

## A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR

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# HALF-YEARLY FINANCIAL REPORT

FOR THE SIX MONTHS TO 31 DECEMBER 2023



## TRENDS DRIVING UIL'S INVESTMENT OPPORTUNITIES

 <p><b>SOMERS LIMITED</b></p> <p>Changes in markets and regulation opening up business opportunities</p>	 <p><b>ZETA RESOURCES</b></p> <p>Technology changes impacting commodity demands</p>	 <p><b>UTILICO</b> Emerging Markets Trust plc</p> <p>Focused on global infrastructure and utilities megatrends in emerging markets</p>	 <p><b>ALLECTUS CAPITAL</b></p> <p>Disruptive technologies and business models</p>
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The investment objective is to maximise shareholder returns by identifying and investing in compelling long-term investments worldwide, where the underlying value is not fully recognised.

### SIX MONTHS TO 31 DECEMBER 2023

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

**4.2%**

(DECEMBER 2022: -6.5%)

SHARE PRICE TOTAL RETURN PER ORDINARY SHARE\*

**-9.5%**

(DECEMBER 2022: -12.6%)

REVENUE EARNINGS PER ORDINARY SHARE

**0.02p**

(DECEMBER 2022: 7.70p)

DIVIDENDS PER ORDINARY SHARE

**4.00p**

(DECEMBER 2022: 4.00p)

\*See Alternative Performance Measures on pages 46 to 48

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

## WHY UIL LIMITED?



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

### UIL OFFERS ORDINARY SHAREHOLDERS:

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

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

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

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

# CHAIRMAN'S STATEMENT



The half year to 31 December 2023 has continued to be challenging on both the economic and, especially so, the geopolitical front. At UIL this has been compounded given the need to reduce UIL's bank debt significantly at this time. UIL's

investment performance has improved with its NAV total return up by 4.2% for the half year which is broadly in line with the wider markets. The FTSE All Share total return Index was up 5.1% for the six months to 31 December 2023. UIL's annual compound NAV total return since inception in 2003 was unchanged over the half year at 7.8%.

Shareholders' funds rose 2.1% in the six months to 31 December 2023. This is pleasing given the continued realisation of assets in weak markets and paydown of UIL's bank debt. Over the half year, borrowings from the Bank of Nova Scotia, London Branch ("Bank of Nova Scotia") reduced by £22.5m from £37.5m to £15.0m. As a result, total debt including the ZDP shares reduced from £139.9m to £121.9m over the half year period and gearing reduced from 83.5% to 71.3%. Since June 2022 UIL has repaid over £35.0m in bank debt and £52.3m in ZDP shares. UIL is set to repay a further £15.0m in bank debt by the end of March 2024. This is a substantial achievement in these volatile markets.

There has been one change in the top ten of UIL's portfolio during the half year to 31 December 2023. UIL sold its direct holding in Littlepay Mobility Limited ("Littlepay") to Somers Limited ("Somers"). Somers ultimately owns the majority holding in Littlepay and UIL will benefit from UIL's 40.4% holding in Somers. Replacing Littlepay is Carebook Technologies Inc ("Carebook"), which is listed on the TSX Venture Exchange, and is a leading Canadian provider of innovative digital health solutions.

The Board is disappointed to see the ordinary shares' discount to NAV end the year at 37.8%. Given the focus on the continued reduction in the bank facility, no buybacks were undertaken in the half year ended 31 December 2023.

As at 31 December 2023, UIL's average blended rate of funding costs, including bank debt, remained unchanged at 5.7%. UIL's longer dated 2024, 2026 and 2028 ZDP shares are trading at high gross redemption yields being 10.8%, 12.5% and 11.6% respectively.

The 2024 ZDP shares amounting to £39.8m as at 31 December 2023, are redeemable in October this year. As such they have been moved to current liabilities and the Investment Managers have started to take steps to fund the redemption payment.

Total revenue income for the half year to 31 December 2023 was £2.3m, a decrease of 72.9% from £8.5m in the prior half year. UIL has reduced a number of holdings and did not receive a distribution from Somers during the half year, significantly decreasing its income. On the back of higher interest rates, finance costs increased for the half year to 31 December 2023 to £1.5m, up 36.4% from the prior half year at £1.1m. The above resulted in revenue return profits decreasing to £19,000 (31 December 2022: £6.5m) for the half year and revenue return earnings per share ("EPS") of 0.02p, well below 31 December 2022 figure of 7.00p.

The capital return gains for the year ended 31 December 2023 of £6.8m is a small positive.

## DIVIDENDS

The Board has declared an unchanged second quarterly dividend of 2.00p per ordinary share in respect of the year ending 30 June 2024. In light of UIL's current focus on the repayment of its bank facility in March and the timing of expected cash receipts from certain portfolio transactions, the date of payment of this dividend will be later than usual, with the payment due to be made in June 2024.

## BANK FACILITY

UIL has agreed with the Bank of Nova Scotia to repay its committed senior secured multi-currency facility at its maturity on 19 March 2024. Over the six months UIL repaid £22.5m and as at 31 December 2023 the facility stood at £15.0m. £5.0m has recently been repaid and the remaining £10.0m will be repaid on 19 March 2024.

## GLOBAL EVENTS

Market volatility has been driven by significant uncertainties in both the economy and social and geopolitical considerations.

The key economic driver of markets has been the outlook for inflation in the developed world and the central banks' focus on reducing it through higher central bank interest rates. While inflation is now on a lower trend, the remarkable outcome in many economies is that unemployment has remained well below trends and many economies have beaten expectations on GDP. However, in the last quarter the market firmly shifted its views on central bank interest rate reductions from if it will happen to when, especially in the USA. Many central banks take their lead from the US Federal Reserve.

The upshot has been strong gains for most markets. Going forward we think most central banks have the opportunity to reduce rates.

The war in Ukraine has gone on longer than expected and today there continues to be no clear way forward. The outlook is grim as both sides are unable to gain ground.

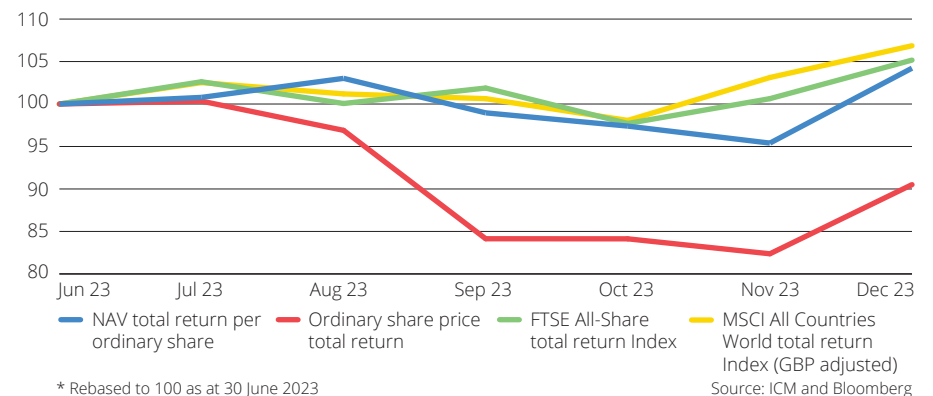
The brutal conflict that has erupted in the Middle East is more concerning. These are deep seated politically ideological differences between many parties in the Middle East established over many years. The concern must be that this escalates into a much wider conflict.

The ongoing friction between the USA and China continues to deepen, and given these are the two largest economies globally this must pose significant risks at some point in the future, especially for technology businesses on each side of the Pacific Ocean.

Overlayed on all this is the USA election. The direction the USA takes matters and its position and influence in the above mentioned conflicts is itself very uncertain.

## TOTAL RETURN COMPARATIVE PERFORMANCE\* (pence)

from 30 June 2023 to 31 December 2023



An ever increasing factor for investors is climate change. It has clearly had devastating impacts on a number of communities from wildfires in Hawaii to floods in Germany. We are seeing whole ecosystems being impacted from prolonged droughts to record temperatures. As investors we need to prepare for these outcomes to continue across the holdings in our portfolio.

There is a very perceptible shift to embrace Artificial Intelligence ("AI") by most businesses and as with most technological developments, those without legacy businesses benefit the most, but eventually all businesses will need to adapt or risk failure. This has been our experience in the Fintech sector. UIL has a number of investments with significant exposure to AI, Blockchain and Quantum Computing.

## BOARD

Having been appointed Chairman of the Board in 2015 I believe it is an appropriate time for me to step down and therefore I will retire from the Board on 31 March 2024. I would like to thank my fellow Board members for all their support over the years. I am delighted that the Board has decided that Stuart Bridges, the current Chairman of the Audit & Risk Committee, will replace me as Chairman. In addition, I am pleased to report that Peter Durhager has agreed to join the Board on 31 March 2024. Peter has over twenty five years of experience in financial, telecommunications and energy sectors. He is currently Chairman of Somers, one of UIL's platform investments and, in advance of his appointment to the UIL Board, he will be retiring from the Somers board following its annual general meeting next month.

## OUTLOOK

The economic outlook remains positively balanced with inflation and employment expected to weaken and faced with this we expect central banks will lower interest rates. This Goldilocks scenario is finely balanced between those expecting a recession and those expecting a soft landing. The bigger concern is the direction of travel for most countries politically. There is an ever growing trend of protectionist

views which can quickly grow into real economic headwinds. Add to this the geopolitical tensions and the downside risks are elevated. We remain cautiously optimistic about the outlook for UIL's portfolio.

**Peter Burrows AO**  
Chairman  
21 February 2024

## GROUP PERFORMANCE SUMMARY

	Half year 31 Dec 2023	Half year 31 Dec 2022	Annual 30 Jun 2023	% change Jun-Dec 2023
NAV total return per ordinary share (for the period) <sup>1</sup> (%)	4.2	(6.5)	(20.6)	n/a
Share price total return per ordinary share (for the period) <sup>1</sup> (%)	(9.5)	(12.6)	(18.5)	n/a
Annual compound NAV total return <sup>1</sup> (since inception <sup>2</sup> ) (%)	7.8	8.9	7.8	n/a
NAV per ordinary share <sup>1</sup> (pence)	204.04	240.02	199.87	2.1
Ordinary share price (pence)	127.00	160.00	145.00	(12.4)
Discount <sup>1</sup> (%)	37.8	33.3	27.5	n/a
<b>Returns and dividends (pence)</b>				
Revenue return per ordinary share	0.02	7.70	6.68	(99.7) <sup>3</sup>
Capital return per ordinary share	8.15	(24.58)	(59.70)	133.2 <sup>3</sup>
Total return per ordinary share	8.17	(16.88)	(53.02)	148.4 <sup>3</sup>
Dividend per ordinary share	4.00 <sup>4</sup>	4.00	8.00	0.0 <sup>3</sup>
FTSE All-Share total return Index	9,056	8,392	8,611	5.2
<b>Equity holders' funds (£m)</b>				
Gross assets <sup>1</sup>	283.2	343.3	304.9	(7.1)
Loans	15.0	50.0	42.7	(64.9)
ZDP shares	97.2	92.1	94.6	2.7
Equity holders' funds	171.1	201.2	167.6	2.1
<b>Revenue account (£m)</b>				
Income	2.3	8.5	10.2	(72.9) <sup>3</sup>
Costs (management and other expenses)	0.7	0.9	1.7	(22.2) <sup>3</sup>
Finance costs	1.5	1.1	2.9	36.4 <sup>3</sup>
Net income	0.0	6.5	5.6	(99.7) <sup>3</sup>
<b>Financial ratios of the Group (%)</b>				
Ongoing charges figure <sup>1</sup>	3.0 <sup>5</sup>	2.9 <sup>5</sup>	2.8	n/a
Gearing <sup>1</sup>	71.3	73.4	83.5	n/a

(1) See Alternative Performance Measures on pages 46 to 48

(2) All performance data relating to periods prior to 20 June 2007 are in respect of Utilico Investment Trust plc, UIL's predecessor

(3) Percentage change based on comparative six month period to 31 December 2022

(4) The second quarterly dividend of 2.00p has not been included as a liability in the accounts

(5) For comparative purposes the figures have been annualised

# INVESTMENT MANAGERS' REPORT



The half year to 31 December 2023 has continued to be difficult to navigate for investors, particularly in light of the significant increase in political risks in the Middle East. The need to reduce debt and realise

assets to do so has certainly challenged UIL. It is therefore pleasing the net assets rose as markets recovered in the closing quarter of 2023.

