WORSLEY INVESTORS LIMITED

Annual Report and Consolidated Financial Statements

For the year ended 31 March 2023

Contents

Performance Summary

	31 March 2023	31 March 2022	**% change**
Net Asset Value ("NAV") per share	**43.92p**	39.91p	**10.05%**
Share price[1]	**28.00p**	27.70p	**1.08%**
Share price discount to NAV	**36.25%**	30.59%	

	year ended 31 March 2023	**year ended 31 March 2022**
Earnings/(loss) per share[2]	**3.06p**	**-1.50p**
NAV Total Return[3]	**10.05%**	**-3.95%**
Share price Total Return[4]		
- Worsley Investors Limited	**1.08%**	**-1.07%**
- FTSE All Share Index	**2.92%**	**13.03%**
- FTSE Real Estate Investment Trust Index	**-31.01%**	**22.54%**

Worsley Associates LLP ("Worsley Associates") was appointed on 31 May 2019 as Investment Advisor (the "Investment Advisor") to Worsley Investors Limited (the "Company"). The Company's Investment Objective and Policy are set out on pages 59 and 60.

Past performance is not a guide to future performance.

[1] Mid-market share price (source: Shore Capital and Corporate Limited).
[2] Earnings/(loss) per share based on the net profit for the year of £1.031 million (31 March 2022: net loss of £0.505 million) and the weighted average number of Ordinary Shares in issue during the year of 33,740,929 (31 March 2022: 33,740,929).
[3] On a *pro forma* basis which includes adjustments to add back any prior NAV reductions from share redemptions. NAV Total Return is a measure showing how the NAV per share has performed over a period of time, taking into account both capital returns and any dividends paid to shareholders.
[4] A measure showing how the share price has performed over a period of time, taking into account both capital returns and any dividends paid to shareholders.

Source: Worsley Associates LLP and Shore Capital and Corporate Limited.

Chairman's Statement

The Company overall had a worthwhile year and built on the performance of the first half to generate a positive NAV net return of +10.0% for the year as a whole. Within that, the total annualised return on the capital invested over the period in our equity portfolio was an excellent+31.1%. Both of these compare very favourably to the wider market returns on UK equities and real estate investment companies and particularly on smaller company equities, which significantly underperformed larger company shares over both the second half and the full year. Over the year to 31 March 2023, the total return on the FTSE All Share Index was +2.9%; on the FTSE Small Capitalisation Index, -9.0% and on the FTSE Real Estate Investment Trust Index, -31.0%. As I reminded shareholders in my statement with the half-year results, our portfolio is invested to achieve absolute returns and not to track or outperform a particular index but equally performance cannot be completely divorced from the market context. Against that context, of rising interest rates and of an equity market in the process of revising its expectations in that regard in the upward direction, our net results were especially commendable. The Investment Advisor sets out on pages 5 to 8 its updates on our various equity investments and in respect of those I have nothing to add here.

The one investment which I shall single out is the Curno cinema which is let under a long lease with 12 years unexpired to a subsidiary of UCI, one of the largest global cinema operators. The lease benefits from an annual upwards-only indexation to Italian CPI and consequently rental income for 2023 is 11.3% higher than that for 2022 and is now €1.057 million. In valuing the cinema for the purposes of these financial statements, the independent valuer has felt it appropriate to increase further the implied yield, the corollary of which is a further reduction in the local currency value of the property to the extent of €800,000. The prospective income yield on the 2023 passing rental is now 13.7% on the basis set out above. We are pleased to note the Italian cinema sector's strong recovery in box office takings which is being mirrored at Curno. It is likely to take several quarters of improved Italian cinema trading and improved visibility on the trajectory for interest rates in order for real estate investor interest to return to the extent necessary to allow a sale at an acceptable level and so, in the meantime, we shall continue to enjoy the exceptional cashflow yield. As at the year end, the percentage of NAV represented by the cinema fell further to 45.7% from 54.4% a year earlier as the arithmetical consequence of both the reduced valuation appraisal and the continued compounding of positive returns on our equity portfolio. The effect of currency movements was negligible over the second half and, over the full year, the pound sterling weakened against the Euro by around 3.6%. As we do not hedge the pound sterling/Euro cross rate, it retains the capacity to influence overall returns, although that influence will decline over time, all other things being equal, and if, as we expect, our equity returns continue to compound at a faster rate than other factors.

I am pleased to note that our share price rose by 20.7% in the second half on a mid-price basis, recovering the decline of the first half and resulting in a net increase of 1.1% over the full year. Nevertheless, over the full year the share price still lagged our strong NAV performance and so the discount of market price to NAV widened over the year from 30.6% to 36.2%, albeit that is an improvement on the 42.3% pertaining at the half-way stage and does indicate that the share price has latterly begun to catch up on the NAV per share. In the meantime, we continue to believe that the Company's shares represent compelling value, especially given the prospective returns on our assets.

Outlook

Inflation and interest rates will be key to market returns and the performance of the wider economy over the coming years. While those components of inflation related to many of the commodities directly affected by the Ukrainian war have either plateaued or have begun to decline as was to be expected, others such as retail food prices remain elevated for now as the effects of the primary commodity and energy prices are taking time to work through the supply chains. This, of course, has led to other sources of contribution to inflation, such as increasing demands for compensatory wage and salary increases, and, as homeowners will need to refinance mortgages at much higher interest rates than those of a few years ago, rises in bank rate themselves become in the short-term contributors to the very consumer price inflation which they are intended in the longer term to combat. In this latter regard, there is significant tightening already in the system, so to speak, even if Bank of England base interest rates were to remain flat for a period. We have always expected that Bank of England rates would reach a level higher than they currently are and it seems that the wider market is also now of that view. Whether its expectations or those of the Bank of England's Monetary Policy Committee overshoot, as has often been the case in past market cycles, remains to be seen but until the market can begin to anticipate that process is over, it is difficult to see wider UK market indices making strong progress. That all of this is happening in parallel with the electoral cycle is a further source of uncertainty.

Chairman's Statement (continued)

Outlook, continued

I note in passing that bond yields are in general similar to the levels which destabilised the Truss administration when the Bank of England was forced to intervene in markets with liquidity on a massive scale to ensure stability. This is a powerful illustration that in markets it is often not the absolute level but the rate of change that has the greatest effect. It remains the case that the prospect of rising taxes, lower growth and squeezed living standards will inevitably restrain general market performance for the UK smaller company sector which tends to have a greater domestic exposure than, for example, the FTSE100.

However, we should again remind ourselves that we do not invest in market averages but rather in specific companies and so we remain confident that, whether general indices struggle or not, the scope for positively-differentiated performance by Worsley Investors Limited remains. With Curno, we are fortunate to enjoy a very strong cash flow and have no debt to service and consequently no covenants with which to adhere. A prospective income yield approaching 13.7% from a good security with a long lease and continuing upward-only inflation protection should provide a return in excess of general market levels until such time as confidence returns to local potential purchasers who value the secure cash flow as we do.

The sustained operational performance of our investee companies and the compounding of their share price returns, together with the strong cash flow from Curno, continues to validate the Worsley strategy and therefore our confidence for future prospects. The Company's share price performance has begun to close the gap on its NAV, albeit the discount to NAV remains wider than we should wish, and represents, we believe, a compelling value proposition.

Once again, and on behalf of the Board, I would like to thank our Investment Advisor, Worsley Associates LLP, for the steady progress they have made in developing our portfolio and to thank you, our shareholders, for your continuing support.

W. Scott
Chairman
4 July 2023

Investment Advisor's Report

Investment Advisor
The Investment Advisor, Worsley Associates LLP, is regulated by the FCA and is authorised to provide investment management and advisory services.

In the year under review, the equities portfolio became fully invested, and the Investment Advisor has concentrated on its advancement and oversight of the Curno cinema, the trading of which was significantly impacted by the very limited 2022 slate of new feature releases, itself a delayed effect from the severe interruptions which the COVID-19 pandemic had previously caused to worldwide movie production.

Curno Cinema Complex
The Group's Italian multiplex cinema complex, located in Curno, on the outskirts of Bergamo, is let in its entirety to UCI Italia S.p.A. ("UCI").

The cinema lease documentation remains as amended in June 2020.

The key rental terms of the lease, which has a final termination date of 31 December 2042, are:

Base Rent
1 January 2023 to 31 December 2023 - €1,057,094 per annum.

Base rental is indexed annually to 100% of the Italian ISTAT Consumer Index on an upwards-only basis. In the five months to 31 May 2023 the index has remained broadly flat.

Variable Rent
Incremental rent is payable at the rate of €1.50 per ticket sold above a minimum threshold of 350,000 tickets per year up to 450,000 tickets per year, rising in 50,000 ticket stages above this level up to €2.50 per extra ticket.

Tenant Guarantee
The lease benefits from a rental guarantee of an initial €13 million, reducing over 15 years to €4.5 million, given by a U.K. domiciled European holding company for the UCI group, United Cinemas International Acquisitions Limited, which has latest published shareholders' funds of £308.8 million.

Tenant break option
UCI has the right to terminate the lease on 30 June 2035.

Trading
The cinema was open throughout the period. From 1 May 2022 COVID-19 passes, which impacted demand, were no longer mandatory, and from 15 June 2022 the wearing of masks ceased to be obligatory.

The film slate in the third fiscal quarter was much more robust than it had been in the first half and, following the release of the Avatar sequel, Curno ticket sales in the last 15 days of December and first week or so of January reached 2019 levels. Over the remainder of the fourth quarter the industry saw weaker trading owing to a paucity of big movie releases. Nonetheless, ticket sales at the cinema for the March 2023 quarter were some 48% higher than the corresponding quarter in 2022.

Since the last week of March there has been a dramatic improvement in Italian cinema ticket sales as the movie slate moved into a four month period during which one 'blockbuster' movie after another is being released. This improvement has been augmented post COVID-19 by the restored ability to sell food and beverages, and, in consequence, substantial increases in Curno's total revenue per customer have been achieved.

Rentals remained current throughout the period.

Valuation
As at 31 March 2023, the Group's independent asset valuer, Knight Frank LLP, fair valued the Curno cinema at €7.7 million (30 September 2022: €8.5 million), and this figure has been adopted in these Financial Statements.

Since the June 2020 lease amendment, the Board's expectation has been that the valuation of the Curno cinema would increase once the enhanced rental began to be generated by the property from 1 March 2021 onwards. The current rental is some 27% higher than the pre amendment level.

Investment Advisor's Report (continued)

Curno Cinema Complex (continued)

Valuation (continued)

Notwithstanding the 11.3% increase in the level of rental from 1 January 2023, the valuer during the second half determined that the yield at which it capitalised the rental stream would increase from 10.77% to 12.97%, and those two variations together have had the *net* effect of reducing the valuation by some 9.4%. This particularly cautious approach reflects a continuation of increases in European rental yields in reaction to the Ukrainian conflict, as noted in the Interim Report, allied to a dearth of debt finance being available to finance Italian property acquisitions: the result being that investors are seeking even higher purchase yields.

Although the cinema since June 2022 has been fully free from all *direct* COVID-19 constraints, *film industry* production interruptions enforced by restrictions *during* the COVID-19 pandemic severely constrained the number of titles available for release throughout almost the entirety of calendar 2022. Consequent concerns regarding Italian cinema trading only served to increase the reluctance of potential investors to progress interest.

There are expected to be 35% more movie titles released worldwide in calendar 2023. Given the very strong upswing in Italian box office takings seen since the beginning of April, conditions are now much more conducive to a return of investor appetite once the improvement in trading conditions is more widely appreciated and become recognised as sustainable. The Group will retain the Curno cinema until a disposal can be effected at a price which the board believes properly reflects its medium term prospects.

Equity Investment Strategy
The Investment Advisor's strategy allies the taking of holdings in British quoted securities priced at a deep discount to their intrinsic value, as determined by a comprehensive and robust research process. Most of these companies will have smaller to mid-sized equity market capitalisations, which will in general not exceed £600 million. It is intended to secure influential positions in such British quoted securities, with the employment of activism as necessary to drive highly favourable outcomes.

The U.K. stock market started the first six weeks of 2023 strongly, on a view that the worst was behind it. Investors formed the view that, both in the U.K. and the US, the interest rate peak was in sight and the London market powered forward, reaching an all-time high on 15 February, with the FTSE100 closing above 8,000 for the first time ever the next day, reflecting a bullish view of the British economy.

In the period since, US political and monetary policy developments have replaced the prospects for the U.K. economy as the largest influence on the British market, fuelled by the persistence of inflation, and its likely impact.

At the beginning of March, the US Federal Reserve chair warned that the likely rate peak could well be higher than markets were expecting. This set off an abrupt slide in equities, exacerbated a few days later after liquidity issues surfaced at the US tech-focused bank, SVB Financial, which in turn stoked worries about runs on other smaller US banks, and by 16 March the British market had fallen to its low point for calendar 2023.

In the following weeks banking concerns eased with a merger of UBS with Credit Suisse, European regulators making encouraging pronouncements about banks in the region and US authorities moving to guarantee SVB depositors in full. With news flow also pointing to an easing of US inflation and a strengthening U.K. economy, the London market on 21 April reached its high for the June quarter.

From then sentiment went firmly into reverse, after the failure of First Republic Bank in the US and fears about an impasse in political negotiations on the US debt ceiling, and the British market closed May down 4% over the month.

June started with Congress approval of a deal on the debt ceiling, sparking a sharp upturn in London equities. However, the recovery ran out of steam on confirmation of a recession in Europe and after the US Fed at its 14 June monetary meeting surprised investors with a suggestion that two further rises could be in the pipeline over the rest of the year. Meanwhile, in the U.K., the announcement in early June of greater than expected wages inflation has convinced investors that the Bank of England will need to tighten monetary conditions further, driving UK gilt yields higher

The current prognosis is for rates in the U.K. and US to continue to be raised to a peak of *at least* 5.5%, and after a choppy passage the U.K. stock market is down a *net* 1.8% in the June quarter to date. Within the Company's target universe of British smaller companies, since the end of April share prices in general have not suffered the reversals of fortune of the market as a whole, and so far in the June quarter the small cap market is up 2.0%.

Investment Advisor's Report (continued)

Equity Investment Strategy (continued)
The Company's portfolio was, in effect, fully invested by the end of the reporting period. This includes a previously undisclosed holding of some 1.7% of Net Assets in **J. Smart & Co. (Contractors) PLC** ('SMJ'). SMJ is a Scottish company, whose shares are listed on the London Stock Exchange's Main Market. It has a market capitalisation of £66.5 million and operates two divisions. The larger of these comprises a portfolio of commercial and industrial Scottish property. The parent company is also a long-established, high quality Central Scottish building and civil engineering contractor. The shares at 165p sell at a substantial discount to their stated NAV/share as at 31 January of some £3.04.

The largest portfolio position continues to be the shareholding of just over 4% in **Smiths News plc**, England's major distributor of newspapers and magazines. In early May, Smiths News published its 2023 interim results, which disclosed increased profitability, with sales growing owing to good newspaper cover price increases and continued cost efficiencies, and debt levels broadly maintained. As a result of this robust operating performance, the shares have performed strongly over the past year, although they remain substantially undervalued, in main because of the company's unduly restrictive banking facilities, which significantly constrain shareholder distributions.

In the Interim Report we noted that there was scope for **Amedeo Air Four Plus Limited** ('AA4'), once the trading of Thai Air (one of its two lessees) had normalised, to implement a £15 million capital return and to increase further the level of annual dividend. In February, AA4 duly announced a £28 million partial compulsory redemption of its shares and an increase in the annual dividend to seven pence per share. Apart from the reduction resulting from that redemption, the holding is unchanged. The shares have performed extremely well in the last six months, but the price is yet to reflect the considerable equity value inherent in the group's four A350-900 aircraft leased to Thai Air.

