purchase of shares when they are trading at a discount to net asset value per share should result in an increase in the net asset value per share for the remaining shareholders. This authority, if conferred, will only be exercised if to do so would result in an increase in the net asset value per share for the remaining shareholders and if it is considered to be in the best interests of shareholders generally. Any purchase of shares will be made within guidelines established from time to time by the Board.

Under the current Listing Rules, the maximum price that may be paid on the exercise of this authority must not exceed the higher of (i) 105% of the average of the middle market quotations for the shares over the five business days immediately preceding the date of purchase and (ii) the higher of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out. The minimum price which may be paid is 25p per share.

Special Resolution 12 in the Notice of Annual General Meeting seeks to renew the authority to purchase in the market a maximum of 14.99% of shares in issue (amounting to 17,174,454 shares at the date of this Annual Report). The authority (if granted) will expire on the date of the next Annual General Meeting or after a period of 15 months from the date of passing of the resolution, whichever is earlier. This means in effect that the authority will have to be renewed at the next Annual General Meeting or earlier if the authority has been exhausted.

Resolution 13 – General Meetings

Special Resolution 13 seeks shareholder approval for the Company to hold General Meetings (other than the AGM) on 14 clear days' notice, which is the minimum notice period permitted by the Companies Act 2006. This is a routine resolution necessitated by the EU Shareholder Rights Directive, which has been transcribed into UK law.

The Company will only use this shorter notice period where it is merited by the purpose of the meeting and will endeavour to give at least 14 working days' notice if possible.

Recommendation

The Board considers that the resolutions relating to the above items are in the best interests of shareholders as a whole. Accordingly, the Board unanimously recommends to shareholders that they vote in favour of the above resolutions, as the Directors intend to do in respect of their own beneficial holdings totalling 68,900 shares.