UIL's profit for the half year to 31 December 2023 of £6.8m and total return of 4.2% has seen UIL's annual compound NAV total return since inception in 2003 unchanged at 7.8% over the half year.

## PORTFOLIO

Over the half year there was more stability within the top ten holdings. Four holdings increased in value, four reduced in value, one remained unchanged and one reduced as a result of distributions to shareholders. Overall,

the increases outweighed the decreases by some £11.6m. However, top ten portfolio net realisations of £20.7m led to a reduction in the top ten portfolio of £9.0m and a reduction of liabilities as well.

UEM's and Zeta's share price discounts to NAV have contributed a £13.5m reduction to the underlying valuations.

Somers' valuation increased by 15.5% in the half year to 31 December 2023. This was largely driven by Resimac whose share price recovered 18.2%. Resimac's resilience in the face of reduced mortgage volumes and compressed net interest margins is pleasing. It is also good to see Resimac continuing to buy back shares at these current levels. It should be noted that UIL holds a direct investment in Resimac as well, being UIL's fourth largest investment.

Waverton Investment Management Ltd ("Waverton"), Somers' largest investment continued its solid investment performance which has assisted in driving new assets against a macroeconomic environment which has not been strong for risk assets. In its year to 31 December

2023 Waverton saw AUM increase to over £10.0bn, with strong revenue growth.

Zeta's NAV per share decreased by 18.5% over the half year, primarily as a result of Zeta's exposure to nickel, which was down 19.5% over the six months to 31 December 2023, and the resultant voluntary administration of Panoramic Resources, one of Zeta's significant assets. Zeta's share price decreased by 9.8% and as a result the discount narrowed to 13.7%. Over the half year Zeta exited from Huby Minerals into a rising market. Zeta used the proceeds to buy back shares on the market. UIL reduced its shareholding in Zeta by 8.2% through selling into the buy back.

UEM has again been a relative standout performer over the half year to 31 December 2023 with a NAV total return of 4.7% compared to the MSCI Emerging Markets total return Index (GBP adjusted) ("MSCI") of 4.3% over the same period. UEM continues to see strong results reported by its investee companies with most continuing to grow revenues. While margins are under pressure EBITDA in many cases has expanded and delivered EPS growth. This is a credit to the investee management teams who continue to deliver excellent operational performance in volatile times.

UEM is also significantly ahead of the MSCI since its inception in 2005.

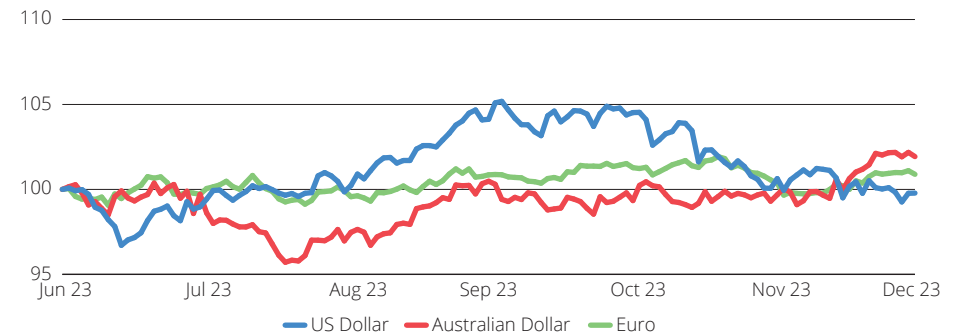
As with most emerging markets funds, UEM's discount has widened and it stood at 14.7% as at 31 December 2023. UIL has taken the opportunity of share price outperformance to reduce its shareholding and realising 18.4% of its holding in UEM, receiving £7.4m during the half year.

Allactus Capital Limited ("Allactus Capital") saw its valuation weaken in line with the wider markets. Pre revenue, pre profitability investment valuations have been marked down substantially. The Allactus Capital valuation declined 9.5% over the half year. UIL contributed an additional £0.5m of capital to Allactus Capital during the half year.

Allactus Quantum Holdings Limited's ("Allactus Quantum") valuation was unchanged over the six months to 31 December 2023 and since the half year end it has made significant progress towards closing its current fund raising round. Its sole investment is Diraq Pty Ltd ("Diraq"), a next generation quantum computing company, which continues to make progress.

## CURRENCY MOVEMENTS VS STERLING

from 30 June 2023 to 31 December 2023

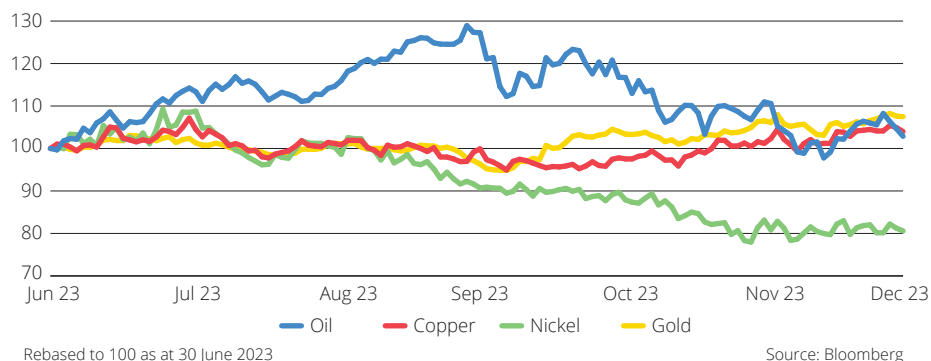


Rebased to 100 as at 30 June 2023

Source: Bloomberg

### COMMODITY PRICE MOVEMENTS

from 30 June 2023 to 31 December 2023



The Market Limited's share price was down 20.7% over the half year to 31 December 2023. While changes to the board of directors have been welcomed by the market, the soon to be released financial results are anticipated with interest and will provide information to gauge progress.

West Hamilton, a listed Bermuda property developer, sold two of its three major assets in Bermuda and made a capital and revenue distribution to all its shareholders. UIL received £9.0m, or USD 6.75 per share in the half year. The carrying value therefore reduced 55.9%, reflecting this distribution.

Arria NLG Limited's ("Arria") value was marked down in the half year by 20.2% reflecting weaker valuations over the six months. Whilst AI and the opportunity for machine learning are a positive for Arria, we are cautious on its outlook. Carebook's share price rose 7.1% over the six months to 31 December 2023. UIL contributed £1.2m in support of Carebook's growth strategy.

### COMMODITIES

Commodities were more stable over the half year and most ended up during the period with gold rising 7.5%, copper up 4.0% and oil up 2.9%. The

exception was nickel which fell 19.5% over the six months to 31 December 2023. The oversupply of nickel does look to be a true headwind, especially the supply of cheap nickel from Indonesia.

### PORTFOLIO ACTIVITY

During the half year to 31 December 2023, UIL invested £9.4m and realised £34.2m.

### PLATFORM INVESTMENTS

UIL currently has four platform investments, Somers, Zeta, UEM and Allectus Capital in its top ten holdings. These investments account for 74.8% of the total portfolio as at 31 December 2023 (30 June 2023: 71.8%). During the half year to 31 December 2023, net withdrawals from these platforms amounted to £13.5m (30 June 2023: £61.5m). Within the top ten holdings, UEM's investment was reduced by 18.4%, realising £7.4m and 8.2% of Zeta's shareholding was tendered into Zeta's buyback for £4.7m by UIL.

### DIRECT INVESTMENTS

UIL has six direct investments in its top ten holdings, Resimac, Allectus Quantum, The Market Limited, West Hamilton, Arria and Carebook. All are listed except for Allectus Quantum and Arria. During the half year to 31 December 2023,

### IN THE SIX MONTHS TO 31 DECEMBER 2023

AUSTRALIA AND NEW ZEALAND REMAINS UIL'S LARGEST EXPOSURE AT

41.6%

(40.1%)

UK REMAINS UIL'S SECOND LARGEST COUNTRY EXPOSURE AT

20.6%

(19.2%)

AFRICA IS NOW UIL'S THIRD LARGEST EXPOSURE AT

9.3%

(6.9%)

BERMUDA IS NOW UIL'S FOURTH LARGEST COUNTRY EXPOSURE AT

7.9%

(9.5%)

ASIA REMAINS UIL'S FIFTH LARGEST EXPOSURE AT

7.1%

(6.0%)

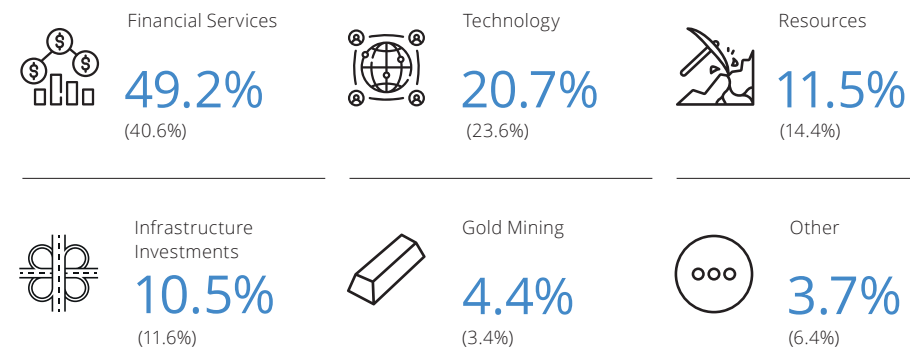
EUROPE IS NOW UIL'S SIXTH LARGEST EXPOSURE AT

5.6%

(5.4%)

See pages 16 and 17 for the full geographical exposure

### SECTOR SPLIT OF INVESTMENTS



Figures in brackets as at 30 June 2023

Source: ICM

net realisations from these direct investments amounted to £7.1m (30 June 2023: net investments of £51.8m). West Hamilton returned £8.3m to UIL following the realisation of its main property in Bermuda. £1.2m was invested into Carebook.

### GEOGRAPHIC REVIEW

The geographical split of the portfolio, on a look through basis, shows Australia and New Zealand remaining UIL's top exposure at 41.6% of UIL's total investments (30 June 2023: 40.1%) and the UK is still UIL's second largest exposure at 20.6% (30 June 2023: 19.2%).

### SECTOR REVIEW

#### Financial Services – 49.2% (30 June 2023: 40.6%)

Somers is UIL's largest investment and accounts for 41.6% of UIL's total investments as at 31 December 2023 (30 June 2023: 34.9%). Most gains came from Resimac, whose share price was up 18.2% and is held both within Somers and directly in UIL's portfolio.

#### Technology – 20.7% (30 June 2023: 23.6%)

UIL holds a number of early-stage investments in the technology sector, both indirectly through Allectus Capital (UIL's fifth largest investment), and directly. Most carrying values were down due to weaker market valuations for early stage investments.

#### Resources (excl. gold mining) – 11.5% (30 June 2023: 14.4%)

UIL's largest investment in resources is Zeta, which accounted for 15.9% of the total portfolio as at 31 December 2023 (30 June 2023: 17.9%). Zeta's share price weakened over the half year declining by 9.8% and the Zeta buyback reduced UIL's investment further.