The **Northamber plc** holding was increased significantly in the second half, after the shares had weakened on the company posting a loss for the 2022 year. We took advantage of stock becoming available in **Daniel Thwaites PLC** and **Shepherd Neame Limited**, the shares in which are both very thinly traded, to substantially increase our positions. Preliminary (less than 2% of Net Assets) holdings are also held in nine other companies. During the second half we exited one position, crystallising a substantial percentage gain over its cost. Two new positions were initiated.

As at 28 June 2023 the Company's portfolio, which had a total cost of £5.00 million and a combined market value of some £7.96 million, comprised 15 stocks. The surplus on the portfolio was just under 60% of cost, and the annualised return on capital invested since the current strategy was adopted remains very acceptable at slightly less than 35%.

Results for the period
Cash revenue from Curno for the year to 31 March 2023 was €976,600 (£842,000) (31 March 2022: €923,700 (£790,000)), both periods reflecting a full 12 months' income. No ticket overage revenue was earned. Other income of £52,000 in the year represents the reversal of a German legacy provision inherited when the current board assumed control.

General and administrative expenses (including transaction charges) of £528,000 (31 March 2022: £530,000) were in line with expectations. Although the total was almost unchanged overall from the previous year, as noted in the Interim Report administration expenses at the Italian subsidiary, Multiplex 1 S.r.l. ('Multiplex'), were significantly lower in the first half. For the full year Group general expenses were materially higher than in 2022, the largest variance being because of abnormal registry costs as previously reported, but the previous year's figure had also been flattered by the reversal of a £6,000 over accrual for fees. AUM-based costs in the second half were at similar levels to those in the corresponding period of 2022.

Transaction charges incurred on equity acquisitions were £7,000 (31 March 2022: £4,000). This reflected a rather higher level of portfolio turnover than in the previous year.

In the upcoming year the Group's ongoing operating costs are expected to be somewhat higher than the 2023 level, principally because of higher AUM-based costs resulting from increased Net Assets. Prior to the ultimate sale of Curno there continues to be little scope for significant reduction in the overall cost base.

The equities portfolio had a very strong third quarter but was only marginally ahead in the fourth, culminating for the year as a whole in a good (£0.941 million) net investment mark-to-market gain (31 March 2022: £0.161 million *reduction*). Investment Income for the year, almost entirely dividends, was £559,000 and net investment gains *realised* added £264,000. As a result, the total annualised return on capital invested in the portfolio over the year came out at 31.1%.

Taxation is payable on an ongoing basis on Italian income and in Luxembourg. For the year, an operating tax charge of £90,000 (31 March 2022: £51,000) was incurred. In addition, net VAT, predominantly in Luxembourg, of some £5,000 was paid. In the previous year the Group had benefited from a one-off tax credit at Multiplex.

Investment Advisor's Report (continued)

Results for the period (continued)

In the current year, the inflation linked increase in the Curno rental will be offset by a return to a much more normal tax rate at Multiplex and higher AUM-based fees, with the result that *operating* cash flow (that is prior to allowance for equity income and net purchases) is expected to remain modestly positive.

Financial Position

Net Assets at 31 March 2023 were £14.819 million, which compares with the £13.577 million contained in the 30 September 2022 Interim Report. The advance arose almost entirely from the profit in the second half of £1.239 million, after a £692,000 (€800,000) reduction in the Euro valuation of the Curno property.

The Group's liquidity reduced slightly in the period, reflecting the portfolio becoming substantially fully invested, with £541,000 in cash held at 31 March 2023 and no debt. However, given the ample secondary liquidity of the equity portfolio and positive ongoing cash flows, the Group's financial position remains robust.

In due course, the sale of the Curno cinema will provide considerable additional resources for equity investment.

Euro

As at 31 March 2023, some 47% of Total Assets were denominated in Euros, of which the Curno property was some 44% of Total Assets, down from 55% as at 31 March 2022. The pound sterling Euro cross rate moved some 4% during the period from 1.187 as at 31 March 2022 to 1.137 as at 31 March 2023. This cross rate will remain a potentially significant influence on the level of Group Net Assets until Curno's disposal.

Outlook

After six months of this year U.K. stock market prices, whilst volatile, stand at close to their opening level, a reflection of the continued uncertainties regarding the path of the U.K. economy and interest rates.

This is in line with the view expressed in the Interim Report that the full, sustained, impact of normalised interest rates on overall demand in the economy was yet to be seen. Added to the impact of increasingly persistent wage inflation, the immediate prospects for U.K. company earnings are rather subdued.

Calendar 2022 having borne the delayed effect of COVID-19, there are expected to be 35% more films released worldwide in 2023, and, equally significant, a heavy schedule of major titles. This has directly led to movie goers making a strong reappearance in Italian cinemas.

Against that, there is a paucity of Italian medium term debt finance available, which continues to weigh on investor demand, and a disposal of our Curno cinema is not seen as in prospect for the remainder of 2023. Nevertheless, the asset remains an excellent generator of inflation protected cash flow for the Group.

We have previously emphasised that the Worsley investment strategy is relatively insensitive to the shorter term economic outlook, being directed at the medium-term prospects of individual companies.

Notwithstanding the final published earnings figures for British companies in the period generally being in line with negative trading updates they had previously announced, a proliferation of smaller stocks have seen their prices fall sharply.

In the vast majority of cases such drops reflect significant deterioration in underlying prospects, but by the same token the prices of a number of well-established companies are often so affected, thus providing a ready supply of potential candidates for future investment.

The Worsley equity portfolio is prudently constructed, and notwithstanding the economic uncertainty, which appears set to continue for at least the remainder of 2023, the Company remains well positioned to deliver attractive future returns.

Worsley Associates LLP

28 June 2023

Board of Directors

William Scott (Chairman), a Guernsey resident, was appointed to the board of the Company as an independent Director on 28 March 2019. Mr Scott also currently serves as an independent non-executive director of a number of investment companies and funds, of which Axiom European Financial Debt Fund Limited and RTW Venture Fund Limited are listed on the Premium Segment of the LSE. He is also a director of The Flight and Partners Recovery Fund Limited and a number of funds sponsored by Man and Abrdn (formerly Standard Life Aberdeen). From 2003 to 2004, Mr Scott worked as senior vice president with FRM Investment Management Limited, which is now part of Man Group plc. Previously, Mr Scott was a director at Rea Brothers (which became part of the Close Brothers group in 1999) from 1989 to 2002 and assistant investment manager with the London Residuary Body Superannuation Scheme from 1987 to 1989. Mr Scott graduated from the University of Edinburgh in 1982 and is a chartered accountant having qualified with Arthur Young (now Ernst & Young LLP) in 1987. Mr Scott also holds the Securities Institute Diploma and is a chartered fellow of the Chartered Institute for Securities & Investment. He is also a chartered wealth manager. Mr. Scott is a member of the Audit, Risk and Management Engagement Committees.

Robert Burke, a resident of Ireland, was appointed to the board of the Company as an independent Director on 28 March 2019. He also serves as an independent non-executive director of a number of investment companies and investment management companies which are domiciled in Ireland as well as a number of companies engaged in retail activities, aircraft leasing, pharmaceuticals, corporate service provision and group treasury activities. He is a graduate of University College Dublin with degrees of Bachelor of Civil Law (1968) and Master of Laws (1970). He was called to the Irish Bar in 1969 and later undertook training for Chartered Accountancy with Price Waterhouse (now PricewaterhouseCoopers) in London, passing the final examination in 1973. He later was admitted as a Solicitor of the Irish Courts and was a tax partner in the practice of McCann FitzGerald in Dublin from 1981 to 2005, at which point he retired from the partnership to concentrate on directorship roles in which he was involved. He is a member of the Irish Tax Institute. Mr. Burke is a member of the Audit, Risk and Management Engagement Committees.

Blake Nixon was one of the pioneers of activism in the UK and has wide corporate experience in the UK and overseas. Following three years at Jordan Sandman Smythe (now part of Goldman Sachs), a New Zealand stockbroker, Mr Nixon emigrated to Australia, where he spent three years as an investment analyst at Industrial Equity Limited ("IEL"), then Australia's fourth largest listed company. In 1989 he transferred to IEL's UK operation and early in 1990 led the takeover of failing LSE listed financial conglomerate, Guinness Peat Group plc ("GPG"). The group was then relaunched as an investment company, applying an owner orientated approach to listed investee companies. Mr Nixon was UK Executive Director, responsible for GPG's UK operations and corporate function, for the following 20 years, finally retiring as a non-executive director in December 2015. He is a founding partner of Worsley Associates LLP, an activist fund manager, and has served as a non-executive director of a number of other UK listed companies, as well as numerous unlisted companies. He is a British resident and was appointed to the Board on 23 January 2019. Mr. Nixon is a member of the Risk Committee and attends Audit and Management Engagement Committee meetings by invitation.

Report of Directors

The Directors of the Company present their Annual Report together with the Group's Audited Consolidated Financial Statements (the "Financial Statements") for the year ended 31 March 2023. The Directors' Report together with the Financial Statements give a true and fair view of the financial position of the Group. They have been prepared properly, in conformity with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and are in accordance with any relevant enactment for the time being in force; and are in agreement with the accounting records.

Principal Activity and Status
The Company is an Authorised closed-ended investment company domiciled in Guernsey, registered under the provision of the Companies (Guernsey) Law, 2008 and has a premium listing on the Official List and trades on the Main Market of the London Stock Exchange. Trading in the Company's ordinary shares commenced on 18 April 2005. The Company and the entities listed in note 2(f) to the Financial Statements together comprise the "Group".

Investment Objective and Investment Policy.
The investment objective and investment policy of the Company are described in greater detail on pages 59 and 60.

Going Concern
These Financial Statements have been prepared on a going concern basis. The Directors, at the time of approving the Financial Statements, have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these Financial Statements. The Group maintains a significant cash balance and an extensive portfolio of realisable securities, and the property lease generates sufficient cash flows to pay on-going expenses and other obligations. The Directors have considered the cash position and performance of the current capital invested by the Group, the potential impact on markets and supply chains of geo-political risks such as the current crisis in Ukraine and continuing macro-economic factors and inflation and concluded that it is appropriate to adopt the going concern basis in the preparation of these Consolidated Financial Statements.

Going concern is assessed over the period until 12 months from the approval of these Consolidated Financial Statements. Owing to the fact that the Group currently has no borrowing, has a significant cash holding and that the Company's equity investments predominantly comprise readily realisable securities, the Board considers there to be no material uncertainty. Matters relating to the going concern status of the Group are also discussed in the long-term viability statement below.

Viability Statement
The Board has evaluated the long-term prospects of the Group, beyond the 12 month time horizon assumption within the going concern framework. The Directors have conducted a review of the viability of the Company taking account of the predictability of the key factors which influence the Group's operations, its current position and the potential impact of risks likely to threaten the Company's business model, future performance, solvency or liquidity. For the purposes of this statement the Board has adopted a three year viability period owing to this being the maximum period over which the Board considers variances can reasonably be forecast and estimated. Anything beyond that cannot be stated with reasonable confidence.

The Directors consider that a 100% fall in the value in the Company's equity portfolio or a complete default on the lease rental obligations from the Group's investment property would not have a fundamental impact on the Company's ability to continue in operation over the next three years. In reaching this conclusion, the Directors considered the Company's expenditure projections, the fact that the Group currently has no borrowing, has a significant cash holding, the contribution derived from the investment property provides sufficient liquidity with which to meet its cash flow requirements and that the Company's equity investments predominantly comprise readily realisable securities, which *in extremis* could be expected to be sold to meet funding requirements if necessary, assuming usual market liquidity.

The Directors in forming this view also considered the long operational history and track record of the Group's investment property, Curno.

In addition, the Board has assumed that the regulatory and fiscal regimes under which the Group operates will continue in broadly the same form during the viability period. The Board consults with its broker and legal advisers to the extent required to understand issues impacting on the Company's regulatory and fiscal environment. The Administrator also monitors changes to regulations and advises the Board as necessary.

Report of Directors (continued)

Viability Statement (continued)
Based on the Company's processes for monitoring operating costs, internal controls, the Investment Advisor's performance in relation to the investment objective, the portfolio risk profile and liquidity risk, the Board has concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period.

Results and Dividends
These Financial Statements are made up for the year ended 31 March 2023.

The results for the year are set out in the Consolidated Statement of Comprehensive Income on page 33.

No dividend payments were paid in the year (31 March 2022: none).

Directors and their interests
The Directors who served during the year and up to the date of this report and their interests in the shares of the Company (all of which are beneficial) were:

	31 March 2023		**31 March 2022**	
W. Scott (Chairman)	678,811	2.01%	400,000	1.19%
B. A. Nixon	10,083,126	29.88%	10,083,126	29.88%
R. H. Burke	nil	nil	nil	nil

At the date of this report, Mr Nixon holds 10,083,126 shares, being an interest of 29.88% in the shares of the Company and Mr Scott holds 678,811 shares, being an interest of 2.01% in the shares of the Company.

No other Director has a beneficial interest in the Company or any of the Group entities.

Mr Nixon, a Director of the Company, is also Founding Partner of the Investment Advisor.

The Directors' biographies are disclosed on page 9.

Management
The Company is a self-managed AIF under the AIFM Directive and, as such, the Board performs certain management functions, which include oversight of the Company's investment strategy, and any necessary risk management and portfolio management functions.

With effect from 31 May 2019 the Board appointed Worsley Associates LLP as its Investment Advisor to oversee on a day-to-day basis the assets of the Company. A summary of the financial terms of the contract between the Company and the Investment Advisor in respect of the advisory services provided is given in note 3 to the Financial Statements on page 44.

In connection with this, the Investment Advisor undertakes certain of the support functions in respect of the routine management of the Company's investment portfolio, corporate structure and affairs and advises the Company in relation to its investments and other ongoing services. The discretionary portfolio management of substantially all of the Group's assets (including uninvested cash), however, remains with the Board to be dealt with in accordance with the Investment Objective and Investment Policy.

Listing Requirements
Throughout the year the Company's shares were admitted to the Official List of the London Stock Exchange maintained by the Financial Conduct Authority ("FCA") and it has complied with the Listing Rules.

Report of Directors (continued)

Investee Engagement
The nature of the Company's investments is such that it often seeks to acquire substantial shareholdings which provide a direct route via which to influence investee companies. The Company's focus is on investees' medium-term financial performance, and, if necessary, it will press them to adopt governance practices which ensure that they are properly accountable to their shareholders for the delivery of sustainable shareholder value. This active involvement is outside the scope of many traditional institutional shareholders. In matters which may affect the success of the Company's investments the Board and the Investment Advisor work together to ensure that all relevant factors are carefully considered and reflected in investment decisions.

In carrying out its investment activities the Company aims to conduct itself responsibly, ethically and fairly.

International Tax Reporting
For purposes of the US Foreign Accounts Tax Compliance Act, the Company is registered with the US Internal Revenue Service ("IRS") as a Guernsey reporting Foreign Financial Institution ("FFI"), has received a Global Intermediary Identification Number (G0W47U.99999.SL.831), and can be found on the IRS FFI list.

The Common Reporting Standard ("CRS"), which came into effect on 1 January 2016, is a global standard for the automatic exchange of financial account information, developed by the Organisation for Economic Co-operation and Development ("OECD"), and has been adopted by Guernsey. The Board has taken the necessary action to ensure that the Company is compliant with Guernsey regulations and guidance in this regard.

Significant Shareholdings
As at 1 June 2023, shareholders with 3% or more of the voting rights are as follows:

	Shares held	**% of issued share capital**
B.A. Nixon	10,083,126	29.88%
The Bank of New York (Nominees) Limited	3,367,892	9.98%
Transact Nominees Limited	3,350,919	9.93%
Chase Nominees Limited	2,522,420	7.48%
State Street Nominees Limited	2,075,804	6.15%
BBHISL Nominees Limited	1,800,000	5.33%
Lion Nominees Limited	1,509,364	4.47%
Platform Securities Nominees Limited	1,162,707	3.44%

Guernsey Financial Services Commission Code of Corporate Governance
The Board of Directors confirms that, throughout the year covered by the Financial Statements, the Company complied with the Code of Corporate Governance issued by the Guernsey Financial Services Commission, to the extent it was applicable based upon its legal and operating structure and its nature, scale and complexity.