#### Infrastructure Investments – 10.5% (30 June 2022: 11.6%)

This consists of Telecommunications, Infrastructure, Electricity, Ports, Road & Rail, Oil &

Gas, Renewables, Water & Waste and Airports. UIL's infrastructure exposure is largely through UEM. While UEM's NAV rose, this was more than offset by UIL selling 18.4% of its holding in UEM thus reducing the sector percentage to 10.5%.

### LEVEL 3 INVESTMENTS

As a result of selling down listed positions to generate cash to reduce bank debt, UIL's holdings of level 3 companies increased to 59.0% of the total portfolio from 56.0% as at 30 June 2023. The level 3 investments are formally revalued twice a year and where there is a material event that impacts an investment, it is revalued at that time, thereby keeping the level 3 valuations current.

### GEARING

As a result of the decrease in bank debt and modest improvement in portfolio valuations, gearing has decreased significantly to 71.3% as at 31 December 2023 from 83.5% as at 30 June 2023 and this remains well inside UIL's target gearing of under 100.0%.

The blended costs of borrowing remained unchanged over the half year at 5.7%.

### ZDP SHARES

On a consolidated basis the ZDP shares increased from £94.6m as at 30 June 2023 to £97.2m as at 31 December 2023, up 2.7% as a result of the capital growth of their redemption value. UIL continues to hold 2.3m 2026 ZDP shares and 0.6m 2028 ZDP shares as at 31 December 2023. With three ZDP issues, UIL has spread the redemption liability over five years.

### DEBT

Bank and other loans decreased to £15.0m as at 31 December 2023 from £42.7m as at 30 June 2023. The Bank of Nova Scotia's remaining debt under the senior secured multi-currency revolving facility is due to be repaid by 19 March 2024.

Net bank overdraft increased to £9.8m compared to £2.6m as at 30 June 2023.

### REVENUE RETURNS

Revenue income for the half year decreased by 72.9% to £2.3m from £8.5m in the six months to 31 December 2022. Much of the focus of UIL and the wider group is on cash generation and debt reduction.

Management and administration fees and other expenses were down at £0.7m from £0.9m in the comparable six month period. Finance costs were up by £0.4m as at 31 December 2023 from £1.1m as at 31 December 2022, reflecting lower usage of bank debt, but at higher interest rates.

Revenue profit decreased during the six months to 31 December 2023 and EPS decreased by 99.7% to 0.02p from 7.70p as at 31 December 2022.

### CAPITAL RETURNS

Capital total income was £9.4m (31 December 2022: loss of £17.0m).

Finance costs decreased by 27.8% to £2.6m (31 December 2022: £3.6m) largely reflecting the lower number of ZDP shares in issue following the 2022 ZDP shares redemption in October 2022.

The resultant profit for the half year to 31 December 2023 on the capital return was £6.8m (31 December 2022: loss of £20.6m) and EPS was 8.15p (31 December 2022: loss of 24.58p).

### EXPENSE RATIO

The ongoing charges figure, including fees paid in UIL's platform companies and excluding performance fees, was 3.0% as at 31 December 2023 (31 December 2022: 2.9%). No performance fee was earned at the UIL level or within the platform companies.

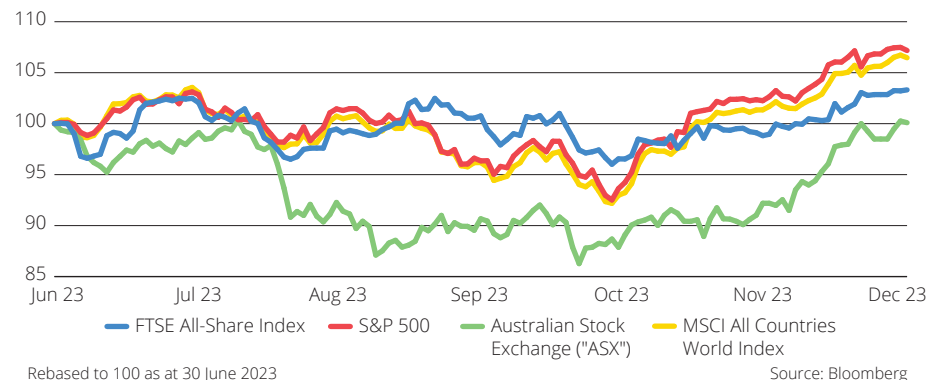
All expenses are borne by the ordinary shareholders.

### Charles Jillings

ICM Investment Management Limited  
and ICM Limited  
21 February 2024

### INDICES MOVEMENTS

from 30 June 2023 to 31 December 2023



### PERFORMANCE SINCE INCEPTION (14 AUGUST 2003) TO 31 DECEMBER 2023

ANNUAL COMPOUND NAV  
TOTAL RETURN\*

7.8%

NAV TOTAL RETURN PER  
ORDINARY SHARE\*

362.9%

ANNUAL COMPOUND ORDINARY  
SHARE PRICE TOTAL RETURN\*

7.3%

REVENUE EARNINGS PER  
ORDINARY SHARE

131.16p

DIVIDENDS PER  
ORDINARY SHARE

110.83p

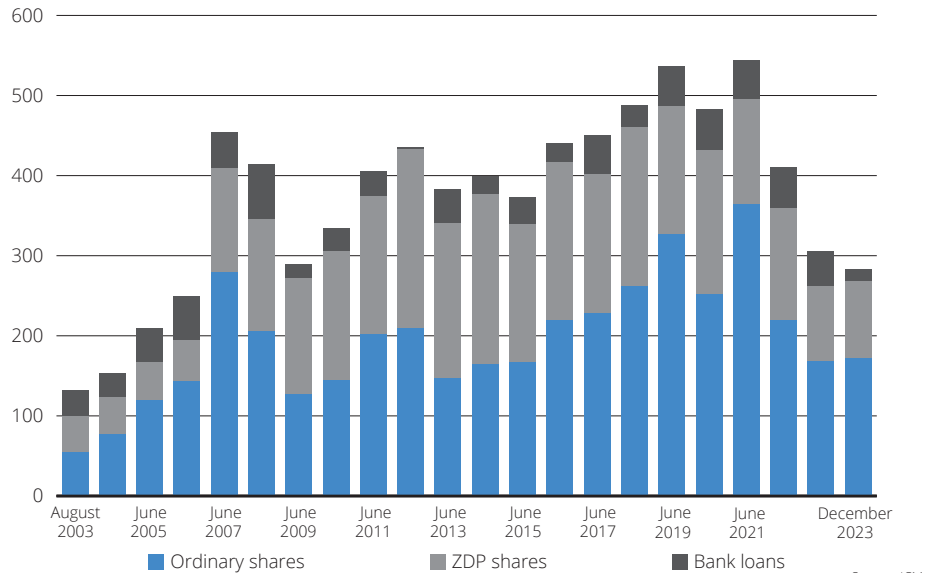
REVENUE RESERVES PER  
ORDINARY SHARE CARRIED  
FORWARD \*

10.02p

\* See Alternative Performance Measures on pages 46 to 48

### ALLOCATION OF GROSS ASSETS (£m)

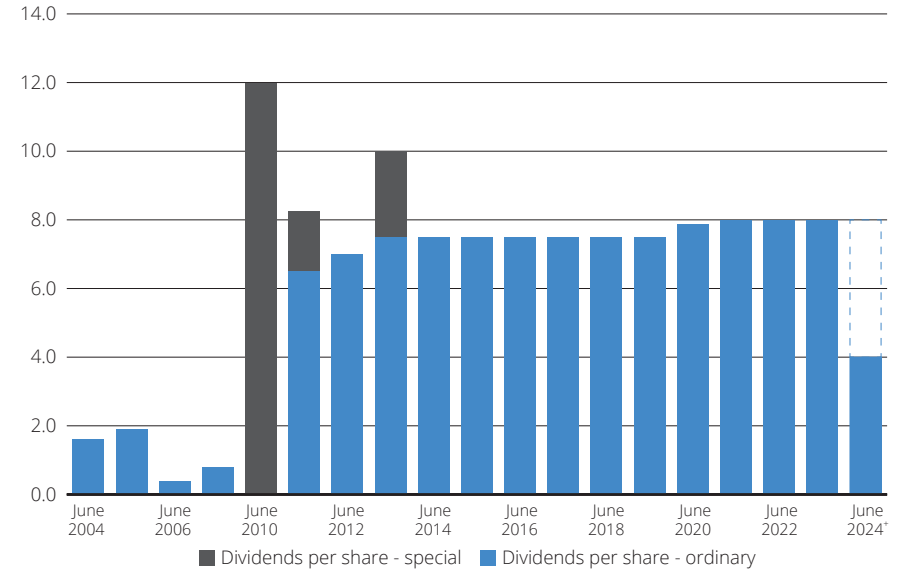
from 14 August 2003 to 31 December 2023



Source: ICM

### DIVIDENDS PER ORDINARY SHARE (pence)

from 30 June 2004 to 31 December 2023



No dividends were paid between 2007 and 2010

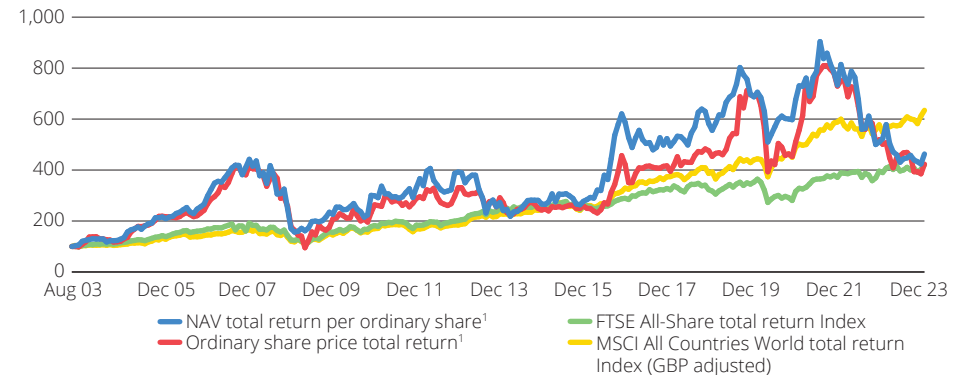
2010 refers to a cash distribution

\* Pro forma, based on dividends for Q1 and Q2 and, in the absence of unforeseen circumstances, dividends of 2.00p per share for each of Q3 and Q4

Source: ICM

### HISTORIC TOTAL RETURN NAV AND SHARE PRICE PERFORMANCE (pence)

Since inception to 31 December 2023



Rebased to 100 as at 14 August 2003

(1) Adjusted for the exercise of warrants and convertibles

Source: ICM and Bloomberg



# ZDP SHARES

## ZDP SHARES<sup>1</sup> (pence)

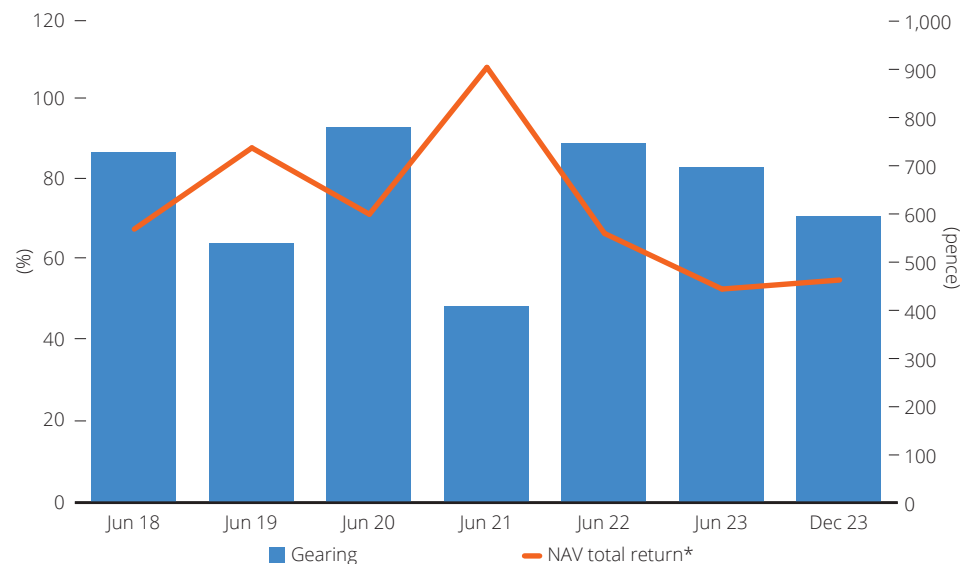
	Half year 31 Dec 2023	Half year 31 Dec 2022	Annual 30 Jun 2023	% change Jun-Dec 2023
<b>2024 ZDP shares</b>				
Capital entitlement per ZDP share	133.07	127.06	130.04	2.3
ZDP share price	127.00	125.00	123.50	2.8
<b>2026 ZDP shares</b>				
Capital entitlement per ZDP share	131.90	125.65	128.75	2.4
ZDP share price	108.50	114.50	114.50	(5.2)
<b>2028 ZDP shares</b>				
Capital entitlement per ZDP share	116.21	109.91	113.02	2.8
ZDP share price	89.50	95.50	96.50	(7.3)

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

Source: ICM

## GEARING/NAV TOTAL RETURN

from 30 June 2018 to 31 December 2023



\*Rebased to 100 as at 14 August 2003

Source: ICM

## TOTAL BORROWINGS

	Jun 2018 £'000s	Jun 2019 £'000s	Jun 2020 £'000s	Jun 2021 £'000s	Jun 2022 £'000s	Jun 2023 £'000s	Dec 2023 £'000s
2018 ZDP	50,858						
2020 ZDP	51,940	55,387	59,087				
2022 ZDP	55,873	59,499	63,407	48,052	51,166		
2024 ZDP	29,408	31,582	33,250	34,996	36,833	38,765	39,764
2026 ZDP	11,275	13,474	24,791	25,299	27,589	29,005	29,749
2028 ZDP				23,726	25,225	26,819	27,650
Total	199,354	159,942	180,535	132,073	140,813	94,589	97,163
Bank and other debt <sup>a</sup>	28,495	50,971	54,402	45,437	54,907	45,329	24,767
Total debt	227,849	210,913	234,937	177,510	195,720	139,918	121,930
Blended interest rate %	6.1	5.5	5.2	4.5	4.7	5.7	5.7

<sup>a</sup> includes net bank overdrafts

Source: ICM

## ZDP SHARES - TIMES COVERED BY UIL'S GROSS ASSETS<sup>2</sup>

	Jun 2018	Jun 2019	Jun 2020	Jun 2021	Jun 2022	Jun 2023	Dec 2023
2018	6.50						
2020	3.71	4.92	4.23				
2022	2.44	2.97	2.58	5.41	3.89		
2024	1.84	2.42	2.11	3.83	2.80	3.57	4.47
2026	1.63	2.08	1.81	3.03	2.23	2.49	2.84
2028				2.50	1.85	1.90	2.08

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

Source: ICM

## GEARING METRICS

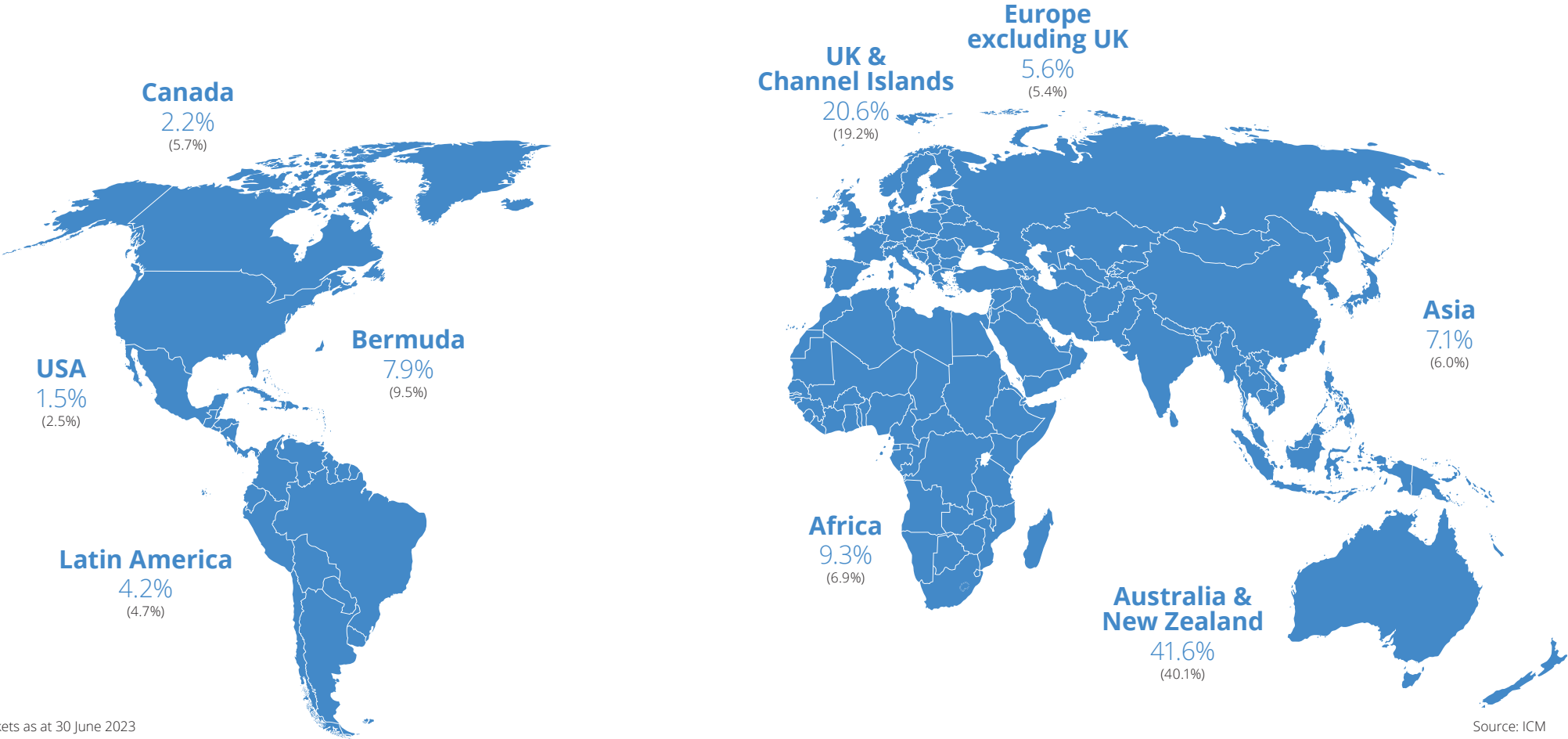
TOTAL ZDP, BANK AND OTHER DEBT AS AT 31 DECEMBER 2023	GEARING AS AT 31 DECEMBER 2023	TOTAL NET DEBT DECREASE DURING THE HALF YEAR	AVERAGE COST OF DEBT FUNDING
£121.9m	71.3% <sup>+</sup>	£18.0m	5.7%

<sup>+</sup> See Alternative Performance Measures on pages 46 to 48

Source: ICM

# GEOGRAPHICAL INVESTMENT EXPOSURE

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

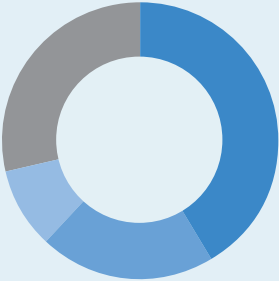


Figures in brackets as at 30 June 2023

Source: ICM

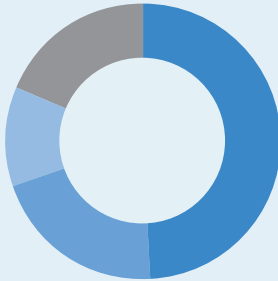
## THREE LARGEST GEOGRAPHIES:

- 41.6%** Australia and New Zealand
- 20.6%** UK
- 9.3%** Africa
- 28.5%** Other








## THREE LARGEST SECTORS:




- 49.2%** Financial Services
- 20.7%** Technology
- 11.5%** Resources
- 18.6%** Other





# TEN LARGEST HOLDINGS

1	 <b>SOMERS LIMITED</b>	2	 <b>ZETA RESOURCES</b>	3	 <b>UTILICO</b> Emerging Markets Trust plc
<b>41.6%</b>		<b>15.9%</b>		<b>11.6%</b>	
<b>Somers Limited</b>		<b>Zeta Resources Limited</b>		<b>Utilico Emerging Markets Trust plc</b>	
<b>Financial Services</b>		<b>Resources</b>		<b>Investment Fund</b>	
A financial services investment platform, which primarily invests in the banking, wealth management, fintech and asset financing sectors.		A resources-focused investment platform, which invests in a range of resource entities and base metals exploration and production companies.		A UK listed fund uniquely focused on global infrastructure megatrends in emerging markets.	
<b>121,808</b> Fair value £'000s		<b>46,579</b> Fair value £'000s		<b>34,053</b> Fair value £'000s	

4	 <b>resimac</b>	5	 <b>ALLECTUS CAPITAL</b>
<b>6.9%*</b>		<b>5.7%</b>	
<b>Resimac Group Limited</b>		<b>Allectus Capital Limited</b>	
<b>Financial Services</b>		<b>Technology</b>	
A lender for residential mortgages and asset finance in Australia and New Zealand.		An investment platform with a growth-stage portfolio of technology companies.	
<b>20,125</b> Fair value £'000s		<b>16,719</b> Fair value £'000s	

6	 <b>Allectus</b> Quantum Holdings Ltd	7	 <b>THE MARKET</b>	8	 <b>WEST HAMILTON</b> HOLDINGS LIMITED
<b>5.0%</b>		<b>3.2%</b>		<b>2.3%</b>	
<b>Allectus Quantum Holdings Limited</b>		<b>The Market Limited</b>		<b>West Hamilton Holdings Limited</b>	
<b>Technology</b>		<b>Financial Services</b>		<b>Investment Fund</b>	
An investment holding company for Australia based quantum computing startup Dirac.		A multi-platform and financial news business operating in Australia and Canada, and the owner of a number of classified online listing businesses.		A Bermuda property holding and management company.	
<b>14,666</b> Fair value £'000s		<b>9,308</b> Fair value £'000s		<b>6,638</b> Fair value £'000s	

9	 <b>ARRIA</b>	10	 <b>Carebook</b>
<b>1.9%</b>		<b>1.6%</b>	
<b>Arria NLG Limited</b>		<b>Carebook Technologies Inc</b>	
<b>Technology</b>		<b>Technology</b>	
An AI natural language software company.		A digital health company providing employee health and wellness solutions to employers globally as well as pharmacy management solutions to pharmacies.	
<b>5,428</b> Fair value £'000s		<b>4,694</b> Fair value £'000s	

Note: % relates to % of total investments

\*19.5% on a look through basis

## TEN LARGEST HOLDINGS (continued)

### SOMERS LIMITED

VALUATION  
**15.5%** ↑

Somers' shareholders' equity was £271.0m as at 30 September 2023 (30 September 2022: £303.2m) and Somers' NAV per share was £11.10 (30 September 2022: £12.42). The NAV decrease resulted principally from a reduction in the value of Somers' holdings in ICM Mobility, Resimac and PCF Group. Somers also incurred £13.9m of unrealised foreign exchange losses for the year to 30 September 2023.