Anti-Bribery and Corruption
The Company adheres to the requirements of the Prevention of Corruption (Bailiwick of Guernsey) Law, 2003. In consideration of the UK Bribery Act 2010, the Board abhors bribery and corruption of any form and expects all the Company's business activities, whether undertaken directly by the Directors themselves or by third parties on the Company's behalf, to be transparent, ethical and beyond reproach.

Criminal Finances Act
The Directors of the Company have a zero-tolerance commitment to preventing persons associated with it from engaging in criminal facilitation of tax evasion. The Board has satisfied itself in relation to its key service providers that they have reasonable provisions in place to prevent the criminal facilitation of tax evasion by their own associated persons and will not work with service providers who do not demonstrate the same zero-tolerance commitment to preventing persons associated with them from engaging in criminal facilitation of tax evasion.

Independent Auditor
BDO Limited served as the Company's Independent Auditor throughout the year and has indicated its willingness to continue in office.

Report of Directors (continued)

Annual General Meeting
The next AGM of the Company is scheduled to be held on 13 September 2023.

Directors' Responsibilities
The Directors of the Company are responsible for preparing for each financial year an annual report and the Financial Statements which give a true and fair view of the state of affairs of the Group and of the respective results for the period then ended, in accordance with applicable Guernsey law and Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates which are reasonable and prudent;
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business; and
- state whether or not applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

The Directors are responsible for keeping proper accounting records which are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that its financial statements comply with the Companies (Guernsey) Law, 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements which are free from material misstatement, whether owing to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Disclosure of Information to Auditors
So far as each Director is aware, all relevant information has been disclosed to the Company's Auditor; and each Director has taken all the steps which he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Responsibility Statement
Each of the Directors, whose names and functions are listed on page 9, confirms to the best of that person's knowledge and belief:

- the Financial Statements, prepared in accordance with the IFRS as endorsed by the IASB, give a true and fair view of the assets, liabilities, financial position and profit of the Group, as required by DTR 4.1.12R of the Disclosure and Transparency Rules, and are in compliance with the requirements set out in the Companies (Guernsey) Law, 2008;
- the Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for the shareholders to assess the Group's position, performance, business model and strategy; and
- the Financial Statements including information detailed in the Chairman's Statement, the Report of the Directors, the Investment Advisor's report, the Corporate Governance report and the notes to the Financial Statements, include a fair review of the development and performance of the business and the position of the Group together with a description of the principal risks and uncertainties that it faces, as required by:

  - DTR 4.1.8 and DTR 4.1.9 of the Disclosure and Transparency Rules, being a fair review of the Group's business and a description of the principal risks and uncertainties facing the Group; and

  - DTR 4.1.11 of the Disclosure and Transparency Rules, being an indication of important events which have occurred since the end of the financial period and the likely future development of the Group.

Signed on behalf of the Board by:

W. Scott
Director
4 July 2023

Corporate Governance Report

On 18 December 2019, the Company became a member of the Association of Investment Companies ("AIC") and except as noted herein complies with the 2019 AIC Code of Corporate Governance issued in February 2019 ("the AIC Code"), effective for accounting periods commencing on or after 1 January 2019. By complying with the AIC Code, the Company is deemed to comply with both the UK Corporate Governance Code (July 2018) (the "UK Code") issued by the Financial Reporting Council ("FRC") and the Code of Corporate Governance issued by the Guernsey Financial Services Commission (the "GFSC Code").

The Board considers that reporting against the principles and recommendations of the AIC Code provides appropriate information to shareholders and during the period the Board has reviewed its policies and procedures against the AIC Code.

The GFSC Code provides a governance framework for GFSC licensed entities, authorised and registered collective investment schemes. Companies reporting against the UK Code or the AIC Code are deemed to comply with the GFSC Code. The AIC Code is available on the AIC's website, www.theaic.co.uk.

For the year ended 31 March 2023, the Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code, except for the following provisions relating to:

- the role of the Chief Executive
- Senior Independent Director;
- the need for an internal audit function;
- the whistle blowing policy;
- Remuneration Committee; and
- Nomination Committee

The Board considers these provisions are not relevant given the nature, scale and lack of complexity of the Company and its legal and operating structure as a self-managed investment company. The Company has therefore not reported further in respect of these provisions. Details of compliance are noted in the following pages. The absence of an Internal Audit function is discussed in the Audit Committee Report on pages 21 to 24.

The Directors are non-executive and the Company does not have any employees, hence no Chief Executive, Executive Directors' remuneration nor whistle-blowing policy is required. The Board is satisfied that any relevant issues can be properly considered by the Board. Moreover, the Directors have satisfied themselves that the Company's service providers have appropriate whistle-blowing policies and procedures and have received confirmation from the service providers that nothing has arisen under those policies and procedures which should be brought to the attention of the Board.

Composition, Independence and Role of the Board
The Board currently comprises three non-executive Directors. Both Mr Scott and Mr Burke are considered by the Board to be independent of the Company's Investment Advisor. Mr Nixon is Founding Partner of the Investment Advisor and is therefore not independent.

Whilst Mr Nixon is not an independent director, the presence of two other directors who are independent and non-executive mitigates the risk of Mr Nixon acting against the Company's interest.

Mr Scott was appointed to serve forthwith as Chairman of the Company on 28 March 2019. The Chairman of the Board must be independent for the purposes of Chapter 15 of the Listing Rules. Mr Scott is considered independent because he:

- has no current or historical employment with the Investment Advisor;
- has not provided professional services to the Investment Advisor; and
- has no current directorships in any other investment funds managed by the Investment Advisor.

Notwithstanding the Articles of Association of the Company not specifying any limit to the tenure of any director, although triennial re-election is required, the Board has adopted a policy whereby the directors, including the Chairman, are subject to biennial re-election by shareholders (apart from Mr. Nixon, who is subject to annual re-election) and, subject to there being no change in his or her status in respect of the independence criteria set out above, the Chairman may freely stand for re-election until his or her tenure would in the aggregate exceed nine years. At that point, the Board will consider, in accordance with the AIC Code, whether or not he remains independent and, if so, if it would be appropriate for him to stand for annual re-election bearing in mind the countervailing benefits of board refreshment and continuity.

Corporate Governance Report (continued)

Composition, Independence and Role of the Board (continued)
The Board has overall responsibility for maximising the Company's success by directing and supervising the affairs of the business and meeting the appropriate interests of shareholders and relevant stakeholders, while enhancing the value of the Company and also ensuring protection of investors. A summary of the Board's responsibilities is as follows:

- statutory obligations and public disclosure;
- strategic direction and financial reporting;
- risk assessment and management including reporting compliance, governance, monitoring and control; and
- other matters having a material effect on the Company.

The Board is responsible to shareholders for the overall management of the Company.

The Board needs to ensure that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy. In seeking to achieve this, the Directors have set out the Company's investment objective and policy and have explained how the Board and its delegated Committees operate and how the Directors review the risk environment within which the Company operates and set appropriate risk controls. Furthermore, throughout the Annual Report and Financial Statements the Board has sought to provide further information to enable shareholders better to understand the Company's business and financial performance.

The Board's responsibilities for the Annual Report are set out in the Directors' Responsibility Statement on page 13.

The Board is also responsible for issuing half yearly reports, NAV updates and other price sensitive public reports.

The Board does not consider it appropriate to appoint a Senior Independent Director. The Board believes it has a good balance of skills and experience to ensure it operates effectively. The Chairman is responsible for leadership of the Board and ensuring its effectiveness.

The Board has engaged external businesses to undertake the investment advisory and administrative activities of the Company. Documented contractual arrangements are in place with these businesses and these define the areas where the Board has delegated responsibility to them. The Board has adopted a schedule of matters specifically reserved for its decision-making and distinguished these from matters it has delegated to the Company's key service providers.

The Company holds regular board meetings to discuss general management, structure, finance, corporate governance, marketing, risk management, compliance, asset allocation and gearing, contracts and performance. The quarterly Board meetings are the principal source of regular information for the Board enabling it to determine policy and to monitor performance, compliance and controls which are supplemented by communication and discussions throughout the year.

A representative of each of the Investment Advisor and Administrator attends each Board meeting either in person or by telephone, thus enabling the Board fully to discuss and review the Company's operation and performance. Each Director has direct access to the Investment Advisor and Company Secretary and may at the expense of the Company seek independent professional advice on any matter. The Company maintains appropriate Directors' and Officers' liability insurance.

Conflicts of interest of directors
Directors are required to disclose all actual and potential conflicts of interest as they arise for approval by the Board, who may impose restrictions or refuse to authorise conflicts. The process of consideration and, if appropriate, approval will be conducted only by those Directors with no material interest in the matter being considered. The Board maintains a Conflicts of Interest policy which is reviewed periodically and a Business Interests and Potential Conflicts of Interest register which is reviewed by the Board at each quarterly Board meeting.

Corporate Governance Report (continued)

Re-election of directors
There are provisions in the Company's Articles of Incorporation which require Directors to seek re-election on a periodic basis. There is no limit on length of service, nor is there any upper age restriction on Directors. The Board considers that there is significant benefit to the Company arising from continuity and experience among directors, and accordingly does not intend to introduce restrictions based on age or tenure. It does, however, believe that shareholders should be given the opportunity to review membership of the Board on a regular basis.

The Board believes that, while regular rotation is in keeping with good governance, the unquestionable benefits of ensuring that there is some continuity mean that it is in the best interests of the Company that not all Directors offer themselves for re-election each year. The Company may terminate the appointment of a Director immediately on serving written notice and no compensation is payable upon termination of office as a director of the Company becoming effective.

In accordance with the Company's Articles of Incorporation, at each AGM all Directors who held office at the two previous AGM's and did not retire shall retire from office and shall be available for re-election. Messrs. Burke and Nixon will stand for re-election at this year's AGM. Mr Nixon as Founding Partner and a Designated Member of Worsley Associates LLP stands annually. Further details regarding the experience of each of the Directors are set out on page 9.

Board Diversity
The Company is Premium Listed on the Main Market of the London Stock Exchange and consequently subject to changes to the Listing Rules promulgated by the FCA in order to promote diversity of characteristics in board and executive membership and which took effect for accounting periods commencing on or after 1 April 2022. The Company has three directors, all of whom are male and none of whom is from a minority ethnic background. As at the Reference Date of 31 March 2023 and throughout the year then ended, the new targets set out at Listing Rule 9.8.6(9) were not met.

Worsley Investors Limited is a very small company with a market capitalisation of approximately £10 million and a net asset value of approximately £15million. It is not a constituent of the FTSE350 Index, nor the FTSE Small Cap Index, and so is out of scope with regard to the Davies Report on "Women on Boards", the Parker review into ethnic diversity and the Hampton-Alexander review on gender balance in FTSE leadership. However, the Board is cognisant of the practices codified in these reports and, as recommended in the Davies Report, the Board has reviewed its composition. The Board's conclusion from this review is that it believes that the current appointments provide an appropriate and broad range of skills and experience, are in the interests of shareholders and, in light of this and the disproportionate effect on the expense ratio for such a small company of appointing additional directors, no plans to appoint further directors are in contemplation.

Board Evaluation and Succession Planning
The Board conducts an annual self-evaluation of its performance and that of the Company's individual Directors, which is led by the Chairman and, as regards the Chairman's performance evaluation, by the other Directors. The annual self-evaluation considers how the Board functions as a whole taking balance of skills, experience and length of service into consideration and also reviews the individual performance of its members.

To facilitate this annual self-evaluation, the Company Secretary circulates a detailed questionnaire to each Director and a separate questionnaire for the evaluation of the Chairman. The questionnaires, once completed, are returned to the Company Secretary who collates responses, prepares a summary and discusses the Board evaluation with the Chairman prior to circulation to the remaining Board members. The performance of the Chairman is evaluated by the other Directors. On occasions, the Board may seek to employ an independent third party to conduct a review of the Board.

The Board considers it has a breadth of experience relevant to the Company, and the Directors believe that any changes to the Board's composition can be managed without undue disruption. An induction programme has been prepared for any future Director appointments and all Directors receive other relevant training as necessary.

Corporate Governance Report (continued)

Board and Committee Meetings

The table below sets out the number of scheduled Board, Audit Committee and Management Engagement Committee meetings held during the year ended 31 March 2023 and, where appropriate, the number of such meetings attended by each Director who held office during the same period.

	Board of Directors		**Audit Committee**		**Risk Committee**		**Management Engagement Committee**	
	Scheduled	Attended	Scheduled	Attended	Scheduled	Attended	Scheduled	Attended
W. Scott (Chairman)	5	5	3	3	3	3	1	1
R. H. Burke	5	4	3	2	3	2	1	1
B. A. Nixon	5	5	3*	3*	3	3	1*	1*

*In attendance by invitation

In normal circumstances the Board intends to meet not less than four times per year on a quarterly basis in addition to such ad hoc meetings as may be necessary.

Audit Committee

The Company has established an Audit Committee with formal duties and responsibilities. The Audit Committee meets formally at least twice a year and each meeting is attended by the independent external auditor and Administrator. The Company's Audit Committee is comprised of Mr Burke and Mr Scott. At the invitation of the Audit Committee, Mr. Nixon may attend meetings of the Committee. The Audit Committee is chaired by Mr Burke. The Company does not maintain an internal audit function, and, given that there are only three Directors, the Chair of the Board is a member of the Committee.

The Audit Committee monitors the performance of the auditor, and also examines the remuneration and engagement of the auditor, as well as its independence and any non-audit services provided by it. A report of the Audit Committee detailing its responsibilities and its key activities is presented on pages 21 to 24.

Risk Committee

The Company has established a Risk Committee with formal duties and responsibilities. The Risk Committee meets formally at least twice a year. The Risk Committee is comprised of the entire Board and is chaired by Mr Scott. The principal function of the Risk Committee is to identify, assess, monitor and, where possible, oversee the management of risks to which the Company's investments are exposed, with regular reporting to the Board. The Directors have appointed the Risk Committee to manage the additional risks faced by the Company as well as the disclosures to be made to investors and the relevant regulators.

The Risk Committee reviews the robustness of the Company's risk management processes, the integrity of the Company's system of internal controls and risk management systems, and the identification and management of risks through the use of the Company's risk matrix. The Risk Committee reviews the principal, emerging, and other risks relevant to the Company.

The Risk Committee reports on the internal controls and risk management systems to the Board of Directors. The Board of Directors is responsible for establishing the system of internal controls relevant to the Company and for reviewing the effectiveness of those systems. The review of internal controls is an on-going process for identifying and evaluating the risks faced by the Company, designed to manage effectively rather than attempt to eliminate business risks, to ensure the Board's ability to achieve the Company's business objectives.

It is the responsibility of the Board to undertake the risk assessment and review of the internal controls in the context of the Company's objectives in relation to business strategy, and the operational, compliance and financial risks facing the Company. These controls are operated in the Company's main service providers: the Investment Advisor and Administrator. The Board receives regular updates and undertakes an annual review of each service provider.

The Company is a closed-ended investment company which has no employees. The Company operates by outsourcing significant elements of its operations to reputable professional companies, which are required to comply with all relevant laws and regulations.

Corporate Governance Report (continued)

Risk Committee (continued)
The Board of Directors considers the arrangements for the provision of Investment Advisor and Administration services to the Company and as part of the annual review the Board considered the quality of the personnel assigned to handle the Company's affairs, the investment process and the results achieved to date.

The Board is satisfied that each service provider has effective controls in place to control the risks associated with the services which they are contracted to provide to the Company and therefore the Board is satisfied with the internal controls of the Company.