As at 30 September 2023, Somers' three largest investments, which make up 85.1% of its portfolio, were a 54.4% holding in Resimac, a leading non-bank Australian financial institution, with over AUD 14.0bn assets under management ("AUM"), a 61.4% holding in the Waverton group, a UK wealth manager with over £14.0bn funds under management and administration ("FUMA"), and a 39.8% holding in ICM Mobility, a UK holding company focused on the transit mobility sector. Somers' gearing ratio was 31.9% up from 24.1% in the previous year. Resimac announced home loan AUM of AUD 13.1bn and normalised net profit after tax of AUD 73.7m for the year ended 30 June 2023, while Waverton's FUMA and revenues have grown strongly up to 31 December 2023.

### ZETA RESOURCES

SHARE PRICE  
**9.8%** ↓

In the half year ended 31 December 2023, Zeta's net assets decreased by 23.3% to AUD 169.1m and net assets per share fell by 18.5% to AUD 0.32. Zeta's share price closed at a discount of 13.7% to NAV per share (30 June 2023: 22.0%). UIL's shareholding in Zeta decreased by 8.2%. It was a volatile period for commodity prices, as aluminium, gold, copper and Brent crude oil were up 10.9%, 7.5%, 4.0% and 2.9% respectively, whilst nickel was down 19.5%.

While several of Zeta's unlisted investments performed well over the period, Zeta's listed investments were impacted by commodity price movements, liquidity constraints, and inflated development and operating costs. Gains from several of Zeta's aluminium and gold investments were offset by losses from its nickel investments. As a leveraged commodity investment company, the value of Zeta's net assets typically rises more when commodity prices rise and falls more when commodity prices fall, as the impact on its investments is magnified. Zeta has a relatively concentrated portfolio, having built up cornerstone shareholdings in bauxite, gold, and nickel companies.

### UTILICO Emerging Markets Trust plc

SHARE PRICE  
**2.7%** ↑

UEM's NAV total return increased by 4.7% and dividends increased by 3.6% to 4.30p per share in the six months to 31 December 2023. This was ahead of the MSCI Emerging Markets total return Index which was up by 4.3% in the same period. UIL's shareholding in UEM decreased by 18.4%.

Emerging markets indices were mixed in the six months to 31 December 2023. In China, markets were weak as consumer confidence remains subdued, reflecting concerns over the falling real estate market and the knock-on consequences for heavily leveraged developers and wealth management products invested in the sector. The Hong Kong Hang Seng Index fell by 9.9% in the six months. There were bright spots elsewhere in Asia, benefitting from the "China + 1" strategy of multinational corporates looking to diversify their supply chains. Countries such as Vietnam and India are attracting flows, with the latter's Sensex Index appreciating by 11.6% in the six months to 31 December 2023. In Latam, Brazil was a notable outperformer following a strong harvest which bolstered GDP growth at

a time of falling interest rates and inflation, with the Bovespa Index up 13.6% in the half year period.

### resimac

SHARE PRICE  
**18.2%** ↑

Resimac's share price increased by 18.2% over the period despite a challenging 2023 financial year. The recent share price growth reflects a stabilisation in the competitive environment, the potential end of the interest rate rising period and solid home loan application levels in the current financial year.

Resimac operates in targeted market segments and asset classes in Australia and New Zealand. Its primary activities are as a mortgage manager and in originating, servicing and securitising mortgage assets. As at 30 June 2023, Resimac reported a total home loan AUM of AUD 13.1bn, down 14% for the year. Normalised net profit after tax for the year was AUD 73.7m and total loan settlements during the year was AUD 3.7bn. While the home loan market softened, Resimac's asset finance business continued to thrive with asset finance settlements increasing 19.0% to AUD 482.0m.

Post its year end, Resimac reported seeing increased activity particularly for refinancing, with many borrowers rolling off fixed rates. Its residential mortgage numbers are tracking well into the second quarter of fiscal 2024 and home loan applications in September 2023 were the highest in twelve months.

### ALLECTUSCAPITAL

VALUATION  
**9.5%** ↓

Allectus Capital invests in early- and growth-stage companies developing disruptive technologies. Its key verticals comprise fintech, AI, digital health and deep tech. Allectus Capital maintains a selective approach to high conviction opportunities in technology companies, which

leverage its global relationships and synergies with other portfolio companies in the ICM Group.

During the half year to 31 December 2023, Allectus Capital expanded its portfolio with new investments in Atelier and Mist Financial. Atelier, an Australian company, provides a 'supply chain-as-a-service' solution. This service enables customers to seamlessly design, develop, manufacture and reorder a wide range of beauty, health or wellness products via a digital platform. Mist Financial, also an Australian venture, is a fintech company offering a comprehensive 'super app' tailored for international students. This app consolidates various essential services including banking, payments, telecommunications, insurance and shopping.

Allectus Capital continues to be focused in its investment thesis, looking at deep value in its core verticals only, as funding pressures and economic uncertainty continues in the broader tech market. Allectus Capital is taking an active approach with investees as to reviewing and improving business models, reducing costs and increasing runway in line with these market conditions.

### Allectus Quantum Holdings Ltd

VALUATION  
**NO CHANGE**

Allectus Quantum is an unlisted investment holding company with an investment in a quantum computing startup Diraq. Diraq is a world leader in building quantum processors using silicon 'quantum dot' technology, leveraging proprietary technology developed over twenty years of research and with over USD 115.0m in research funding to date across eleven patent families. Its approach relies on the existing silicon manufacturing processes used by foundries to produce today's semiconductor components, known as CMOS, forging a faster and cheaper road to market. Diraq's goal is to revolutionise quantum computing by driving qubit numbers on

## TEN LARGEST HOLDINGS (continued)

a single chip to the many millions and ultimately billions needed for useful commercial applications.

By capitalising on existing chip fabrication technology and the ability to manufacture qubits at scale within current semiconductor facilities, Diraq is accelerating the change that can transform computing. Its platform architecture is purpose built to drive the significant processing advances required to reduce cost and energy barriers, and to realize quantum computing's full societal and economic potential.

Diraq has seen strong technical progress with the results expected to be published in prestigious scientific journals over the coming months as well as the announcement of several key initiatives including building on commercial partnerships previously announced.



SHARE PRICE  
**20.7%** ↓

**The Market Limited** operates online listing marketplaces and discussion forums for consumers in Australia and Canada. In November 2023, The Market Herald changed its name to The Market Limited and operates in two distinct verticals, namely, classified advertising and capital markets. The former houses the brands Gumtree, Carsguide, and Autotrader (collectively "GCA"), which reach 1 in 3 Australians, with over 1.0m new listings added each month facilitating transactions worth more than AUD 3.0bn.

The group was created via The Market Herald's acquisition of Adventia's Australian classified advertising businesses, GCA, in October 2022 for AUD 87.0m; with GCA's MD Tommy Logtenberg subsequently appointed as chief executive. He has refined the group's strategy to focus on monetising revenue opportunities in motors and listings, launching financial services products to support transactions, and improving the user experience within capital markets whilst discontinuing underperforming and loss-making activities.



VALUATION  
**2.5%** ↑

**West Hamilton** is a BSX listed investment and management company with property assets in Bermuda. In November 2023 West Hamilton completed the sale of two of its three major assets in Bermuda, the Belvedere Building and the car park facility. Following completion, West Hamilton paid a USD 6.75 per share dividend to its shareholders. West Hamilton has one remaining property asset which is a mixed-use building that is fully occupied with all commercial space let, seven apartments let on leases and two apartments sold.

For the six months ended 31 March 2023, West Hamilton reported solid results with revenue of USD 1.5m and net income of USD 0.8m. Total assets amounted to USD 43.1m (30 September 2022: USD 42.3m).



VALUATION  
**20.2%** ↓

**Arria** is a Generative AI software provider, operating a mature technology stack in the AI space for over a decade. Arria brings language to data analytics, helping to improve understanding and accelerate the ability to action data insights, in real-time, at scale. Arria is a provider of AI technology for the quick service restaurant food sector and financial services sector. The software converts data such as financial spreadsheets into text, the primary use being automated financial and management reporting.

In the year to 30 September 2023, Arria reported revenue growth, but losses remain high, albeit lower than the prior year. Arria continues to work towards relisting its shares but progress towards this goal has been slower than previously guided by management. The AI software sector remains highly volatile and the pricing of non-listed assets like Arria remains a challenge and may be subject to change.



SHARE PRICE  
**7.1%** ↑

**Carebook** is a digital health company providing employee health and wellness solutions to employers globally as well as pharmacy management solutions to pharmacies. Carebook has made significant progress in 2023 and recently reported record revenue for the September 2023 quarter and its first adjusted positive EBITDA.

For the six months ended 30 June 2023, Carebook reported revenue of CAD 5.2m, a 10.3% increase from the corresponding period in 2022 and a net loss of CAD 1.1m compared to CAD 4.2m in 2022. During the first half of the year Carebook announced an increase in its contract with a large European client increasing the value of the contract by CAD 2.8m over the three year period and increased the scope of its pharmacy solution adding CAD 1.6m of contract value for a one year term. During the period under review UIL invested a further CAD 1.25m in Carebook at a price of CAD 0.10 per share.

# OUR INVESTMENT APPROACH



ICM is a long-term investor and typically operates focused portfolios with narrow investment remits. ICM has several dedicated research teams who have deep knowledge and understanding in their specific sectors, which improves the ability to source and make compelling investments. ICM has approximately USD 1.8bn of assets directly under management and is responsible indirectly for a further USD 23.2bn of assets in subsidiary investments.

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

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

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

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

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

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



## VALUES

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

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



## TEAM

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



## INVESTMENT PRACTICES

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



## FINANCIAL

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



## PLATFORMS

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



## COMMUNITIES

ICM supports the ICM Foundation, which has identified sustainable, effective and focused education where the biggest impact can be made on individuals and in communities. For over a decade, ICM and its stakeholders have contributed over USD 17.6m to not-for-profit and community organisations.

# HALF-YEARLY FINANCIAL REPORT AND RESPONSIBILITY STATEMENT

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

## PRINCIPAL RISKS AND UNCERTAINTIES

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

The principal risks and uncertainties were described in more detail under the heading "Principal Risks and Risk Mitigation" within the Strategic Report section of the annual report and accounts for the year ended 30 June 2023 and have not changed materially since the date of that document.

The principal risks faced by UIL include not achieving long-term total returns for its shareholders, adverse market conditions leading to a fall in NAV, loss of key management, its shares trading at a discount to NAV, losses due to inadequate controls of third-party service providers, gearing risk and regulatory risk. In addition, the Board continues to monitor a number of emerging risks that could potentially impact the Company, the principal ones being geopolitical risk and climate change risk.

The annual report and accounts is available on the Company's website, [www.uil.limited](http://www.uil.limited)

## RELATED PARTY TRANSACTIONS

Details of related party transactions in the six months to 31 December 2023 are set out in note 11 to the accounts.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- The condensed set of financial statements contained within the report for the six months to 31 December 2023 has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and gives a true and fair view of the assets, liabilities, financial position and return of the Group;
- The half-yearly financial report, together with the Chairman's Statement and Investment Managers' Report, includes a fair review of the important events that have occurred during the first six months of the financial year and their impact on the financial statements as required by DTR 4.2.7R;
- The Directors' statement of principal risks and uncertainties above is a fair review of the principal risks and uncertainties for the remainder of the year as required by DTR 4.2.7R; and
- The half-yearly report includes a fair review of the related party transactions that have taken place in the first six months of the financial year as required by DTR 4.2.8R.

On behalf of the Board  
**Peter Burrows**  
 Chairman  
 21 February 2024

# UNAUDITED STATEMENTS



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

# CONDENSED GROUP INCOME STATEMENT (UNAUDITED)

Notes	Six months to 31 December 2023		
	Revenue return £'000s	Capital return £'000s	Total return £'000s
	-	9,549	9,549
	-	(35)	(35)
	-	(110)	(110)
	2,278	-	2,278
	<b>2,278</b>	<b>9,404</b>	<b>11,682</b>
2	(310)	-	(310)
	(422)	(1)	(423)
	1,546	9,403	10,949
	(1,527)	(2,574)	(4,101)
	<b>19</b>	<b>6,829</b>	<b>6,848</b>
3	-	-	-
	<b>19</b>	<b>6,829</b>	<b>6,848</b>
4	<b>0.02</b>	<b>8.15</b>	<b>8.17</b>

Six months to 31 December 2022			Year to 30 June 2023		
Revenue return £'000s	Capital return £'000s	Total return £'000s	Revenue return £'000s	Capital return £'000s	Total return £'000s
-	(13,471)	(13,471)	-	(40,342)	(40,342)
-	(2,099)	(2,099)	-	(2,038)	(2,038)
-	(1,460)	(1,460)	-	(1,604)	(1,604)
8,532	-	8,532	10,229	-	10,229
8,532	(17,030)	(8,498)	10,229	(43,984)	(33,755)
(434)	-	(434)	(758)	-	(758)
(500)	(3)	(503)	(977)	(5)	(982)
7,598	(17,033)	(9,435)	8,494	(43,989)	(35,495)
(1,144)	(3,571)	(4,715)	(2,897)	(6,059)	(8,956)
6,454	(20,604)	(14,150)	5,597	(50,048)	(44,451)
-	-	-	-	-	-
6,454	(20,604)	(14,150)	5,597	(50,048)	(44,451)
7.70	(24.58)	(16.88)	6.68	(59.70)	(53.02)

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

All items in the above statement derive from continuing operations.

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



# CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Notes	Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total £'000s
<b>for the six months to 31 December 2023</b>						
Balance as at 30 June 2023	8,384	37,874	233,866	(124,278)	11,735	167,581
Profit for the period	-	-	-	6,829	19	6,848
<sup>5</sup> Ordinary dividends paid	-	-	-	-	(3,354)	(3,354)
<b>Balance as at 31 December 2023</b>	<b>8,384</b>	<b>37,874</b>	<b>233,866</b>	<b>(117,449)</b>	<b>8,400</b>	<b>171,075</b>
<b>for the six months to 31 December 2022</b>						
Balance as at 30 June 2022	8,384	37,874	233,866	(74,230)	12,846	218,740
(Loss)/profit for the period	-	-	-	(20,604)	6,454	(14,150)
<sup>5</sup> Ordinary dividends paid	-	-	-	-	(3,354)	(3,354)
Balance as at 31 December 2022	8,384	37,874	233,866	(94,834)	15,946	201,236
<b>for the year to 30 June 2023</b>						
Balance as at 30 June 2022	8,384	37,874	233,866	(74,230)	12,846	218,740
(Loss)/profit for the year	-	-	-	(50,048)	5,597	(44,451)
<sup>5</sup> Ordinary dividends paid	-	-	-	-	(6,708)	(6,708)
Balance as at 30 June 2023	8,384	37,874	233,866	(124,278)	11,735	167,581

## CONDENSED GROUP STATEMENT OF FINANCIAL POSITION (UNAUDITED)

Notes	As at	31 Dec 2023 £'000s	31 Dec 2022 £'000s	30 Jun 2023 £'000s
	<b>Non-current assets</b>			
6	Investments	293,126	349,472	308,347
	<b>Current assets</b>			
	Other receivables	212	209	62
6	Derivative financial instruments	-	78	110
	Cash and cash equivalents	-	111	5,234
		212	398	5,406
	<b>Current liabilities</b>			
7	Loans	(15,000)	(50,000)	(42,691)
	Other payables	(10,100)	(6,533)	(8,892)
	Zero dividend preference shares	(39,764)	-	-
		(64,864)	(56,533)	(51,583)
	<b>Net current liabilities</b>	(64,652)	(56,135)	(46,177)
	<b>Total assets less current liabilities</b>	228,474	293,337	262,170
	<b>Non-current liabilities</b>			
	Zero dividend preference shares	(57,399)	(92,101)	(94,589)
	<b>Net assets</b>	171,075	201,236	167,581
	<b>Equity attributable to equity holders</b>			
8	Ordinary share capital	8,384	8,384	8,384
	Share premium account	37,874	37,874	37,874
	Special reserve	233,866	233,866	233,866
	Capital reserves	(117,449)	(94,834)	(124,278)
	Revenue reserve	8,400	15,946	11,735
	<b>Total attributable to equity holders</b>	171,075	201,236	167,581
9	<b>Net asset value per ordinary share</b>			
	Basic – pence	204.04	240.02	199.87

## CONDENSED GROUP STATEMENT OF CASH FLOWS (UNAUDITED)

	Six months to 31 Dec 2023 £'000s	Six months to 31 Dec 2022 £'000s	Year to 30 Jun 2023 £'000s
<b>Operating activities:</b>			
Profit/(loss) before taxation	6,848	(14,150)	(44,451)
Deduct investment income - dividends	(2,150)	(8,286)	(9,904)
Deduct investment income - interest	(126)	(243)	(320)
Deduct bank interest	(2)	(3)	(5)
Add back bank interest charged	1,527	1,144	2,897
Add back (gains)/losses on investments	(9,549)	13,471	40,342
Add back losses on derivative financial instruments	35	2,099	2,038
Add back foreign exchange losses	110	1,460	1,604
Increase in other debtors	(53)	(45)	(10)
(Decrease)/increase in creditors	(92)	280	(60)
Deduct ZDP shares finance costs	2,574	3,571	6,059
<b>Net cash outflow from operating activities before dividends and interest</b>	(878)	(702)	(1,810)
Dividends received	2,150	1,962	3,580
Investment income - interest received	29	91	166
Bank interest received	2	3	5
Interest paid	(2,122)	(1,144)	(2,375)
<b>Cash flows from operating activities</b>	(819)	210	(434)
<b>Investing activities:</b>			
Purchases of investments	(9,405)	(10,003)	(17,588)
Sales of investments	30,802	70,333	92,285
Settlement of derivatives	75	(4,119)	(4,090)
<b>Cash flows from investing activities</b>	21,472	56,211	70,607
<b>Financing activities:</b>			
Equity dividends paid	(3,354)	(3,354)	(6,708)
Drawdowns of loans	6,964	50,000	55,231
Repayment of loans	(31,336)	(53,572)	(66,070)
Cash flows from redemption of ZDP shares	-	(52,283)	(52,283)
<b>Cash flows from financing activities</b>	(27,726)	(59,209)	(69,830)

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

	Six months to 31 Dec 2023 £'000s	Six months to 31 Dec 2022 £'000s	Year to 30 Jun 2023 £'000s
Net (decrease)/increase in cash and cash equivalents	(7,073)	(2,788)	343
Cash and cash equivalents at the beginning of the period	(2,638)	(3,827)	(3,827)
Effect of movement in foreign exchange	(56)	1,032	846
<b>Cash and cash equivalents at the end of the period</b>	<b>(9,767)</b>	<b>(5,583)</b>	<b>(2,638)</b>
<b>Comprised of:</b>			
Cash	-	111	5,234
Bank overdraft	(9,767)	(5,694)	(7,872)
<b>Total</b>	<b>(9,767)</b>	<b>(5,583)</b>	<b>(2,638)</b>

## NOTES TO THE ACCOUNTS (UNAUDITED)

### 1. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

The annual financial statements of the Group for the year ended 30 June 2024 will be prepared in accordance with UK-adopted international accounting standards which comprise standards and interpretations approved by the IASB, and International Accounting Standards and Standing Interpretations Committee interpretations approved by the IASC that remain in effect. As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published consolidated financial statements for the year ended 30 June 2023.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by the Directors in applying the Group's accounting policies and key sources of uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 30 June 2023.

The unaudited condensed Group accounts do not include all of the information required for full annual accounts and should be read in conjunction with the consolidated accounts of the Group for the year ended 30 June 2023, which were prepared under full IFRS requirements.

### 2. MANAGEMENT AND ADMINISTRATION FEES

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

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

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

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

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

In the period to 31 December 2023, UIL's NAV return is below the required hurdle calculated at 9.9% return to entitle the Investment Managers to a performance fee and therefore no performance fee has been accrued. The final amount payable is dependent upon the performance of the Company, adjusted for the allocated share of any performance fees from ICM managed investments in which UIL is an investor, in the year to 30 June 2024.

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

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

### 3. TAXATION

Profits of the Company and subsidiaries for the period are not subject to any taxation within their countries of residence.

### 4. EARNINGS PER ORDINARY SHARE

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

	Six months to 31 Dec 2023 £'000s	Six months to 31 Dec 2022 £'000s	Year to 30 Jun 2023 £'000s
Revenue	19	6,454	5,597
Capital	6,829	(20,604)	(50,048)
<b>Total</b>	<b>6,848</b>	<b>(14,150)</b>	<b>(44,451)</b>
	Number	Number	Number
Weighted average number of shares in issue during the period for earnings per share calculations	83,842,918	83,842,918	83,842,918
	pence	pence	pence
Revenue return per ordinary share	0.02	7.70	6.68
Capital return per ordinary share	8.15	(24.58)	(59.70)
<b>Total return per ordinary share</b>	<b>8.17</b>	<b>(16.88)</b>	<b>(53.02)</b>

### 5. DIVIDENDS

	Record date	Payment date	Six months to 31 Dec 2023 £'000s	Six months to 31 Dec 2022 £'000s	Year to 30 Jun 2023 £'000s
2022 Fourth quarterly interim of 2.00p	02-Sep-22	30-Sep-22	-	1,677	1,677
2023 First quarterly interim of 2.00p	02-Dec-22	22-Dec-22	-	1,677	1,677
2023 Second quarterly interim of 2.00p	03-Mar-23	31-Mar-23	-	-	1,677
2023 Third quarterly interim of 2.00p	02-Jun-23	26-Jun-23	-	-	1,677
2023 Fourth quarterly interim of 2.00p	29-Sep-23	13-Oct-23	1,677	-	-
2024 First quarterly interim of 2.00p	01-Dec-23	21-Dec-23	1,677	-	-
			<b>3,354</b>	3,354	6,708

The Directors have declared a second quarterly dividend in respect of the year ending 30 June 2024 of 2.00p per ordinary share payable on 4 June 2024 to shareholders on the register at close of business on 10 May 2024. The total cost of this dividend, which has not been accrued in the results for the six months to 31 December 2023, is £1,677,000 based on 83,842,918 ordinary shares in issue as at the date of this half-yearly report.

## 6. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

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

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

Level 1 – valued using unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 – valued by reference to valuation techniques using other observable inputs not included within level 1.

Level 3 – valued by reference to valuation techniques using unobservable inputs.

	31 Dec 2023			
	Level 1 £'000s	Level 2 £'000s	Level 3 £'000s	Total £'000s
<b>Financial assets held at fair value through profit or loss</b>				
Investments	58,548	61,494	173,084	293,126
Derivative financial instruments – foreign currency options	-	-	-	-

During the period, holdings of value £3,369,000 were transferred from level 2 to level 1 due to the investee company shares resuming regular trading. The book cost and fair values were transferred using the 30 June 2023 balances.