Management Engagement Committee
The Company has established a Management Engagement Committee with formal duties and responsibilities. The Management Engagement Committee meets formally at least once a year. The Management Engagement Committee is comprised of Mr Burke and Mr Scott. The principal function of the Management Engagement Committee is to ensure that the Company's investment advisory arrangements are competitive and reasonable for the shareholders, along with the Company's agreements with all other third party service providers (other than the external auditor).

During the period the Management Engagement Committee has reviewed the services provided by the Investment Advisor and other service providers, and recommended that the continuing appointments of the Company's service providers was in the best interests of the Company. The Management Engagement Committee is chaired by Mr Scott.

Nomination Committee
The Board does not have a separate Nomination Committee. The Board as a whole fulfils the function of a Nomination Committee. Any proposal for a new Director will be discussed and approved by the Board, giving full consideration to succession planning and the leadership needs of the Company.

Remuneration Committee
In view of its non-executive nature, the Board considers that it is not appropriate for there to be a separate Remuneration Committee, as anticipated by the AIC Code, because this function is carried out as part of the regular Board business. A Remuneration Report prepared by the Board is contained in the Financial Statements on page 25.

Terms of Reference
All Terms of Reference for Committees are available from the Company's website (www.worsleyinvestors.com).

Internal Controls
The Board is ultimately responsible for establishing and maintaining the Company's system of internal controls and for maintaining and reviewing its effectiveness. The system of internal controls is designed to manage rather than to eliminate the risk of failure to achieve business objectives and by its nature can only provide reasonable and not absolute assurance against misstatement and loss. These controls aim to ensure that assets of the Company are safeguarded, proper accounting records are maintained and the financial information for publication is reliable.

The Board has delegated the day-to-day management of the Company's investment portfolio and the administration, registrar and corporate secretarial functions including the independent calculation of the Company's NAV and the production of the Annual Report and Financial Statements, which are independently audited. Whilst the Board delegates responsibility, it retains accountability for the functions it delegates and is responsible for the systems of internal control.

Formal contractual agreements have been put in place between the Company and providers of these services. On an ongoing basis, board reports are provided at each quarterly board meeting from the Investment Advisor, Administrator and Company Secretary and Registrar; and a representative from the Investment Advisor is asked to attend these meetings.

In accordance with Listing Rule 15.6.2 (2) R the Directors formally appraise the performance and resources of the Investment Advisor on an annual basis. In the opinion of the Directors their continuing appointment of the Investment Advisor on the terms agreed is in the interests of the Company and the shareholders.

The Investment Advisor was appointed on 31 May 2019.

The Board has reviewed the need for an internal audit function and owing to the size of the Company and the delegation of day-to-day operations to regulated service providers, an internal audit function is not considered necessary. The Directors will continue to monitor the systems of internal controls in place in order to provide assurance that they operate as intended.

Corporate Governance Report (continued)

Principal Risks and Uncertainties
In respect of the Company's system of internal controls and its effectiveness, the Directors:

- are satisfied that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity; and
- have reviewed the effectiveness of the risk management and internal control systems including material financial, operational and compliance controls (including those relating to the financial reporting process) and no significant failings or weaknesses were identified.

The principal risks and uncertainties which have been identified have remained unchanged in both the nature and the level of risk during the year and the steps which are taken by the Board to mitigate them are as follows:

Investment Risks
The Company is exposed to the risk that its investment portfolio and the remaining investment property fail to perform in line with the Company's objectives. The Company is exposed to the risk that markets move adversely. The Board reviews reports from the Investment Advisor at each quarterly Board meeting and at other times when expedient, paying particular attention to the diversification of the portfolio and to the performance and volatility of underlying investments. If any risks are identified the Board will ensure that any remediation required is actioned on a timely basis.

Operational Risks
The Company is exposed to the risk arising from any failures of systems and controls in the operations of the Investment Advisor, Administrator and the Corporate Broker. The Board and its Committees regularly review reports from the Investment Advisor and the Administrator on their internal controls. If any risks are identified the Board will ensure that any remediation required is actioned on a timely basis.

Accounting, Legal and Regulatory Risks
The Company is exposed to the risk that it may fail to maintain accurate accounting records, fail to comply with requirements of its Prospectus or fail to adapt its processes to changes in law or regulations. The accounting records prepared by the relevant service providers are reviewed by the Investment Advisor. The Administrator, Corporate Broker and Investment Advisor provide regular updates to the Board on compliance with the Prospectus and any changes in regulation.

Financial Risks
The financial risks, including market, credit, liquidity and interest rate risk faced by the Company are set out in note 14 of the Financial Statements on pages 51 to 54. These risks and the controls in place to reduce the risks are reviewed at the quarterly Board meetings.

Foreign Exchange Risk
The Company is exposed to currency risk given that the assets of its subsidiaries are predominantly denominated in Euro but the presentation currency of the Company is pounds sterling. The Investment Advisor reports at least quarterly to the Board on the strategy for managing this risk. Although the Company has the ability to hedge this risk, it has not to date chosen to do so and has no plans to make such arrangements.

Emerging Risks
The Board is alert to the identification of any new or emerging risks through the ongoing monitoring of the Company's investment portfolio and by conducting regular reviews of the Company's risk assessment matrix. Should an emerging risk be identified the risk assessment matrix is updated and appropriate mitigating measures and controls will be agreed.

Non-Audit Services Policy
The Company has implemented a policy in relation to the engagement of the external auditor, BDO Limited, to perform non-audit services. As a Market Traded Company ("MTC"), since March 2020, the Company is classified as an EU/UK Public Interest Entity ("PIE") for the purposes of FRCs Ethical Standard. Accordingly, the Audit Committee must consider whether or not the provision of such non-audit services is compatible with the list of permissible services under the FRC's UK Ethical Standards:

The Audit Committee reviews the need for non-audit services, authorises such on a case by case basis, and recommends an appropriate fee for such non-audit services to the Board.

Corporate Governance Report (continued)

Non-Audit Services Policy (continued)
The Board considers the actual, perceived and potential impact upon the independence of the external auditor prior to engaging the external auditor to undertake any non-audit service, as well as confirming that any non-audit services are included on the list of permissible services, as amended from time to time by the FRC.

The Board reserves the right to review the policy periodically and, if required, amend it to ensure that the policy is compliant with all applicable law and regulation and best practice.

Promotion of the success of the Company
The Board acts in a manner which is considered to be:

- in good faith;
- likely to promote the continuing success of the Company; and
- to the benefit of its shareholders as a whole.

Whilst the primary duty of the Directors is owed to the Company, the Board considers as part of its discussions and decision making process the interests of all stakeholders.

The Board is committed to maintaining high standards of corporate governance and accountability.

As an investment company, the Company does not have any employees and conducts its core operations through third party service providers, which apart from the shareholders are the only significant stakeholders. Each provider has an established track record and, through regulatory oversight and control, is required to have in place suitable policies and procedures to ensure it maintains high standards of business conduct, treats customers fairly, and employs corporate governance best practice.

Relations with Shareholders
The Board welcomes shareholders' views and places great importance on communication with its shareholders. The Board receives regular reports on the views of shareholders and the Chairman and other Directors are available to meet shareholders if required. The Investment Advisor meets with major shareholders on a regular basis and reports to the Board on these meetings. Issues of concern can be addressed by any shareholder in writing to the Company at its registered address. The AGM of the Company provides a forum for shareholders to meet and discuss issues with the Directors and Investment Advisor of the Company. In addition, the Company maintains a website (www.worsleyinvestors.com) which contains comprehensive information, including regulatory announcements, share price information, financial reports, investment objectives and strategy and investor contacts.

Relations with other stakeholders.
Specific consideration is given to the continued alignment between the activities of the Company and those which contribute to delivering the Board's strategy, which include the Investment Advisor, the Corporate Broker and the Administrator.

In particular, open and collaborative dialogue is maintained between the Board and the Investment Advisor, a representative of which is required to attend all Board meetings. In addition, each Director has direct access to the Investment Advisor.

The Board receives regular updates from and undertakes an annual review of each service provider.

In its relationship with suppliers, the Company aims to conduct itself responsibly, ethically and fairly.

The Management Engagement Committee (see page 18) is charged by the Board with ensuring that the Company's investment advisory arrangements are competitive and reasonable for the shareholders, along with the Company's agreements with all other third party service providers (other than the external auditor).

The Board respects and welcomes the views of all stakeholders. Any queries or areas of concern regarding the Company's operations can be raised with the Company Secretary.

Signed on behalf of the Board by:

W. Scott
Chairman
4 July 2023

Audit Committee Report

Dear Shareholders,

I am pleased to present the Audit Committee's Report for the year ended 31 March 2023, which covers the following topics:

- Responsibilities of the Audit Committee and its key activities during the period,
- Financial reporting and significant areas of judgement and estimation,
- Independence and effectiveness of the external auditor, and
- Internal control and risk management systems.

The Company remains in a transition period until the Curno investment property is disposed of. The Audit Committee's activities during the year have therefore concentrated on maintaining an appropriate risk and control environment, providing suitable disclosure of progress and residual risks in the Financial Statements, ensuring ongoing engagement from service providers and maintaining sufficient liquid funds to meet expenditure for essential or justified items.

Responsibilities
The Audit Committee reviews and recommends to the Board for approval or otherwise, the Financial Statements of the Company and is the forum through which the independent external auditor reports to the Board of Directors. The independent external auditor and the Audit Committee, if either considers this to be necessary, will meet together without representatives of either the Administrator or Investment Advisor being present.

The responsibilities of the Audit Committee include:

1. Monitoring the integrity of the Financial Statements of the Company covering:
    - formal announcements relating to the Company's financial performance;
    - significant financial reporting issues and judgements;
    - matters raised by the external auditor; and
    - appropriateness of accounting policies and practices.
2. Reviewing and considering the AIC Code and FRC Guidance on Audit Committees.
3. Monitoring the quality and effectiveness of the independent external auditor, which includes:
    - meeting regularly to discuss the audit plan and the subsequent findings;
    - considering the level of fees for both audit and non-audit work;
    - reviewing independence, objectivity, expertise, resources and qualification; and
    - making recommendations to the Board on their appointment, reappointment, replacement and remuneration.
4. Reviewing the Company's procedures for prevention, detection and reporting of fraud, bribery and corruption, and
5. Monitoring and reviewing the internal control and risk management systems of the service providers together with the need for a Company Internal Audit function.

The Audit Committee's full terms of reference can be obtained from the Company's website (www.worsleyinvestors.com).

Financial Reporting
The Audit Committee's review of the Audited Annual Report and Financial Statements focused on the following significant risks;

Valuation of Investment Property
The Company's sole remaining investment property was independently valued at £6.77 million (€7.70 million) as at 31 March 2023 (31 March 2022: £7.33 million (€8.70 million)) and represented the major asset of the Group. The property comprises a cinema complex in Curno, Italy, owned via an intermediate holding company. The valuation of this investment is in accordance with the requirements of IFRS as issued by the International Accounting Standards Board. The valuation estimate is provided by Knight Frank LLP, an external independent valuer. The Audit Committee considers the fair value of the sole investment property held by the Group as at 31 March 2023 to be reasonable based on information provided by the Investment Advisor and Administrator. All valuations are also subject to review and oversight by the Investment Advisor.

Audit Committee Report (continued)

Valuation of investments
The Company's non-property investments had a fair value of £7.84million as at 31 March 2023 (31 March 2022: £5.97 million). The investments are all listed. The Committee considered the fair value of the investments held by the Company as at 31 March 2023 to be reasonable based on information provided by the Investment Advisor and Administrator. All prices are confirmed to independent pricing sources as at 31 March 2023 by the Administrator and are subject to a review process at the Administrator and oversight at the Investment Advisor.

Audit Findings Report
The independent external auditor reported to the Audit Committee that no material unadjusted misstatements were found in the course of their work. Furthermore, the Investment Advisor and Administrator confirmed to the Audit Committee that they were not aware of any material unadjusted misstatements including matters relating to the Financial Statements presentation.

Accounting Policies & Practices
The Audit Committee has assessed the appropriateness of the accounting policies and practices adopted by the Group together with the clarity of disclosures included in the Financial Statements. Following a review of the presentations and reports from the Administrator and consulting where necessary with the independent external auditor, the Audit Committee is satisfied that the Financial Statements appropriately address the critical judgements and key estimates (both in respect to the amounts reported and the disclosures). It is also satisfied that the significant assumptions used for determining the value of assets and liabilities have been appropriately scrutinised, challenged and are sufficiently robust.

The Audit Committee advised the Board that this Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable.

Fraud, Bribery and Corruption
The Audit Committee continues to monitor the fraud, bribery and corruption policies of the Group. The Board receives a confirmation from all service providers that there have been no instances of fraud or bribery.

The Independent External Auditor
BDO Limited served as the Company's Independent Auditor throughout the year and has indicated its willingness to continue in office.

The independence and objectivity of the external auditor is reviewed by the Audit Committee, which also reviews the terms under which the independent external auditor is appointed to perform non-audit services. The Audit Committee has established pre-approval policies and procedures for the engagement of the auditor to provide non audit services.

Audit Committee Report (continued)

The following table summarises the remuneration payable to BDO Limited for audit and non-audit services provided to the Company during the year ended 31 March 2023 and the year ended 31 March 2022.

	31 March 2023 £	31 March 2022 £
Statutory audit	42,500	37,500
Total fees	**42,500**	**37,500**

The following table summarises the remuneration payable to BDO Italia S.p.A for audit and non-audit services provided to the Group during the year ended 31 March 2022 and the nine month period ended 31 March 2021.

	31 March 2023 €	31 March 2022 €
Statutory audit of subsidiary	8,596	8,050
Total fees	**8,596**	**8,050**

Performance and Effectiveness
During the period, when considering the effectiveness of the independent external auditor, the Audit Committee has taken into account the following factors:

- the audit plan presented to them before the audit;
- changes in audit personnel;
- the post audit findings report;
- the independent external auditor's own internal procedures to identify threats to independence; and
- feedback received from both the Investment Advisor and Administrator.

The Audit Committee reviewed and, where appropriate, challenged the audit plan and the audit findings report of the independent external auditor and concluded that the audit plan sufficiently identified audit risks and that the audit findings report indicated that the audit risks were sufficiently addressed with no significant variations from the audit plan. The Audit Committee considered reports from the independent external auditor on their procedures to identify threats to independence and concluded that the procedures were sufficient.

Appointment of External Auditor
Consequent to this review process, the Audit Committee recommended to the Board that a resolution be put to the next AGM to confirm the reappointment of BDO Limited as independent external auditor.

Audit Committee Report (continued)

Internal Control and Risk Management Systems
The Board of Directors considers the arrangements for the provision of Investment Advisory, Investment Management, Administration and Custody services to the Company on an on-going basis and a formal review is conducted annually. As part of this review the Board considered the quality of the personnel assigned to handle the Company's affairs, the investment process and the results achieved to date.

The Audit Committee has reviewed the need for an internal audit function and has decided that the systems and procedures employed by the Investment Advisor and the Administrator provide sufficient assurance that a sound system of internal control, which safeguards the Company's assets, is maintained. An internal audit function specific to the Group is therefore considered unnecessary.

In finalising the Financial Statements for recommendation to the Board for approval, the Audit Committee has satisfied itself that the Financial Statements taken as a whole are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

A member of the Audit Committee will continue to be available at each AGM to respond to any shareholder questions on the activities of the Audit Committee.

R. H. Burke,
Chairman, Audit Committee
4 July 2023

Directors' Remuneration Report

Introduction
An ordinary resolution for the approval of the Director's Remuneration Report will be put to the shareholders at the forthcoming AGM held.

Remuneration Policy
All Directors are non-executive and a Remuneration Committee has not been established. The Board as a whole considers matters relating to the Directors' remuneration. No advice or services were provided by any external person in respect of its consideration of the Directors' remuneration.

The Company's policy is that the fees payable to the Directors should reflect the time spent by the Directors on the Company's affairs and the responsibilities borne by the Directors and be sufficient to attract, retain and motivate directors of a quality required to run the Company successfully. The Chairman of the Board is paid a higher fee in recognition of his additional responsibilities. The policy is to review fee rates periodically, although such a review will not necessarily result in any changes to the rates, and account is taken of fees paid to directors of comparable companies. The Directors of the Company are remunerated for their services at such a rate as the Directors determine provided that the aggregate amount of such fees does not exceed £120,000 per annum.

There are no long-term incentive schemes provided by the Company and no performance fees are paid to Directors.

None of the Directors has a service contract with the Company but each of the Directors is appointed by a letter of appointment which sets out the main terms of their appointment. Directors hold office until they retire by rotation or cease to be a director in accordance with the Articles of Incorporation, by operation of law or until they resign.

Remuneration
Directors are remunerated in the form of fees, payable quarterly in arrears, to the Director personally. No Directors have been paid additional remuneration outside their normal Directors' fees and expenses.

The current annual Directors' fees comprise £20,000 per annum payable to the Chairman and £15,000 per annum payable to the other Directors.

Upon appointment of Worsley Associates as Investment Advisor on 31 May 2019, Mr Nixon waived any future Director's fee for as long as he is a member of the Investment Advisor.

For the year ended 31 March 2023 and the year ended 31 March 2022 Directors' fees incurred were as follows:

	For the year ended 31 March 2023 £	For the year ended 31 March 2022 £
W. Scott (Chairman)	**20,000**	20,000
B.A. Nixon	**-**	-
R. H. Burke	**15,000**	15,000
	35,000	35,000

In addition to the Directors named above, the directors of the subsidiaries of the Group received emoluments amounting to £11,086 (31 March 2022: £10,994). Total fees paid to Directors and directors of the subsidiaries were £46,086 (31 March 2022: £45,994).

Signed on behalf of the Board by:

W. Scott
Director
4 July 2023

Independent Auditor's Report to the Members of Worsley Investors Limited

Opinion on the financial statements

In our opinion, the financial statements of Worsley Investors Limited ("the Parent Company") and its subsidiaries ("the Group"):

- give a true and fair view of the state of the Group's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements of the Group for the year ended 31 March 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and IFRS as issued by the International Accounting Standards Board.

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

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the paper prepared by those charged with governance and management in respect of going concern and discussing this with both the Directors and management.
- Consideration and challenge of the going concern paper and assessing it for reasonableness, based on our knowledge of the Group gained throughout the audit.
- Consideration of the cash available, the liquidity of the equity portfolio held, and the expected profit generated by the property holding subsidiary, together with the expected annual running costs of the Group and determining whether these assumptions were reasonable based on our knowledge of the Group.
- Performing our own sensitivity analysis of the headroom of the investment portfolio over the annual running expenses.
- Reviewing the minutes of meetings of those charged with governance, the RNS announcements and the compliance reports for any indicators of concerns with respect to going concern.

Independent Auditor’s Report to the Members of Worsley Investors Limited (continued)

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

In relation to the Parent 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

Key audit matters (2023 and 2022)	➢ Valuation of Investment Property ➢ Valuation & Ownership of Listed Investments
Materiality	*Group financial statements as a whole* £259,000 (2022: £244,000) based on 1.75% (2022: 1.75%) of total assets.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group’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.

We carried out a full scope audit of the Group, which was tailored to take into account the nature of the Group’s investments, the accounting and reporting environment and the industry in which the Group operates.

In designing our overall audit approach, we determined materiality and assessed the risk of material misstatement in the financial statements.

This assessment took into account the likelihood, nature, and potential magnitude of any misstatement. As part of this risk assessment, we considered the Group’s interaction with the Investment Advisor and the Administrator. We obtained an understanding of the control environment in place at the Investment Advisor and the Administrator to the extent that it was relevant to our audit. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the financial statements.

We concluded that the most effective audit approach for the Group was to audit the consolidated financial statements as if the Group was one entity.

Independent Auditor's Report to the Members of Worsley Investors Limited (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**
Valuation of investment property Refer to accounting policies 2(d) and 2(k) and the disclosure note 7	The Group holds a single investment property which is fair valued. The fair value has been determined by the Directors based on an independent Royal Institute of Chartered Surveyors "RICS" valuation performed by independent valuers. Such property valuations are a highly subjective area as it requires the valuer to make judgements on property yields, the quality of the tenant and other variables in order to arrive at the current fair value of the property. Such subjectivity and judgements are increased given the wider economic impacts of inflation, interest rate increases and the lower spending power of the average consumer. Any input inaccuracies or unreasonable bases used in the valuation judgements (such as with respect to the rental value and yield profile applied) could result in a material misstatement in the consolidated financial statements.	For the independent property valuation, we evaluated the competence and independence of the external valuer, which included consideration of their qualifications and expertise. We read the terms of their engagement with the Group to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work. We also read the valuation report for the property to understand the process undertaken by them and confirmed that the valuation was prepared in accordance with professional valuation standards and IFRS. We considered the reasonableness of the inputs used by the valuer in the valuation, such as the rental terms and other assumptions that impact the value. This included discussions with and challenge of the valuer around the impact of economic variables and, the resulting adjustments to yields and overall consideration of the resulting valuation. In addition, we agreed a sample of the significant inputs into the valuation, such as the rental details, to supporting documentation. **Key observations** Based on the procedures performed, we did not identify any indications to suggest that the judgements made with respect to the property valuation are unreasonable.
Valuation and ownership of listed investments Refer to accounting policies 2(n) and the disclosure in note 8	The investment portfolio as at 31 March 2023 comprise listed investments whose price is readily available. The investments represent a material proportion of the net asset value as disclosed in the Consolidated Statement of Financial Position therefore we consider this to be a key audit matter.	For all investments, we agreed the ownership of the investment portfolio holdings to the respective independently obtained Custodian confirmation. We tested the valuation of all listed investments held by agreeing the prices used in the valuation to independent third-party sources such as Bloomberg and then recalculating the price based on the number of shares held. **Key observations** Based on the procedures performed we did not identify any matters to indicate that the ownership and valuation of the investments are inappropriate.

Independent Auditor's Report to the Members of Worsley Investors Limited (continued)

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.

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

	Group financial statements	
	2023	2022
Materiality	£259,000	£244,000
Basis for determining materiality	1.75% of total assets	
Rationale for the benchmark applied	Due to the entity being an investment fund with the objective of long-term capital growth, with investment values being a key focus area for users of the financial statements.	
Performance materiality	£194,000	£170,000
Basis for determining performance materiality	75% (2022: 70%) of materiality This was determined using our professional judgements and took into account the complexity of the Group and our knowledge of the audit engagement together with a history of minimal errors and adjustments.	

Reporting threshold
We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £10,300 (2022: £7,300). 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 and Consolidated Financial Statements, 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 to the Members of Worsley Investors Limited (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 Parent Company's compliance with the provisions of the UK Corporate Governance Statement 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	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 10; and • The Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why they consider this period is appropriate set out on pages 10 and 11.
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 13; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 19; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 18; and • The section describing the work of the audit committee set out on pages 21 to 24

Other Companies (Guernsey) Law, 2008 reporting

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Parent Company; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of Directors

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

Independent Auditor's Report to the Members of Worsley Investors Limited (continued)

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.

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:

Based on our understanding of the Group and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to its investment and property holding activities, and we considered the extent to which non-compliance might have a material effect on the Group's financial statements.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Parent Company and have a direct impact on the preparation of the financial statements. We determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework such as IFRS and the Companies (Guernsey) Law, 2008. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls)) and determined that the principal risks were related to management bias and judgement involved in accounting estimates, specifically in relation to the valuation of the property (the responses to which are detailed in our key audit matters above).

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

Audit procedures performed by the engagement team to respond to the risks identified included:

- Discussion with and enquiry of management and those charged with governance concerning known or suspected instances of non-compliance with laws and regulations and fraud;

- Obtaining an understanding of the internal control environment in place to prevent and detect irregularities;

- Reading minutes of meetings of those charged with governance, correspondence with the Guernsey Financial Services Commission, internal compliance reports, complaint registers and breach registers to identify and consider any known or suspected instances of non-compliance with laws and regulations or fraud; and

- Maintaining professional scepticism for any unusual accounting practices or inadequate support for underlying transactions recognised during the year. Challenging material differences arising from testing to ensure appropriate explained or supported.

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: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

The engagement director on the audit resulting in this independent auditor's opinion is Justin Hallett.

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Independent Auditor's Report to the Members of Worsley Investors Limited (continued)

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Parent 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 Parent Company and the Parent Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

For and on behalf of BDO Limited
Chartered Accountants and Recognised Auditor
Place du Pré
Rue du Pré
St Peter Port
Guernsey

4 July 2023

Consolidated Statement of Comprehensive Income
For the year ended 31 March 2023

	Notes	For the year ended 31 March 2023 £000s	For the year ended 31 March 2022 £000s
Gross property income	4	**769**	742
Property operating expenses	4	**(148)**	(144)
Net property income		**621**	598
Other income		**52**	6
Net gain on investments at fair value through profit or loss	8	**1,765**	102
Unrealised valuation loss on investment property	7	**(789)**	(722)
General and administrative expenses	5	**(528)**	(530)
Profit/(loss) before tax		**1,121**	(546)
Income tax (expense)/refund	11	**(90)**	41
Profit/(loss)/profit for the year		**1,031**	(505)
Other comprehensive gain/(loss)			
Foreign exchange translation gain/(loss)		**322**	(48)
Total items that are or may be reclassified from/(to) profit or loss		**322**	(48)
Total comprehensive income/(loss) for the year		**1,353**	(553)
Basic and diluted earnings/(loss) per ordinary share (pence)	6	**3.06**	(1.50)

The accompanying notes on pages 37 to 57 form an integral part of these Financial Statements

Consolidated Statement of Changes in Equity
For the year ended 31 March 2023

	Note	Revenue reserve £000s	Distributable reserve £000s	Foreign currency reserve £000s	Total equity £000s
Balance at 1 April 2021		**(44,972)**	**47,263**	**11,728**	**14,019**
Loss for the year		(505)	-	-	(505)
Other comprehensive loss		-	-	(48)	(48)
Balance at 31 March 2022		**(45,477)**	**47,263**	**11,680**	**13,466**
Balance at 1 April 2022		**(45,477)**	**47,263**	**11,680**	**13,466**
Profit for the year		1,031	-	-	1,031
Other comprehensive income		-	-	322	322
Balance at 31 March 2023		**(44,446)**	**47,263**	**12,002**	**14,819**

The accompanying notes on pages 37 to 57 form an integral part of these Financial Statements

WORSLEY INVESTORS LIMITED

Consolidated Statement of Financial Position
As at 31 March 2023

	Notes	**31 March 2023 £000s**	31 March 2022 £000s
Non-current assets			
Investment property	7	**6,033**	6,550
Lease incentive	7	**737**	778
Current assets			
Cash and cash equivalents		**541**	576
Investments held at fair value through profit or loss	8	**7,839**	5,973
Trade and other receivables	9	**54**	34
Tax receivable		**29**	52
Total assets		**15,233**	13,963
Non-current liabilities			
Deferred tax payable	11	**75**	**72**
Current liabilities			
Trade and other payables	10	**178**	**254**
Tax payable		**161**	**171**
Total liabilities		**414**	**497**
Total net assets		**14,819**	**13,466**
Equity			
Revenue reserve	15	**(44,446)**	**(45,477)**
Distributable reserve	15	**47,263**	**47,263**
Foreign currency reserve	15	**12,002**	**11,680**
Total equity		**14,819**	**13,466**
Number of ordinary shares	12	**33,740,929**	33,740,929
Net asset value per ordinary share (pence)	13	**43.92**	39.91

The Consolidated Financial Statements on pages 33 to 57 were approved by the Board of Directors and authorised for issue on 4 July 2023. They were signed on its behalf by:-

W. Scott
Director

The accompanying notes on pages 37 to 57 form an integral part of these Financial Statements

Consolidated Statement of Cash Flows
For the year ended 31 March 2023

	Notes	**For the year ended 31 March 2023 £000s**	For the year ended 31 March 2022 £000s
Operating activities			
Profit/(loss)/profit before tax		**1,121**	(546)
Adjustments for:			
Unrealised valuation loss on investment property	7	**862**	770
Net gains on investments held at fair value through profit or loss	8	**(1,765)**	(102)
Investment income	8	**559**	217
(Increase)/decrease in trade and other receivables		**(52)**	172
Decrease in provisions		**-**	(42)
(Decrease)/increase in trade and other payables		**(76)**	87
Purchase of investments held at fair value through profit or loss	8	**(1,223)**	(868)
Proceeds on sale of investments held at fair value through profit or loss	8	**563**	283
Net cash used in operations		**(11)**	(29)
Tax (paid)/received		**(74)**	103
Net (outflow)/inflow from operating activities		**(85)**	74
Effects of exchange rate fluctuations		**50**	16
(Decrease)/increase in cash and cash equivalents		**(35)**	90
Cash and cash equivalents at start of the year		**576**	486
Cash and cash equivalents at the year end		**541**	576

The accompanying notes on pages 37 to 57 form an integral part of these Financial Statements

1. Operations

Worsley Investors Limited (the "Company") is a limited liability, closed-ended investment company incorporated in Guernsey. The Company historically invested in commercial property in Europe and that was held through subsidiaries. The Company's current investment objective is to provide Shareholders with an attractive level of absolute long-term return, principally through the capital appreciation and exit of undervalued securities. The existing real estate asset of the Company will be realised in an orderly manner, that is with a view to optimising the disposal value of such asset.

The Consolidated Financial Statements (the "Financial Statements") of the Company for the year ended 31 March 2023 comprise the Financial Statements of the Company and its subsidiaries (together referred to as the "Group").

Please refer to the Investment Policy on page 59. The Company's registered office is included on page 61.

2. Significant accounting policies

(a) Basis of preparation

The Financial Statements, which show a true and fair view, have been prepared in accordance with International Financial Reporting Standards ("IFRS") which comprise standards and interpretations issued by the International Accounting Standards Board ("IASB") and are in compliance with the Companies (Guernsey) Law, 2008. The Financial Statements have been prepared on a going concern basis, and the accounting policies, presentation and methods of computation are consistent with this basis, as disclosed in the going concern paragraph below.

The Directors believe that the Financial Statements contain all of the information required to enable shareholders and potential investors to make an informed appraisal of the investment activities and profits and losses of the Group for the period to which they relate and do not omit any matter or development of significance.

(b) Going concern

These Financial Statements have been prepared on a going concern basis. The Directors, at the time of approving the Financial Statements, have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these Financial Statements. The Group maintains a significant cash balance and an extensive portfolio of securities, and the property lease generates sufficient cash flows to pay on-going expenses and other obligations. The Directors have considered the cash position and performance of the current capital invested by the Group, the potential impact on markets and supply chains of geo-political risks such as the current crisis in Ukraine and continuing macro-economic factors and inflation and concluded that it is appropriate to adopt the going concern basis in the preparation of these Consolidated Financial Statements.

Going concern is assessed from 12 months from the approval of these Consolidated Financial Statements. Owing to the fact that the Group currently has no borrowing, has a significant cash holding and that the Company's equity investments predominantly comprise readily realisable securities the Board considers there to be no material uncertainty.

(c) Adoption of new standards and its consequential amendments

New Accounting Standards interpretations and amendments adopted in the reporting period

The were no relevant new standards, interpretations or amendments which had a material impact on the Financial Statements of the Company.