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

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

	30 Jun 2023			
	Level 1 £'000s	Level 2 £'000s	Level 3 £'000s	Total £'000s
<b>Financial assets held at fair value through profit or loss</b>				
Investments	63,115	72,580	172,652	308,347
Derivative financial instruments – forward foreign currency contracts	-	110	-	110

During the year, three holdings with a value of £70.0m were transferred from level 1 to level 2 due to the investee companies shares trading irregularly in the year and one holding with a value of £3.5m was transferred from level 2 to level 1 due to the investee company shares resuming regular trading. The book cost and fair value were transferred using the 30 June 2022 balances.

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

	Six months to 31 Dec 2023 £'000s	Six months to 31 Dec 2022 £'000s	Year to 30 June 2023 £'000s
Investments brought forward			
Cost	168,186	199,073	199,073
Gains	4,466	39,848	39,848
Valuation	172,652	238,921	238,921
Purchases	8,881	59,035	67,701
Sales	(16,651)	(120,175)	(125,307)
Gains/(losses) on investments	8,202	7,433	(8,663)
Valuation carried forward	173,084	185,214	172,652
Analysed			
Cost	159,268	164,642	168,186
Gains	13,816	20,572	4,466
Valuation carried forward	173,084	185,214	172,652

## 7. LOANS

As at 30 June 2023, the Company had a £37.5m multicurrency loan facility with Bank of Nova Scotia expiring on 19 September 2023. The Company extended the facility until 19 March 2024 with the facility reduced to £25.0m on 19 September 2023, £20.0m on 31 October 2023 and £15.0m on 31 December 2023. The facility reduced to £10.0m on 19 February 2024 and will be fully repaid by 19 March 2024. Commissions are charged on any undrawn amounts at commercial rates. The terms of the loan facility, including those related to accelerated repayment and costs of repayment and the loan covenants, are typical of those normally found in facilities of this nature. Scotiabank has a floating charge over the assets of the Company in respect of amounts owing under the loan facility. As at 31 December 2023 £15.0m (31 December 2022: £50.0m and 30 June 2023: £37.5m) was drawn down.

As at 30 June 2023, Union Mutual Pension Fund Limited had loaned USD 6.6m (31 December 2022: nil) to UIL. The loan was repaid in full in August 2023 and incurred interest at 8% per annum.

During the period, Zeta Energy Limited loaned AUD 13.5m to UIL. This loan was fully repaid in October 2023 and incurred interest at 8.3% per annum.

## 8. ORDINARY SHARE CAPITAL

Equity share capital:	Number	£'000s
Ordinary shares of 10p each with voting rights		
Authorised	250,000,000	25,000
	<b>Total shares in issue Number</b>	<b>Total shares in issue £'000s</b>
Balance as at 31 December 2023, 30 June 2023 and 31 December 2022	<b>83,842,918</b>	<b>8,384</b>

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

## 9. NET ASSET VALUE PER SHARE

Net asset value per ordinary share is based on net assets as at the period end of £171,075,000 (31 December 2022: £201,236,000 and 30 June 2023: £167,581,000) and on 83,842,918 ordinary shares in issue as at the period end (31 December 2022 and 30 June 2023: 83,842,918).

## 10. OPERATING SEGMENTS

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

## 11. RELATED PARTY TRANSACTIONS

The following transactions were carried out during the half year to 31 December 2023 between the Company and its related parties:

### Subsidiaries of UIL:

**Carebook Technologies Inc ("Carebook")** - Pursuant to a convertible loan agreement dated 5 December 2023, under which UIL has agreed to loan monies to Carebook, UIL advanced to Carebook a loan of CAD 2.0m. As at 31 December 2023, the balance of the loan and interest outstanding was CAD 2.0m. Pursuant to a loan agreement dated 28 September 2022, the balance of the loan and interest outstanding as at 31 December 2023 was CAD 1.0m (30 June 2023: CAD 1.0m). UIL received interest of CAD 0.1m in the period. Pursuant to a loan agreement dated 15 December 2022, the balance of the loan and interest outstanding as at 31 December 2023 was CAD 1.4m (30 June 2023: CAD 1.3m). All the loans bear interest at an annual rate of the Canadian variable rate +10.0% and are repayable by 22 December 2026.

**Newtel Holdings Limited ("Newtel")** - Pursuant to a loan agreement dated 1 July 2023, under which UIL agreed to loan monies to Newtel, UIL advanced to Newtel £0.1m. The loan does not bear interest. As at 31 December 2023, the balance of the loan was £0.1m.

**Northbrook Resources Limited ("Northbrook")** - Pursuant to a loan agreement dated 1 January 2019 under which UIL agreed to loan monies to Northbrook, the outstanding loan balance of £1.6m

was re-assigned to SKAC Ltd at nil proceeds, as part of an ongoing process to liquidate Northbrook. Interest was charged on the loan at 6.0% per annum.

UIL paid fees of £33k incurred by Northbrook as part of the liquidation process.

**West Hamilton Holdings Limited ("West Hamilton")** - West Hamilton made a capital distribution of £8.3m and a dividend distribution of £0.7m to UIL during the period.

**Zeta Resources Limited ("Zeta")** - Pursuant to a loan agreement dated 28 July 2023, under which Zeta Energy Pte Ltd (a 100% subsidiary of Zeta) agreed to loan monies to UIL, Zeta Energy Pte Ltd advanced to UIL AUD 13.5m in the period. UIL repaid the AUD 13.5m in the period and as at 31 December 2023 the balance was £nil. The loan bears interest at an annual rate of 8.3% and UIL paid interest of AUD 136k to Zeta Energy Pte Ltd during the period.

During the period, Zeta bought back 28,132,739 Zeta shares from UIL as part of the Zeta's buy back plan. UIL received AUD 9.0m.

### Joint ventures

**Allectus Capital Limited ("Allectus Capital")** - Pursuant to a loan agreement dated 1 September 2016, under which UIL agreed to loan monies to Allectus Capital, UIL advanced to Allectus Capital a loan of USD 0.6m. The balance of the loan as at 31 December 2023 was USD 2.7m (30 June 2023: USD 2.1m). The loan does not bear interest.

**Allectus Quantum Holdings Limited ("Allectus Quantum")** - UIL paid fees of £26k incurred by Allectus Quantum.

### Associated undertakings:

**Somers Limited ("Somers")** - Pursuant to loan agreements dated 1 September 2016 (USD loan), 5 September 2019 (AUD loan) and 22 June 2018 (GBP loan), under which UIL agreed to loan monies to Somers, UIL advanced to Somers loans of USD 5.0m, AUD 1.2m and £1.9m, UIL received interest of USD 14k, AUD 4k and £8k and received from Somers repayments of USD 4.8m, AUD 1.2m and £0.6m. As at 31 December 2023, the balance of the loans outstanding were USD 0.2m and £1.3m. The loans bear interest at an annual rate of 6.0% and are repayable on not less than 12 months' notice.

In October 2023, UIL purchased 149 shares in Permanent Investment Limited ("PIL") for USD 1 from Prime Life Common Fund Limited, holding 100% of the shares. The holding of Littleleap was gifted into PIL. Subsequently Somers purchased UIL's holding in PIL at fair value for £4.7m.

### Key management entities and persons:

ICM and ICMIM are joint portfolio managers of UIL. Other than investment management fees and company secretarial costs as set out in note 2, and reimbursed expenses of £7,000, there were no other transactions with ICM or ICMIM or ICM Corporate Services (Pty) Ltd. As at 31 December 2023, £102,000 remained outstanding to ICM and ICMIM in respect of management and company secretarial fees and £nil in respect of performance fees.

Mr Jillings received dividends from UIL of £22,000. There were no other transactions during the six months with Alasdair Younie, Charles Jillings, Duncan Saville and Sandra Pope and UIL.

**The Board:**

The fees paid to Directors for the six months to 31 December 2023: Chairman £26,250; Chairman of Audit & Risk Committee £25,075; Directors £19,425. The Board received aggregate remuneration of £90,175 for services as Directors. As at 31 December 2023, £nil remained outstanding to the Directors. In addition to their fees, the Directors received dividends totalling £56,000. There were no other transactions during the six months with the Board and UIL.

**Companies controlled by key management persons:**

**Union Mutual Pension Fund Limited (“UMPF”)** - As at 30 June 2023, UMPF had loaned USD 6.6m to UIL. In August 2023, UIL sold 302,000 Somers shares at fair value for USD 4.3m and paid USD 2.3m in cash to UMPF to repay the loan. The loan bears interest at an annual rate of 8.0% and UIL paid interest of USD 63k to UMPF during the period.

**General Provincial Life Pension Fund Limited** received dividends of £2.2m from UIL, Union Mutual Pension Fund Limited received dividends of £0.3m from UIL and Mitre Investments Limited received dividends of £0.1m from UIL. There were no other transactions between companies controlled by key management and UIL during the six months to 31 December 2023.

**12. FINANCIAL RISK MANAGEMENT – LEVEL 3 FINANCIAL INSTRUMENTS**

**Valuation methodology**

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

The Directors have satisfied themselves as to the methodology used, the discount rates and key assumptions applied, and the valuations. The methodologies used to determine fair value are described in the 2023 annual report. The level 3 assets comprise of a number of unlisted investments at various stages of development and each has been assessed based on its industry, location and business cycle. The valuation methodologies include net assets, discounted cash flows, cost of recent investment or last funding round, listed peer comparison or peer group multiple or dividend yield, as appropriate. Where applicable, the Directors have considered observable data and events to underpin the valuations. A discount has been applied, where appropriate, to reflect both the unlisted nature of the investments and business risks.

UIL currently has investments in a number of level 3 closed-end investment companies including Allectus Capital, Allectus Quantum and Somers. These companies are valued on a net assets basis, estimated based on the managers’ NAVs. Managers’ NAVs use recognised valuation techniques

consistent with IFRS and are normally subject to audit. The fund valuations included in these financial statements were based principally on the 31 December 2023 managers’ NAVs and these NAVs have been reviewed to ensure that the economic impact of higher interest rates, inflation, and the Ukraine and Middle East conflicts have been considered.

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

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

In assessing the level of reasonably possible outcomes consideration was also given to the impact on valuations of the elevated level of volatility in equity markets during the year, principally reflecting concerns about high rates of inflation, tightening energy supplies, higher interest rates and the Ukraine and Middle East conflicts. The valuations of fund interests are based on the managers’ NAVs and the managers have advised that they have taken into account these economic and market concerns. The impact on the valuations has been varied and largely linked to their relevant sectors and this has been reflected in the level of sensitivities applied.

The following table shows the sensitivity of the fair value of level 3 financial investments to changes in key assumptions:

**As at 31 December 2023**

Investment	Investment type	Valuation methodology	Risk weighting	Sensitivity +/-	Carrying amount £'000s	Sensitivity £'000s
Somers	Equity	NAV	Medium	20%	121,808	24,362
Allectus Capital	Equity	NAV	Medium	20%	16,719	3,344
Allectus Quantum	Equity	NAV	Medium	20%	14,666	2,933
West Hamilton	Equity	Fair value of assets	Low	10%	6,638	664
Arria NLG Limited ("Arria")*	Equity	Last fund raising	High	40%	5,428	2,171
Other investments	Equity	Various	Medium	20%	4,672	934
Other investments	Loans	Various	Low	10%	3,153	315
Total					173,084	34,723

\* Valuation of investment in Arria

UIL holds 6.6m ordinary shares in Arria which it valued at £5.4m as at 31 December 2023. Arria has been valued based on recent equity fundraising events. Arria's revenues are growing strongly, however it remains materially loss making and cash flow negative and it may have insufficient cash reserves if future capital raise activities do not proceed as planned. Accordingly, Arria's fair value has been given a sensitivity of 40% to reflect a higher level of uncertainty over the future position of the company.

## UNAUDITED NOTES TO THE ACCOUNTS (continued)

As at 31 December 2022

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

As at 30 June 2023

Investment	Investment type	Valuation methodology	Risk weighting	Sensitivity +/-	Carrying amount £'000s	Sensitivity £'000s
Somers	Equity	NAV	Low	20%	107,688	21,538
Allectus Capital	Equity	NAV	Medium	20%	17,821	3,564
Allectus Quantum	Equity	NAV	Medium	20%	14,666	2,933
West Hamilton	Equity	Fair value of assets	Low	10%	15,087	1,509
Arria	Equity	Last fund raising	Medium	20%	6,602	1,320
Other investments	Equity	Various	Medium	20%	9,451	1,890
Other investments	Loans	Various	Low	10%	1,337	134
<b>Total</b>					<b>172,652</b>	<b>32,888</b>

### 13. GOING CONCERN

Notwithstanding that the Group has reported net current liabilities of £64,652,000 as at 31 December 2023 (31 December 2022: £56,135,000 and 30 June 2023: £46,177,000), the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Board's going concern assessment has focused on the forecast liquidity of the Group for 12 months from the date of approval of the financial statements. This analysis assumes that the Company will meet some of its short term obligations through the sale of level 1 securities, which represented 20.0% of the Company's total portfolio as at 31 December 2023. As part of this assessment the Board has considered a severe but plausible downside that reflects the impact of the key risks set out in the Strategic Report of the Annual Report and an assessment of the Company's ability to meet its liabilities as they fall due (including the loan liabilities), assuming a significant reduction in asset values and accompanying currency volatility.

The severe but plausible downside assumes a breach of bank loan covenants leading to the repayment of bank loan liabilities and a significant reduction in asset values in line with that experienced during the emergence of the Covid-19 pandemic in the first quarter of 2020. The Board also considered reverse stress testing to identify the reduction in the valuation of liquid investments that would cause the Group to be unable to meet its net current liabilities, being primarily the bank loan of £15,000,000, the bank overdraft of £9,767,000 and the repayment to the 2024 ZDP shareholders of £41,505,000. The Board is confident that the reduction in asset values implied by the reverse stress test is not plausible even in the current volatile environment.

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

### 14. RESULTS

The condensed set of financial statements, forming the half year accounts, has been neither audited nor reviewed by the Company's auditors. The latest published accounts are for the year ended 30 June 2023; the report of the auditors thereon was unqualified. The condensed financial statements shown above for the year ended 30 June 2023 are an extract from those accounts.



## ALTERNATIVE PERFORMANCE MEASURES

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

**Discount/Premium** – if the share price is lower than the NAV per ordinary share, the shares are trading at a discount. Shares trading at a price above NAV per ordinary share are said to be at a premium. As at 31 December 2023 the ordinary share price was 127.00p (31 December 2022: 160.00p and 30 June 2023: 145.00p) and the NAV per ordinary share was 204.04p (31 December 2022: 240.02p and 30 June 2023: 199.87p), the discount was therefore 37.8% (31 December 2022: 33.3% and 30 June 2023: 27.5%).

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

		31 Dec 2023	31 Dec 2022	30 Jun 2023
	page	£'000s	£'000s	£'000s
Bank overdraft	34	9,767	5,694	7,872
Cash and cash equivalents	32	–	(111)	(5,234)
Loans	32	15,000	50,000	42,691
ZDP shares	32	97,163	92,101	94,589
Total debt		121,930	147,684	139,918
Net assets attributable to equity holders	32	171,075	201,236	167,581
Gearing		71.3%	73.4%	83.5%

**NAV per ordinary share** – the value of the Group’s net assets divided by the number of ordinary shares in issue (see note 9 to the accounts).

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

Six months to 31 December 2023	Dividend rate (pence)	NAV (pence)	Share price (pence)
30 June 2023	n/a	199.87	145.00
13 October 2023	2.00	193.47	121.00
21 December 2023	2.00	191.27	121.00
31 December 2023	n/a	204.04	127.00
Total return		4.2%	(9.5%)

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

Year to 30 June 2023	Dividend rate (pence)	NAV (pence)	Share price (pence)
30 June 2022	n/a	260.89	187.50
30 September 2022	2.00	258.73	188.50
22 December 2022	2.00	233.15	155.00
31 March 2023	2.00	214.13	128.50
26 June 2023	2.00	201.89	143.50
30 June 2023	n/a	199.87	145.00
Total return		(20.6%)	(18.5%)

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

	Six months to 31 Dec 2023		Six months to 31 Dec 2022		Year to 30 Jun 2023	
	NAV	Share price	NAV	Share price	NAV	Share price
NAV/share price 14 August 2003 (pence)	99.47	85.67	99.47	85.67	99.47	85.67
Total dividend, warrants and CULS adjustment factor	2.2567	2.854	2.1685	2.6823	2.2105	2.7620
NAV/share price at period end (pence)	204.04	127.00	240.02	160.00	199.87	145.00
Adjusted NAV/share price at period end (pence)	460.45	362.46	520.49	429.16	441.81	400.49
Total return since inception	362.9%	323.1%	423.3%	401.0%	344.2%	367.5%

## ALTERNATIVE PERFORMANCE MEASURES (continued)

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

	Six months to 31 Dec 2023		Six months to 31 Dec 2022		Year to 30 Jun 2023	
	NAV	Share price	NAV	Share price	NAV	Share price
Annual compound NAV total return since inception	<b>7.8%</b>	<b>7.3%</b>	8.9%	8.7%	7.8%	8.1%

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

Ongoing charges calculation (including and excluding performance fees)	31 Dec 2023 (annualised) £'000s	31 Dec 2022 (annualised) £'000s	30 Jun 2023 £'000s
Management and administration fees	620	868	758
Other expenses	844	903	977
Expenses suffered within underlying funds	3,396	4,426	3,935
Total expenses for ongoing charges calculation	<b>4,860</b>	6,197	5,670
Average net asset values of the Group	<b>164,329</b>	211,701	200,431
Ongoing Charges	<b>3.0%</b>	2.9%	2.8%

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

	page	31 Dec 2023	31 Dec 2022	30 Jun 2023
Revenue reserves (£'000s)	32	<b>8,400</b>	15,946	11,735
Number of ordinary shares in issue	40	<b>83,842,918</b>	83,842,918	83,842,918
Revenue reserves per ordinary share carried forward (pence)		<b>10.02</b>	19.02	14.00

**Gross assets** – the value of the Group's assets less current liabilities excluding loans and ZDP shares.

	page	31 Dec 2023 £'000s	31 Dec 2022 £'000s	30 Jun 2023 £'000s
Investments	32	<b>293,126</b>	349,472	308,347
Current assets	32	<b>212</b>	398	5,406
Current liabilities - Other payables	32	<b>(10,100)</b>	(6,533)	(8,892)
Gross assets		<b>283,238</b>	343,337	304,861

## COMPANY INFORMATION

### DIRECTORS

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

### REGISTERED OFFICE

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

Company Registration Number: 39480  
LEI: 213800CTZ7TEIE7YM468

### AIFM AND JOINT PORTFOLIO MANAGER

ICM Investment Management Limited  
Ridge Court, The Ridge, Epsom, Surrey,  
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Telephone 01372 271486

Authorised and regulated in the UK by  
the Financial Conduct Authority

### JOINT PORTFOLIO MANAGER AND SECRETARY

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### ASSISTANT SECRETARY

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### ADMINISTRATOR

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Regulation Authority

### BROKER

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### COMPANY BANKER

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### LEGAL ADVISOR TO THE COMPANY

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### REGISTRAR

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### REGISTRAR TO THE DEPOSITARY INTERESTS AND CREST AGENT

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United Kingdom

# HISTORICAL PERFORMANCE

	31 Dec 2023	30 Jun 2023	30 Jun 2022	30 Jun 2021	30 Jun 2020	30 Jun 2019	30 Jun 2018	30 Jun 2017	30 Jun 2016	30 Jun 2015
NAV per ordinary share (pence)	204.04	199.87	260.89	431.51	292.79	369.57	291.79	252.86	241.12	169.00
Ordinary share price (pence)	127.00	145.00	187.50	268.00	177.50	199.00	174.50	164.00	130.75	117.00
Discount <sup>1</sup> (%)	37.8	27.5	28.1	37.9	39.4	46.2	40.2	35.1	45.8	30.8
<b>Returns and dividends (pence)</b>										
Revenue return per ordinary share	0.02	6.68	8.35	9.98	9.77	7.63	6.67	6.38	6.23	7.84
Capital return per ordinary share	8.15	(59.70)	(171.68)	133.81	(81.30)	75.34	38.96	12.46	68.45	2.47
Total return per ordinary share	8.17	(53.02)	(163.33)	143.79	(71.53)	82.97	45.63	18.84	74.68	10.31
Dividend per ordinary share	4.000	8.000	8.000	8.000	7.875	7.500	7.500	7.500	7.500	7.500
FTSE All-Share total return Index	9,056	8,611	7,981	7,852	6,465	7,431	7,389	6,777	5,737	5,614
<b>ZDP shares<sup>2</sup> (pence)</b>										
<b>2024 ZDP shares</b>										
Capital entitlement per ZDP share	133.07	130.04	124.14	118.51	113.13	107.97	103.10	n/a	n/a	n/a
2024 ZDP share price	127.00	123.50	122.50	120.50	105.50	114.00	107.50	n/a	n/a	n/a
<b>2026 ZDP shares</b>										
Capital entitlement per ZDP share	131.90	128.75	122.62	116.78	111.21	105.89	100.87	n/a	n/a	n/a
2026 ZDP share price	108.50	114.50	115.50	116.00	92.25	107.50	102.25	n/a	n/a	n/a
<b>2028 ZDP shares</b>										
Capital entitlement per ZDP share	116.21	113.02	106.87	101.60	n/a	n/a	n/a	n/a	n/a	n/a
2028 ZDP share price	89.50	96.50	99.00	100.00	n/a	n/a	n/a	n/a	n/a	n/a
<b>Equity holders funds (£m)</b>										
Gross assets <sup>1</sup>	283.2	304.9	410.6	544.4	483.3	537.2	488.3	449.7	440.7	373.4
Loans	15.0	42.7	51.1	48.5	50.6	51.0	27.8	47.8	24.7	34.4
ZDP shares	97.2	94.6	140.8	132.1	180.5	159.9	199.4	173.8	197.4	172.4
Equity holders' funds	171.1	167.6	218.7	363.8	251.6	326.3	261.1	228.1	218.6	166.6
<b>Revenue account (£m)</b>										
Income	2.3	10.2	9.9	11.6	12.7	11.2	10.6	10.7	10.5	11.2
Costs (management and other expenses)	0.7	1.7	1.7	2.1	2.6	2.8	2.8	2.9	1.9	1.8
Finance costs	1.5	2.9	1.1	1.0	1.6	1.6	1.6	1.8	1.7	1.1
Net income	0.0	5.6	7.0	8.5	8.5	6.8	6.0	5.8	5.7	7.8
<b>Financial ratios of the Group (%)</b>										
Ongoing charges figure <sup>1</sup> (excluding performance fee)	3.0 <sup>3</sup>	2.8	2.2	2.3	2.1	2.1	2.2	2.1	3.3	2.0
Gearing <sup>1</sup>	71.3	83.5	89.5	48.8	93.4	64.6	87.3	97.2	101.6	124.1

(1) See Alternative Performance Measures on pages 46 to 48

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

(3) For comparative purposes the figures have been annualised