2. Significant accounting policies (continued)

(c) Adoption of new standards and its consequential amendments (continued)

New Accounting Standards and interpretations applicable to future reporting periods
At the date of approval of these Financial Statements, the following relevant standards and interpretations, which have not been applied in these Financial Statements, were in issue but not yet effective:

- IAS 1 (amended), "Presentation of Financial Statements" (amendments regarding the classification of liabilities, effective for periods commencing on or after 1 January 2023).
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current (effective for periods commencing on or after 1 January 2023) - The amendments in Classification of Liabilities as Current or Non-current clarify how to classify debt and other liabilities as current or non-current.
- Amendments to IAS 1 Disclosure of Accounting Policies (effective for periods commencing on or after 1 January 2023) - The amendments in Disclosure of Accounting Policies require companies to disclose their material accounting policy information rather than their significant accounting policies.
- Amendments to IAS 8 Definition of Accounting Estimates (effective for periods commencing on or after 1 January 2023) - The amendments in Definition of Accounting Estimates clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition.

Any standards that are deemed not relevant to the operations of the Group have been excluded. The Directors expect that the adoption of these amended standards in a future period will not have a material impact on the Financial Statements of the Group.

(d) Significant estimates and judgements

The preparation of the Group's Financial Statements requires management to make judgements, estimates and assumptions which affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes which require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(i) Judgements:
In the process of applying the Group's accounting policies, management made no judgements which had an effect on the amounts recognised in the Financial Statements.

(ii) Estimates and assumptions:
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising which are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Revaluation of investment property
The Group carries its investment property at fair value, with changes in fair value being recognised in the Consolidated Statement of Comprehensive Income. The property is valued quarterly by an external independent valuer as at the end of each calendar quarter. Their valuations are reviewed quarterly by the Board.

2. Significant accounting policies (continued)

(d) Significant estimates and judgements (continued)

(ii) Estimates and assumptions (continued):

Quarterly valuations of the investment property are carried out by Knight Frank LLP, external independent valuers to the Group, in accordance with the Royal Institution of Chartered Surveyors' ("RICS") Appraisal and Valuation Standards. The property has been valued in accordance with the definition of the RICS Valuation which is defined as the price which would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The valuation is based on the highest and best use of the investment property.

The key assumptions used to determine the market value of the investment property are explained further in note 7.

(e) Foreign currency translation

Functional currency

The Company's functional currency is pounds sterling and the subsidiaries' functional currency is Euro. The Board of Directors considers that the Parent Company's functional currency is pounds sterling, as the capital raised, return on capital and any distributions paid by the Parent Company are in pounds sterling. The Euro most faithfully represents the economic effect of the underlying transactions, events and conditions of the subsidiaries. The Euro is the currency in which the subsidiaries measure their performance and report their results.

Foreign currency transactions

Transactions in foreign currencies are translated to presentation currency at the spot foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Consolidated Statement of Financial Position date are translated to presentation currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Consolidated Statement of Comprehensive Income. Non-monetary assets and liabilities which are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the original transaction. Non-monetary assets and liabilities denominated in foreign currencies which are stated at fair value are translated to presentation currency at foreign exchange rates ruling at the dates the fair value was determined.

Exchange differences on foreign operations

The assets and liabilities of foreign operations, arising on consolidation, are translated to presentation currency at the foreign exchange rates ruling at the Consolidated Statement of Financial Position date. The income and expenses of foreign operations are translated to presentation currency at an average rate where this is considered reasonably to represent the foreign exchange rate for the period. Foreign exchange differences arising on retranslation are recognised in other comprehensive income and as a separate component of equity.

(f) Basis of consolidation

(i) Subsidiaries

The Financial Statements comprise the Financial Statements of the Company and its subsidiaries as at 31 March each year. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The Financial Statements of the subsidiaries are prepared using consistent accounting policies.

2. Significant accounting policies (continued)

(f) Basis of consolidation (continued)

(ii) Transactions eliminated on consolidation

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions are eliminated in preparing the Financial Statements.

Worsley Investors Limited, the Company, is the parent of the Group. It was incorporated in Guernsey on 5 April 2005. The Company owned the following subsidiary as at the reporting date:

Subsidiaries	Country of incorporation	Date of incorporation	Ownership interest %	Principal activities	Financial year end
Property Trust Luxembourg 2 S.à r.l.	Luxembourg	24 November 2005	100.00%	Holding Company	31 March

The company shown in the table below was directly owned by Property Trust Luxembourg 2 S.à.r.l. as at the reporting date:

Indirect subsidiaries and joint ventures Property Trust Luxembourg 2 S.à r.l.	Country of incorporation	Ownership interest %	Financial year end
Multiplex 1 S.r.l.	Italy	100.00%	31 December

Multiplex 1 S.r.l. has a reporting date of 31 December owing to legacy set up.

(g) Income recognition

Gross property income is rental income from the investment property leased out under operating leases and is recognised in the Consolidated Statement of Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives are amortised over the whole lease term.

Dividend income from equity investments is recognised when the relevant investment is quoted ex-dividend, and is included gross of withholding tax.

Interest income from banks is recognised on an effective yield basis. Bond interest is recognised using the effective interest rate method.

(h) Expenses/other Income

Expenses are accounted for on an accruals basis.

Service costs for service contracts entered into by the Group acting as the principal are recorded when such services are rendered.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits carried at amortised cost. Cash equivalents are short-term, highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Purchases and sales of investments are considered to be operating activities of the Company, given its purpose, rather than investing activities. The cash flows arising from these activities are shown in the Consolidated Statement of Cash Flows as operating activities.

(j) Provisions

A provision is recognised in the Consolidated Statement of Financial Position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

2. Significant accounting policies (continued)

(k) Investment property

Investment property is held to earn rental income and capital appreciation and is recognised as such. Investment property is initially recognised at cost, being the fair value of consideration given, including associated transaction costs.

After initial recognition, investment property is measured at fair value using the fair value model with unrealised gains and losses recognised in the Consolidated Statement of Comprehensive Income. Realised gains and losses upon disposal of the property are recognised in the Consolidated Statement of Comprehensive Income. Quarterly valuations are carried out by Knight Frank LLP, external independent valuers, in accordance with the RICS Appraisal and Valuation Standards. The property has been valued in accordance with the definition of the RICS Valuation which is defined as the price which would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The valuation is based on the highest and best use of the investment property.

Lease incentive assets are deducted from the independent valuation to arrive at fair value for accounting purposes: refer to note 7 for further details.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Consolidated Statement of Comprehensive Income during the financial period in which they are incurred.

Investment property is derecognised when it has been disposed of. Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within gain/(loss) on disposals of subsidiaries and investment property.

(l) Assets held for sale

Investment property is transferred to assets held for sale when it is expected that the carrying amount will be recovered principally through sale rather than from continuing use. For this to be the case, the property must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such property and its sale must be highly probable.

For the sale to be highly probable:

- The Board must be committed to a plan to sell the property and an active programme to locate a buyer and complete the plan must have been initiated;
- The property must be actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- The sale should be expected to qualify for recognition as a completed sale within one year from the date of classification.

On re-classification, any investment property which is measured at fair value would continue to be so measured.

2. Significant accounting policies (continued)

(m) Operating leases (lessor)

The determination of whether or not an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed to establish if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Where an operating lease is modified it is accounted for as a new lease with any prepaid or accrued lease payments relating to the original lease being treated as part of the lease payments for the new lease.

(n) Financial instruments

Financial assets and financial liabilities are recognised in the Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are only offset and the net amount reported in the Consolidated Statement of Financial Position and Consolidated Statement of Comprehensive Income when there is a currently enforceable legal right to offset the recognised amounts and the Group intends to settle on a net basis or realise the asset and liability simultaneously.

On initial recognition, the Group classifies financial assets as measured at amortised cost or at fair value through profit or loss (“FVTPL”).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows which are solely payments of principal and interest.

In making an assessment of the objective of the business model in which a financial asset is held, the Group considers all of the relevant information about how the business is managed.

The Group has determined that it has two business models:

Held-to-collect business model: this includes cash and cash equivalents and other receivables. These financial assets are held to collect contractual cash flow.

Other business model: this includes investments in listed equities and investment funds. These financial assets are managed and their performance is evaluated, on a fair value basis, with sales taking place routinely.

Impairment
The Group assesses on a forward-looking basis the expected credit loss associated with its financial assets held at amortised cost. The Group has elected to apply the simplified approach permitted by IFRS 9 in respect of receivables because they have a maturity of less than one year and do not contain a significant financing component. Under the simplified approach the requirement is always to recognise lifetime Expected Credit Loss (“ECL”). Under the simplified approach practical expedients are available to measure lifetime ECL but forward-looking information must still be incorporated. Under the simplified approach there is no need to monitor significant increases in credit risk and entities will be required to measure lifetime ECLs at all times. The Directors have concluded that any ECL on receivables would be immaterial to the Financial Statements owing to the low credit risk of the relevant counterparties and the historical payment history.

A receivable is considered to be in “default” when the corresponding party is unlikely to pay its credit obligations in full, without recourse to actions such as realising security (if held), or the borrower is past due more than 90 days on any material credit obligation.

2. Significant accounting policies (continued)

(n) Financial instruments (continued)

Investments at fair value through profit or loss ("investments")

Recognition
Investments are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Purchases and sales of investments are recognised on the trade date (the date on which the Company commits to purchase or sell the investment). Investments purchased are initially recorded at fair value, being the consideration given, including transaction or other dealing costs associated with the investment.

Measurement
Subsequent to initial recognition, investments are measured at fair value. Gains and losses arising from changes in the fair value of investments and gains and losses on investments that are sold are recognised through profit or loss in the Consolidated Statement of Comprehensive Income within net changes in fair value of financial assets at fair value through profit or loss.

Investments traded in active markets are valued at the latest available bid prices ruling at midnight on the reporting date. The Directors are of the opinion that the bid-market prices are the best estimate of fair value. Investments consist of listed or quoted equities or equity-related securities, options and bonds which are issued by corporate issuers, supra-nationals or government organisations, and investment in funds.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Gains and losses arising from changes in the fair value of financial assets/(liabilities) are shown as net gains or losses on financial assets through profit or loss and recognised in the Consolidated Statement of Comprehensive Income in capital in the period in which they arise.

Realised gains and losses arising on disposal of investments are calculated by reference to the proceeds received on disposal and the average cost attributable to those investments and are recognised in the Consolidated Statement of Comprehensive Income. Unrealised gains and losses on investments are recognised in the Consolidated Statement of Comprehensive Income.

Capital
Financial instruments issued by the Group are treated as equity if the holder has only a residual interest in the assets of the Group after the deduction of all liabilities. The Company's Ordinary Shares are classified as equity instruments.

The Group's capital is represented by the Ordinary Shares, revenue reserve, distributable reserve and foreign exchange reserve. Share premium is included in the distributable reserve presented in the Consolidated Statement of Changes in Equity. The capital of the Company is managed in accordance with its investment policy in pursuit of its investment objective, both of which are set out on pages 59 to 60. It is not subject to externally imposed capital requirements. The Ordinary shares carry rights regarding dividends, voting, winding-up and redemptions, which are detailed in full in the Company's Memorandum and Articles of Incorporation.

(o) Taxation

The Company has obtained exempt company status in Guernsey under the terms of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 and accordingly is subject to an annual fee of £1,200. The Directors intend to conduct the Group's affairs such that it continues to remain eligible for exemption.

The Company's subsidiaries are subject to income tax on any income arising on investment property, after deduction of debt financing costs and other allowable expenses. However, when a subsidiary owns a property located in a country other than its country of residence the taxation of the income is defined in accordance with the double taxation treaty signed between the country where the property is located and the residence country of the subsidiary.

2. Significant accounting policies (continued)

(p) Taxation (continued)
Income tax on the profit or loss for the period comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year as determined under local tax law, using tax rates enacted or substantially enacted at the Consolidated Statement of Financial Position date, and any adjustment to tax payable in respect of previous periods.

Deferred income tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the Consolidated Statement of Financial Position date, except in the case of investment property, where deferred tax is provided for the effect of the sale of the property. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset is utilised.

Details of current tax and deferred tax assets and liabilities are disclosed in note 11.

(q) Determination and presentation of operating segments
The Company has entered into an Investment Advisory Agreement with the Investment Advisor, under which the Board has appointed the Investment Advisor to oversee on a day-to-day basis the assets of the Company, subject to their review and control and ultimately the overall supervision of the Board. The Board retains full responsibility to ensure that the Investment Advisor adheres to its mandate. Moreover, the Board is fully responsible for the appointment and/or removal of the Investment Advisor. Accordingly, the Board is deemed to be the "Chief Operating Decision Maker" of the Company.

The Board has considered the requirements of IFRS 8, 'Operating Segments'. The Board is of the view that the Group has two segments of business (see note 18).

(r) Share issue costs
Share issue costs are fully written off against the share capital account in the period of the share issue in accordance with Guernsey company law.

3. Material agreements

Investment Management Agreements

Worsley Associates LLP
The Investment Advisory Agreement had an initial term of two years, with either Worsley Associates LLP or the Company being able to terminate the agreement by giving 12 months' notice from 1 June 2020 and thereafter on a rolling 12 months' notice basis. On giving the requisite 12 months' notice there is no compensation on termination (save in respect of any payment made in lieu of notice where Worsley Associates and the Company agree to terminate the Investment Advisory Agreement on less than 12 months' notice). In addition, the Company and Worsley Associates may terminate the Investment Advisory Agreement in certain limited circumstances.

Pursuant to the Investment Advisory Agreement, Worsley Associates is entitled to an annual advisory fee of 1.25 per cent. of the Company's Net Asset Value, to the extent that the Company's Net Asset Value is £40 million or less, but subject to a minimum fee of £150,000 per annum. If the Company's Net Asset Value exceeds £40 million, the Company will pay Worsley Associates a fee equal to 1.25 per cent. of £40 million and 1.00 per cent. of the amount by which the Company's Net Asset Value exceeds £40 million.

In accordance with an addendum to the Investment Advisory Agreement entered into during the year, with effect from 1 October 2022 the Company agreed that it would reimburse Worsley Associates for the costs it incurs using the FactSet financial market information system for dealing and research on behalf of the Company.

During the year, the Worsley Associates was due an Investment Advisory fee of £173,713 (31 March 2022: £181,628). Fees of £15,277 were outstanding as at 31 March 2023 (31 March 2022: £16,841).

Broker Agreement

Shore Capital and Corporate Limited and Shore Capital Stockbrokers Limited
On 18 April 2019, Shore Capital and Corporate Limited and Shore Capital Stockbrokers Limited (together "Shore Capital") were appointed as the Company's financial adviser and broker. Fees expensed in the year ended 31 March 2023 totalled £25,000 (31 March 2022 £25,730) of which none was outstanding as at 31 March 2023 (31 March 2022: £nil).

3. Material agreements (continued)

Administrator Agreement

On 4 August 2022, the entire share capital of Sanne Group Plc, the ultimate parent company of Sanne Fund Services (Guernsey) Limited ("Sanne"), the Administrator, was acquired by Apex Acquisition Company Limited, a wholly owned subsidiary of Apex Group Limited

With effect from 28 June 2019, Sanne has been entitled to an annual fee payable by the Company as follows:

-Where the Net Asset Value ("NAV") is up to £20 million a fixed fee of £70,000 per annum applies. This fee is subject to annual adjustment for inflation;
-Where the NAV is over £20 million but up to £100 million a further fee equating to 0.025% of NAV per annum will be charged on the excess; and
-Where the NAV is over £100 million, a further fee equating to 0.06% per annum of the NAV in excess of £100 million will be charged.

During the year, Sanne was due an administration fee of £76,921 (31 March 2022: £72,869) of which £19,054 was outstanding as at 31 March 2023 (31 March 2022: £19,000).

Fees totalling £36,890 were also paid to the administrators of the subsidiaries (31 March 2022: £45,912).

Custody Agreement

With effect from 5 July 2019, Butterfield Bank (Guernsey) Limited was appointed as Custody Agent to the Company. Butterfield Bank (Guernsey) Limited is entitled to an annual fee payable by the Company at the rate of 0.1% per annum of the gross value of the investments held, subject to a minimum fee of £400 per annum.

During the year, Butterfield Bank (Guernsey) Limited was due a custody agency fee of £2,845 (31 March 2022: £9,309). The fee for the year included a refund of previously overcharged fees of £5,869. Fees of £1,952 were outstanding as at 31 March 2023 (31 March 2022: £2,300).

During the year, Butterfield Bank (Guernsey) Limited was due transaction fees of £1,775 incurred as a result of investment trading (31 March 2022: £1,571). No transaction fees were outstanding as at 31 March 2023 (31 March 2022: £nil).

4. Gross property income

Gross rental income for the year ended 31 March 2023 amounted to £0.77 million (31 March 2022: £0.74 million). The Group leases out its investment property under an operating lease which is structured in accordance with local practices in Italy. The lease benefits from indexation.

The current lease was originally signed in December 2018, but after negotiations necessitated by COVID-19 a lease amendment was signed on 11 September 2020. The ongoing lease terms are summarised as follows:

- *Term*
  17.5 years fixed, from 1 January 2019 until 30 June 2035 with an automatic nine-year extension unless cancelled by the tenant with a minimum 12-month notice period.
- *Base Rent*
  From 1 March 2021 to 31 December 2021 – €915,000, and from 1 January 2022 indexed to 100% of the ISTAT Consumer Index on an upwards-only basis. On 1 January 2022 annual rental increased to €949,770 and on 1 January 2023 annual rental increased to €1,057,094. Please refer to the table below and note 7 for further details.
- *Variable Rent*
  There will be an incremental rent of between €1.50 and €2.50 per ticket sold above a minimum threshold of 350,000 tickets per calendar year. There was no variable rent earned in the year ended 31 March 2023 (31 March 2022: none).

4. Gross rental income (continued)

Minimum Lease Payments (based on actual cash flows)

	31 March 2023	31 March 2022
	€000s	€000s
1 year	1,057	950
1-5 years	4,252	3,820
After 5 years	7,793	7,976

Lease incentive

	Year ended 31 March 2023 £000s	Year ended 31 March 2022 £000s
Lease incentive at beginning of year	**778**	834
Lease incentive movement for the year	**(73)**	(48)
Foreign exchange translation	**32**	(8)
Lease incentive at end of year	**737**	778

The amounts recognised in the Consolidated Statement of Comprehensive Income of the Group in relation to the investment property are as follows:

Rental income

	Year ended 31 March 2023 £000s	Year ended 31 March 2022 £000s
Base rent received	**842**	790
Variable rent	**-**	-
Straight lining of lease incentives	**(73)**	(48)
Rental income (net of lease incentives)	**769**	742

In previous years rental income and lease incentives were shown separately in the Consolidated Statement of Comprehensive Income but this year it has been changed to combine both items to better reflect IFRS16.

Expense from services to tenants, other property operating and administrative expenses

	Year ended 31 March 2023 £000s	Year ended 31 March 2022 £000s
Property expenses arising from investment property which generates rental income	**148**	144
Total property operating expenses	**148**	144

As the investment property was rented for the entire year, there were no property expenses arising from investment property which did not generate rental income.

5. General and administrative expenses

	Year ended 31 March 2023 £000s	Year ended 31 March 2022 £000s
Administration fees (note 3)	**113**	119
General expenses	**73**	58
Audit fees	**49**	44
Legal and professional fees	**20**	29
Directors' fees and expenses (note 16)	**46**	46
Insurance fees	**28**	26
Corporate Broker fees (note 3)	**25**	26
Investment Advisor fees (note 3 & 16)	**174**	182
Total	**528**	530

6. Basic and diluted earnings/(loss) per Share

The basic and diluted earnings or loss per share for the Group is based on the net profit for the year of £1.031 million (31 March 2022: net loss of £0.505 million) and the weighted average number of Ordinary Shares in issue during the year of 33,740,929 (31 March 2022: 33,740,929). There are no instruments in issue which could potentially dilute earnings or loss per Ordinary Share.

7. Investment property

	Year ended 31 March 2023 £000s	Year ended 31 March 2022 £000s
Value of investment property before lease incentive adjustment at beginning of the year	**7,328**	**8,170**
Fair value adjustment	**(862)**	**(770)**
Foreign exchange translation	**304**	**(72)**
Independent external valuation	**6,770**	**7,328**
Adjusted for: Lease incentive (note 4)*	**(737)**	**(778)**
Fair value of investment property at the end of the year	**6,033**	**6,550**
Fair value adjustment on property	**(862)**	**(770)**
Adjustment to fair value for lease incentive movement	**73**	**48**
Total unrealised investment loss on investment property	**(789)**	**(722)**

* The Lease incentive is separately classified as a non-current asset within the Consolidated Statement of Financial Position and to avoid double counting is hence deducted from the independent property valuation to arrive at fair value for accounting purposes. In previous years fair value movement on the investment property and movement in lease incentives were shown separately in the Consolidated Statement of Comprehensive income but this year it has been changed to assist readers' understanding of the Financial Statements.

The property is carried at fair value. The lease incentive granted to the tenant is amortised over the term of the lease. In accordance with IFRS, the external independent valuation is reduced by the carrying amount of the lease incentive as at the valuation date. Quarterly valuations are carried out at 31 March, 30 June, 30 September and 31 December by Knight Frank LLP, external independent valuers.

7. Investment property (continued)

The resultant fair value of investment property is analysed below by valuation method, according to the levels of the fair value hierarchy. The different levels have been defined as follows:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
Level 3: inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The investment property (Curno) is classified as Level 3.

The significant assumptions made relating to its independent valuation are set out below:

Significant assumptions	**31 March 2023**	31 March 2022
Gross estimated rental value per sqm p.a.	114.00€	114.00€
Equivalent yield	12.97%	9.10%

The external valuer has carried out its valuation using the comparative and investment methods. The assessment was made on the basis of a collation and analysis of appropriate comparable investment and rental transactions. The market analysis has been undertaken using market knowledge, enquiries of other agents, searches of property databases, as appropriate and any information provided to them. The external valuer has adhered to the RICS Valuation – Professional Standards.

An increase/decrease in ERV (Estimated Rental Value) will increase/decrease valuations, while an increase/decrease to yield decreases/increases valuations. The information below sets out the sensitivity of the independent property valuation to changes in Fair Value.

If market rental increases by 10% then property value increases by 1.85%, being €142,817 (31 March 2022: 2.41%, being €210,484).
If market rental decreases by 10% then property value decreases by 1.85% being €142,817 (31 March 2022: 2.41%, being €210,484)

If yield increases by 1% then property value decreases by 5.91%, being €456,044 (31 March 2022: 8.36%, being €728,913)
If yield decreases by 1% then property value increases by 6.89%, being €532,021 (31 March 2022: 10.06%, being €877,169)

Property assets are inherently difficult to value due to the individual nature of each property. As a result, valuations are subject to uncertainty. There is no assurance that estimates resulting from the valuation process will reflect the actual sales price even where a sale occurs shortly after the valuation date. Rental income and the market value for properties are generally affected by overall conditions in the local economy, such as growth in Gross Domestic Product ("GDP"), employment trends, inflation and changes in interest rates. Changes in GDP may also impact employment levels, which in turn may impact the demand for premises. Furthermore, movements in interest rates may affect the cost of financing for real estate companies.

Both rental income and property values may be affected by other factors specific to the real estate market, such as competition from other property owners, the perceptions of prospective tenants of the attractiveness, convenience and safety of properties, the inability to collect rents because of the bankruptcy or the insolvency of tenants, the periodic need to renovate, repair and release space and the costs thereof, the costs of maintenance and insurance, and increased operating costs. The Investment Advisor addresses market risk through a selective investment process, credit evaluations of tenants, ongoing monitoring of tenants and through effective management of the property.

8. Investments at fair value through profit or loss

	Year ended 31 March 2023 £000s	Year ended 31 March 2022 £000s
Fair value of investments at FVTPL at beginning of year	**5,973**	5,504
Purchases	**1,223**	867
Sales	**(563)**	(283)
Realised gains	**264**	46
Unrealised gains/(losses)	**942**	(161)
Total investments at FVTPL	**7,839**	5,973

As at 31 March 2023, the cost of the Investments at FVTPL was £4.908million (31 March 2022: £3.983million).

	Year ended 31 March 2023 £000s	Year ended 31 March 2022 £000s
Realised gains	**264**	46
Unrealised gains/(losses)	**942**	(161)
Investment income	**559**	217
Net gains on investments at FVTPL	**1,765**	102

The fair value of investments at FVTPL are analysed below by valuation method, according to the levels of the fair value hierarchy. The different levels have been defined as follows:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
Level 3: inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The following table analyses within the fair value hierarchy the Company's financial assets at fair value through profit or loss:

31 March 2023	**Level 1 £000s**	**Level 2 £000s**	**Level 3 £000s**	**Total £000s**
Fair value through profit or loss				
- Investments	**5,847**	**1,992**	**-**	**7,839**

Within the Company's financial assets classified as Level 2, securities totalling £1,162,559 are traded on the London Stock Exchange or AIM Market and securities of £829,100 are traded on the Aquis Exchange. The Level 2 securities are valued at the traded price as at the year end and no adjustment has been deemed necessary to these prices. However, although these are traded, they are not regularly traded in significant volumes and hence have been classified as level 2.

31 March 2022	**Level 1 £000s**	**Level 2 £000s**	**Level 3 £000s**	**Total £000s**
Fair value through profit or loss				
- Investments	**4,189**	**1,784**	**-**	**5,973**

Within the Company's financial assets classified as Level 2, securities totalling £1,149,000 were traded on the London Stock Exchange or AIM Market, securities of £335,000 traded on the Aquis Exchange and securities of £300,000 traded on The International Stock Exchange. The Level 2 securities were valued at the traded price as at the year end and no adjustment was deemed necessary to these prices. However, although these were traded, they were not regularly traded in significant volumes and hence were classified as level 2.

The valuation and classification of the investments are reviewed on a regular basis. The Board determines whether or not transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input which is significant to the fair value measurement as a whole) at the end of each reporting period. There were no transfers between levels during the reporting period (31 March 2022: None)

9. Trade and other receivables

	31 March 2023 £000s	31 March 2022 £000s
Prepayments	**54**	34
Total	**54**	34

The carrying values of trade and other receivables are considered to be approximately equal to their fair value.

10. Trade and other payables

	31 March 2023 £000s	31 March 2022 £000s
Investment Advisor fee (note 3 and 16)	**15**	17
Administration fees (note 3)	**18**	37
Audit fees	**42**	40
Director fees payable (note 16)	**2**	2
Other	**101**	158
Total	**178**	254

Trade and other payables are non-interest bearing and are normally settled on 30-day terms. The carrying values of trade and other payables are considered to be approximately equal to their fair value.

11. Taxation

	Year ended 31 March 2023 £000s	Year ended 31 March 2022 £000s
Effect of:		
Current tax		
Luxembourg	**(4)**	(4)
Italy	**(86)**	45
Total current tax	**(90)**	41
Deferred tax `		
Total deferred tax	**-**	**-**
Tax (charge)/refund during the year	**(90)**	41

The Parent Company is exempt from Guernsey taxation.

Movement in temporary differences

	1 April 2022 £000	Recognised in profit or loss £000	Foreign exchange loss on translation £000	31 March 2023 £000
Deferred tax liabilities	72	-	3	75

Which consists of:-

	31 March 2023 £000
Revaluation of investment property	(131)
Other timing difference	206
Total	75

11. Taxation (continued)

Movement in temporary differences (continued)

	1 April 2021 £000	Recognised in profit or loss £000	Foreign exchange loss on translation £000	31 March 2022 £000
Deferred tax liabilities	74	-	(2)	72

Which consists of:-

	31 March 2022 £000
Revaluation of investment property	(145)
Other timing difference	217
Total	72

12. Share capital

	Year ended 31 March 2023 **Number of shares**	Year ended 31 March 2022 Number of shares
Shares of no par values issued and fully paid		
Balance at the start of the year	**33,740,929**	33,740,929
Shares issued	**-**	-
Balance at the end of the year	**33,740,929**	33,740,929

No shares were issued by the Company during the year (31 March 2022: none).

13. Net asset value per ordinary share

The Net Asset Value per Ordinary Share at 31 March 2023 is based on the net assets attributable to the ordinary shareholders of £14,819 million (31 March 2022: £13.466 million) and on 33,740,929 (31 March 2022: 33,740,929) ordinary shares in issue at the Consolidated Statement of Financial Position date.

14 Financial risk management

The Group is exposed to various types of risk which are associated with financial instruments. The Group's financial instruments comprise investments, bank deposits, cash, receivables and payables which arise directly from its operations. The carrying value of financial assets and liabilities approximates the fair value. The main risks arising from the Group's financial instruments are price risk, market risk, credit risk, liquidity risk, interest risk and foreign currency risk.

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment which it has entered into with the Group. Failure of any relevant counterparty to perform its obligations in respect of these items may lead to a financial loss. The Company is principally exposed to credit risk in respect of cash and cash equivalents, investments held at fair value through profit or loss and trade and other receivables. The credit risk associated with debtors is limited to trade and other receivables. It is the opinion of the Board of directors that the carrying amounts of these financial assets represent the maximum credit risk exposure as at the reporting date.

The Company to date has not invested in the securities of any non-Group company which is not quoted or does not have a listing. All transactions in listed securities are settled/paid upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet their obligation.

The credit risk on cash and cash equivalent is considered limited because the counterparties are banks with acceptable credit-ratings assigned by international credit-ratings agencies.

14. Financial risk management (continued)

Credit risk (continued)

As at 31 March 2023 the Group held £225,271 (31 March 2022: £225,617) with Butterfield Bank (Guernsey) Limited, which has a Standard & Poor's rating of BBB+ (31 March 2022: BBB+), and £314,208 (31 March 2022: £343,408) with Banco di Desio e della Brianza S.p.A with a Fitch rating of BB+ (31 March 2022: BB+).

Property Trust Luxembourg 2 S.à.r.l., held £1,079 (31 March 2022: £6,723) in a current account with Alpha Group International (formerly Alpha FX Group plc) ("Alpha Group"), an Electronic Money Institution authorised and regulated by the UK Financial Conduct Authority. Whilst Alpha Group does not have a credit rating, the underlying funds held in the subsidiary's current account are held with Citibank International Limited, Luxembourg Branch, a subsidiary of Citigroup Inc, which has a Standard & Poor's credit rating of BBB+ (31 March 2022: BBB+).

Cash and cash equivalents, investments held at fair value through profit or loss and trade and other receivables presented in the Consolidated Statement of Financial Position are subject to credit risk with maturities within one year. The Company's maximum credit exposure is limited to the carrying amount of financial assets recognised as at the Consolidated Statement of Financial Position date.

At the reporting date, the carrying amounts of the financial assets, excluding prepayments exposed to risk were as follows:

As at 31 March 2023	Within one year £000s	1-3 years £000s	Total £000s
Cash and cash equivalents	**541**	**-**	**541**
Investments held at fair value through profit or loss	**7,839**	**-**	**7,839**
Total	**8,380**	**-**	**8,380**

As at 31 March 2022	Within one year £000s	1-3 years £000s	Total £000s
Cash and cash equivalents	**576**	**-**	**576**
Investments held at fair value through profit or loss	**5,973**	**-**	**5,973**
Total	**6,583**	**-**	**6,583**

Liquidity risk

Liquidity risk is the risk that the Group will encounter in realising assets or otherwise raising funds to meet financial commitments in a reasonable time frame or at a reasonable price.

The Group is invested in two asset types, one investment property (45.68% of Net Assets), which is relatively illiquid, and investments held at fair value through profit or loss, which are relatively liquid. The Group prepares forecasts in advance which enables the Group's operating cash flow requirements to be anticipated and ensures that sufficient liquidity is available to meet foreseeable needs and to allow any surplus cash assets to be invested safely and profitably. The Group also monitors the cash position in all subsidiaries to ensure that any working capital requirements are addressed as early as possible. As at 31 March 2023 and 31 March 2022, the Group had no significant financial liabilities other than short-term payables.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. As at the year end, the Group's overall interest rate risk is monitored on a quarterly basis by the Board. As the vast majority of the Group's investments held at fair value through profit or loss are not interest-bearing and are not directly subject to interest rate risk, the exposure to interest rate risk is not significant.

14. Financial risk management (continued)

Concentration risk

As at 31 March 2023, the Group held one Investment Property representing 45.68% of NAV (31 March 2022: 54.42%). The Company also held various investments, more details of which are set out on page 58. The largest investment exposure was to Smith News Plc, representing 33.25% of NAV (31 March 2022: 25.28%).

The Group pursues a policy of diversifying its risk in accordance with its Investment Policy, which is detailed on pages 59 to 60. Save for the Curno Asset until such time as it is realised, the Group intends to adhere to the investment restrictions set out therein.

Foreign currency risk

The Group is invested in assets denominated in a currency other than pounds sterling (that is Euros and US Dollars), the Company's functional and presentation currency, and the Consolidated Statement of Financial Position may be significantly affected by movements in the exchange rate of such currencies against pounds sterling. The following table sets out the total exposure to foreign currency risk and the net exposure to foreign currency of the Group's monetary and non-monetary assets and liabilities based on notional amounts.

		Assets £000s	Liabilities £000s	Net exposure £000s
At 31 March 2023:	Euro	7,157	(318)	6,839
At 31 March 2022:	Euro	7,757	(363)	7,394

Foreign currency risk sensitivity

The following table demonstrates the sensitivity to potential fluctuations in the Euro exchange rate (*ceteris paribus*) of the Group's equity.

		Increase/decrease in exchange rate	Effect on equity and income £000s
At 31 March 2023	Euro	+5%	342
	Euro	-5%	(342)
At 31 March 2022	Euro	+1%	82
	Euro	-1%	(82)

The sensitivity rates of 5% for Euros as at 31 March 2023 (31 March 2022: 1% for Euros) are regarded as reasonable in light of the recent volatility of pounds sterling vs the Euro. Any changes in the foreign exchange rate will directly affect the profit and loss, allocated to the foreign currency reserve of the Consolidated Statement of Changes in Equity.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's activities expose it primarily to the market risks of changes in market prices.

Market price risk
Market price risk arises mainly from the uncertainty about future prices of the financial instruments held by the Group. It represents the potential loss the Group may suffer through holding market positions in the face of price movements.

The Group's investment portfolio is exposed to market price fluctuations, which are monitored by the Investment Advisor in pursuance of the investment objectives and policies.

14. Financial risk management (continued)

Market price risk (continued)

Market price sensitivity analysis
The sensitivity analysis below has been determined based on the exposure to equities risks at the reporting date. The 20% reasonably possible price movement for equity-related securities (31 March 2022: 20%) is based on the Investment Advisor's best judgement. The sensitivity rate for equity-related investments of 20% is regarded as reasonable, as in the Investment Advisor's view there is expected to be considerable volatility in equity markets in the coming year.

A 20% increase in the market prices of equity-related investments as at 31 March 2023 would have increased the net assets attributable to shareholders by £1,567,752 (31 March 2022: £1,194,615) and a 20% change in the opposite direction would have decreased the net assets attributable to shareholders by an equal but opposite amount.

Actual trading results may differ from the above sensitivity analysis and these differences could be material.

Fair value
Financial assets at fair value through profit or loss are carried at fair value. Other assets and liabilities are carried at cost which approximates fair value.

IFRS 7 requires the Group to classify a fair value hierarchy which reflects the significance of the inputs used in making the measurements. IFRS 7 establishes a fair value hierarchy which prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under IFRS 7 are as follows –

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: inputs for the asset or liability which are not based on observable market data (unobservable inputs).

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

The determination of what constitutes 'observable' requires significant judgement by the Directors. The Directors consider observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources which are actively involved in the relevant market.

Assets classified in Level 1 consist of listed or quoted equities or equity-related securities, options and bonds which are issued by corporate issuers, supra-nationals or government organisations.

Assets classified in Level 2 are investments such as funds fair-valued using the official NAV of each fund as reported by each fund's independent administrator at the reporting date. Assets invested in quoted equity-type products in a less active market are classified as equity (see note 8). Options and foreign exchange forward contracts are fair valued using publicly available data. Foreign exchange forward contracts would be shown as derivative financial assets and liabilities.

Assets classified in Level 3 consist of investments for which no market exists for trading, for example investments in liquidating or illiquid funds, which would be reported using the latest available official NAV less dividends declared to date of each fund as reported by each fund's independent administrator at the last reporting date. Where a market exists for trading in illiquid funds, these are classified in Level 2.

The Group recognises any transfers between levels of fair value hierarchy as of the end of the reporting period during which the transfer has occurred. During the year ended 31 March 2023 and the year ended 31 March 2022, there were no transfers between levels of fair value hierarchy.

15. Reserves

(a) Revenue reserves
Revenue reserves arise as a result of the profit or loss created by the Group.

(b) Distributable reserves
Distributable reserves arose from the cancellation of the share premium account pursuant to the special resolution passed at the EGM on 13 April 2005 and approved by the Royal Court of Guernsey on 24 June 2005.

(c) Foreign currency reserves
Foreign currency reserves arise as a result of the translation of the Financial Statements of foreign operations, the functional and presentation currency of which is not pounds sterling.

16. Related party transactions

The Directors are responsible for the determination of the Company’s investment objective and policy and have overall responsibility for the Group's activities including the review of investment activity and performance.

Mr Nixon, a Director of the Company, is also Founding Partner and a Designated Member of Worsley Associates LLP. The total charge to the Consolidated Statement of Comprehensive Income during the year in respect of Investment Advisor fees to Worsley Associates was £176,690 (31 March 2022: £181,628) of which £15,277 (31 March 2022: £8,713) remained payable at the year end.

The fees and expenses payable to the Investment Advisor are explained in note 3.

Upon appointment of Worsley Associates as Investment Advisor (31 May 2019), Mr Nixon waived his future Director’s fee for so long as he is a member of the Investment Advisor.

As at 31 March 2023, Mr Nixon held 29.88% of the shares in the Company (31 March 2022: 29.88%).

As at 31 March 2023, Mr Scott held 2.01% of the shares in the Company (31 March 2022: 1.19%).

The aggregate remuneration and benefits in kind of the Directors and directors of its subsidiaries in respect of the year ended 31 March 2023 amounted to £46,086 (31 March 2022: £45,994) in respect of the Group of which £35,000 (31 March 2022: £35,000) was in respect of the Company. Please refer to page 25 for further details on the Directors’ fees.

All the above transactions were undertaken at arm’s-length.

17. Commitments and contingent liability

As at 31 March 2023 the Company had no commitments.

Disposal of the Curno property before 1 January 2024 may, depending on the terms, incur Italian taxes which would be material in the context of Shareholders’ Funds. As at the 31 March 2023 and up to the date of approval of these financial statements, no disposal was in discussion. As a result, no provision has been included in these Financial Statements.

18. Segmental analysis

As at 31 March 2023, the Group has two segments (31 March 2022: two). The following summary describes the operations in each of the Group's reportable segments for the current year:

Property Group	Management of the Group's property asset.
Parent Company	Parent Company, which holds listed equity investments

Information regarding the results of each reportable segment is shown below. Performance is measured based on segment profit/(loss) for the year, as included in the internal management reports that are reviewed by the Board, which is the Chief Operating Decision Maker (“CODM”). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other comparable operators.

18. Segmental analysis (continued)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2.

(a) Group's reportable segments

	Continuing Operations		
31 March 2023	**Property Group**	**Parent Company**	**Total**
	£000	**£000**	**£000**
External revenue			
Gross property income	769	-	769
Property operating expenses	(148)	-	(148)
Unrealised loss on investment property	(789)	-	(789)
Net gain on investments at fair value through profit or loss	-	1,765	1,765
Other income	-	52	52
Total segment revenue	**(168)**	**1,817**	**1,649**
Expenses			
General and administrative expenses	(134)	(394)	(528)
Total operating expenses	**(134)**	**(394)**	**(528)**
(Loss)/profit before tax	**(302)**	**1,423**	**1,121**
Income tax charge	(90)	-	(90)
(Loss)/profit after tax	**(392)**	**1,423**	**1,031**
(Loss)/profit for the year	**(392)**	**1,423**	**1,031**
Total assets	7,158	8,075	**15,233**
Total liabilities	319	95	**414**

	Continuing Operations		
31 March 2022	**Property Group**	**Parent Company**	**Total**
	£000	**£000**	**£000**
External revenue			
Gross property income	742	-	742
Property operating expenses	(144)	-	(144)
Unrealised loss on investment property	(722)	-	(722)
Net gain on investments at fair value through profit or loss	-	102	102
Other income	-	6	6
Total segment revenue	**(124)**	**108**	**(16)**
Expenses			
General and administrative expenses	(144)	(386)	(530)
Total operating expenses	**(144)**	**(386)**	**(530)**
(Loss)/profit before tax	**(268)**	**(278)**	**(546)**
Income tax charge	41	-	41
(Loss)/profit after tax	**(227)**	**(278)**	**(505)**
(Loss)/profit for the year	**(227)**	**(278)**	**(505)**

18. Segmental analysis (continued)

(a) Group's reportable segments (continued)

31 March 2022 (continued)	Continuing Operations Property Group £000	Parent Company £000	Total £000
Total assets	7,746	6,217	**13,963**
Total liabilities	314	183	**497**

(b) Geographical information

The Company is domiciled in Guernsey. The Group has subsidiaries incorporated in Europe.

The Group's revenue from external customers from continuing operations and information about its segment non-current assets by geographical location (of the country of incorporation of the entity earning revenue or holding the asset) are detailed below:

	Revenue from External Customers 31 March 2023 £000	Non-Current Assets 31 March 2023 £000
Europe	**769**	**6,770**

	Revenue from External Customers 31 March 2022 £000	Non-Current Assets 31 March 2022 £000
Europe	**742**	**8,086**

19. Net asset value reconciliation

The following is a reconciliation of the net asset value per share attributable to ordinary shareholders as presented in these Financial Statements to the unaudited net asset value per share reported to the London Stock Exchange.

31 March 2023	NAV per Ordinary Share (pence)
Net Asset Value reported to London Stock Exchange (unaudited)	44.30
Decrease in value of Investments held at fair value through profit or loss	(0.38)
Net Assets Attributable to Shareholders per Financial Statements (audited)	**43.92**

20. Subsequent events

There were no post year end events which require disclosure in these Financial Statements.

Portfolio statement (unaudited)
as at 31 March 2023

	Currency	Fair value £'000	% of Group Net Assets
Property			
UCI Curno	EUR	6,770	45.68%
Less: lease incentive	EUR	(737)	(4.97%)
Total		**6,033**	**40.71%**
Securities			
Smith News Plc	GBP	4,928	33.25%
Amedeo Air Four Plus Limited	GBP	617	4.16%
Northamber Plc	GBP	553	3.73%
Daniel Thwaites PLC	GBP	490	3.31%
Shepherd Neame Limited	GBP	339	2.29%
J. Smart & Co (Contractors) PLC	GBP	256	1.73%
Total disclosed securities		7,183	48.47%
Other securities (none greater than 2% of Net Assets)	GBP	656	4.43%
Total securities		**7,839**	**52.90%**
Total investments		**13,872**	**93.61%**

Investment Objective and Policy

Investment Objective

The Company's investment objective is to provide shareholders with an attractive level of absolute long-term return, principally through the capital appreciation and exit of undervalued securities. The existing real estate asset of the Company will be realised in an orderly manner, that is with a view to optimising the disposal value of such asset.

Investment Policy

The Company aims to meet its objectives through investment primarily, although not exclusively, in a diversified portfolio of securities and related instruments of companies listed or admitted to trading on a stock market in the British Isles (defined as (i) the United Kingdom of Great Britain and Northern Ireland; (ii) the Republic of Ireland; (iii) the Bailiwicks of Guernsey and Jersey; and (iv) the Isle of Man). The majority of such companies will also be domiciled in the British Isles. Most of these companies will have smaller to mid-sized equity market capitalisations (the definition of which may vary from market to market, but will in general not exceed £600 million). It is intended to secure influential positions in such British quoted securities with the deployment of activism as required to achieve the desired results.

The Company, Property Trust Luxembourg 2 SARL and Multiplex 1 SRL ("the Group") may make investments in listed and unlisted equity and equity-related securities such as convertible bonds, options and warrants. The Group may also use derivatives, which may be exchange traded or over-the-counter.

The Group may also invest in cash or other instruments including but not limited to: short, medium or long term bank deposits in pounds sterling and other currencies, certificates of deposit and the full range of money market instruments; fixed and floating rate debt securities issued by any corporate entity, national government, government agency, central bank, supranational entity or mutual society; futures and forward contracts in relation to any other security or instrument in which the Group may invest; put and call options (however, the Group will not write uncovered call options); covered short sales of securities and other contracts which have the effect of giving the Group exposure to a covered short position in a security; and securities on a when-issued basis or a forward commitment basis.

The Group pursues a policy of diversifying its risk. Save for the Curno Asset until such time as it is realised, the Group intends to adhere to the following investment restrictions:

- not more than 30 per cent. of the Gross Asset Value at the time of investment will be invested in the securities of a single issuer (such restriction does not, however, apply to investment of cash held for working capital purposes and, pending investment or distribution, in near cash equivalent instruments, including securities issued or guaranteed by a government, government agency or instrumentality of any EU or OECD Member State or by any supranational authority of which one or more EU or OECD Member States are members);

- the value of the four largest investments at the time of investment will not constitute more than 75 per cent of Gross Asset Value;

- the value of the Group's exposure to securities not listed or admitted to trading on any stock market will not exceed in aggregate 35 per cent. of the Net Asset Value;

- the Group may make further direct investments in real estate but only to the extent such investments will preserve and/or enhance the disposal value of its existing real estate asset. Such investments are not expected to be material in relation to the portfolio as a whole, but in any event will be less than 25 per cent. of the Gross Asset Value at the time of investment. This shall not preclude Property Trust Luxembourg 2 SARL and Multiplex 1 SRL (the "Subsidiaries") from making such investments for operational purposes;

- the Company will not invest directly in physical commodities, but this shall not preclude its Subsidiaries from making such investments for operational purposes;

Investment Policy (continued)

Investment Policy (continued)

- investment in the securities, units and/or interests of other collective investment vehicles will be permitted up to 40 per cent. of the Gross Asset Value, including collective investment schemes managed or advised by the Investment Advisor or any company within the Group; and

- the Company must not invest more than 10 per cent. of its Gross Asset Value in other listed investment companies or listed investment trusts, save where such investment companies or investment trusts have stated investment policies to invest no more than 15 per cent. of their gross assets in other listed investment companies or listed investment trusts.

The percentage limits above apply to an investment at the time it is made. Where, owing to appreciation or depreciation, changes in exchange rates or by reason of the receipt of rights, bonuses, benefits in the nature of capital or by reason of any other action affecting every holder of that investment, any limit is breached by more than 10 per cent., the Investment Advisor will, unless otherwise directed by the Board, ensure that corrective action is taken as soon as practicable.

Borrowing and Leverage

The Group may engage in borrowing (including stock borrowing), use of financial derivative instruments or other forms of leverage provided that the aggregate principal amount of all borrowings shall at no point exceed 50 per cent. of Net Asset Value. Where the Group borrows, it may, in order to secure such borrowing, provide collateral or security over its assets, or pledge or charge such assets.

Corporate Information

Directors (All non-executive)
W. Scott (Chairman)
R. H. Burke
B. A. Nixon

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Registration Number
43007

*With effect from the 13 February 2023, the registered office of the Company, the Administrator and Secretary changed from Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR to Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL