RM Infrastructure Income PLC

RMFunds

Annual Report & Accounts

for the year ended 31 December 2024

2024

Contents

rm-funds.co.uk

About us

At a General Meeting held on 20 December 2023, RM Infrastructure Income plc ("RMII" or the "Company") adopted an investment objective to facilitate a managed wind-down of the Company.

The Company aims to conduct an orderly realisation of the assets of the Company, to be effected in a manner that seeks to achieve a balance between returning cash to Shareholders promptly and maximising value.

Company highlights (as at 31 December 2024)

5.5p

Dividend pence per share

£82.7m

Net assets

0.90x

Dividend cover

2.62%

NAV Total Return

Portfolio at a glance

Operational highlights

> Diversified portfolio with net assets of £82.7m invested across 17 loans and one wholly owned asset, across 5 sectors and 7 sub-sectors.

> A low interest rate sensitivity portfolio, with an average duration of circa 0.73 years and a weighted average yield of 12.5%.

> NAV Total Return over the last twelve months of 2.62% and inception to date of 45.26%.

Financial information

Financial information	Year ended 31 December 2024	Year ended 31 December 2023
Net Asset Value ("NAV") (£'000)	**£82,681**	£104,516
NAV per Ordinary Share (pence)	**84.73p**	88.88p
Ordinary Share price (pence)	**73.50p**	74.25p
Ordinary Share price discount to NAV[1]	**-13.25%**	-16.46%
Ongoing charges[1]	**1.79%**	1.84%
Performance summary	**% change[2,4]**	% change[3,4]
Total return – Ordinary Share NAV and dividends[1]	**+2.62%**	+3.16%
Total return – Ordinary Share price and dividends[1]	**+7.93%**	-4.63%

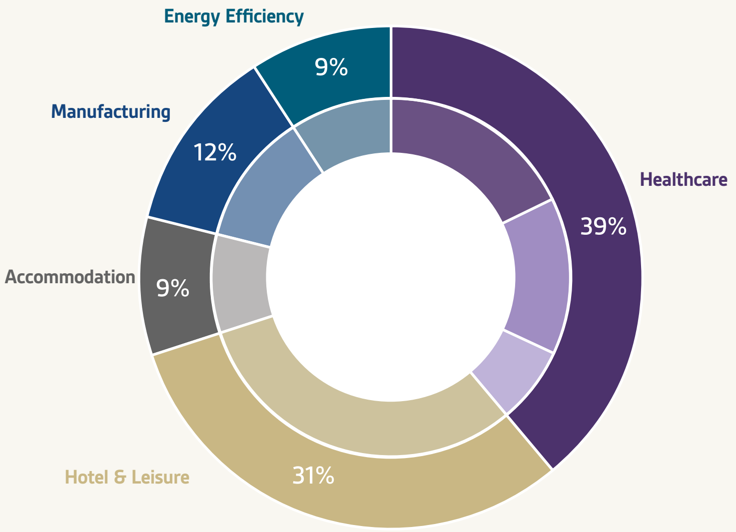
1. These are Alternative Performance Measures ("APMs").
2. Total returns for the year to 31 December 2024, including dividend reinvestment.
3. Total returns for the year to 31 December 2023, including dividend reinvestment.
4. Source: Bloomberg

Alternative Performance Measures ("APMs")
The financial information and performance summary data highlighted in the footnote to the above table is considered to represent APMs of the Company. Definitions of these APMs together with how these measures have been calculated can be found on pages 70 and 71.

As at 25 April 2025, the latest date prior to the publication of this document, the Ordinary Share price was 72.50p per share and the latest published NAV was 84.26p per share as at 28 February 2025.

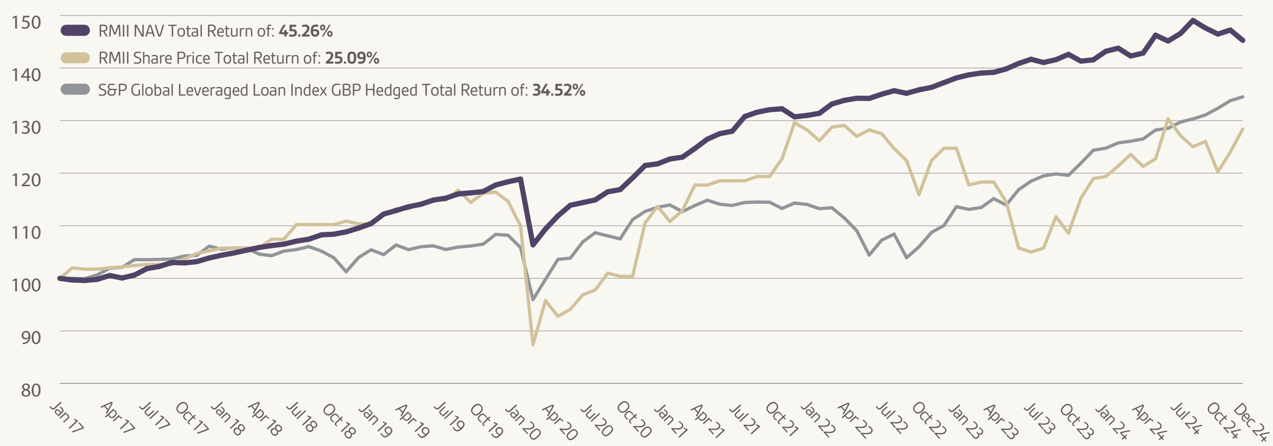
Sector breakdown (as at 31 December 2024)

Healthcare	Care home: **18%** Health and well-being: **14%** Specialist care: **7%**
Hotel & Leisure	Hotel: **31%**
Accommodation	Student accommodation: **9%**
Manufacturing	Auto parts manufacturer: **12%**
Energy efficiency	Energy efficiency: **9%**

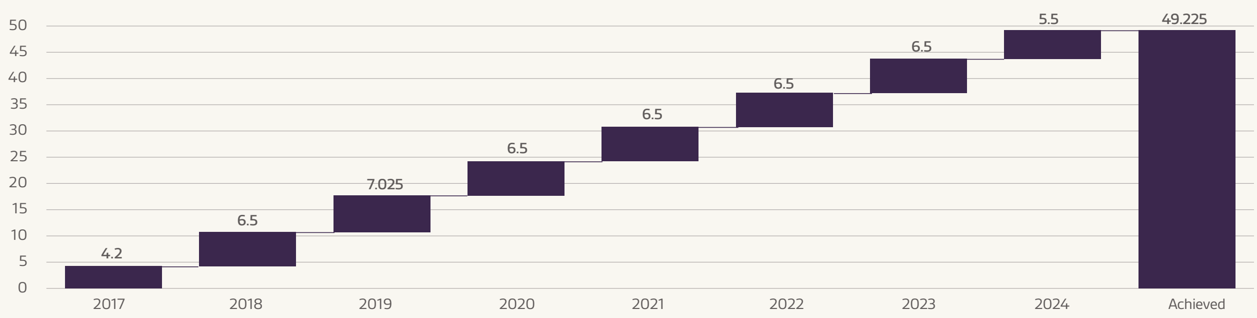


Fund performance since inception

% Total returns to date



Distribution record (pence per share)



Portfolio at a glance

continued

Portfolio (as at 31 December 2024)

Largest 10 loans by drawn amounts across the entire portfolio

Business activity	Investment type (Private/Public/Bond)	Valuation† £'000	Percentage of NAV (%)
Healthcare	Private loans	13,036	15.8
Healthcare	Private loans	9,196	11.1
Manufacturing	Private loans	8,394	10.1
Hotel & Leisure	Private loans	7,270	8.8
Healthcare	Bond	4,772	5.8
Hotel & Leisure	Private loans	4,736	5.7
Accommodation	Private loans	4,458	5.4
Hotel & Leisure	Private loans	3,913	4.7
Energy Efficiency	Private loans	3,412	4.1
Hotel & Leisure	Private loans	3,029	3.7
Ten largest holdings		**62,216**	**75.2**
Other private loan investments		5,864	7.1
Wholly owned asset		1,719	2.1
Forward currency contracts		299	0.4
Total holdings		**70,098**	**84.8**
Other net current assets		12,583	15.2
Net assets		**82,681**	**100.0**

† *Valuation of private loans conducted by external valuation agent.*

17

Number of loans

1

Equity position

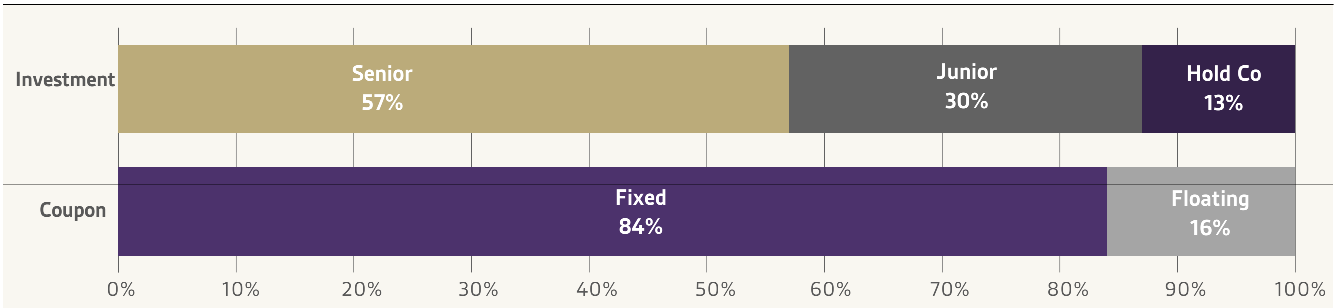
12.5%

Average yield

Full portfolio (as at 31 December 2024)

Loan ref#	Borrow name	Deal type	Sector	Business Description	Nominal (£)	Market value (£)	Valuer	Payment
88	Private Loan - SPV	Bilateral Loan	Healthcare	Care home	12,971,544	13,035,869	V Agent	Cash
76	Gym Franchise	Bilateral Loan	Healthcare	Health and Well-being	9,157,131	9,195,958	V Agent	PIK/Cash
39	Beinbauer	Syndicated Loan	Manufacturing	Auto Parts Manufacturer	12,036,917	8,393,902	V Agent	Cash
66	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	8,504,440	7,270,036	V Agent	Cash
15	Voyage Care	Bond	Healthcare	Specialist Care	5,000,000	4,771,563	V Agent	Cash
67	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	5,540,560	4,736,358	External	Cash
12	Private Loan - SPV	Bilateral Loan	Accommodation	Student accommodation	4,430,000	4,458,315	V Agent	Cash
73	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	4,000,000	3,913,122	V Agent	Cash
58	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	3,373,322	3,029,277	V Agent	PIK
62	Trent Capital	Bilateral Loan	Energy Efficiency	Energy Efficiency	3,471,848	3,412,172	V Agent	N/A
99	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	2,881,472	2,915,240	V Agent	PIK
96	Private Loan - SPV	Bilateral Loan	Energy Efficiency	Energy Efficiency	2,583,636	2,629,517	V Agent	Cash
68	Equity	Equity	Accommodation	Student accommodation	5,100,000	1,718,557	V Agent	Cash
94a	Gym Franchise	Bilateral Loan	Healthcare	Health and Well-being	212,689	213,657	V Agent	Cash
76.1	Gym Franchise	Bilateral Loan	Healthcare	Health and Well-being	762,231	73,205	V Agent	PIK
52	Private Loan - SPV	Bilateral Loan	Clean Energy	Renewable heat incentive	32,542	32,321	V Agent	PIK
74	Private Loan - SPV	Bilateral Loan	Accommodation	Student accommodation	930,000	–	V Agent	Cash
N/A	Trent Capital	Preference Shares	Energy Efficiency	Energy Efficiency	1,285,917	–	V Agent	N/A
89	Private Loan - SPV	Bilateral Loan	Accommodation	Student accommodation	1,000,000	–	V Agent	N/A
63	Trent Capital (Fusion) RF	Bilateral Loan	Energy Efficiency	Energy Efficiency	597,828	–	V Agent	Cash
Forward currency contracts					298,810	298,810	N/A	Cash
				Total	**84,170,890**	**70,097,879**		

Portfolio statistics (as at 31 December 2024)



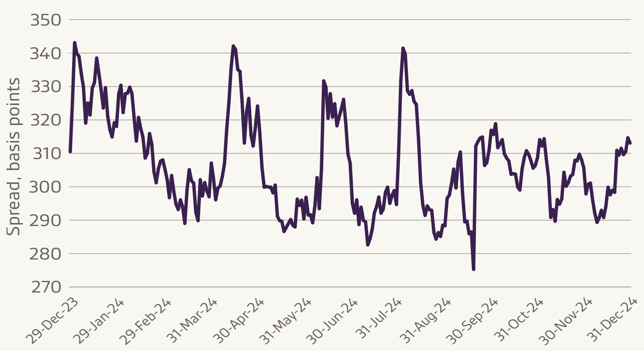
Market

Market environment

A mixed environment for the portfolio to be operating in with government bond yields rising and credit spreads tightening. Interest rate products were volatile with overall weakness in prices and an increase in yields with generic 5 year government bond yields opening the year at circa 3.5% and closing the year at approximately 4.35%. This move was not linear with yields as despite being higher over the first half they touched 3.6% during the summer before widening to close the year at 4.35%. Overall we expect pressure to remain on yields given the high borrowing requirements of the government combined with a resurgence in inflation, specially from energy and the recent rise in employers National Insurance and minimum wage will feed back into higher prices for consumers.

Credit spreads were robust with the ITRXX Crossover index opening the year at circa 340 and closing at circa 310. Tighter financial conditions have not yet fed through to corporates with government statistics showing that corporate insolvencies were 5% lower in number than over 2023.

Markit iTraxx Europe Crossover index



The Markit iTraxx Europe Crossover index comprises 75 equally weighted credit default swaps on the most liquid sub-investment grade European corporate entities. This is the most liquid reference point for high yield credit in Europe.

Company objectives

The Company aims to conduct an orderly realisation of the assets of the Company, to be effected in a manner that seeks to achieve a balance between returning cash to Shareholders promptly and maximising value.

The managed wind-down process is monitored closely by the Board of Directors (the "Board"). The Investment Manager keeps the Board updated on latest developments as the managed wind-down process progresses which is also discussed at each of the Company's quarterly Board meetings.

Chair's statement

45.26%

NAV Total Return / Inception to December 2024

49.225p

Total dividend declared or paid / inception to December 2024

84.73p

NAV December 2024

Introduction

On behalf of the Board of Directors ("the Board"), I am pleased to present RM Infrastructure Income plc's ("RMII" or "the Company") Annual Report & Accounts for the year ended 31 December 2024.

This year marks the eighth year since the Company's Initial Public Offering ("IPO") on the London Stock Exchange in December 2016. Since late 2023, the Company has been in managed wind-down and these results reflect the first full year of realisation of the portfolio and the first return of capital to Shareholders.

Realisation progress

I am pleased to say good progress has been made over the year on realising the financial assets within the Company as the number of loans has decreased from 31 to 17 with invested capital reducing from £101m to circa £80m over the period.

Given the legal and operational costs for each capital return it was decided by the Board to initially put forward fewer but larger tenders for shares, and I am delighted to say that on 25 September 2024, the Company announced the result of a successful Tender Offer for 19,738,338 ordinary shares at 88.59 pence being the NAV on 30 August 2024. This represented 16.6% of the Company's issued share capital and the shares in issue reduced to 97,848,021. The tender price represented a 21.86% premium to the share price of 3 September 2024, being the date on which the Tender Offer was announced.

From the initial IPO of RMII in December 2016 until the Tender Offer, this capital generated a total IRR of 46.17% (equivalent to a 5% annualised IRR). Therefore, the Company outperformed the S&P Leveraged Loan Index by 7.12%, which delivered a total return of 39.05% (4.33% annualised) over the same period.

The year ended with the Company holding £8.5m of cash and awaiting the next material repayment at which point the Board will instruct the second Tender Offer.

Income generation and NAV performance

In the eight years since listing, the Company has returned 49.225 pence per Ordinary Share to Shareholders in dividends.

On 27 February 2025, the Company declared a fourth interim dividend for the year of 0.625 pence per Ordinary Share which was paid on 4 April 2025, thus total dividends of 5.5 pence per Ordinary Share were paid for the year ended 31 December 2024. As expected during the Company's Wind Down process, the associated fixed costs of running the company combined with a smaller loan book and elevated cash balances until tender offers are actioned have led to a lower dividend for the period vs. prior years.

At 31 December 2024 the audited NAV per share was 84.73 pence per Ordinary Share (31 December 2023: 88.88 pence). The NAV percentage per Ordinary Share Total Return for the year was 2.62% (2023: 3.16%). Since inception the NAV percentage Total Return is 45.26%.

Returns to Shareholders

The average share price discount to net asset values per share was slightly lower over the year moving from 17.82% to 13.25%. The closing mid-market share price on 31 December 2024 was 73.50 pence per Ordinary Share compared with 74.25 pence as at 31 December 2023. The 0.75 pence per Ordinary Share decrease, combined with dividends, means the total percentage share price return for the year was +7.93% (2023: -4.63%) and if the Tender Offer was taken up in full as described above this return per Ordinary Share rises to 11.68%.

Portfolio overview

The portfolio is now materially smaller in terms of line items and in overall invested capital size. However, the average loan size has materially increased from £3.2m to £4.3m which means the portfolio has seen a rise in idiosyncratic risk as borrower concentration has risen. We expect the rise in idiosyncratic risk to continue as the portfolio becomes smaller and more concentrated during the managed wind-down process.

The successful recoveries versus the Clyde Street hotel asset during the period was welcomed as was the repayment, post period end, of loan references 66 & 67 secured over a portfolio of hotels. These loans were identified last year in our annual report as key factors to a successful execution of the Company asset realisation given the outcomes were relatively binary.

Looking forward into 2025 and 2026 the key risks to the further successful execution to the realisation strategy remain, specifically with regard to the German auto parts manufacturer given the wider industry challenges and to the gym franchise sale as the business has had a challenging 2024. The Investment Manger's report sets out further detail on these loans, and the remaining portfolio.

In January 2025, the Board made the decision to seek greater visibility on two of the assets in the portfolio by requesting Board seats on Empowered Brands and Trianco. The aim is to use the breadth and depth of experience of your directors to help both companies. This is possible due to the substantial equity positions negotiated by your Investment Manager as part of the restructuring of said investments, both occurring in 2020. In the case of the gym franchise the Company has a 43% equity position and a 61% equity position in Trianco. Given these substantial positions it seems only right that your interests as shareholders in both businesses should be represented by your Directors. We look forward to working with both Boards to help them achieve their goals over the coming months.

As the realisation of the Company's assets continues, the Board is spending more and more time getting to better understand the issues the underlying companies are facing in order to ensure shareholders' interests are protected during the Company's wind-down process. In 2024 the Directors made several visits to borrowers and conducted numerous video calls with the managers of the companies that RMII has made loans to. It became clear that substantially greater time will be required by the Board in the wind-down phase in managing the tail-end of the portfolio. The Board therefore has put in place an additional compensation package to account for the additional work. A sum of 0.5% will be deducted from cash distributed to Shareholders in future Tender Offers and held by the Company until liquidators are appointed and the Board hands over control of the final liquidation process. At that time the monies will be distributed to Directors as decided by Guy Heald, Non-Executive Director of the Company, based on the time spent by each director in managing the wind-down process. As Chair, I consulted with several major Shareholders before this structure was put in place, all of whom were supportive of the incentivisation structure. I would like to thank Shareholders for their support and understanding as we work through the liquidation of the portfolio.

Outlook

The Investment Manager has been targeting a significant return of capital to shareholders during 2024 and 2025 and is still aiming to return the majority of the shareholder capital by year end 2025.

I look forward to continued engagement with Shareholders. Please do not hesitate to contact me through our brokers Singer Capital Markets if any additional information is required.

Norman Crighton
Chair

28 April 2025

Investment Manager's report

NAV & income performance

Over the period, the portfolio generated a positive NAV Total Return of 2.62%. Overall, the NAV per Ordinary Share decreased from 88.88 pence at 31 December 2023 to 84.73 pence per Ordinary Share at 31 December 2024.

As expected during the Company's wind-down process, the associated fixed costs of running the Company combined with a smaller loan book and elevated cash balances until tender offers are actioned have led to a lower dividend for the period versus prior years. Net income per Ordinary Share of 4.84 pence was received and a total dividend for the year of 5.5 pence per Ordinary Share was paid.

The Company conducted its first Tender Offer as part of the realisation process tendering for 19,738,138 or 16.6% of the share capital at NAV (as at 31 August 2024). Therefore, the tender price was 88.59 pence per Ordinary share, a 21.86% premium on the day the Tender Offer was announced, being 3 September 2024.

Share Price Total Return for the year was 7.93% and when the pro-rata amount of the Tender offer is included this total return increases to 11.68%.

For the year ended 31 December 2024

Net interest income	+7.83p
Change in portfolio valuations	-1.07p
Payment of 2024 Dividends	-5.50p
Net NAV Movement	**+1.26p**

Share price performance

Positive share price performance of 7.93%. Since IPO the total percentage share return achieved is 28.41%.

Market environment

A mixed environment for the portfolio to be operating in with government bond yields rising and credit spreads tightening. Interest rate products were volatile with overall weakness in prices and an increase in yields with generic 5 year government bond yields opening the year at circa 3.5% and closing the year at approximately 4.35%. This move was not linear with yields touching 3.6% during the summer. Overall we expect pressure to remain on yields given the high borrowing requirements of the government combined with a resurgence in inflation, specially from energy and the recent rise in employers National Insurance and minimum wage will feed back into higher prices for consumers.

Credit spreads were robust with the ITRXX Crossover index opening the year at circa 340 and closing at circa 310. Tighter financial conditions have not yet fed through to corporates with government statistics showing that corporate insolvencies were 5% lower in number than over 2023.

Financial performance

Total income generation for the year was £7.6m (2023: £10.9m) and this was split between cash interest of £6.2m (2023: £10.6m) and £1.4m (2023: £0.3m) of Payment In Kind ("PIK").

Total operating costs were £2.2m (2023: £2.5m).

For the year ended 31 December 2024

Income	7,641,800
Total expenses	(2,195,193)
Finance costs	–
Total	**5,446,607**
Dividends	(6,017,948)
Loss after interest costs & before tax	**(571,341)**

There were four dividends declared in respect of the year ended 31 December 2024 totaling 5.5 pence per Ordinary Share.

Period	Payment date	Dividend proceeds
Q1 2024	28 June 2024	£1,910,778
Q2 2024	16 September 2024	£1,910,778
Q3 2024	29 November 2024	£1,586,567
Q4 2024	4 April 2025	£609,825

Portfolio performance

During the year, the number of loans within the portfolio fell significantly from 31 to 17, with invested capital reducing from circa £101m to circa £80m. This reduction demonstrates a successful execution of the portfolio's realisation being conducted and it is particularly pleasing to see the longer-dated investment loans of the book repaid which will likely shorten the tail end of the book maturity by 1 year from 2027 to 2026.

There were 4 drawdowns against existing facilities which totalled circa £1.7m. These drawdowns were to support the stabilisation of Empowered Brands and to drive growth at Trianco, respectively. Trianco has seen an exponential increase in its sales volume and given the business is exposed to relatively long supply chain lead times, this has resulted in a requirement in working capital to fund this growth phase.

There were 14 borrowers that made repayments or whom RMII recovered claims against over the period which totalled approximately £23.7m, the significant amounts being:

- Euroports, Ref #71: € 2m
- Childcare & Education Ref #95a: £2.34m
- Childcare & Education Ref #95b: £0.46m
- Asset Backed Lending, Ref #60: £4.69m
- Commercial Property, Ref #87: £0.78m
- Wealth Management, Ref #81: £0.5m
- Healthcare, Ref #97a: £1.48m
- Healthcare, Ref #97b: £0.7m
- Construction, Ref #79: £3.6m

- Hotel & Leisure, Ref #58: £4.0m
- Hotel & Leisure, Ref #92: £1.96m

Post period end, there was a material repayment in early February of the 4th and 5th largest exposures within the portfolio secured against 5 hotels across two loan facilities (loan references 66 and 67). These loans were originated in 2019 and had been extended whilst the Investment Managers worked with the borrower to seek a satisfactory refinancing solution. It was determined that this would lead to a swifter recovery of capital and an enhanced recovery for the lenders through a consensual refinancing rather than an enforcement process. Through this refinancing process, £11.5m was repaid versus a year end mark of circa £12m. In addition, a further charge was secured over loan reference 99, another operational hotel with an existing first charge in place with RMII. In essence, this led to a 96% cash repayment of the loan versus the year end mark with a material part of the outstanding loan balance novated and now secured against the operational property of loan reference 99. This remaining part of the recovery process is expected to occur during 2025. The Investment Manager believes this is a successful outcome as we seek to balance returning capital to shareholders in a timely manner versus where the loans are marked and the opportunity cost of capital.

At year end the portfolio had approximately £8.5m of cash which increased significantly in early February to approximately £20m with the partial repayment of investment loans ref 66 & 67. This should lay the foundations for another material Tender Offer to be put to for Shareholders as the second planned capital repayment of the realisation process.

Importantly, the repaid loans with references 58, 79, 92, 66 & 67 were on the enhanced monitoring list at year end 2023 so it is pleasing to see this capital returned.

At year end, there were two names on the enhanced monitoring list. Both of these loans are material in size as they are the second and third largest exposures within this portfolio:

Loan Ref 39. Beinbauer. This business is an auto parts manufacturer in Germany. Whilst well run with a strong sponsor, there are large headwinds within the sector. The loan is a HoldCo loan so is structurally subordinated, it has a correspondingly high yield but has been marked lower to reflect the challenging environment. The loan was extended during 2024 with repayment scheduled for H1-2026. RM Funds is working with the borrower and sponsor to achieve a timely successful repayment.

Loan Ref 76. Empowered Brands. This is the gym franchise which went through a restructuring exercise during the Covid period. Trading has been disappointing for a number of periods. This loan is senior secured which allows for greater control of the work out. It was scheduled for repayment in 2025, however this is likely to be extended into 2026. In early 2025, a change was made to replace the Managing Director in an effort to get the business and growth back on track. In March 2025, a director of RMII was appointed to the board of Empowered Brands. It is the intention that board meetings of Empowered Brands will be attended in rotation by RMII's Directors in order that Empowered Brands can benefit from the full experience of your Board and the best possible understanding of the business can be achieved to maximise its potential going forward.

Outlook for 2025

Overall, it has been pleasing to see a material reduction in the volume of loans within the portfolio and a reduction in the invested capital of approximately £22m over 2024. The Investment Manager is focused on continuing the realisation of the portfolio and returning capital to investors.

Further material progress is expected to be made during 2025 and after loan references 66 & 67 the next scheduled repayment is the largest loan in the portfolio reference 88 which is targeting a Q2-2025 repayment. As we look at the loans, those being targeting for repayment in 2025 are shown below which would be approximately a further £29.5m of capital to be returned to Shareholders:

- Loan reference 88: £13m
- Loan reference 12: £4.46m
- Loan reference 58: £3.57m
- Loan reference 99: £2.915m
- Loan reference 15: £4.77m
- Loan reference 66: £0.75m

The remainder of the loans are being targeted for repayment during 2026 with the process to have concluded by year end 2027 with the longest-dated investment loans having been repaid earlier during 2024.

For both portfolio companies, a sale process is targeted to be run in 2026. The loans corresponding to each are shown below:

- Trianco - Loan reference 62,74 & 96.
- Empowered Brands – Loan reference 76 & 76.1

As described above, there is work to be done with regards to Empowered Brands's business performance. With regards to Trianco this is more pleasing with accelerating sales figures seeing growth to EBITDA and the business outlook. As a reminder this Company distributes air source heat pumps and has seen demand surge as the focus has been on home energy decarbonisation, the greening of the grid and how electricity can heat homes.

Naturally as the portfolio reduces in size the portfolio will become more concentrated and idiosyncratic risk will rise correspondingly. This can lead to greater volatility within the share price.

Finally, as in 2024 but even more so in 2025 the smaller loan portfolio combined with elevated cash balances will lead to a material reduction in distributable income given the fixed costs associated with running the Company. Furthermore, as the loan portfolio reduces the remaining loans are typically the more stressed part of the book and thus the proportion of the portfolio paying PIK is forecasted to significantly increase. These PIK payments will also be written down so that the Company does not accrue large balances that might not be realisable. Taken together this means that the income available for distribution to shareholders in 2025 will materially reduce.

RM Capital Markets Limited

28 April 2025

Investment policy, results and other information

Investment Objective and Investment Policy

Investment Objective

The Company aims to conduct an orderly realisation of the assets of the Company, to be effected in a manner that seeks to achieve a balance between returning cash to Shareholders promptly and maximising value.

Investment Policy

The assets of the Company will be realised in an orderly manner, returning cash to Shareholders at such times and in such manner as the Board may, in its absolute discretion, determine. The Board will endeavour to realise all of the Company's investments in a manner that achieves a balance between maximising the net value received from those investments and making timely returns to Shareholders.

The Company may not make any new investments save for:

a) further secured debt instruments of UK SMEs and mid-market corporates and/or individuals including any loan, promissory note, lease, bond, or preference share ("Loans"), such debt instruments being to an existing borrower which is expected to preserve the value of an existing Loan; or

b) extending the maturity or repayment date or any interest payment date if that is in the best interests of the Company.

The Company will continue to comply with all the investment restrictions imposed by the UK Listing Rules in order to maintain the Company's admission to the Official List under the UK Listing Rules.

In the event of a breach of the investment guidelines and restrictions, the Investment Manager shall inform the Board upon becoming aware of the same and if the Board considers the breach to be material, notification will be made to a Regulatory Information Service and the Investment Manager will look to resolve the breach with the agreement of the Board.

The Company intends to conduct its affairs in order to qualify as an investment trust for the purposes of section 1158 of the CTA 2010, and its investment activities will therefore be subject to the restrictions set out above.

Borrowing and gearing

The Company may utilise borrowings for short-term liquidity purposes. The Company may also, from time to time, use borrowing for investment purposes on a short-term basis where it expects to repay those borrowings from realisation of investments. Gearing represented by borrowings will not exceed 20 per cent. of Net Asset Value calculated at the time of drawdown.

Hedging and derivatives

The Company may invest in derivatives for efficient portfolio management purposes. In particular the Company can engage in interest rate hedging.

In accordance with the requirements of the FCA, any material change to the Company's investment policy will require the approval of Shareholders by way of an ordinary resolution at a general meeting.

Dividend Policy

Since the commencement of the managed wind-down process, the Company expects not to be able to keep paying dividends at the rate of 6.5 pence per share per annum as was previously the case. The Company will instead pay dividends only as required to maintain its investment trust status. As the Company's portfolio reduces in size its fixed costs will become a greater proportion of its expenditure.

The Company intends to maintain its investment trust status and listing during this managed realisation process prior to the Company's eventual liquidation. Maintaining the listing would allow Shareholders to continue to trade Shares during the managed wind-down of the Company.

Results and dividend

The Company's revenue return after tax for the year ended 31 December 2024 amounted to £5,447,000 (2023: £7,407,000). The Company made a capital loss after tax of £2,148,000 (2023: capital loss after tax of £4,008,000). Therefore, the total return after tax for the Company was £3,299,000 (2023: £3,399,000).

The first interim dividend of 1.625p per Ordinary Share was declared on 30 May 2024 in respect of the period from 1 January to 31 March 2024. The second interim dividend of 1.625p per Ordinary Share for the quarter ended 30 June 2024 was declared on 13 August 2024 and the third interim dividend of 1.625p per Ordinary Share for the quarter ended 30 September 2024 was declared on 31 October 2024. On 27 February 2025, the Board declared a fourth interim dividend of 0.625p pence per Ordinary Share for the quarter ended 31 December 2024.

Key performance indicators ("KPIs")

During the year under review, the Board measured the Company's success in attaining its investment objective that was in place for the year by reference to the following KPIs:

1. Dividends

A fourth interim dividend for the quarter ended 31 December 2024 of 0.625p per share was paid to Shareholders on 4 April 2025 bringing total payments for the year to 5.5p per share.

2. Total return

The Company's total return is monitored by the Board. The Ordinary Shares generated a NAV total return of +2.62% (2023: +3.16%) in the year ended 31 December 2024.

3. Discount/premium to NAV

The discount/premium relative to the NAV per share represented by the share price is closely monitored by the Board. The Ordinary Share price closed at a 13.25% discount (2023: 16.46% discount) to the NAV as at 31 December 2024. The Company bought back 269,595 shares pursuant to the Investment Management Agreement whereby the shares will be held in treasury until the earlier of (1) notice of the liquidation of the Company, and (2) termination of the Company's relationship with the Investment Manager, and, together with cash amounts held in escrow will vest to the Investment Manager, subject to the amount of aggregated net proceeds distributed to Shareholders in connection with the Company's managed wind-down.

As a part of this managed wind-down and revised Investment Management Agreement, the Board deemed that a Tender Offer would be the best method of returning capital to the shareholders. On 25 September 2024, the Tender Offer was approved by the shareholders, wherein the Company purchased a total of 19,738,338 ordinary shares at a tender price of 88.59 pence per share (equivalent to the Company's NAV as of 30 August 2024).

4. Control of the level of ongoing charges

The Board monitors the Company's operating costs. Based on the Company's average net assets for the year ended 31 December 2024, the Company's ongoing charges figure calculated in accordance with the AIC methodology was 1.79% (2023: 1.84%).

Since the Company's investment objective changed on 20 December 2023, the Board measured the Company's success of the managed wind-down process through its regular engagement with the Investment Manager and at its quarterly Board meetings.

Risks and risk management

Principal and emerging risks and uncertainties

The Board is responsible for the management of risks faced by the Company and delegates this role to the Audit and Management Engagement Committee (the "Committee"). The Committee periodically carries out a robust assessment of principal and emerging risks and uncertainties and monitors the risks on an ongoing basis. The Committee considers both the impact and the probability of each risk occurring and ensures appropriate controls are in place to reduce risk to an acceptable level. The experience and knowledge of the Board is invaluable to these discussions, as is advice received from the Board's service providers, specifically the AIFM who is responsible for the risk and portfolio management services and outsources the portfolio management to the Investment Manager. The Committee has a dynamic risk matrix in place to help identify key risks in the business and oversee the effectiveness of internal controls and processes.

During the year under review, the Committee continued to monitor geopolitical risks as well as risks associated with an orderly managed wind-down. The Committee continues to review the processes in place to mitigate risk and ensure that these are appropriate and proportionate in the current market environment.

The principal and emerging risks, together with a summary of the processes and internal controls used to manage and mitigate risks where possible are outlined in the following paragraphs.

(i) Market risks

Inability of the Company's Investment Manager to realise the Company's assets in accordance with the Company's managed wind-down

The Investment Manager may struggle to meet its obligation to realise the Company's assets in accordance with the Company's investment policy.

Market sectors

Loans are made to borrowers that operate in different market sectors each of which will have risks that are specific to that particular market sector. Idiosyncratic risks coupled with a downward turning market may increase refinancing risk with actions leading to a loss in value and recoverability in junior and mezzanine positions.

Valuation

The Company's approach regarding the valuation of its investments remains unchanged albeit the methodology to reach said valuation has become more substantive. Fair value write downs continue to be driven by market risk and idiosyncratic risk, with idiosyncratic risk relating to loan specific information which is reflected within specific loan pricing.

Management of risks

The Company has appointed an experienced Investment Manager who directly sourced loans and advise on the management thereof. The Company has a portfolio of a wide range of loan types and sectors and therefore benefits from diversification.

Investment restrictions are primarily applicable as at the time of investment. Now that the Company is in managed wind-down these are relatively flexible, giving the Investment Manager the ability to take advantage of exit opportunities as they arise.

The Investment Manager, AIFM, Brokers and the Board review market conditions on an ongoing basis.

(ii) Risks associated with meeting the Company's investment objective or target dividend yield

The Company's investment objective is to conduct an orderly realisation of the assets of the Company, to be effected in a manner that seeks to achieve a balance between returning cash to Shareholders promptly and maximising value. The declaration, payment and amount of any future dividends by the Company will be subject to the discretion of the Directors and will depend upon, amongst other things, the Company successfully pursuing the investment policy and the Company's earnings, financial position, cash requirements, level and rate of borrowings and availability of profit, as well as the provisions of relevant laws or generally accepted accounting principles from time to time.

Management of risks

The Investment Manager has a clearly defined investment policy and process which is regularly and rigorously reviewed by the independent Board of Directors and performance is reviewed at quarterly Board meetings. The Investment Manager is experienced and has employed its expertise in making investments in a diversified portfolio of loans.

(iii) Financial risks

The Company's investment activities expose it to a variety of financial risks which include liquidity, currency, leverage, interest rate and credit risks.

Further details on financial risks and the management of those risks can be found in note 18 to the financial statements.

(iv) Corporate governance and internal control risks

The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company must therefore rely upon the performance of third-party service providers to perform its executive functions. In particular, the AIFM, the Investment Manager, the Administrator, the Company Secretary and the Registrar, will perform services that are integral to the Company's operations and financial performance.

Poor performance of the above service providers could lead to various consequences including the loss of the Company's assets, inadequate returns to Shareholders and loss of investment trust status. Cyber security risks could lead to breaches of confidentiality, loss of data records and inability to make investment decisions.

Management of risks

Each of the above contracts was entered into after full and proper consideration of the quality and cost of services offered, including the financial control systems in operation in so far as they relate to the affairs of the Company. All of the above services are subject to ongoing oversight of the Board and the performance of the principal service providers is reviewed on a regular basis. The Company's key service providers report periodically to the Board on their procedures to mitigate the risks associated with their output to the Company.

(v) Regulatory risks

The Company and its operations are subject to laws and regulations enacted by national and local governments and government policy. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time-consuming and costly. Any change in the laws, regulations and/or government policy affecting the Company or any changes to current accountancy regulations and practice in the UK may have a material adverse effect on the ability of the Company to successfully pursue its investment policy and meet its investment objective and/or on the value of the Company and the shares. In such event, the performance of the Company, the NAV, the Company's earnings and returns to Shareholders may be materially adversely affected.

Management of risks

The Company has contracted out relevant services to appropriately qualified professionals. The Secretary and AIFM report on compliance matters to the Board on a quarterly basis and the Board has access to the advice of its Corporate Broker on a continuing basis. The assessment of regulatory risks forms part of the Board's risk assessment program.

Emerging risks

The Board also has robust processes in place to identify and evaluate emerging risks.

(vi) Business interruption

Failure in services provided by key service providers, meaning information is not processed correctly or in a timely manner, resulting in regulatory investigation or financial loss, failure of trade settlement, or potential loss of investment trust status.

Failure to identify emerging risks may cause reactive actions rather than being proactive and the Company could be forced to change its structure, objective or strategy and, in worst case, could cause the Company to become unviable or otherwise fail.

Management of risks

Each service provider has business continuity policies and procedures in place to ensure that they are able to meet the Company's needs and all breaches of any nature are reported to the Board.

The following is a description of the Company's service providers who assist in identifying the Company's emerging risks to the Board.

1. **Investment Manager:** the Investment Manager provides a report to the Board at least quarterly on industry trends, insight to future challenges in the sector, including the regulatory, political and economic changes likely to impact the Company. The Chair also has contact with the Investment Manager on a regular basis to discuss any pertinent issues;
2. **Alternative Investment Fund Manager:** the AIFM maintains a register of identified risks including emerging risks likely to impact the Company, which is updated as required, following discussions with the Investment Manager and other service providers. The risks are documented on a risk register and classified in the following categories: Counterparty Risks; Leverage and Borrowing Risks; Liquidity Risks; Market Risks; Operational Risks; Corporate Governance Risks; Compliance Risks and Other Risks;
3. **Broker:** provides advice periodically, specific to the Company on the Company's sector, competitors and the investment Company market whilst working with the Board and Investment Manager to communicate with Shareholders;
4. **Company Secretary:** briefs the Board on forthcoming legislation and regulatory changes that might impact the Company. The Secretary also liaises with the Company's Legal Adviser, Auditors including other regulatory bodies to ensure that industry and regulatory updates are brought to the Board's attention.

The Board regularly reviews the Company's risk matrix, focusing on risk mitigation and ensuring that the appropriate controls are in place. Regular review ensures that the Company operates in line with the risk matrix, prospectus and investment strategy. Emerging risks are actively discussed throughout the year to ensure that risks are identified and managed so far as practicable. The experience and knowledge of the Board is invaluable to these discussions, as is advice received from the Board's service providers.

All key service providers produce annual internal control reports for review by the Audit and Management Engagement Committee. These reviews include consideration of their business continuity plans and the associated cyber security risks. Service providers report on cyber risk mitigation and management at least annually, which includes confirmation of business continuity capability in the event of a cyberattack. Penetration testing is carried out by the Investment Manager and key service providers at least annually. Details of the Directors' assessment of the going concern status of the Company can be found in the annual report. The Investment Manager complies with all sanctioning regimes and presently views Russia as uninvestable.

(vii) ESG and Climate Change

The impact of climate change has come increasingly into focus and is considered an emerging risk by both the Board and its Investment Manager. While the Company itself faces limited direct risk from the impact of climate change, the Company's underlying holdings selected by the Investment Manager are impacted. While efforts to mitigate climate change continue, the physical impacts are already emerging in the form of changing weather patterns. Extreme weather events can result in flooding, drought, fires, storm damage, potentially impairing the operations of a portfolio Company at a certain location or impacting locations of companies within their supply chain. Significant changes in climate, or the Government measures to combat it, could present a material risk to the Company. There is also potential reputational damage from non-compliance with regulations or incorrect disclosures.

Management of risks

The Company incorporates ESG considerations into its investment process and more details can be found in the Annual Report. The Investment Manager also uses its position to engage with and influence companies towards taking positive steps to contribute to ESG and against climate change. The Company's ESG Policy, which is updated annually is also published on the Company's website. The Board has considered the impact of climate change on the financial statements as documented in the Notes to the financial statements.

RM Funds is a signatory to the Principles of Responsible Investment Initiative ("PRI") and reports annually according to the PRI reporting framework.

Stakeholder engagement

Promoting the success of the Company

This section of the Annual Report covers the Board's considerations and activities in discharging their duties under s.172(1) of the Companies Act 2006, in promoting the success of the Company for the benefit of its members as a whole. This statement includes consideration of the likely consequences of the decisions of the Board in the longer term, how the Board has taken wider stakeholders' needs into account and the impact of the Company's operations on the environment.

The Board, together with the Investment Manager, sets an overall investment strategy and reviews this on an ongoing basis. The Board is ultimately responsible for all stakeholder engagement, however as an externally managed investment Company, the Company does not have any employees, rather it employs external suppliers to fulfil a range of functions, including investment management, secretarial, administration, custodial, broking, valuation, marketing and banking services. All these service providers help the Board to fulfil its responsibility to engage with stakeholders and it should be noted are also, in turn, stakeholders themselves.

The Board has identified the major stakeholders in the Company's business. On an ongoing basis, the Board monitors both potential and actual impacts of the decisions it makes in respect of the Company upon those major stakeholders identified.

Stakeholder	Engagement and key Board decisions
Company service providers	The Board believes that positive relationships with each of the Company's service providers and between service providers is important in supporting the Company's long-term success. In order to foster strong working relationships, the Company's key service providers (the Investment Manager, AIFM, Broker, Company Secretary and Administrator) are invited to attend quarterly Board meetings to present their respective reports which enables the Board to exercise effective oversight of the Company's activities. Separately, the Auditor is invited to attend the Audit and Management Engagement Committee meeting at least twice per year. The Audit and Management Engagement Committee Chair maintains regular contact with the Audit Partner to ensure the audit process is undertaken effectively. The Board and advisers seek to maintain constructive relationships with the Company's suppliers on behalf of the Company through regular communications, meetings and the provision of relevant information and update meetings. The Board has also spent time engaging with the Company's key service providers outside of scheduled Board meetings to develop its working relationship with those service providers and ensure the smooth operational function of the Company. One of the most significant service providers for the Company's long-term success is the AIFM who have engaged the Investment Manager for the purpose of providing investment advisory services to the Company. The Board regularly monitors the Company's investment performance in relation to its objectives and investment policy and strategy. The Board receives and reviews regular reports and presentations from both the AIFM and Investment Manager and seeks to maintain regular contact to ensure a constructive working relationship. Representatives of the Investment Manager attend Board meetings. The Investment Manager's remuneration is based on the NAV of the Company which aligns their interests with those of Shareholders. Since the Company commenced its managed wind-down process which was approved by shareholders at a General Meeting held on 20 December 2023, a new incentive fee was approved that is based on any Loan that is repaid or sold at or above NAV and thereby further aligning the Investment Manager to the interest of the Company's shareholders during the wind-down process. On an annual basis, the Board reviews the continuing appointment of each service provider to ensure re-appointment is in the best interests of the Company's Shareholders.

Stakeholder	Engagement and key Board decisions
Shareholders	To help the Board in its aim to act as fairly as possible between the Company's members, it seeks to ensure effective communication is provided to all Shareholders. Meetings with Shareholders help the Board to better understand their needs and concerns and will inform the Board's decision-making. The Board communicate with Shareholders through: > Annual and interim reports > Dedicated Company website > Regular market announcements > Monthly factsheets > Investor roadshows and presentations > Dialogue with shareholders > Annual General Meeting The Board encourages Shareholders to attend and participate in the Company's Annual General Meeting ("AGM") to meet the Board and Investment Manager. The Company values any feedback and questions it may receive from Shareholders ahead of and during the AGM. The Board believes that Shareholders can only make informed decisions if they have access to relevant information on a timely basis. To provide transparency a variety of methods of communication are used. The Company's website www.rm-funds.co.uk/rm-infrastructure-income/ is considered an essential communication channel and information hub for Shareholders. As such, it includes full details of the revised investment objective, along with news, opinions, disclosures, results and key information documents. The Annual and Interim reports and accounts are published on the Company's website and available as a printed copy on request. The date of the AGM is published in advance (online and within the Annual Report) and the full Board is normally available to meet and speak with all Shareholders who attend it. Directors are also available to meet with Shareholders during the year. In addition, factsheets, providing performance information are published monthly and are also available on the Company's website.
Borrowers	During the year, the Board met with several borrowers and management both in person and by video. As the wind-down process continues, it is expected that the Board will have many more meetings during 2025 in order to understand the issues these businesses face and maximise value for Shareholders. The Investment Manager ensures that the Company applies the correct approach to credit, limiting the exposure and reducing any loss in the event of default. The Company's credit risk is well controlled, significantly reducing the risk that impairments will put the dividend under pressure. During the year under review, the Investment Manager considered prospective borrowers and took account of two credit considerations: > **how much debt can the borrower afford to take on?** The Investment Manager will assess the maximum level of debt the borrower can afford by using internal proprietary models. The exposure of the borrower is determined by the levels of visible net cash flows the borrower has. The Investment Manager believes that this is the most suitable metric for determining repayment by the borrower rather than simple turnover or sales-based metrics; and > **how secure are the assets and/or the cash flows that the Company has security over?** The Investment Manager will assess the assets of the borrower and their likely residual values and/or cash flows and their continued viability. The Investment Manager has long-standing relationships with investment banks, commercial banks, challenger banks, financial advisory firms, sponsors and borrowers, providing access to investment opportunities.

Stakeholder engagement

continued

Stakeholder	Engagement and key Board decisions
Wider community and the Environment	The Investment Manager, as steward of the Company's assets, engages with the portfolio companies to ensure high standards of governance. The investment strategy of the Company is predicated upon the commitment of portfolio companies to act in the interests of all stakeholders. In making investment decisions, the Investment Manager takes into account qualitative measures such as the environmental and social impact of a Company as well as financial and operational measures. The Company has articulated its policy on ESG factors involved in the investment decision-making and evidence of constructive engagement with investee companies. The ESG policy is available on the Company's website.

In summary, the Directors are cognisant of their duties enshrined in Section 172 of the Companies Act 2006 to make decisions taking into account the long-term consequences of all the Company's key stakeholders.

Environmental, Social and Governance ("ESG")

In recognition of the need to fulfil the Company's investment objective, the Board works closely with the Investment Manager in developing its investment strategy and underlying policies in an effective and responsible way in the interests of Shareholders, potential investors and the wider community.

The Board and the Investment Manager recognise that investments can have a direct impact on society and the planet and with this comes a responsibility to positively allocate capital to companies who act to avoid harm, benefit stakeholders and contribute to solutions.

Our philosophy is to give investors visibility over the impact of our investments and to endeavour to report on progress. RM Funds seeks to actively and productively engage with investee companies to achieve mutually beneficial outcomes.

Wherever possible RM Funds seeks to identify investments beneficial for contributing towards defined Sustainable Development Goal outcomes.

RM Funds is signatory to the United Nations Principles for Responsible Investment ("UN PRI"), is fully committed to the UK Stewardship Code and RM Funds is proud to publicly support the Paris Agreement and Task Force on Climate-related Financial Disclosures ("TCFD"). The 2021 PRI Scorecard can be reviewed on the Company website: www.rm-funds.co.uk/wp-content/uploads/2022/10/2021-Assessment-Report-for-RM-Funds-1.pdf

The Board and the Investment Manager believe that responsible investment is important and have long been committed to high ESG standards, integrating ESG factors into the investment process and ensuring there is active engagement wherever possible with portfolio companies to help them improve their ESG processes.

The UN PRI is a framework of six principles which RM Funds, as signatory, has incorporated into its business (https://www.unpri.org/about-us/what-are-the-principles-forresponsible-investment).

The UN PRI is a network of those in the investment community who work together to ensure that ESG considerations are integrated into the investment process. Further details can be found at https://www.unpri.org/PRI. As a signatory to the Principles, the Investment Manager publicly commits to adopt and implement them, where consistent with their fiduciary responsibilities. The Board is supportive of the Investment Manager's approach.

RM Funds has an extensive Responsible Investment Policy which negatively screens any investment which does not align with our ESG philosophy. In considering ESG issues and factors, RM Funds takes into account the requirements of the UN Guiding Principles on Business and Human Rights, the factors set out in the SASB Materiality Map, the targets of the Sustainable Development Goals, and the measures needed to meet the Paris Climate Commitment. Furthermore, RMII seeks to positively allocate capital to sectors and investments that can meaningfully help achieve contributions towards UN Sustainable Development Goals 3, 4, 7, 11, 12 & 13 (https://www.un.org/sustainabledevelopment/sustainable-development-goals/).

In partnership with The Good Economy, RM Funds has developed an impact framework that scores transactions according to the ESG and Impact outcomes. The scoring framework is designed to assess the core borrower ESG performance in conjunction with the impact outcomes of the capital invested. The approach has been deliberately aligned with recognised impact standards, and incorporates a score that is the sum of identifiable Environmental & Social outcomes, combined with factors that recognise our capital contribution and borrower intentionality towards the desired outcomes. External rigour is provided by The Good Economy, who act as the impact assurance and reporting partner for our investors.

The Company is categorised as a lower energy user under the HMRC Environmental Reporting Guidelines March 2019 and is therefore not required to make the detailed disclosures of energy and carbon information set out within the guidelines. The Company's energy and carbon information is not therefore disclosed in this report.

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Culture

A Company's culture would typically be defined as the beliefs and behaviours that determine how a Company's employees and management interact. As an investment trust, the Company has no employees but it recognises the importance of culture and the need to align the culture with the Company's investment policy, values and strategy. The Board's culture promotes strong governance and debate and the Company is committed to acting professionally, fairly and with integrity in all its business dealings and relationships in which it operates, mindful of the interests of all stakeholders.

Employees

The Company has no employees. As at 31 December 2024, the Company had three Directors of whom one is female and two are male. The Board's policy on diversity is contained in the Corporate Governance Report.

Social, community and human rights issues

The Company, as an investment Company, has no direct impact on social, community, environmental or human rights matters.

Modern slavery disclosure

Due to the nature of the Company's business, being a Company with no employees that does not offer goods or services directly to consumers, the Board considers that it is not within the scope of modern slavery. The Board considers the Company's supply chains, dealing predominately with professional advisers and service providers in the financial service industry, to be low risk in relation to this matter.

Environmental, Social and Governance ("ESG") *continued*

Board composition and succession planning

The Directors have a broad range of relevant skills required to fulfil their duties as custodians of Shareholders investments. The composition of the Board is reviewed at each board meeting and any issues identified will be addressed as deemed necessary. The Directors have considered succession planning, however they believe it will be difficult to recruit additional Board members, given the likely short life of the Company now that it is in wind-down and have each committed to serve the Company as Board members until it is placed into liquidation or until it is wound up.

Outlook

The outlook for the Company is discussed in the Chair's Statement on page 8.

Strategic report

The Strategic Report set out on pages 1 to 20 of this Annual Report was approved by the Board of Directors on 28 April 2025.

For and on behalf of the Board

Norman Crighton
Chair

28 April 2025

Governance

Directors' report

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2024.

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Norman Crighton (Chair)
Marlene Wood
Guy Heald

Strategic report

The Directors' Report should be read in conjunction with the Strategic Report on pages 1 to 20.

Corporate governance

The Corporate Governance Statement on pages 27 to 31 forms part of this report.

Legal and taxation status

The Company is an Investment Company within the meaning of Section 833 of the Companies Act 2006. The manner in which the Company conducts its affairs meets the requirements for approval as an investment trust under Section 1158 of the Corporation Tax Act 2010. The Company has received approval as an investment trust and the Company must meet eligibility conditions and ongoing requirements in order for investment trust status to be maintained. In the opinion of the Directors, the Company has met the conditions and requirements for approval as an investment trust for the year ended 31 December 2024 and intends to continue to do so.

Market information

The Company's share capital is listed on the London Stock Exchange. The NAV per Share is calculated in sterling for each business month that the London Stock Exchange is open for business. The monthly NAV per Share is published through a regulatory information service.

Investment Manager

RM Capital Markets Limited ("RM Funds") is the Company's Investment Manager and is regulated by the Financial Conduct Authority.

The Investment Manager is appointed under a contract subject to 12 months' notice. Pursuant to the amended Investment Manager Agreement ("IMA") following the Company being put into wind-down status, the Investment Manager is entitled to a management fee calculated at the rate of 0.875 per cent. of NAV per annum (payable monthly in arrears) subject to a minimum fee of £33,300 payable monthly in arrears, subject to renegotiation with the Board, until the earlier of:

> the Company's liquidation;
> the value of the Company's portfolio (excluding cash and other liquid assets) being less than or equal to £35 million; or
> 31 December 2026.

Additionally, an incentive fee will be accrued from 20 December 2023, being the date the Company entered managed wind-down, on any Loan that is repaid or sold at or above the NAV as at that date, save for those Loans where the capital is used to repay any leverage or held as a cash balance for future commitments, of 1.375 per cent. on Loans repaid or sold until 31 December 2024 and 1.125 per cent. on Loans repaid during 2025.

To incentivise the Investment Manager to continue to work on the tail of the portfolio, the Incentive Fee will be subject to the following escrow and payment mechanism:

i) 50 per cent. of the fee will be paid in cash to the Investment Manager at the end of each month when a loan is repaid or sold and

ii) the remaining 50 per cent. will, so long as the Shares trade at a discount to the latest published NAV, be used by the Company to buy back Shares on the market, and otherwise held by the Company in escrow.

The newly acquired Shares purchased as a result of the payment of the Incentive Fee under (ii) above will be held by the Company in treasury until the earlier of (1) notice of the liquidation of the Company, and (2) termination of the Company's relationship with the Investment Manager, and, together with cash amounts held in escrow will vest to the Investment Manager in the following proportions depending on the amount of aggregated net proceeds distributed to Shareholders:

> 100 per cent. – at or above the Reference NAV; or
> 90 per cent. – at or greater than 99 per cent. and less than 100 per cent. of the Reference NAV; or
> 80 per cent. – at or greater than 98 per cent. and less than 99 per cent. of the Reference NAV; or
> 70 per cent. – at or greater than 97 per cent. and less than 98 per cent. of the Reference NAV; or
> 60 per cent. – at or greater than 96 per cent. and less than 97 per cent. of the Reference NAV; or
> 50 per cent. – at or greater than 95 per cent. and less than 96 per cent. of the Reference NAV; or
> 40 per cent. – at or greater than 94 per cent. and less than 95 per cent. of the Reference NAV; or
> 30 per cent. – at or greater than 93 per cent. and less than 94 per cent. of the Reference NAV; or
> 20 per cent. – at or greater than 92 per cent. and less than 93 per cent. of the Reference NAV; or
> 10 per cent. – at or greater than 91 per cent. and less than 92 per cent. of the Reference NAV; or
> 0 per cent. – below 91 per cent. of the Reference NAV.

Any shares held in treasury which vest to the Investment Manager will be transferred to it to settle the Company's obligation to pay the remaining part of the Incentive Fee. The Board notes that for companies with a premium listing, the Investment Association's preference is for no more than 10 per cent. of their shares to be held in treasury but, given the special use of treasury shares in this case, believes the use of treasury shares in this manner is in the best interests of the Company. In the event that the number of treasury shares to be transferred to the Investment Manager were to be equal to or greater than 20 per cent. of the Company's issued share capital at the time, the Company would not deliver those shares and instead accrue a liability to the Investment Manager equal to the number of undelivered shares multiplied by the amount distributed per other ordinary share in the liquidation, to be paid pro rata alongside all other distributions to Shareholders.

In the event that the Shares are trading at a premium to the prevailing NAV, the remaining 50 per cent. of the fee under (ii) above will be held in escrow in liquid funds by the Company. Any dividends paid or declared in respect of the Shares acquired under (ii), together with any capital distributions made to Shareholders, will be held by the Company in escrow until the incentive vests as set out above.

In accordance with the Directors' policy on the allocation of expenses, 100% of the management fee payable is charged to revenue.

The Board reviews this policy on a periodic basis and confirms this allocation remains consistent with their expectations of future returns from the portfolio.

Alternative Investment Fund Portfolio Managers Directive ("AIFMD")

In accordance with the AIFMD, the AIFM must ensure that an annual report containing certain information on the Company is made available to investors for each financial year. The investment funds sourcebook of the FCA (the "Sourcebook") details the requirements of the annual report. All the information required by those rules is included in this Annual Report or will be made available on the Company's website.

Alternative Investment Fund Manager ("AIFM")

The Company is classified as an Alternative Investment Fund under the AIFMD and has appointed FundRock Management Company (Guernsey) Limited as its AIFM. The AIFM is responsible for portfolio management of the Company, including the following services:

- Risk management – Portfolio management is delegated to the Investment Adviser;
- Review financial reporting prepared by the Administrator;
- Ensuring compliance with AIFMD regulations and reporting; and
- Monitor and ensure compliance with investment and cash restrictions and debt covenants.

Under the terms of the AIFM Agreement and with effect from Admission, the AIFM shall be entitled to receive from the Company a fee to be calculated and accrued monthly in arrears at a rate equivalent to 0.125% of the Company's NAV subject to an annualised minimum of £85,000 applied on a monthly basis. An annual review of the minimum fee will take place on 1 May each year. The AIFM is also entitled to reimbursement of reasonable expenses incurred by it in the performance of its duties.

The AIFM Agreement is terminable by either the AIFM or the Company giving to the other not less than six months' written notice. The AIFM Agreement may be terminated with immediate effect on the occurrence of certain events, including insolvency, on a change of control of the AIFM or in the event of a material breach which fails to be remedied within 30 days of receipt of notice. The AIFM Agreement shall terminate immediately if the Investment Management Agreement is terminated for whatever reason.

The AIFM must ensure that an annual report containing certain information on the Company is made available to investors for each financial year.

Leverage (under AIFMD)

The AIFM is required to set leverage limits as a percentage of net assets for the Company utilising methods prescribed under AIFMD. These methods are known as the Gross Method and the Commitment Method. Under both methods the AIFM has set the current maximum limits of leverage for the Company of 120%. A leverage percentage of 100% or below equates to nil leverage. The Company's leverage under each of these methods at the year end is shown below:

	Gross method	Commitment method
Maximum leverage limit	120%	120%
Actual leverage at 31 December 2024	91%	100%

Management engagement

The Board has reviewed the Investment Manager's and AIFM engagement, including its management processes, risk controls and the quality of support provided to the Company and believes that its continuing appointment, remains in the interests of Shareholders at this time. Such a review is carried out on at least an annual basis. The last review was undertaken at a meeting of the Audit and Management Engagement Committee held on 31 October 2024.

Treasury shares

The Companies Act allows companies to hold shares acquired by way of market purchases as treasury shares, rather than having to cancel them. The Company bought back 269,595 (2023: 50,000) Ordinary Shares into treasury during the year ended 31 December 2024. At the date of this Annual Report the Company held 358,639 Ordinary shares in treasury. Pursuant to amendment to the Investment Management Agreement whereby the shares will be held in treasury until the earlier of (1) notice of the liquidation of the Company, and (2) termination of the Company's relationship with the Investment Manager.

Discount management

The Company may seek to address any significant discount to NAV at which its Ordinary Shares of the Company may be trading, through Tender Offers, share buybacks and the provision of a liquidity opportunity consultation, as appropriate.

The Directors will consider repurchasing shares in the market if they believe it to be in Shareholders' interests.

Directors' report

Continued

The Directors may, at their absolute discretion, use available cash to purchase in the market, shares of a class in issue at any time, subject to having been granted authority to do so, should the shares of such class trade at an average discount to NAV (calculated daily in accordance with the methodology set out below) of more than 6% as measured each month over the preceding six month trading period. The average discount will be calculated by dividing the sum of the discount or premium (as the case may be) on each business day in a calendar month (adjusted for dividends) by the number of such business days. The premium or discount on any given day is to be calculated by reference to the closing share price and the NAV announced for that month.

In exercising their powers to buy back shares, the Directors have complete discretion as to the timing, price and volume of shares so purchased. No expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions.

The Directors have the authority to make market purchases of Ordinary Shares. The maximum price (exclusive of expenses) which may be paid for an Ordinary Share must not be more than the higher of: (i) 5% above the average of the mid-market values of the Ordinary Shares for the five Business Days before the purchase is made; or (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares. Ordinary Shares will be purchased only at prices below the prevailing NAV per Ordinary Share, which should have the effect of increasing the NAV per Ordinary Share for remaining Shareholders.

It is intended that a renewal of the authority to make market purchases will be sought from Shareholders at each Annual General Meeting ("AGM") of the Company and such a resolution will be put forward at the forthcoming AGM. Purchases of Ordinary Shares will be made within guidelines to be established from time to time by the Board.

Any purchase of Ordinary Shares would be made only out of the available cash resources of the Company. Ordinary Shares purchased by the Company may be held in treasury or cancelled.

Purchases of Ordinary Shares may be made only in accordance with the Articles of Association, the Companies Act, the UK Listing Rules and the Disclosure Guidance and Transparency Rules.

At the Annual General Meeting held on 30 May 2024, the Board was granted authority to buyback the Company's shares in order to manage the discount at which its shares trade. During the year under review the Company bought back a total of 269,595 (2023: 50,000) Ordinary Shares pursuant to amendment to the Investment management Agreement whereby the shares will be held in treasury until the earlier of (1) notice of the liquidation of the Company, and (2) termination of the Company's relationship with the Investment Manager, and, together with cash amounts held in escrow will vest to the Investment Manager, subject to the amount of aggregated net proceeds distributed to shareholders in connection with Company's managed wind-down.

Capital structure and voting rights

At the year end, the Company's issued share capital comprised 97,578,426 Ordinary Shares of 1p nominal value, excluding shares held in treasury. Each holder of the Shares is entitled to one vote.

All Shares carry equal voting rights and there are no restrictions on those voting rights. Voting deadlines are stated in the Notice of Meeting at the end of this document, and have been set in accordance with the Companies Act 2006.

There are no restrictions on the transfer of Ordinary Shares, nor are there any limitations or special rights associated with the Shares.

Therefore as at 31 December 2024, there were 97,848,021 Ordinary Shares in issue, minus treasury shares. During the year, the Company has bought 269,595 (2023: 50,000) Ordinary Shares, which are held in the treasury. Since the year end, the Company has bought back 89,044 ordinary shares in the Company.

Special reserve

In order to increase the distributable reserves available to facilitate the payment of future dividends, on 15 March 2017, the amount standing to the credit of the share premium account of the Company immediately following completion of the first issue of Ordinary Shares was cancelled and transferred to a Special reserve. The Company may, at the discretion of the Board, pay all or part of any future dividends out of this Special reserve, taking into account the Company's investment objective. Dividends will normally be funded through interest received through investments in Loans sourced or originated by the Investment Manager alternatively by the revenue reserve.

Cancellation of Share Premium Account and Tender Offer

Pursuant to the Company's managed wind-down and change of Investment Management Agreement, the Board deemed that a Tender Offer would be the best method of returning capital to the shareholders. Under the Companies Act, distributions require 'distributable profits'. The Board proposed cancelling its entire share premium account of £70,168,944, subject to court approval, to increase distributable reserves for future cash returns to shareholders. Following the court's approval, on 12 July 2024 the share premium account was cancelled.

On 25 September 2024, the Tender Offer was approved by the shareholders, wherein the Company purchased a total of 19,738,338 ordinary shares at a tender price of 88.59 pence per share (equivalent to the Company's NAV as of 30 August 2024).

Significant Shareholders

As at 31 December 2024, the Directors have been formally notified of the following interests comprising 3% or more of the issued share capital of the Company:

	Ordinary Shares held	% of voting rights held
Hawksmoor Investment Management	11,817,638	10.03%
CCLA Investment Management	11,461,152	9.72%
Mirabella Financial Services LLP	8,825,806	7.5%
FS Wealth	6,218,171	5.27%
Almitas Capital LLC	5,005,868	5.13%
Momentum Global Investment Management Ltd	5,851,466	4.98%

On 18 February 2025, Ursus Capital Limited notified that it acquired 4.13% of the voting rights in the Company. On 4 March 2025, Finda SPV OY acquired 3.11% of the voting rights in the Company. No other material changes to the above had been notified.

Settlement of Ordinary Share transactions

Ordinary Share transactions in the Company are settled by the CREST share settlement system.

Revolving credit facility ("RCF")

The Company had a revolving credit facility with OakNorth Bank. The RCF facility expired on 26 March 2024.

Custodian

US Bank Global Corporate Trust Services acts as the Company's custodian.

Company Secretary & Administrator

Apex Listed Companies Services (UK) Limited provide Company secretarial and administration services to the Company, including calculation of its monthly NAV.

Valuation agent

Mazars LLP has been re-appointed as the Company's valuation agent to value the Company's loan investments.

Anti-bribery and corruption

It is the Company's policy to conduct all of its business in an honest and ethical manner. The Company takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates. The Company's policy and the procedures that implement it are designed to support that commitment.

Going concern

The Directors, as at the date of this report, are required to consider whether they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Following the General Meeting held on 20 December 2023 at which shareholders unanimously voted in favour of a change in the Company's Objective and Investment Policy in order to facilitate a managed wind-down, the process for an orderly realisation of the Company's assets and a return of capital to shareholders has begun. The Company is therefore preparing its financial statements on a basis other than going concern due to the Company being in a managed wind-down.

The Board will endeavour to realise all of the Company's investments in a manner that achieves a balance between maximising the net value received from those investments and making timely returns to Shareholders.

Whilst the Directors are satisfied that the Company has adequate resources to continue in operation throughout the winding down period and to meet all liabilities as they fall due, given the Company is now in managed wind-down, the Directors considered it appropriate to adopt a basis other than going concern in preparing the financial statements. No material adjustments to accounting policies or the valuation basis have arisen as a result of ceasing to apply the going concern basis. All of the balance sheet items have been recognised on a realisation basis, which is not materially different from the carrying amount. The Directors have also made appropriate provisions in order to bring about the orderly wind-down of the Company and its operations.

Viability statement

The Directors have assessed the future prospects of the Company over a period longer than the 12 months required by the going concern provision. On 20 December 2023, Shareholders unanimously approved a change in investment objective and policy allowing the Company to undergo an orderly realisation of assets, returning capital to Shareholders. The Company is therefore preparing its financial statements on a basis other than going concern due to the Company being in a managed wind-down.

The Investment Manager has considered the expected maturity profile of the Company's Loans and believes liquidation of the Company will occur in 2027. The Investment Manager believes that the maturity profile of the run-off portfolio could be reduced with proactive management. In making their assessment the Directors have considered the Company's status as an investment entity, its investment objectives, the principal and emerging risks it faces, its current position and the time period over which its assets are likely to be realised and agreed that the period ending 31 December 2027 is appropriate.

Directors' report

Continued

The Directors have also considered the impact on the conflict in Palestine, ongoing Russia/Ukraine conflict, tariffs and the possibility of a trade war. However, the Company's portfolio has no direct exposure to such regions and the Company's business model remains sound.

In their assessment of the prospects of the Company, the Directors have considered each of the principal risks and uncertainties set out above and the liquidity and solvency of the Company. The Directors have considered the Company's income and expenditure projections and believe that they meet the Company's funding requirements.

Portfolio activity and market developments are discussed at each quarterly Board meeting. The internal control framework of the Company is subject to a formal review on a regular basis.

The Company's income from investments provides substantial cover to the Company's operating expenses and any other costs likely to be faced by the Company over the Period of their assessment.

The Chair's Statement and Investment Manager's Report present the positive long-term investment case for secured debt instruments which also underpins the Company's viability for the Period.

Based on this assessment, the Board has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due in the Period.

Directors' indemnities

Details on the Directors' indemnities in place are provided in the Directors' Remuneration Report.

Annual General Meeting

The details of the forthcoming AGM, including the proposed resolutions and information on proxy appointments can be found on pages 75 to 78. Shareholders who hold shares in their own name on the main register will be able to vote electronically. The details of voting are stated on pages 76 to 78. If you hold your shares through a share platform or other nominee, the Board would encourage you to contact these organisations directly as soon as possible to arrange for you to vote at the AGM.

Resolutions relating to the following items of special business will be proposed at the forthcoming AGM to be held on 29 May 2025.

Special resolutions

Authority to purchase own shares

The board recommends the renewal of the Company's existing authority to make market purchases of its shares. Resolution 9, to be proposed as a special resolution, will, if passed, authorise the Company to make market purchases of up to 14,613,658 Ordinary shares, which would represent approximately 14.99% of the number of Ordinary shares in issue (excluding treasury shares) as at 25 April 2025.

The authority, if granted, will continue in force until the earlier of the conclusion of the AGM of the Company in 2026 or on the expiry of 15 months from the passing of this resolution, unless such authority is renewed prior to such time.

Notice period for General Meetings

The Act, as amended by the Shareholders' Rights Regulations, increased the minimum notice required for General Meetings from 14 days to 21 days unless shareholders authorise shorter notice. Resolution 10 is proposed as a special resolution to grant the Company the flexibility to call General Meetings, other than AGMs, on not less than 14 clear days' notice. AGMs will continue to be held on at least 21 clear days' notice. The shorter notice period would not be used as a matter of routine as the board recognises that shareholders should have ample time to consider proposals being put to them, and it would only convene a General Meeting on the shorter notice where the business of the meeting was in the interests of shareholders generally and justified the meeting being called on shorter notice. If granted, the approval will be effective until the Company's next AGM when a renewal of the authority will be sought. In order to be able to call a General Meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

Auditor information

Each of the Directors at the date of the approval of this report confirms that:

(i) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(ii) the Director has taken all steps that he ought to have taken as Director to make himself aware of any relevant information and to establish that the Company's auditors are aware of that information.

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

In accordance with Section 489 of the Companies Act 2006, an ordinary resolution to re-appoint Ernst & Young LLP as the Company's auditors will be put forward at the forthcoming Annual General Meeting and the Board will seek authority to determine their remuneration for the forthcoming year.

By order of the Board

Grace Goudar
For and on behalf of
Apex Listed Companies Services (UK) Limited
Company Secretary

28 April 2025

Corporate governance

Introduction

This Corporate Governance Statement forms part of the Directors' Report.

The Board of the Company has considered the principles and provisions of the UK Corporate Governance Code 2019 (the "UK Code"), as well as setting out additional provisions on issues that are of specific relevance to the Company. The UK Code can be found on the Financial Reporting Council's website (www.frc.org.uk).

Compliance

Throughout the year ended 31 December 2024, the Company complied with the recommendations of the UK Code except, as set out below.

The UK Code includes provisions relating to:

(i) The role of the Chief Executive;

(ii) The appointment of a Senior Independent Director;

(iii) Executive Directors' remuneration; and

(iv) The need for an internal audit function.

The Board considers that these provisions are not relevant to this externally managed investment Company. The Company has no employees, and all day-to-day management and administrative functions are outsourced to third parties.

The Audit and Management Engagement Committee has considered the need for an internal audit function and deemed that it is not appropriate given the nature and circumstances of the Company but keeps the needs for an internal audit function under periodic review.

The Board

The Board has overall responsibility for the effective stewardship for the Company's affairs. Its primary responsibility is to promote the long-term sustainable success of the Company, generate value for shareholders and have regard for stakeholder interests. It also establishes the Company's purpose, values and strategy, and satisfies itself that these and its culture are aligned. It has a number of matters formally reserved for its approval including strategy, investment policy, treasury matters, dividend and corporate governance policy. The Board approves the financial statements, revenue budgets and reviews the performance of the Company. Full and timely information is provided to the Board to enable the Board to function effectively and to allow Directors to discharge their responsibilities.

The Board considers the balance of skills, knowledge, diversity (including gender and ethnicity) and experience, amongst other factors when reviewing its composition and encourages applications from candidates from a broad range of backgrounds and experience and will seek to appoint the most suitable candidate. The Board has considered the recommendations of the McGregor-Smith and the Hampton Alexander reviews as well as the Parker review, but does not consider it appropriate to establish targets or quotas in these regards. The Board currently comprises three Non-executive Directors of whom 33% are female, the Chair of the Audit and Management Engagement Committee is female and all Directors are classified as White British or Other White. All the Directors have served during the entire period since their appointment on 13 November 2016.

The Directors have a broad range of relevant experience to meet the Company's requirements and their biographies are given below:

Norman Crighton (Non-executive Chair)

Norman Crighton is an experienced public Company director, having served on the boards of eight closed-end funds and one operating Company. Presently, Norman is also non-executive chair of AVI Japan Opportunity Trust plc and Harmony Energy Income Trust plc. Initially Norman was appointed to the boards of companies trading at large discounts to help in their restructuring. Latterly he has been appointed at IPO having helped draft corporate structures that align the needs of the various stakeholders necessary for successful companies.

Norman has extensive fund experience, having previously worked at several international investment banks culminating as Head of Closed-end Funds at Jefferies International and Investment Manager at Metage Capital Limited, leveraging his 35 years of experience in investment trusts. His career in investment banking covered research, sales, market making and proprietary trading, servicing major international institutional clients for over 15 years. His work in many countries included restructuring closed-end funds, as well as several IPOs. As a fund manager, Norman managed portfolios of closed-end funds on a hedged and unhedged basis covering developed and developing markets.

Following on from his long-term promotion of best corporate governance practice, Norman has more recently been focusing on expanding his work into Environmental and Social issues. His work in the investment trust industry is backed up with a master's degree from the University of Exeter in Finance and Investment as well as a BA (Hons) in Applied Economics. Norman is British and resident in the United Kingdom.

Guy Heald (Non-executive Director)

Guy has spent most of his career in banking, not only specialising in markets, but also in general management positions overseeing all aspects of banking, including lending. He worked in London, New York and Tokyo and has an extensive knowledge of companies needs for financing and managing interest rate, liquidity and foreign exchange risks. During his career he worked for Brown Shipley, Chemical Bank and HSBC where he held senior positions including Head of Global Markets and Chief Executive Officer at HSBC Japan. After leaving banking in 2003 he has served as an adviser, Non-executive Director and trustee of several charities as well as starting a number of successful family companies of his own. The SME market is of particular interest to Guy, specifically the challenges facing companies in their pursuit for growth, as he invests venture and growth capital himself.

Corporate governance

Continued

Marlene Wood (Non-executive Director and Chair of the Audit and Management Engagement Committee)

Marlene is a chartered accountant with a broad range of experience in both the private and public sector. She was formerly Non-executive Director and Chair of the Audit Committee for Home REIT plc (until January 2025), GCP Student Living plc and Atrato On Site Energy plc.

Marlene has over 20 years' experience in the commercial property sector having been finance director for Miller Developments raising finance for major property transactions both in the UK and Europe. Her experience covers governance and risk management as well as financial oversight and debt raising.

Composition

The Board believes that during the year ended 31 December 2024, its composition was appropriate for an investment Company of the Company's nature and size. All of the Directors are independent of the Investment Manager and are able to allocate sufficient time to the Company to discharge their responsibilities effectively.

The Board has not appointed a Senior Independent Director ("SID"). Given the size and composition of the Board it is not felt necessary to separate the roles of Chair and SID.

Tenure

The Board recognises the benefits to the Company of having longer serving Directors together with progressive refreshment of the Board. The Board does not believe that length of service in itself necessarily disqualifies a director from seeking reappointment. The Board considered succession planning, however they believe it may be difficult to recruit additional Board members, given the likely short life of the Company now that it is in wind-down and have each committed to serve the Company as Board members until it is placed into liquidation or until it is wound up.

In accordance with the Company's Articles of Association, at each Annual General Meeting, every Director shall retire from office and offer themselves for re-election. Resolutions for the re-election of each Director will be proposed as ordinary resolutions at the Annual General Meeting of the Company to be held on 29 May 2025.

The Directors have appointment letters which do not provide for any specific term. Copies of the Directors' appointment letters are available on request from the Company Secretary. Upon joining the Board, any new Directors receive an induction and relevant training is available to Directors on an ongoing basis. The Board's policy for the appointment of Non-executive Directors is based on its belief in the benefits of having a diverse range of experience, skills, length of service and backgrounds, including but not limited to gender diversity.

The Directors, in order to fulfil their duties, are able to take independent professional advice at the expense of the Company. A policy of insurance against Directors' and Officers' liabilities is maintained by the Company.

Board committees

The Company has established an Audit and Management Engagement Committee ("Committee") which is chaired by Marlene Wood and consists of all the Directors. A report of the Audit and Management Engagement Committee is included in this Annual Report on pages 34 and 35.

The Company has not established a Nomination Committee or a Remuneration Committee because all of the Directors are Independent Non-executive Directors of the Company. Therefore, the Board as a whole will consider any further Director appointments, remuneration, length of service and any other relevant matters.

The Audit and Management Engagement Committee meets at least twice a year or more often if required. The Audit and Management Engagement Committee's principal duties are to consider the appointment, independence, objectivity, and remuneration of the auditor and to review the annual accounts and half-yearly financial report. The Committee also examines the effectiveness of the Company's risk management and internal control systems and receives information from the AIFM and the Portfolio Manager. In addition the terms of the appointment of the Investment Manager are annually reviewed as well as, the Investment Manager's performance and the terms of the Investment Management and AIFM Agreements. The Committee also reviews the continued appointment and performance of the Company's other service providers.

Meeting attendance

The actual number of formal meetings of the Board and Committee during the year under review is given below, together with individual Director's attendance at those meetings.

Directors	Quarterly Board	Audit and Management Engagement Committee
Norman Crighton	4/4	3/3
Marlene Wood	4/4	3/3
Guy Heald	4/4	3/3

There were also a number of other Board and committee meetings to deal with administrative matters and approval of documentation and to consider the Company's strategic review and managed wind-down.

Division of responsibilities

The following sets out the division of responsibilities between the Chair, Board and the Committee Chair.

Role of the Chair

- Leadership to the Board;
- Ensure the Board are provided with sufficient information in order to ensure they are able to discharge their duties;
- Ensure each Board member's views are considered and appropriate action taken;
- Ensure that each Committee has the support required to fulfil their duties;
- Engage the Board in assessing and improving its performance;
- Oversee the induction and development of Directors;
- Support the Investment Manager and other service providers;
- Seek regular engagement with major Shareholders in order to understand their views on governance and performance against the Company's investment objective and investment policy;
- Ensure the Board as a whole has a clear understanding of the views of Shareholders;
- Ensure regular engagement with each service provider; and
- Keep up to date with key developments.

Role of Audit and Management Engagement Committee Chair

- Ensure appropriate papers are considered at meetings;
- Review the half-yearly and annual reports;
- Review the Company's internal financial controls and the internal control and risk management systems of the Company and its third party service providers;
- Make recommendations to the Board in relation to the appointment of the external auditor and their remuneration;
- Review the scope, results, cost effectiveness, independence and objectivity of the external auditor;
- Develop and implement policy on the engagement of the external auditor to supply non-audit services and taking into account relevant guidance regarding the provision of non-audit services by the external audit firm;
- Consider the terms of appointment of the Investment Manager and annually review the appointment and the terms of the Investment Management Agreement;
- Ensure committee members views and opinions are appropriately considered;
- Seek engagement with Shareholders on significant matters related to their areas of responsibility;
- Maintain relationships with advisers; and
- Consider appointing independent professional advice where deemed appropriate.

Role of the Board

Strategy and management

- Responsibility for overall management of the Company
- Review of the performance of the AIFM and the Investment Manager
- Review of the performance of key service providers
- Consideration of any change of investment policy
- Support the Board Chair and service providers in fulfilling their role
- Provide appropriate opinion, advice and guidance to the Chair and fellow Board members

Share capital

- Changes to the Company's share capital
- Changes to the Company's listing status

Financial reporting

- Approval of half-yearly financial reports and results announcements
- Approval of annual report and accounts and any contents therein
- Approval of initial accounts and interim accounts
- Approval of interim dividends and recommendation of final dividends (if any)

Internal controls

- Oversight of appropriate system of internal controls
- Receiving reports on controls from the AIFM, Investment Manager and administrator
- Conducting an annual assessment of the controls of the above service providers
- Statement on internal controls to be made in Annual Report

Contract review

- All material contracts entered into or terminated by the Company

Communication

- Approval of all resolutions to be put forward at meetings
- Approval of all circulars, prospectuses and listing particulars

Board composition

- Changes to structure, size or composition of the Board
- Succession planning
- Determining the remuneration of the Directors
- Determining insurance cover requirements for the Board

Corporate governance

- Review of the Company's corporate governance processes and arrangements
- Considering the performance of the Company's Directors
- Considering the Directors' independence

Other

- Any other matters, which the Board deems to be appropriate for its reservation.

Corporate governance

Continued

Board diversity

Whilst having regard to the size of the Company and its cost base, the Company's policy is that the Board should have an appropriate level of diversity in the boardroom, taking into account relevant skills, gender, social and ethnic backgrounds, cognitive and personal strengths.

Brief biographies of the Directors are shown on pages 27 and 28. The policy is to ensure that the Company's Directors bring a wide range of knowledge, experience skills, backgrounds and perspectives to the Board. There will be no discrimination on the grounds of gender, religion, race, ethnicity, sexual orientation, age or physical ability. The overriding aim of the policy is to ensure that the Board is composed of the best combination of people for ensuring effective oversight of the Company and constructive support and challenge to the Investment Manager. Consideration is given to the recommendations of the UK Code and the Board supports the recommendations of the Hampton Alexander Review.

The Board appraises its collective set of cognitive and personal strengths, independence and diversity on an annual basis, so as to ensure it is aligned with the Company's strategic priorities. The performance appraisal process is described below. The Board believes its composition is appropriate for the Company's circumstances.

However, in line with the Board's succession planning and tenure policy, or should strategic priorities change, the Board will review and, if required, adjust its composition. As at date of this Report, the Board comprises two male and one female Board member.

The Board will take account of the targets set out in the new UK Listing Rules published by FCA, which are set out below. As an externally managed investment Company, the Board employs no executive staff, and therefore does not have a Chief Executive Officer ("CEO") or a Chief Financial Officer ("CFO") – both of which are deemed senior board positions by the FCA. However, the Board considers the Chair of the Audit and Management Engagement Committee to be a senior board position and the following disclosure is made on this basis. Other senior board positions recognised by the FCA are Chair of the Board. In addition, the Board has resolved that the Company's year-end date be the most appropriate date for disclosure purposes. The following information has been provided by each Director. There have been no changes since 31 December 2024.

Board composition as at 31 December 2024

Directors	Number of members	Percentage of Board	Number of senior positions on the Board
Men	2	67%	1
Women	1	33%	1
Prefer not to say	–	–	–

Directors	Number of members	Percentage of Board	Number of senior positions on the Board
White British or Other White (including minority-white groups)	3	100%	2
Asian/Asian British	–	–	–
Prefer not to say	–	–	–

Performance appraisal

A formal annual performance appraisal process is performed on the Board, the Chair, the Audit and Management Engagement Committee, the Investment Manager and the Company's main service providers.

A programme consisting of open and closed-ended questions was used as the basis for the appraisal. The results were reviewed by the Chair and discussed with the Board. A separate appraisal of the Chair was carried out by the other members of the Board and the results reported back to the Chair of the Board by the Chair of the Audit and Management Engagement Committee. The results of the performance evaluation were positive and demonstrated that the Investment Manager, key service providers, Board, Chair, Committee Chair and individual Directors showed the necessary commitment for the effective fulfilment of their duties.

Internal control

The Board recognises its ultimate responsibility for the Company's system of internal controls and for monitoring its effectiveness. The system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives. It can provide only reasonable assurance against material misstatement or loss. The Board has undertaken a review of the aspects covered by the guidance and has identified risk management controls in the key areas of business objectives, accounting, compliance, operations and secretarial as being matters of particular importance upon which it requires reports. The Board believes that the existing arrangements, set out below, represent an appropriate framework to meet the internal control requirements. Through these procedures the Directors have kept under review the effectiveness of the internal control system throughout the year up to the date of this report.

Financial aspects of internal control

The Directors are responsible for the internal financial control systems of the Company and for reviewing their effectiveness. These aim to ensure the maintenance of proper accounting records, the reliability of the financial information upon which business decisions are made and which is used for publication and that the assets of the Company are safeguarded. As stated above, the Board has contractually delegated to external agencies the services the Company requires and the Board monitors the internal control framework established by the Investment Manager, the AIFM, the Administrator and the Company's Custodian to provide reasonable assurance on the effectiveness of internal financial controls.

These key procedures include review of management accounts and NAV and monitoring of performance at quarterly Board meetings, valuation of loans by an independent valuer, segregation of the administrative function from that of cash, custody and investment management, maintenance of appropriate insurance and adherence to physical and computer security procedures. In addition, robust procedures have been put in place for authorisation of all expense payments.

The Statement of Directors' Responsibilities in respect of the financial statements is on page 36 and a Statement of Going Concern is on page 25. The Report of the Independent Auditor is on pages 37 to 42.

Other aspects of internal control

The Board holds quarterly meetings, plus additional meetings as required. Between these meetings there is regular contact with the Investment Manager, the Company Secretary and the Administrator.

The Board has agreed policies with the Investment Manager on key operational issues. The Investment Manager and/or AIFM report in writing to the Board on all operational and compliance issues.

The Directors review management accounts from the Administrator, including holdings in the portfolio, transactions and other aspects of the financial position of the Company. Additional ad hoc reports are received as required and Directors have access at all times to the advice and services of the Corporate Company Secretary, which is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

This contact with the Investment Manager and the other key service providers enables the Board to monitor the Company's progress towards its objectives and encompasses an analysis of the risks involved. The effectiveness of the Company's risk management and internal controls systems is monitored and a formal review, utilising a detailed risk assessment programme has been completed. This included consideration of the Administrator's and the Registrar's internal controls report. There are no significant findings to report from the review.

Principal risks

The Directors confirm that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The principal risks and how they are being managed is set out in the Strategic Report on pages 1 to 20.

Shareholder relations

The Notice of Meeting sets out the business of the AGM and any item not of an entirely routine nature is explained in the Directors' Report. Separate resolutions are proposed for each substantive issue.

In line with the requirements of the Companies Act 2006, the Company will hold an AGM of Shareholders to consider the resolutions laid out in the Notice of Meeting. The Board encourages Shareholders to attend and participate in the Company's forthcoming AGM at 11:00 AM on 29 May 2025 at 4th Floor, 140 Aldersgate Street, London, United Kingdom, EC1A 4HY.

If Shareholders are unable to attend the meeting in person, they are strongly encouraged to vote by proxy and to appoint the "Chair of the AGM" as their proxy. Details of how to vote, can be found on pages 76 to 78. The lodging of a form of proxy (or an appointment of a proxy through CREST) will not however prevent a Shareholder from attending the AGM and voting in person if they so wish.

The Company's Broker and Investment Manager, together with the Chair, seeks regular engagement with major Shareholders in order to understand their views on governance and performance against the Company's investment objective and investment policy.

Directors' remuneration report

This report has been prepared in accordance with Schedule 8 of the Large and Medium-sized Companies and Company's (Accounts and Reports) (Amendment) Regulations 2013. An Ordinary resolution for the approval of this report will be put forward at the forthcoming Annual General Meeting.

The Directors' Remuneration Report is put forward for approval by Shareholders on an annual basis. The result of the Shareholder resolution on the Remuneration Report is non-binding on the Company, although it gives Shareholders an opportunity to express their views, which will be taken into account by the Board.

The law requires the Company's auditor to audit certain areas of the disclosures provided. Where disclosures are audited they are indicated as such. The auditor's opinion is on page 37.

Remuneration

The Company currently has three Non-executive Directors.

As detailed in the Company's prospectus dated 12 March 2018, Directors' fees are payable at the rate of £30,000 per annum for each Director other than the Chair, who is entitled to receive £36,000. The Chair of the Audit and Management Engagement Committee is entitled to additional fees of £3,000 per annum.

The Board reviews the fees payable to the Directors on an annual basis. During the year under review the Board agreed to an increase directors' fees by 5% with effect from 1 January 2025 to the following levels:

Chairman of the Board, £40,824; Chair of the Audit Committee, £37,422; and Non-executive Directors, £34,125.

Directors' service contracts

The Directors do not have service contracts with the Company and are not entitled to compensation on the loss of office. The Directors have appointment letters which do not provide for any specific term. However, they are subject to re-election by Shareholders on an annual basis.

Directors' indemnities

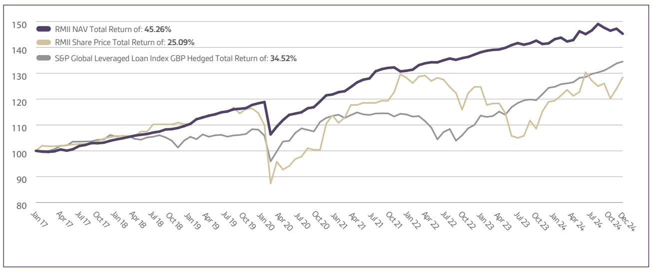
Subject to the provisions of the Companies Act, but without prejudice to any indemnity to which a Director might otherwise be entitled, every past or present Director or officer of the Company (except the auditors) may, at the discretion of the Board, be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him for negligence, default, breach of duty, breach of trust or otherwise in relation or connection to the affairs or activities of the Company. In addition, the Board has purchased and maintains insurance at the expense of the Company for the benefit of such persons indemnifying them against any liability or expenditure incurred by them for acts or omissions as a Director or Officer of the Company.

Director search and selection fees

No Director search and selection fees were incurred in the year ended 31 December 2024.

Performance

The following chart shows the performance of the Company's share price on a total return basis in comparison to the S&P Global Leveraged Loan Index GBP Hedged total return (the Company's comparator) since the Company doesn't have a set benchmark.



Directors' emoluments for the year ended 31 December 2024 (Audited)

The Directors who served during the year received the following remuneration for qualifying services.

	Fees for the year ended 31 December 2024	Fees for the year ended 31 December 2023
Norman Crighton	£38,880	£46,000
Marlene Wood	£35,640	£40,500
Guy Heald	£32,500	£37,500

There were no taxable benefits claimed during the years ended 31 December 2024 or 31 December 2023. None of the above fees were paid to third parties.

	% change 2021 to 2022	% change 2022 to 2023	% change 2023 to 2024[1]
Norman Crighton	Nil	27.8%	-15.5%
Marlene Wood	Nil	22.7%	-12.0%
Guy Heald	Nil	25.0%	-13.3%

1. 2023 Included additional one off fees paid to each Board member (£10,000 paid to the Chair and £7,500 paid to each of the other Board members).

A non-binding Ordinary resolution to approve the Directors' Remuneration Implementation Report contained in the Annual Report for the year ended 31 December 2023 was put forward at the Annual General Meeting held on 30 May 2024. The resolution was passed with 99.87% of the proxy votes cast (including discretionary votes) being in favour of the resolution. A non-binding ordinary resolution to approve the Directors' Remuneration Report contained in the Annual Report for the year ended 31 December 2024 will be put forward for approval at the Company's Annual General Meeting to be held on 29 May 2025.

The Directors' Remuneration Policy was last put forward at the Annual General Meeting held on 30 May 2024. The resolution was passed with 99.80% of the proxy votes cast (including discretionary votes) being in favour of the resolution.

The Board takes an active role in shareholder engagement and particularly voting outcomes. Shareholders have the opportunity to express their views and ask questions in respect of the Remuneration Policy and Remuneration Implementation Report at the AGM.

Relative importance of spend on pay

The following table sets out the total level of Directors' remuneration compared to the distributions to Shareholders by way of dividends and share buybacks, and the management fees and other expenses incurred by the Company.

	Fees for the year ended 31 December 2024 £'000	Fees for the year ended 31 December 2023 £'000
Revenue	7,642	10,876
Directors' fees	107	124
Investment management fees and other expenses	2,088	4,032
Dividend paid and payable to Shareholders	6,018	7,644

Directors' holdings

The Directors had the following shareholdings at 31 December 2024 and as at the date of this report, all of which are beneficially owned.

	Ordinary Shares as at 31 December 2024	Ordinary Shares as at the date of this report	Ordinary Shares as at 31 December 2023
Norman Crighton	29,982	29,982	29,982
Marlene Wood	16,638	20,000	20,000
Guy Heald	20,000	20,000	20,000

Ms Marlene Wood tendered 3,362 shares during the tender process on 25 September 2024.

Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the above Report on the Remuneration Policy and Remuneration Report summarises, as applicable, for the financial year ended 31 December 2024:

(a) the major decisions on Directors' remuneration;

(b) any substantial changes relating to Directors' remuneration made during the financial year ended 31 December 2024; and

(c) the context in which the changes occurred and decisions have been taken.

Norman Crighton
Chair

28 April 2025

Report of the Audit and Management Engagement Committee

Role of the Audit and Management Engagement Committee

The Board is required to satisfy itself that at least one member of the audit committee has recent and relevant financial experience and the Committee as a whole has experience and knowledge relevant to the sector. The main role and responsibilities of the audit committee should be set out in written terms of reference covering certain matters described in the Code. The Company complies with the Code and the terms of reference of the Audit and Management Engagement Committee are available on the Company's website.

The Audit and Management Engagement Committee meets formally at least twice a year for the purpose, amongst other things, of considering the appointment, independence and objectivity, and remuneration of the auditor and to review the annual accounts and half-yearly financial report. The Audit and Management Engagement Committee also reviews the Company's internal financial controls and its internal control and risk management systems. In addition, the terms of the appointment of the Investment Manager are annually reviewed as well as the Investment Manager's performance and the terms of the Investment Management and AIFM Agreements. The Committee also reviews the continued appointment and performance of the Company's other service providers.

Composition

In view of the size of the Board, all of the Directors of the Company are members of the Audit and Management Engagement Committee.

The Audit and Management Engagement Committee has formal written terms of reference and copies of these are available on request from the Company Secretary. The Audit and Management Engagement Committee collectively has recent and relevant financial experience.

Meetings

There have been three Audit and Management Engagement Committee meetings in the year ended 31 December 2024. All Committee members attended these meetings.

Financial statements and significant accounting matters

The Audit and Management Engagement Committee considered the following significant accounting issues in relation to the Company's Financial Statements for the year ended 31 December 2024.

Valuation and existence of bonds, property and private loan investments

The Company holds assets in bonds, property and private loan investments. The valuation and existence of these bonds, property and private loan investments are the most material matter in the production of the financial statements. These investments are valued by an independent valuer and the valuations at year end were agreed to the valuer's report. The valuation process has been monitored by the Board, the manager and the AIFM. The process includes quantitative and qualitative analysis, with the analysis performed on a loan-by-loan basis and the valuation of each loan into account the relevant risks and returns associated with that loan.

The Company owns student accommodation in Coventry, a wholly owned asset. The Investment Manager's valuation of the holdings in Coventry is £1.9 million as at 31 December 2024 (2023: £3.0 million).

The Audit and Management Engagement Committee reviewed valuation reports and also the procedures in place for ensuring accurate valuation and existence of investments and recommended these to the Board for review and approval.

Recognition of income

Income may not be accrued in the correct period. The Audit and Management Engagement Committee reviewed the Administrator's procedures for recognition of income and is comfortable that these are appropriate. The Audit and Management Engagement Committee has reviewed the internal controls report of the Company's Administrator, which includes controls in relation to the recognition of income, recoverability of income and provisions made against recoverability of income. The Audit and Management Engagement Committee also reviews investment yields on the quarterly Investment Manager report for variations and significant movements.

Going concern and viability statements

Now that the Company is in a managed wind-down, the Audit and Management Engagement Committee recommended to the Directors that it was appropriate to adopt a basis other than a going concern in preparing the financial statements.

The Audit and Management Engagement Committee also assessed the Company's viability and recommended to the Board that the period ending 31 December 2027 is appropriate. The Company's longest loan matures in 2027 and most of the other loans would be settled by the end of 2026, considering their staggered realisation schedule. The Investment Manager's run-off profile of the portfolio shows an expected remaining life of circa 2 years.

The Going concern assessment and viability statements can be found on pages 25 and 26.

Conclusion with respect to the Annual Report and financial statements

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

European Single Electronic Format ("ESEF")

The ESEF regulations which require the Company to publish their annual financial statements in a common electronic format apply to the Company for this accounting year ending 31 December 2024.

Internal controls and risk management

The Directors have a dynamic risk register in place to help identify key risks and ensure there are measures in place to manage and mitigate risk; and oversee the effectiveness of internal controls and processes. The risk assessment programme provides a visual reflection of the Company's identified principal and emerging risks. The Audit and Management Engagement Committee carries out, at least annually, a robust assessment of the principal and emerging risks and uncertainties and monitors the risks on an ongoing basis.

The Board has overall responsibility for the Company's risk management and systems of internal controls and for reviewing their effectiveness. In common with most investment trusts, investment management, accounting, Company secretarial, registrar and depositary services have been delegated to third parties. The effectiveness of the internal controls is assessed on a continuing basis and the Committee receives regular reports.

Audit tenure

Ernst & Young LLP was selected as the Company's auditor at the time of the Company's launch following a competitive process and review of the Auditor's credentials. The auditors provided this service since the Company's inception on 27 October 2016. The current Audit Partner responsible for the Company's audit for the year ended 31 December 2024 is Ahmer Huda.

The appointment of the external auditor is reviewed annually by the Audit and Management Engagement Committee and the Board and is subject to approval by Shareholders. In accordance with the FRC guidance, the audit will be put out to tender within ten years of the initial appointment of Ernst & Young LLP in November 2017.

Effectiveness of external audit

The Audit and Management Engagement Committee is responsible for reviewing the effectiveness of the external audit process. The Audit and Management Engagement Committee received a presentation of the audit plan from the external auditor prior to the commencement of the audit and a presentation of the results of the audit following completion of the main audit testing. The Audit and Management Engagement Committee performed a review of the external auditor following the presentation of the results of the audit. The review included a discussion of the audit process and the ability of the external auditor to fulfil its role. Following the above review, the Audit and Management Engagement Committee has agreed that the re-appointment of EY should be recommended to the Board and the Shareholders of the Company.

Provision of non-audit services

The Audit and Management Engagement Committee has put a policy in place on the supply of any non-audit services provided by the external auditor. Such services are considered on a case-by-case basis and may only be provided to the Company if the provision of such services is at a reasonable and competitive cost and does not constitute a conflict of interest or potential conflict of interest which would prevent the auditor from remaining objective and independent.

No non-audit fees were payable to the Auditor in the year ended 31 December 2024.

Marlene Wood
Audit and Management Engagement Committee Chair

28 April 2025

Directors' responsibility statement

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Company financial statements in accordance with UK-adopted international accounting standards.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements the Directors are required to:

> select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;

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

> present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;

> provide additional disclosures when compliance with the specific requirements of UK-adopted international accounting standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the financial position and financial performance;

> in respect of the financial statements, state whether UK-adopted international accounting standards, have been followed, subject to any material departures disclosed and explained in the financial statements; and

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

For the reasons stated in the Directors' / Strategic Report and note 2, the financial statements have not been prepared on a going concern basis.

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

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

Under applicable law and regulations, the Directors are also responsible for preparing a strategic report, Directors' report, Directors' remuneration report and corporate governance statement that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Directors' confirmations

Each of the directors, whose names and functions listed in the Corporate Governance statement confirm that, to the best of their knowledge:

(a) the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and

(b) this Annual Report, including the strategic report, includes a fair review of the development and performance of the business and position of the Company, together with a description of the principal risks and uncertainties that it faces.

The Directors consider that the financial statements are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's performance, business model and strategy.

For and on behalf of the Board

Norman Crighton
Chair

28 April 2025

Independent Auditor's report

to the members of RM Infrastructure Income PLC

Opinion

We have audited the financial statements of RM Infrastructure Income plc ("the Company") for the year ended 31 December 2024 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes 1 to 20 to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion, the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – financial statements prepared on a basis other than going concern

We draw attention to note 2c to the financial statements which explains that on 20 December 2023, the shareholders approved a change in investment objective and investment policy allowing the company to undergo an orderly realisation of assets, returning capital to shareholders. The Company is therefore preparing its financial statements on a basis other than going concern due to the Company being in a managed wind-down. Our opinion is not modified in respect of this matter.

Independence

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

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

Overview of our audit approach

Key audit matters	> Risk of incorrect valuation or ownership of the investment portfolio, and the resulting impact on unrealised gains and losses. > Risk of incomplete or inaccurate revenue recognition from the investment portfolio.
Materiality	> Overall materiality of £0.83m which represents 1% of total shareholders' funds.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, the potential impact of climate change and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Climate change

Stakeholders are increasingly interested in how climate change will impact RM Infrastructure Income plc. The Company has determined that the most significant future impacts from climate change on its operations may be from Environmental, Social and Governance matters in investee holdings impacting the attractiveness and valuation of investments. This could lead to the Company's own shares being less attractive to investors, adversely affecting its own share price. This is explained on page 15 in the principal and emerging risks section, which form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

Our audit effort in considering the impact of climate change on the financial statements was focused on the adequacy of the Company's disclosures in the financial statements as set out in note 1 and concluded that there was no further impact of climate change to be taken into account other than investment valuations. Investment loans are valued by an independent valuer in accordance with valuation Standards. Our audit procedures over valuations are set out in the Key audit matters section of this audit report.

Independent Auditor's report

Continued

Key audit matters

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

Risk	Our response to the risk	Key observations communicated to the Audit and Management Engagement Committee
Risk of incorrect valuation or ownership of the investment portfolio, and the resulting impact on unrealised gains and losses (as described on page 34 in the Report of the Audit and Management Engagement Committee and as per the accounting policy set out on page 51).		
The valuation of the investment portfolio at 31 December 2024 was £69.80m (2023: £93.93m) consisting primarily of unquoted private loan investments of £63.31 (2023: £87.31). The remaining investment portfolio consists of bond investments of £4.77m (2023: £3.65m) and unquoted equity assets of £1.72m (2023: £2.97m). The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect investment pricing, or a failure to maintain proper legal title of the investments held by the Company could have a significant impact on the portfolio valuation and the return generated for shareholders. Private loans, bonds and equities are recognised at recoverable value and are valued at recoverable value by the Directors using a fair value provided by the independent valuer. The valuation of the unquoted investments, and the resultant impact on the unrealised gains/(losses), is the area requiring the most significant judgement and estimation in the preparation of the financial statements.	**We performed the following procedures:** We obtained an understanding of the processes and controls surrounding investment valuation and legal title by performing our walkthrough procedures with the Investment Manager, Independent Valuer and Administrator in order to evaluate the design and implementation of controls. We agreed all the unquoted investments held at 31 December 2024 per the investment portfolio to the valuation report as prepared by the independent valuer. We have recalculated the unrealised gains and losses on all investments as at 31 December 2024 using the book cost reconciliation and reviewed the fair value hierarchy disclosure. We have reviewed the financial statements to ensure that there are adequate disclosures regarding valuation uncertainty and assumptions made in the valuation of unquoted investments, including the required sensitivity analysis under IFRS 13 ' Fair value measurement'. We have agreed the investment valuation and existence to independent confirmations received from the Custodian, Lawyers, administrators and/or borrowers as at 31 December 2024. **For the bond portfolio (level 2 investment)** We agreed the prices of the bonds to independent market sources. *Continued overleaf >*	The results of our procedures identified no material misstatement in relation to the risk of incorrect valuation or ownership of the investment portfolio, and the resulting impact on unrealised gains and losses.

Risk	Our response to the risk	Key observations communicated to the Audit and Management Engagement Committee
Risk of incorrect valuation or ownership of the investment portfolio, and the resulting impact on unrealised gains and losses Continued		
	For the unquoted loan and equity portfolio (level 3 investments) We engaged our valuation specialists to perform a detailed quantitative and qualitative review of a sample of unquoted private loans and the equity investments to ensure the valuation is within an expected range. The procedures included: For a sample of investments, we performed a quantitative review through the use of discounted cash flow methods using an estimated internal rate of return for each subject investment based on changes in the price of risk, benchmark credit curves, and the borrower's own credit risk. Where specific circumstances apply, the specialists performed a quantitative review through the use of a liquidation waterfall analysis assessing whether there is sufficient coverage after accounting for the debt which is senior in the capital structure. We corroborated a sample of inputs used by the independent valuer in the valuation to information which has been substantively tested as part of our audit. We obtained evidence such as collateral valuation reports and/or legal contracts and reviewed them to assess the value and existence of collateral associated with the secured loans.	

Independent Auditor's report

Continued

Risk	Our response to the risk	Key observations communicated to the Audit and Management Engagement Committee
Risk of incomplete or inaccurate revenue recognition from the investment portfolio (as described on page 34 in the Report of the Audit and Management Engagement Committee and as per the accounting policy set out on page 51)		
The income recognised for the year to 31 December 2024 was £9.21m (2023: £10.88m), consisting primarily of interest income from the investment portfolio. There is a risk of incomplete or inaccurate recognition of income through the failure to recognise proper income entitlements or applying appropriate accounting treatment.	**We performed the following procedures:** We obtained an understanding of the Investment Manager's and Administrator's processes and controls surrounding revenue recognition to evaluate the design and implementation of controls. We performed substantive analytical procedures to assess the population of interest income by applying the coupon terms to the notional value of the loans held during the year. We agreed and recalculated the recognition of a sample of interest and payment in kind ('PIK') income from the income report to the coupon terms or loan agreements. We agreed a sample of interest to the bank statements. We performed a portfolio level completeness check using the opening and year end portfolio to test completeness of the income recorded by the Company. We agreed a sample of interest accrued at the year end and recalculated the accrual. We agreed the interest rates and payment dates to the loan documentation or coupon terms, agreed the principal outstanding and recalculated the interest receivable.	The results of our procedures identified no material misstatement in relation to the risk of incomplete or inaccurate revenue recognition from the investment portfolio.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £0.83 million (2023: £1.05 million), which is 1% (2023: 1%) of shareholders' funds. We believe that shareholders' funds provide us with materiality aligned to the key measurement of the Company's performance.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 50% (2023: 50%) of our planning materiality, namely £0.42m (2023: £0.52m). We have set performance materiality at this percentage due to history of misstatements.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit and Management Engagement Committee that we would report to them all uncorrected audit differences in excess of £0.04m (2023: £0.05m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

Corporate Governance Statement

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

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

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 25;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on pages 25 and 26;
- Director's statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on pages 25 and 26;
- Directors' statement on fair, balanced and understandable set out on page 36;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 14 and 15;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 14 and 15; and
- The section describing the work of the Audit and Management Engagement Committee set out on pages 34 and 35.

Independent Auditor's report

Continued

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 36, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are UK adopted international accounting standards, the Companies Act 2006, Association of Investment Companies Statement of Recommended Practice, the Listing Rules, the UK Corporate Governance Code, Miscellaneous Reporting Requirements and Section 1158 of the Companies Act 2010.
- We understood how the Company is complying with those frameworks by complying with those frameworks through discussions with the Audit and Management Engagement Committee and through review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified fraud risks with respect to the incomplete or inaccurate income recognition from the investment portfolio and incorrect valuation or ownership of the unquoted investments, and the resulting impact on unrealised gains and losses. Further discussion of our approach is set out in the section on key audit matters above.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

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

Other matters we are required to address

- Following the recommendation from the Audit and Management Engagement Committee, we were appointed by the Company on 15 November 2017 to audit the financial statements for the period ending 31 December 2017 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is 8 years, covering the years ending 31 December 2017 to 31 December 2024.
- The audit opinion is consistent with the additional report to the Audit and Management Engagement Committee.

Use of our report

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

Ahmer Huda
(Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

28 April 2025

Financial statements

Statement of comprehensive income

For the year ended 31 December 2024

		Year ended 31 December 2024			Year ended 31 December 2023		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses on investments	3	–	(2,972)	(2,972)	–	(2,441)	(2,441)
Income	4	7,642	824	8,466	10,876	–	10,876
Investment management and Incentive Fees	5	(1,057)	–	(1,057)	(944)	–	(944)
Other expenses	6	(1,138)	–	(1,138)	(1,521)	(1,567)	(3,088)
Return before finance costs and taxation		5,447	(2,148)	3,299	8,411	(4,008)	4,403
Finance costs	7	–	–	–	(1,004)	–	(1,004)
Return on ordinary activities before taxation		5,447	(2,148)	3,299	7,407	(4,008)	3,399
Taxation	8	–	–	–	–	–	–
Return on ordinary activities after taxation		5,447	(2,148)	3,299	7,407	(4,008)	3,399
Return per ordinary share (pence)	14	4.84p	(1.91p)	2.93p	6.30p	(3.41p)	2.89p

The total column of this Statement represents the profit and loss account of the Company. The supplementary revenue and capital columns are prepared under guidance issued by the Association of Investment Companies (AIC).

A Statement of Comprehensive Income is not required as the Company does not have any other comprehensive income and the net return on ordinary activities after taxation is both the profit and total comprehensive income for the year.

The notes on pages 49 to 68 form an integral part of these financial statements.

Statement of financial position

	Notes	As at 31 December 2024 £'000	As at 31 December 2023 £.000
Fixed assets			
Investments at fair value through profit or loss	3	70,098	93,932
Current assets			
Cash and cash equivalents		8,572	7,791
Receivables	9	5,500	7,969
		14,072	15,760
Payables: amounts falling due within one year			
Payables	10	(1,489)	(5,176)
Net current assets		12,583	10,584
Total assets less current liabilities		82,681	104,516
Net assets		82,681	104,516
Capital and reserves: equity			
Share capital	12	978	1,175
Capital redemption reserve		197	–
Share premium	13	–	70,168
Special reserve		96,950	44,597
Capital reserve		(16,377)	(14,229)
Revenue reserve		933	2,805
Total shareholders' funds		82,681	104,516
NAV per share – Ordinary Shares (pence)	15	84.73p	88.88p

The financial statements of the Company were approved and authorised for issue by the Board of Directors on 28 April 2025 and signed on their behalf by:

Norman Crighton
Chair

RM Infrastructure Income plc incorporated in England and Wales with registered number 10449530.

The notes on pages 49 to 68 form an integral part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2024

	Notes	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve £'000	Revenue reserves £'000	Total £'000
Balance as at beginning of the year		1,175	70,168	–	44,597	(14,229)	2,805	104,516
Return on ordinary activities after taxation		–	–	–	–	(2,148)	5,447	3,299
Buy back of shares	5	–	–	–	(197)	–	–	(197)
Return of capital	12	(197)	–	197	(17,486)	–	–	(17,486)
Buy back of shares and return of capital costs		–	–	–	(132)	–	–	(132)
Share premium cancellation	13	–	(70,168)	–	70,168	–	–	–
Dividends paid	16	–	–	–	–	–	(7,319)	(7,319)
Balance as at 31 December 2024		978	–	197	96,950	(16,377)	933	82,681

For the year ended 31 December 2023

	Notes	Share capital £'000	Share premium £'000	Capital Redemption reserve £'000	Special reserve £'000	Capital reserve £'000	Revenue reserves £'000	Total £'000
Balance as at beginning of the year		1,176	70,168	–	44,640	(10,221)	3,042	108,805
Return on ordinary activities after taxation		–	–	–	–	(4,008)	7,407	3,399
Buy back of shares	12	(1)	–	–	(42)	–	–	(43)
Buy back of shares costs		–	–	–	(1)	–	–	(1)
Dividends paid	16	–	–	–	–	–	(7,644)	(7,644)
Balance as at 31 December 2023		1,175	70,168	–	44,597	(14,229)	2,805	104,516

Distributable reserves as at 31 December 2024 amounted to £97,883,000 (2023: £47,402,000) which comprise the revenue reserve; capital reserve attributable to realised profits; and the special reserve. The capital reserves attributable to realised profit for the year ended 31 December 2023 and 2024 are in a net loss position.

Share capital represents the nominal value of shares that have been issued. The share premium includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

The notes on pages 49 to 68 form an integral part of these financial statements.

Statement of cash flows

For the year ended 31 December 2024

	Notes	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Operating activities			
Return before finance costs and taxation*		3,299	4,403
Adjustments for movements not generating an operating cash flow:			
Adjustment for losses on investments		1,047	2,247
PIK adjustments to the operating cash flow		1,505	(2,637)
Adjustments for working capital movements:			
Decrease/(increase) in receivables		2,469	(2,548)
(Decrease)/increase in payables		(3,687)	2,868
Net cash flow from operating activities		1,623	4,333
Investing activities			
Private loan repayments/ bonds sales proceeds		25,416	33,494
Private loans issued/ bonds purchases		(1,124)	(7,066)
Net cash flow from investing activities		24,292	26,428
Financing activities			
Finance costs paid		–	(1,004)
Return of capital		(17,486)	–
Buy back of shares	12	(197)	(43)
Buy back of shares and return of capital costs		(132)	(1)
Loan facility drawdown		–	6,621
Loan facility repayment		–	(23,892)
Dividends paid	16	(7,319)	(7,644)
Net cash flow used in financing activities		(25,134)	(25,963)
Increase in cash		781	4,798
Balance at beginning of the year		7,791	2,993
Balance as at the year end		8,572	7,791

** Cash inflow from interest in investment holdings was £5,326,000 (2023: £8,743,000).*
** Included in return on ordinary activities before finance costs and taxation was finance costs of nil (2023: £1.0m).*

The notes on pages 49 to 68 form an integral part of these financial statements.

Changes in financing liabilities

Movement in financial liabilities	Year ended 31 December 2024	Year ended 31 December 2023
Balance as at beginning of the year	–	17,271
Facility drawdowns	–	6,621
Facility interest payable	–	1,004
Facility and interest repayments	–	(24,896)
Balance as at year end	–	–

The notes on pages 49 to 68 form an integral part of these financial statements.

Notes to the financial statements

1. General information

RM Infrastructure Income plc (the "Company") was incorporated in England and Wales on 27 October 2016 with registered number 10449530, as a closed-ended investment Company. The Company commenced its operations on 15 December 2016. The Company intends to carry on business as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010.

The Company aims to conduct an orderly realisation of the assets of the Company, to be effected in a manner that seeks to achieve a balance between returning cash to Shareholders promptly and maximising value. Please refer to Note 2(c) for details relating to the managed wind-down process.

The registered office is 4th Floor, 140 Aldersgate Street, London, United Kingdom, EC1A 4HY.

2. Accounting policies

The principal accounting policies followed by the Company are set out below:

(a) Basis of accounting

The financial statements have been prepared in accordance with UK-adopted international accounting standards ("IAS"). When presentational guidance set out in the Statement of Recommended Practice ('SORP') for Investment Companies issued by the Association of Investment Companies ('the AIC') in July 2022 is consistent with the requirements of UK adopted International Accounting Standards, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP. The financial statements have been prepared on a realisation basis, except for investments measured at recoverable value (being fair value less cost to sell).

In preparing these financial statements the directors have considered the impact of climate change as a risk as set out in the annual report and have concluded that there was no further impact of climate change to be taken into account. In line with IAS, investments are initially valued at fair value and climate change risk is taken into consideration in the valuation of the investments we hold.

The Board has determined by having regard to the currency of the Company's share capital and the predominant currency in which the Company operates, that sterling is the functional and presentational currency.

In accordance with the SORP, the Statement of Comprehensive Income has been analysed between a revenue return (dealing with items of a revenue nature) and a capital return (relating to items of a capital nature). Revenue returns include, but are not limited to, investment-related income, operating expenses, income related finance costs and taxation (insofar as they are not allocated to capital). Net revenue returns are allocated via the revenue return to the Revenue reserve.

Capital returns include, but are not limited to, profits and losses on the disposal and the valuation of non-current investments, derivative instruments, cash (including effect on foreign currency translation), operating costs and finance costs (insofar as they are not allocated to revenue). Net capital returns are allocated via the capital return to Capital reserves.

Dividends on Ordinary Shares may be paid out of Revenue reserve, Capital reserve and Special reserve.

(b) Adoption of new IFRS standards

New standards, interpretations and amendments adopted from 1 January 2024

A number of new standards, amendments to standards and interpretations are effective for the annual periods beginning after 1 January 2024. None of these are expected to have a significant effect on the measurement of the amounts recognised in the financial statements of the Company.

New standards and amendments issued but not yet effective

The relevant new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below.

Amendments to IAS 1 – Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)
In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. The Company does not expect these amendments to have a material impact on its operations or financial statements.

Notes to the financial statements

Continued

2. Accounting policies continued

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Company does not expect these amendments to have a material impact on its operations or financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of comprehensive income and providing management-defined performance measures within the financial statements. Management is currently assessing the detailed implications of applying the new standard on the Company's financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of IFRS 18 will have no impact on the Company's net profit, the Company expects that grouping items of income and expenses in the statement of comprehensive income into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Company has performed, the following might potentially impact operating profit:
  - Foreign exchange differences currently aggregated in the line item 'Losses on investments' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.
- The Company does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
  - management-defined performance measures;
  - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of comprehensive income – this break-down is only required for certain nature expenses; and
  - for the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of comprehensive income between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.
- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Company will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

(c) Going concern

The Directors, as at the date of this report, are required to consider whether they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Following the General Meeting held on 20 December 2023 at which shareholders unanimously voted in favour of a change in the Company's Objective and Investment Policy in order to facilitate a managed wind-down, the process for an orderly realisation of the Company's assets and a return of capital to shareholders has begun. The Company is therefore preparing its financial statements on a basis other than going concern due to the Company being in a managed wind-down.

The Board will endeavour to realise all of the Company's investments in a manner that achieves a balance between maximising the net value received from those investments and making timely returns to Shareholders.

2. Accounting policies continued

Whilst the Directors are satisfied that the Company has adequate resources to continue in operation throughout the winding down period and to meet all liabilities as they fall due, given the Company is now in a managed wind-down the Directors considered it appropriate to adopt a basis other than a going concern in preparing the financial statements. No material adjustments to accounting policies or the valuation basis have arisen as a result of ceasing to apply the going concern basis. All of the balance sheet items have been recognised on a recoverable basis, which is not materially different from the carrying amount. The Directors have also made appropriate provisions in order to bring about the orderly wind-down of the Company and its operations.

(d) Assessment as an Investment Entity

The Company meets the definition of an investment entity on the basis of the following criteria:

1. the Company obtains funds from multiple investors for the purpose of providing those investors with investment management services;
2. the Company commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
3. the Company measures and evaluates the performance of substantially all of its investments on a fair value basis.

To determine that the Company meets the definition of an investment entity, further consideration is given to the characteristics of an investment entity, which are that:

- it should have more than one investment, to diversify the risk portfolio and maximise returns;
- it should have multiple investors, who pool their funds to maximise investment opportunities;
- it should have investors that are not related parties of the entity; and
- it should have ownership interests in the form of equity or similar interests.

The Directors are of the opinion that the Company meets the essential criteria and typical characteristics of an Investment Entity.

(e) Investments

Investments consist of private loans and bonds, which are classified as fair value through profit or loss as they are included in the Company's financial assets that are managed and their performance evaluated on a fair value basis. They are initially and subsequently measured at fair value and gains and losses are attributed to the capital column of the Statement of Comprehensive Income. Investments are recognised on the date that the Company becomes a party to the contractual provisions of the instrument and are derecognised when their term expires, or on the date they are sold, repaid or transferred.

Unquoted investments are valued at fair value by the Board which is established with regard to the International Private Equity and Venture Capital Valuation Guidelines (IPEV) by using, where appropriate, latest dealing prices, valuations from reliable sources and other relevant factors. Due to the Company's wind-down status, investments have been recognised at recoverable value, which has been determined as fair value less cost to realise. The difference between the investments' fair value and recoverable value was not material.

(f) Foreign currency

Transactions denominated in foreign currencies are translated into sterling at actual exchange rates as at the date of the transaction. Monetary assets and liabilities and non-monetary assets held at fair value denominated in foreign currencies are translated into sterling using London closing foreign exchange rates at the year end. Any gain or loss arising from a change in exchange rates is included as an exchange gain or loss to capital or revenue in the Statement of Comprehensive Income as appropriate. Foreign exchange movements on investments are included in the Statement of Comprehensive Income within gains and losses on investments. The financial statements are presented in pounds sterling, which is the Company's functional and presentation currency.

(g) Income

Fair value movements attributable to PIK interest and Cash Interest on the investment portfolio are recorded under Income in the Statement of Comprehensive Income.

All other income including deposit interest is accounted for on an accruals basis and early settlement fees received are recognised upon the early repayment of the loan.

Arrangement fees earned on private loan investments are recognised as an income over the term of the private loans.

Notes to the financial statements

Continued

2. Accounting policies continued

(h) Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks and other short-term deposits with original maturities of three months or less.

(i) Capital redemption and Capital reserves

Capital redemption reserves

The nominal value of ordinary share capital cancelled is transferred to the Capital redemption reserve, on a trade date basis. The nominal value of shares repurchased into treasury are transfered to the Capital redemption reserve when the shares are cancelled.

Capital reserves

Realised and unrealised gains and losses on the Company's investments are recognised in the capital column of the Statement of Comprehensive Income and allocated to the capital reserve.

(j) Expenses

All expenses are accounted for on an accruals basis.

Management fees and finance costs

The Company is expecting to derive its returns predominantly from interest income. Therefore, the Board has adopted a policy of allocating all management fees and finance costs to the revenue column of the Statement of Comprehensive Income.

Other expenses are recognised in the revenue column of the Statement of Comprehensive Income, unless they are incurred in order to enhance or maintain capital profits.

(k) Taxation

The charge for taxation is based upon the net revenue for the year. The tax charge is allocated to the revenue and capital columns of the Statement of Comprehensive Income according to the marginal basis whereby revenue expenses are first matched against taxable income arising in the revenue account.

Deferred taxation will be recognised as an asset or a liability if transactions have occurred at the initial reporting date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. An asset will not be recognised to the extent that the transfer of economic benefit is uncertain.

(l) Financial liabilities

Bank loan facility and overdrafts are initially recorded as the proceeds received net of direct issue costs and subsequently measured at amortised cost using the effective interest rate. The associated costs of the bank loan facility are amortised over the period of the bank loan facility. The Directors have also made appropriate provisions in order to bring about the orderly wind-down of the Company and its operations.

(m) Dividends

Interim dividends to the holders of shares are recorded in the Statement of Changes in Equity on the date that they are paid. Final dividends are recorded in the Statement of Changes in Equity when they are approved by Shareholders, however the Company currently declares four interim dividends as opposed to any final dividends.

(n) Judgements, estimates and assumptions

The preparation of financial statements requires the directors to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Although these estimates are based on management's best knowledge of current facts, circumstances and, to some extent, future events and actions, the Company's actual results may ultimately differ from those estimates, possibly significantly.

The Company recognises loan investments at fair value through profit or loss and disclosed in note 3 to the financial statements. The significant assumptions made at the point of valuation of loans are the discounted cash flow analysis and/or benchmarked discount/interest rates, which are deemed appropriate to reflect the risk of the underlying loan. These assumptions are monitored to ensure their ongoing appropriateness. The sensitivity impact on the measurement of fair value of loan investments due to price is discussed in note 19.

Where an Investment Company is approaching a wind-up and a provision for liquidation expenses has been made, the Board needs to consider why those expenses have been/are going to be incurred and whether the circumstances meet the maintenance or enhancement test for allocating them to capital. It may also be the case that certain of the costs should be treated as being related to the disposal of the Investment Company's assets. Certain expenses, such as brokerage fees and stamp duty, are incurred as part of the process of buying and selling Investments and, for Investment Companies, it is considered that such expenses are capital in nature.

The liquidation expenses provided for in the accounts are in relation to the disposal of the Company's assets and the ultimate costs of returning the shareholders capital. Thus, these have been included within the Capital section of the Statement of Comprehensive Income.

3. Investments at fair value through profit or loss

(a) Summary of valuation	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Financial assets held:		
Equity investments	1,719	2,966
Bond investments	4,772	3,654
Private loan investments	63,308	87,312
Forward currency contracts	299	–
	70,098	93,932

(b) Movements	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Opening valuation	93,932	119,970
Opening losses on investments	9,553	7,306
Book cost at the beginning of the year	103,485	127,276
Private loans issued/bonds purchases, at cost	1,124	7,066
Forward currency contracts, at cost	299	–
Payment in kind interest (PIK)	1,505	2,637
Sales:		
– Private loans repayments/bonds sales proceeds	(23,688)	(33,121)
– Losses on investment	(2,027)	(373)
Unrealised losses on investments holdings at the year end	(10,600)	(9,553)
Closing valuation at year end	70,098	93,932
Book cost at end of the year	80,698	103,485
Unrealised losses on investment holdings at the year end	(10,600)	(9,553)
Closing valuation at year end	70,098	93,932

The Company received £25.7 million (2023: £33.5 million) from investments sold in the year. The book cost of these investments when they were purchased was £23.7 million (2023: £33.1 million). These investments have been revalued over time and until they were sold. Any unrealised gains/losses were included in the fair value of the investments. The Company's investments are UK-based with the exception of Beinbauer which is based in Germany. The fair value of the investment in Beinbauer amounted to £8.4 million (2023: £10.0 million).

Notes to the financial statements

Continued

3. Investment at fair value through profit or loss continued

(c) Losses on investments	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Realised (losses)/gains on investments	(2,027)	10
Unrealised losses on investments held	(1,047)	(2,247)
Foreign exchange gains/(losses)	102	(204)
Total losses on investments	(2,972)	(2,441)

At the year end, the Company had the following unquoted equity investments.

- **Esprit Holdco Limited (Energie Fitness).** The Company participated in a management buyout during 2020 and owns 28% of the business, the registered office and principal of business of Energie Fitness is 1 Pitfield Kiln Farm, Milton Keynes, United Kingdom, MK11 3LW. The Investment Manager valued holdings in Energie Fitness at nil.

- **Trent Capital Limited.** The Company structured a Loan in 2019, which also offered equity within Trent Capital Limited. The Company has a 61% net equity holding within the business which is registered at 17 Walkergate, Berwick Upon Tweed, Northumberland, TD15 1DJ and the principal business address is Unit 7 Newton Chambers Way, Thornecliffe Industrial Estate, Chapeltown, Sheffield, S35 2PH. The Investment Manager valued holdings in Trent Capital Limited at nil.

- **Coventry Student Accommodation 1 Limited ("Coventry", wholly owned asset).** The Company holds an unquoted investment in Coventry. As at 31 December 2024, the Company owns 100% of the business. The registered office and principal place of business of Coventry is 4th Floor, 140 Aldersgate Street, London, United Kingdom, EC1A 4HY. The Investment Manager's valuation of the holdings in Coventry is £1.9 million as at 31 December 2024 (2023: £3.0 million).

- **RMC Lending Limited ("RMC Lending").** During the year, the Company acquired 100% of the equity of RMC Lending. The registered office of RMC Lending is 4th Floor, 7 Castle Street, Edinburgh, Scotland, EH2 3AH, with registered number SC521046. The equity was purchased for a nominal amount and the transaction had immaterial effect on the financial statements.The sole principal activity of RMC Lending to date has comprised direct lending through sourcing long-term debt finance from third-party providers and making loans to UK-based companies, under the terms of the UK Government's Coronavirus Business interruption Loan Scheme and the Recovery Loan Scheme.

Valuation Approach

Although the fair value estimation of the loans is dependent on multiple factors, including inputs received from the Investment Manager, discussions held with the Investment Manager and judgements applied by the Investment Manager and Forvis Mazars, the only significant unobservable input is the discount rate applied in the fair value estimation.

The following sets out information about significant unobservable inputs used at year-end in measuring the portfolio of loans categorised as Level 3 in the fair value hierarchy:

Type of asset	Valuation approach	Key unobservable input	Input value	Inter-relationship between key unobservable inputs and fair value measurement
Loans	The fair value of loans in the portfolio have been assessed using a discounted cash flow analysis by preparing loan amortisation schedules based on cash flow information supplied by the client. This is considered to be in line with the International Private Equity and Venture Capital Valuation ("IPEV") guidelines for valuing debt investments. The determination of the fair value of the loans requires the use of discount rates which comprise a UK-based risk-free rate, a spread based on the appropriate UK denominated corporate bond yields and a risk premium/ alpha factor.	Discount rate	A range of 7.46% to 37.75% for the different loans in the portfolio as at 31 December 2024.	A decrease in the discount rate would result in an increase in fair value. An increase in the discount rate would result in a decrease in fair value. As an example, the fair value of the AP Euston loan as at 31 December 2024 is £2.9m at a discount rate of 8.57%. A decrease of 200 bps to the discount rate would result in a 2.6% increase in the fair value. An increase of 200 bps to the discount rate would result in a 2.5% decrease in the fair value.

Valuation Sensitivity

The discount rate is considered the most significant unobservable input through which an increase or decrease would have a material impact on the fair value of the investments at fair value through profit or loss.

The discount rate is a range of 7.46% to 37.75% for the different loans in the portfolio as at 31 December 2024. An increase or decrease in the discount rate by 1% on individual investment basis has the following effect on the overall valuation:

	-1.0% Change		+1.0% Change	
	NAV per Share Impact (£ pence)	NAV Impact (£)	NAV Impact (£ pence)	NAV per Share Impact (£)
Valuation as of 31 December 2024	(0.01p)	(576,700)	0.01p	576,700

Notes to the financial statements

Continued

4. Income

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Income from investments		
Bond and loan – cash interest	6,982	10,352
Bond and loan – PIK interest	294	294
Arrangement fees	154	42
Other income	212	188
Revenue Income	7,642	10,876
Proceeds from Coventry Street insurance claim*	824	–
Capital Income	824	–

* *The Company has pursued a legal claim against the former main contractor of a 79 bed student accommodation based in Coventry. This was undertaken via an adjudicator, with circa 90% of said sums now having been received in cleared funds. For the year ended 31 December 2024, the Company has received proceeds totalling £823,980.*

5. Investment management fee and other expenses

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Basic fee:		
Investment management fee	860	944
Incentive fee	197	–
Total	1,057	944

The Investment Manager is appointed under a contract subject to 12 months' notice. Pursuant to the amended Investment Manager Agreement ("IMA") following the Company being put into managed wind-down status, the Investment Manager is entitled to a management fee calculated at the rate of 0.875 per cent. of NAV per annum (payable monthly in arrears) subject to a minimum fee of £33,300 payable monthly in arrears, subject to renegotiation with the Board, until the earlier of;

- the Company's liquidation;
- the value of the Company's portfolio (excluding cash and other liquid assets) being less than or equal to £35 million; or
- 31 December 2026.

Additionally, an incentive fee will be accrued from 20 December 2023, being the date the Company entered managed wind-down, on any loan that is repaid or sold at or above the NAV as at that date, save for those loans where the capital is used to repay any leverage or held as a cash balance for future commitments, of 1.375 per cent. on loans repaid or sold from now until 31 December 2024 and 1.125 per cent. on loans repaid during 2025.

To incentivise the Investment Manager to continue to work on the tail of the portfolio, the Incentive Fee will be subject to the following escrow and payment mechanism: (i) 50 per cent. of the fee will be paid in cash to the Investment Manager at the end of each month when a loan is repaid or sold and (ii) the remaining 50 per cent. will, so long as the Shares trade at a discount to the latest published NAV, be used by the Company to buy back Shares on the market, and otherwise held by the Company in escrow.

The newly acquired Shares purchased as a result of the payment of the Incentive Fee under (ii) above will be held by the Company in treasury until the Company is liquidated, and, together with cash amounts held in escrow will vest to the Investment Manager in the following proportions depending on the amount of aggregated net proceeds distributed to shareholders:

- 100 per cent. at or above the Reference NAV; or
- 90 per cent. at or greater than 99 per cent. and less than 100 per cent. of the Reference NAV; or
- 80 per cent. at or greater than 98 per cent. and less than 99 per cent. of the Reference NAV; or
- 70 per cent. at or greater than 97 per cent. and less than 98 per cent. of the Reference NAV; or
- 60 per cent. at or greater than 96 per cent. and less than 97 per cent. of the Reference NAV; or
- 50 per cent. at or greater than 95 per cent. and less than 96 per cent. of the Reference NAV; or
- 40 per cent. at or greater than 94 per cent. and less than 95 per cent. of the Reference NAV; or
- 30 per cent. at or greater than 93 per cent. and less than 94 per cent. of the Reference NAV; or
- 20 per cent. at or greater than 92 per cent. and less than 93 per cent. of the Reference NAV; or
- 10 per cent. at or greater than 91 per cent. and less than 92 per cent. of the Reference NAV; or
- 0 per cent. below 91 per cent. of the Reference NAV.

Any shares held in treasury which vest to the Investment Manager will be transferred to it to settle the Company's obligation to pay the remaining part of the Incentive Fee. The Board notes that for companies with a premium listing, the Investment Associations preference is for no more than 10 per cent. of their shares to be held in treasury but, given the special use of treasury shares in this case, believe the use of treasury shares in this manner is in the best interests of the Company. To the extent that the number of treasury shares to be transferred to the Investment Manager would otherwise be equal to or greater than 20 per cent. of the Company's issued share capital at the time, the Company will deliver such number of treasury Shares as represents one Share less than 20 per cent of the Company's issued share capital and instead shall pay the Investment Manager upon the liquidation of the Company an amount equal to the number of undelivered Shares multiplied by the amount distributed upon every Share in the liquidation, with such liability to be paid pro rata alongside all other distributions to shareholders.

If the Shares are trading at a premium to the prevailing NAV, the remaining 50 per cent. of the fee under (ii) above will be held in escrow in liquid funds by the Company. Any dividends paid or declared in respect of the Shares acquired under (ii), together with any capital distributions made to shareholders, will be held by the Company in escrow until the incentive vests as set out above.

The incentive fee for the year ended 31 December 2024 amounted to £395,000 (2023: nil). Of this, £197,500 was paid in cash and £197,500 was used to buy back a total of 269,595 shares which is being held in treasury.

The Company has purchased the following shares to be held in treasury, representing 50% settlement of Investment Manager's Incentive Fee in respect of the year under review:

Date of transaction	Incentive fees £'000	Number of shares purchased	Purchase price
26 November 2024	41	56,467	72.50p
1 October 2024	25	33,559	73.75p
3 September 2024	5	6,525	77.20p
28 August 2024	126	173,044	73.00p
Total	**197**	**269,595**	

After the year end on 26 February 2025, 89,044 shares were purchased at the price of 72.50p to be held in treasury in settlement for £65,000 of Investment Manager's Incentive Fee.

For the amount of the Incentive Fee held back, an expense will be accrued when the Company anticipates its payment as probable. Any payment made will be treated as a cash-settled share-based payment.

Notes to the financial statements
Continued

6. Other expenses

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Basic fee charged to revenue:		
Administration fees	191	220
Auditor's remuneration: – Statutory audit fee	253	122
Broker fees	81	150
Consultancy fees	–	18
Custody fees	15	15
Directors' fees	107	124*
AIFM fees	115	146
Registrar's fees	48	40
Valuation fees	95	107
Other expenses	233	579
Total revenue expenses	1,138	1,521
Expenses charged to capital:		
Wind-down costs**	–	1,567
Total expenses	1,138	3,088

* *Includes additional one off fees paid to each Board member (£10,000 paid to the Chair and £7,500 paid to each of the other Board members).*
** *The Company has estimated the costs of the managed wind-down process and accordingly made a provision during the year amounting to nil (2023: £1.6 million).*

7. Finance costs

	Year ended 31 December 2024			Year ended 31 December 2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Loan Interest paid	–	–	–	1,004	–	1,004
	–	–	–	1,004	–	1,004

Refer to Note 11 for the details of the Company's revolving credit facility.

8. Taxation

	Year ended 31 December 2024			Year ended 31 December2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Analysis of tax charge/(credit) for the year:						
Corporation tax	–	–	–	–	–	–
Total current tax charge (see note 8 (b))	–	–	–	–	–	–

(b) Factors Affecting the tax charge for the year:

The effective UK corporation tax rate for the year is 25.0% (2023: 23.5%).

The tax charge differs from the charge resulting from applying the standard rate of UK corporation tax for an investment trust Company. The differences are explained below:

	Year ended 31 December 2024			Year ended 31 December2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Return on ordinary activities before taxation	5,447	(2,148)	3,299	7,407	(4,008)	3,399
UK corporation tax at 25.0% (2023:23.5%)	1,362	(537)	825	1,741	(942)	799
Effects of:						
Fair value losses not deductible	–	743	743	–	574	574
Non-taxable income	–	(206)	(206)	–	–	–
Non-deductible expenses	–	–	–	–	368	368
Interest distributions paid/payable	(1,505)	–	(1,505)	(1,796)	–	(1,796)
Excess management expenses carried forward	143	–	143	55	–	55
Total tax charge	–	–	–	–	–	–

The Company is not liable to tax on capital gains due to its status as an investment trust.

(c) Deferred tax assets/(liabilities)

As at 31 December 2024, the Company had surplus excess management expenses of £998,800 (2023: £426,902) in respect of which a deferred tax asset has not been recognised. This is because the Company is not expected to generate taxable income in a future period in excess of deductible expenses of that future period and, accordingly, it is unlikely that the Company will be able to reduce future liabilities.

9. Receivables

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Amounts falling due within one year:		
Bond and loan interest receivable	2,316	2,133
Bond and interest receivable with credit loss fully provided	–	2,741
Coventry Street receivables	2,958	2,686
Prepayments and other receivables	226	409
	5,500	7,969

Bond and interest receivable with credit loss fully provided

Bond and interest receivable with credit loss fully provided is an interest receivable in relation to the loans of the Company but are not guaranteed.

The total amount is offset against the credit loss under the liability account (see note 10).

Notes to the financial statements

Continued

10. Payables

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Amounts falling due within one year:		
Loan reserves retained	–	270
Wind-down costs provision	943	1,567
Bad debt provision	–	2,741
Other payables	546	598
	1,489	5,176

11. Bank loan credit facilities

The Company had a revolving credit facility with OakNorth which expired in March 2024. The Company had entered into an uncommitted 90-day notice revolving loan of £10,500,000 ("Facility A") and a committed term revolving loan of £11,942,000 ("Facility B"), together with Facility A the ("Facilities") with OakNorth for the purposes set out in the credit facility agreement. The rate of interest on the Facilities are the aggregate of the applicable margin and base rate (subject to a base rate floor of 0.10%).

During the year, there have been no drawdowns nor repayments from the facility (2023: £6.6 million drawdowns and £23.9 million repayments). As at 31 December 2024, the remaining balance of the facility has been fully repaid.

12. Share capital

	As at 31 December 2024		As at 31 December 2023	
	No. of Shares	£'000	No. of Shares	£'000
Allotted, issued & fully paid:				
Ordinary Shares of 1p	97,848,021	978	117,586,359	1,175

Share movement

The table below sets out the share movement for the year ended 31 December 2024.

	Opening balance of Shares in issue	Tender Offer – Shares redeemed	Shares bought back into Treasury	Shares held in Treasury	Shares in issue at 31 December 2024
Ordinary Shares	117,586,359	(19,738,338)	(269,595)	269,595	97,848,021

At the year end, the Company had 97,848,021 (2023: 117,586,359) Ordinary Shares in issue of which the total number with voting rights is 97,578,426 (2023: 117,636,359) and 269,595 (2023: 4,638,222) Ordinary Shares held in Treasury.

Ordinary Share buy backs

During the year, the Company bought back 269,595 (2023: 50,000) Ordinary Shares for an aggregate cost of £197,000 (2023: £42,750). See Note 5 for more details of this buy back. The Company also returned capital as a result of a Tender Offer amounting to 19,738,338 (2023: nil) Ordinary shares for an aggregate cost of £17,529,910 (2023: nil). The total cost of these share transactions amounted to £132,142 (2023: £1,404). Since the year end, a further 89,044 Ordinary Shares have been bought back to be held in Treasury for an aggregate cost of £64,688.

13. Share premium

	As at 31 December 2024 £'000	As at 31 December 2023 £'000
Balance as at beginning of the year	70,168	70,168
Cancellation of share premium	(70,168)	–
Balance as at the end of the year	–	70,168

Pursuant to Company's managed wind-down and change of investment management agreement, the Board deemed that a Tender Offer would be the best method of returning capital to the shareholders. Under the Companies Act, distributions require 'distributable profits'. The Board proposed cancelling its entire share premium account of £70,168,944, subject to court approval, to increase distributable reserves for future cash returns to shareholders. Following the court's approval, on 12 July 2024 the share premium account was cancelled and the entire balance was transferred to special reserve.

14. Return per ordinary share

Total Return per Ordinary Share is based on the gain on ordinary activities after taxation of £3,299,000 (2023: gain of £3,399,000) which comprise of positive revenue return of £5,447,000 (2023: £7,407,000) and negative capital return of £2,148,000 (2023: £4,008,000).

Based on the weighted average of number of 112,657,232 (2023: 117,587,862) Ordinary Shares in issue for the year ended 31 December 2024, the returns per share were as follows:

	Year ended 31 December 2024			Year ended 31 December 2023		
	Revenue	Capital	Total	Revenue	Capital	Total
Return per ordinary share	4.84p	(1.91p)	2.93p	6.30p	(3.41p)	2.89p

There are no dilutive shares in issue.

15. Net asset value per share

The NAV per share is based on Company's total shareholders' funds of £82,681,000 (2023: £104,516,000), and on 97,578,426 (2023: 117,586,359) Ordinary Shares in issue at year end.

NAV per ordinary share reconciliation

The table below is a reconciliation between the NAV per Ordinary Share of the Company as announced on the London Stock Exchange and the NAV per Ordinary Share disclosed in these financial statements.

	As at 31 December 2024		As at 31 December 2023	
	Net assets (£m)	Nav per Ordinary share (p)	Net assets (£m)	Nav per Ordinary share (p)
2024 NAV as published on 23 January 2025 (2023 NAV as published on 16 January 2024)	83,426,460	85.50	106,235,896	90.35
Receivable write-off adjustments	(745,757)	(0.77)	–	–
Revaluation adjustment	–	–	(153,000)	(0.13)
Wind-down cost accrual adjustments	–	–	(1,566,581)	(1.34)
NAV as disclosed in these Financial Statements	82,680,703	84.73	104,516,315	88.88

Notes to the financial statements

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16. Dividend

Total dividends paid in the year

	Year ended 31 December 2024				Year ended 31 December 2023			
	Pence per Ordinary share	Revenue £'000	Capital £'000	Total £'000	Pence per Ordinary share	Revenue £'000	Capital £'000	Total £'000
2023 Interim – Paid 2 Apr 2024 (2022: 31 Mar 2023)	1.625p	1,911	–	1,911	1.625p	1,911	–	1,911
2024 Interim – Paid 28 Jun 2024 (2023: 30 Jun 2023)	1.625p	1,911	–	1,911	1.625p	1,911	–	1,911
2024 Interim – Paid 16 Sep 2024 (2023: 29 Sep 2023)	1.625p	1,911	–	1,911	1.625p	1,911	–	1,911
2024 Interim – Paid 29 Nov 2024 (2023: 29 Dec 2023)	1.625p	1,586	–	1,586	1.625p	1,911	–	1,911
Total	6.500p	7,319	–	7,319	6.500p	7,644	–	7,644

The dividend relating to the year ended 31 December 2024, which is the basis on which the requirements of Section 1159 of the Corporation Tax Act 2010 are considered is detailed below:

Total dividends declared in the year

	Year ended 31 December 2024				Year ended 31 December 2023			
	Pence per Ordinary share	Revenue £'000	Capital £'000	Total £'000	Pence per Ordinary share	Revenue £'000	Capital £'000	Total £'000
2024 Interim – Paid 28 Jun 2024 (2023: 30 Jun 2023)	1.625p	1,911	–	1,911	1.625p	1,911	–	1,911
2024 Interim – Paid 16 Sep 2024 (2023: 29 Sep 2023)	1.625p	1,911	–	1,911	1.625p	1,911	–	1,911
2024 Interim – Paid 29 Nov 2024 (2023: 29 Dec 2023)	1.625p	1,586	–	1,586	1.625p	1,911	–	1,911
2024 Interim – Paid 4 April 2025 (2023: 2 Apr 2024)*	0.625p	610	–	610	1.625p	1,911	–	1,911
Total	5.500p	6,018	–	6,018	6.500p	7,644	–	7,644

** Not included as a liability in the year ended 31 December 2024 financial statements.*

17. Related party transaction

Fees are payable at an annual rate of £38,880 to the Chairman, £35,640 to the Chairman of the Audit Committee and £32,500 to the other Directors. As at 31 December 2024, there were no Directors' fees outstanding. The Directors' fees are disclosed in note 7 and the Directors' shareholdings are disclosed in the Directors Remuneration Report in the Annual Report.

Fees payable to the Investment Manager are shown in the Statement of Comprehensive Income. As at 31 December 2024 the fee outstanding to the Investment Manager was £122,000 (2023: £155,000).

Arrangement fees are paid by some borrowers to the Investment Manager. The amount the Investment Manager can retain from borrowers in most cases is capped at 1.25% and agreed with the Board. The Company receives any arrangement fees from the Investment Manager in excess of the 1.25% or otherwise agreed with the borrower. During the year to 31 December 2024, the Company received £46,000 (2023: £42,000) in arrangement fees from RM.

Borrowers paid the Investment Manager arrangement and other work fees during the year totaling £533,374 (2023: £286,084). The Investment Manager also provides further Loan & Security Agency services to some borrowers and during the year charged borrowers £139,624 (2023: £185,958).

As at 31 December 2024, the Investment Manager held 395,083 (2023: 1,329,125) Ordinary Shares in the Company. As of the date of this report, the Investment Manager's total holding of Ordinary Shares remained at 395,083 (2023: 1,381,336).

During the year, the Company has total investments of £1,718,557 (2023: £3,119,000) in Coventry Student Accommodation 1 Limited for which investment details can be found in Note 3. During the year, the Company provided Coventry Student Accommodation 1 Limited an intercompany loan of £2,958,000 (2023: £2,686,000) as disclosed in note 9.

During the year, the Company acquired and owns 100% of its subsidiary RMC Lending Limited. There has been no significant transaction between the Company and RMC Lending subsequent to its acquisition in November 2024 and up to the date of this report. The Company's investment in RMC Lending as at the year end was £214,000.

18. Classification of financial instruments

IFRS 13 requires the Company to classify its investments in a fair value hierarchy that reflects the significance of the inputs used in making the measurements. IFRS 13 establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The three levels of fair value hierarchy under IFRS 13 are as follows:

Level 1
Using unadjusted quoted prices for identical instruments in an active market.

Level 2
Using inputs, other than quoted prices included within Level 1, that are directly or indirectly observable (based on market data).

Level 3
Using inputs that are unobservable (for which market data is unavailable).

Notes to the financial statements

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18. Classification of financial instruments continued

The classification of the Company's investments held at fair value through profit or loss is detailed in the table below:

	31 December 2024				31 December 2023			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets:								
Financial assets - Private loans and bonds	–	4,772	–	4,772	–	3,654	–	3,654
Financial assets - Private loans	–	–	63,308	63,308	–	–	87,312	87,312
Financial assets - Equity investment	–	–	1,719	1,719	–	–	2,966	2,966
Forward currency contracts	–	299	–	299	–	47	–	47
Total financial assets	–	5,071	65,027	70,098	–	3,701	90,278	93,979

The forward exchange contract has been presented at net exposure with the net unrealised gains of £298,810 (2023: unrealised loss of £47,360) and have been classified as Level 2 investments.

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

Level 3 holdings are valued using a discounted cash flow analysis and benchmarked discount/interest rates appropriate to the nature of the underlying loan and the date of valuation.

There have been no transfers between levels during the reporting period (2023: none).
Reconciliation of the Level 3 classification investments during the year to 31 December 2024 is shown below:

	31 December 2024			31 December 2023		
	Equity £'000	Loan £'000	Total £'000	Equity £'000	Loan £'000	Total £'000
Balance as at beginning of the year	2,966	87,312	90,278	3,593	112,169	115,762
New loans during the year	–	2,629	2,629	–	9,703	9,703
Repayments during the year	–	(23,688)	(23,688)	–	(33,121)	(33,121)
Realised losses during the year	–	(2,027)	(2,027)	–	(373)	(373)
Unrealised losses during the year on positions held at year end	(1,247)	(918)	(2,165)	(627)	(1,066)	(1,693)
Closing balance as at 31 December	1,719	63,308	65,027	2,966	87,312	90,278

Valuation and existence of bonds and private loan investments

The Company holds assets in bonds and private loan investments. The valuation and existence of these bonds and private loan investments are the most material matter in the production of the financial statements.

The bonds and private loan investments are valued by an independent valuer (Mazars LLP) and the valuations at year end were agreed to the valuers report. The valuation process has been comprehensively reviewed during the year, and is monitored, by the Board, the Manager and the AIFM. The process includes quantitative and qualitative analysis, with the analysis performed on a loan-by-loan basis and the valuation of each loan taking into account the relevant risks and returns associated with that loan. The Audit and Management Engagement Committee reviewed valuation reports and also the procedures in place for ensuring accurate valuation and existence of investments and recommended these to the Board for review and approval.

The Board has appointed a third-party service provider (Mazars LLP) to value the Company's loan investments on a monthly basis, in accordance with IFRS. The Directors have satisfied themselves as to the methodology used, the discount rates and key assumptions applied and the overall valuation of the investments.

19. Financial instruments – risk profile

The Company invests in private loan and bond investments. The following describes the risks involved and the applied risk management.

The Investment Manager reports regularly both verbally and formally to the Board, and its relevant committees, to allow them to monitor and review all the risks noted below.

(i) Market risks

The Company is subject to a number of Market risks in relation to economic conditions. The Company's approach regarding the conservative valuation of its investments remains unchanged, with fair value write downs driven by market risk and idiosyncratic risk, with idiosyncratic risk relating to loan specific information which is reflected within specific loan pricing. Further detail on these risks and the management of these risks are included in the Investment Manager's Report and the Risk and Risk Management report.

The Company's financial assets and liabilities at 31 December 2024 comprised:

	Year ended 31 December 2024			Year ended 31 December2023		
Investments	Interest bearing £'000	Non-interest bearing £'000	Total £'000	Interest bearing £'000	Non-interest bearing £'000	Total £'000
GB sterling	59,985	1,719	61,704	89,284	2,966	92,250
Euro	8,394	–	8,394	1,682	–	1,682
Total investment	68,379	1,719	70,098	90,966	2,966	93,932
Cash and cash equivalents	8,572	–	8,572	7,791	–	7,791
Receivables	–	5,500	5,500	–	7,969	7,969
Payables	–	(1,489)	(1,489)	–	(5,176)	(5,176)
Total	76,951	5,730	82,681	98,757	5,759	104,516

Price risk sensitivity

The effect on the portfolio of a 10.0% increase or decrease in the value of the loans would have resulted in an increase or decrease of £7,010,000 (2023: £9,393,000) in the investments held at fair value through profit or loss at the period end date. This analysis assumes that all other variables remain constant.

(ii) Credit risks

The Company's investments will be predominantly in the form of private loans whose revenue streams are secured against contracted, predictable medium to long-term cash flows and/or physical assets, and whose debt service payments are dependent on such cash flows and/or the sale or refinancing of the physical assets. The key risks relating to the private loans include risks relating to counterparty default, senior debt covenant breach risk, bridge loans, delays in the receipt of anticipated cash flows and borrower default, and collateral risks.

The Company is also exposed to the risk of default on cash held at the bank and other trade receivables. The maximum exposure to credit risk on cash at bank and other trade receivables at 31 December 2024 was £8,572,000 and £5,500,000 respectively (2023: £7,791,000 and £7,969,000). None of these amounts are considered past due or impaired and interest is based on the prevailing money market rates.

Notes to the financial statements

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19. Financial instruments – risk profile continued

The table below shows the Company's maximum exposure to credit risks as at the year end.

	As at 31 December 2024		As at 31 December 2023	
	Fair value £'000	Maximum exposure £'000	Fair value £'000	Maximum exposure £'000
Private loan investments	63,308	63,308	87,312	87,312
Bond investments	4,772	4,772	3,654	3,654
Cash and cash equivalent	8,572	8,572	7,791	7,791
Receivables	5,500	5,500	7,969	7,969
Total	82,152	82,152	106,726	106,726

Management of risks

The Investment Manager reports a number of key metrics on a monthly basis to its Credit Committee including pipeline project information, outstanding loan balances, lending book performance and early warning indicators. The Investment Manager monitors ongoing credit risks in respect of the loans. Typically, the Company's loan investments are private loans and would usually exhibit credit risk classified as 'non-investment grade' if a public rating agency was referenced.

The Company's main cash balances are held with The Royal Bank of Scotland plc ("RBS"). Bankruptcy or insolvency of the bank holding cash balances may cause the Company's rights with respect to the cash held by them to be delayed or limited. The Company manages its risk by monitoring the credit quality of RBS on an ongoing basis.

(iii) Interest rate risks

Private Loans

The Company may make loans based on estimates or projections of future interest rates because the Investment Manager expects that the underlying revenues and/or expenses of a borrower to whom the Company provides loans will be linked to interest rates, or that the Company's returns from a loan are linked to interest rates. If actual interest rates differ from such expectation, the net cash flows of the borrower or payable to the Company may be lower than anticipated.

Interest rate sensitivity

Interest Income earned by the Company is primarily derived from fixed interest rates. The interest earned from the floating element of loan and debt security investments is not significant. Based on the Company's private loan investments, bond investments, cash and cash equivalents as at 31 December 2024, a 1.00% increase/(decrease) (2023: 1.00% increase/(decrease)) in interest rates, all other things being equal, would lead to a corresponding increase/(decrease) in the Company's income as follows.

	As at 31 December 2024		As at 31 December 2023	
	1.00% Increase £'000	1.00% Decrease £'000	1.00% Increase £'000	1.00% Decrease £'000
Private loan investments	633	(633)	873	(873)
Bond investments	48	(48)	37	(37)
Equity investments	17	(17)	30	(30)
Cash and cash equivalent	86	(86)	78	(78)
Total	784	(784)	1,018	(1,018)

Management of risks

The Investment Manager's investment process takes into account interest rate risk. The investment strategy is to invest in private loans with maturities typically between 2 and 10 years. Exposure to predominantly higher yielding loans and possible floating rate investments can mitigate interest rate risk to some extent. On a monthly basis, the Investment Manager reviews fixed/floating and weighted average life of the portfolio for interest rate risk.

(iv) Liquidity risks

Liquidity risk is defined as the risk that the Company will encounter difficulties in realising assets or otherwise raising funds to meet financial commitments. The cash and cash equivalent balance at the year end was £8,572,000 (2023: £7,791,000).

Financial liabilities by maturity at the period end are shown below:

	31 December 2024 £'000	31 December 2023 £'000
Within one month	–	–
Between one and three months	546	598
Between three months and one year	–	–
More than one year	943	4,578
Total	1,489	5,176

The Investment Manager manages the Company's liquidity risk by investing in a diverse portfolio of loans and secured debt instruments in line with the Company's Investment Policy and Investment restrictions. The Investment Manager may utilise other measures such as borrowing, share issues including treasury shares for liquidity purposes. The Investment Manager performs stress tests on the Company's income and expenses and the Directors, and the Manager remain comfortable that the Company has substantial operating expenses cover and adequate liquidity.

The maturity profile of the Company's portfolio as at the year end is as follows:

	31 December 2024 £'000	31 December 2023 £'000
Within one month	9,537	1,700
Between one and three months	21,276	–
Between three months and one year	19,579	26,927
More than one year	19,706	65,305
Total	70,098	93,932

(v) Foreign currency risks

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign currency exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company invests in debt security instruments that are denominated in currencies other than sterling.

Accordingly, the value of the Company's assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore the Company will necessarily be subject to foreign exchange risks.

Notes to the financial statements

Continued

19. Financial instruments – risk profile continued

Based on the financial assets and liabilities at 31 December 2024 and all other things being equal, if sterling had weakened against the local currencies by 10%, the impact on the Company's net assets at 31 December 2024 would have been as follows:

	31 December 2024 £'000	31 December 2023 £'000
Euro	247	266
Total	247	266

Foreign currency risk profile

	31 December 2024			31 December 2023		
	Investment exposure £'000	Net monetary exposure £'000	Total currency exposure £'000	Investment exposure £'000	Net monetary exposure £'000	Total currency exposure £'000
Euro	2,469	–	2,469	2,362	302	2,664
US dollar	–	1	1	–	7	7
Total	2,469	1	2,470	2,362	309	2,671

Management of currency risks
The Company's Investment Manager monitors the currency risk of the Company's portfolio on a regular basis. Foreign currency exposure is regularly reported to the Board by the Investment Manager. The Investment Manager may hedge any currency back to sterling as they see fit.

Fair values of financial assets and liabilities

All financial assets and liabilities of the Company are either recorded at fair value in the statement of financial position, or, where they are recorded at amortised cost, such carrying amounts are a reasonable approximation of fair value.

Capital management

The Company considers its capital to consist of its share capital of Ordinary Shares of 1 pence each, its distributable reserves, which comprise Revenue reserve, Capital reserve and the Special reserve. In accordance with accounting standards, the Company's Ordinary Shares are considered to be equity.

The Company has a stated discount control policy. The Investment Manager and the Company's brokers monitor the demand for the Company's shares and the Directors review the position at Board meetings. Further details on share issues during the year and the Company's policies for issuing further shares and buying back shares (including the Company's discount management) can be found in the Directors' Report.

During the year the Company bought back 269,595 shares (2023: 50,000) which are held in treasury. The Company's policy on borrowing is detailed in the Directors' Report. The details of the Company's OakNorth facilities are discussed in note 11.

20. Post balance sheet events

Dividend Declaration

On 27 February 2025, the Company declared a dividend of 0.625 pence per ordinary share in respect of the period from 1 October 2024 to 31 December 2024 to shareholders who appear on the register on 7 March 2025. The ex-dividend date is 6 March 2025. This was paid on 4 April 2025.

Loan repayment

In early February 2025, there was a material repayment of the 4th and 5th largest exposures within the portfolio secured against 5 hotels across two loan facilities (loan references 66 and 67 – repayments of £5.6 million and £5.5 million respectively).

Other information

Alternative Performance Measures ("APMs")

APMs are often used to describe the performance of investment companies although they are not specifically defined under IFRS. APM calculations for the Company are shown below.

Gearing

A way to magnify income and capital returns, but which can also magnify losses. A bank loan is a common method of gearing.

		Page	31 December 2024 £'000	31 December 2023 £'000
Cash and cash equivalents		45	8,572	7,791
Total borrowings less cash and cash equivalents	a		(8,572)	(7,791)
Net assets	b	45	82,681	104,516
Gearing (net)	**(a÷b)*100**		**nil**	**nil**

Ongoing charges

A measure, expressed as a percentage of average net assets, of the regular, recurring annual costs of running an investment company.

Year ended 31 December 2024		Page	
Average NAV (£'000)	a	n/a	**98,223**
Annualised recurring expenses*	b	n/a	**1,760**
	b÷a		**1.79%**

Year ended 31 December 2023		Page	
Average NAV (£'000)	a	n/a	107,826
Annualised recurring expenses*	c	n/a	1,984
	b÷a		1.84%

** Consists of investment management fees of £1,057,000 (2023: £944,000), incentive fees of £197,000 (2023: nil) and other recurring expenses of £703,000 (2023: £1,040,000). Prospectus issue and capital transactions are not considered to be recurring costs and therefore have not been included.*

(Discount)/premium

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

As at 31 December 2024		Page	
NAV per Ordinary Share (p)	a	2	**84.73**
Share price (p)	b	2	**73.50**
Discount	**(b/a)-1**		**(13.25%)**

As at 31 December 2023		Page	
NAV per Ordinary Share (p)	a	2	88.88
Share price (p)	c	2	74.25
Discount	(b/a)-1		(16.46%)

Total return

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

As at 31 December 2024		Page	NAV	Share Price
Opening at 1 January 2024 (p)	a	n/a	88.88	74.25
Closing at 31 December 2024 (p)	b	45	84.73	73.50
Dividend reinvestment factor	c	n/a	1.0765	1.0903
Adjusted closing (d = b x c)	d	n/a	91.21	80.14
Total return	**(d/a)-1**		**2.62%**	**7.93%**

As at 31 December 2023		Page	NAV	Share Price
Opening at 1 January 2023 (p)	a	n/a	92.49	85.00
Closing at 31 December 2023 (p)	b	45	88.88	74.25
Dividend reinvestment factor	c	n/a	1.0731	1.0918
Adjusted closing (d = b x c)	d	n/a	95.38	81.06
Total return	(d/a)-1		3.16%	(4.63%)

Glossary

Admission	Admission of the Ordinary Shares to the premium listing segment of the Official List of the UKLA and admission of the Shares to trading on the main market for listed securities of the London Stock Exchange.
AIC	Association of Investment Companies.
Alternative Investment Fund or "AIF"	An investment vehicle under AIFMD. Under AIFMD (see below) the Company is classified as an AIF
Alternative Investment Fund Managers Directive of "AIFMD"	A European Union directive which came into force on 22 July 2013 and has been implemented Managers Directive or "AIFMD" in the UK.
Annual General Meeting or "AGM"	A meeting held once a year which Shareholders can attend and where they can vote on resolutions to be put forward at the meeting and ask directors questions about the Company in which they are invested.
CTA 2010	Corporation Tax Act 2010.
Custodian	An entity that is appointed to safeguard a company's assets.
Discount	The amount, expressed as a percentage, by which the share price is less than the net asset value per share.
Dividend	Income receivable from an investment in shares.
Ex-dividend date	The date from which you are not entitled to receive a dividend which has been declared and is due to be paid to Shareholders.
Financial Conduct Authority or "FCA"	The independent body that regulates the financial services industry in the UK.
Gearing	A way to magnify income and capital returns, but which can also magnify losses. A bank loan is a common method of gearing.
Index	A basket of stocks which is considered to replicate a particular stock market or sector.
Investment company	A company formed to invest in a diversified portfolio of assets.
Investment Trust	An investment company which is based in the UK and which meets certain tax conditions which enables it to be exempt from UK corporation tax on its capital gains. The Company is an investment trust.
Leverage	An alternative word for "Gearing". Under AIFMD, leverage is any method by which the exposure of an AIF is increased through borrowing of cash or securities or leverage embedded in derivative positions. Under AIFMD, leverage is broadly similar to gearing, but is expressed as a ratio between the assets (excluding borrowings) and the net assets (after taking account of borrowing). Under the gross method, exposure represents the sum of the Company's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.
Liquidity	The extent to which investments can be sold at short notice.

Loans or Secured Debt Instruments	Secured debt instruments of UK SMEs and mid-market corporates and/or individuals including any loan, promissory notes, lease, bond, or preference share such debt instruments.
Net Assets	An investment company's assets less its liabilities.
Net asset value (NAV) per Ordinary Share	Net assets divided by the number of Ordinary Shares in issue (excluding any shares held in treasury).
Ordinary Shares	The Company's Ordinary Shares of 1 pence each in the capital of the Company.
Portfolio	A collection of different investments held in order to deliver returns to Shareholders and to spread risk.
Reference NAV	The value at which the loan or asset as included in the Net Asset Value on the reference date (being 90.35 pence per Ordinary Share or 106,233,875 in aggregate). The Reference NAV shall be calculated by deducting from the Reference NAV any cash amounts held in escrow at the Termination Date and the net assets of the Company as at the Termination Date (including an accrual for an estimate of the costs of the Company as determined by the Company's board of directors in its sole discretion acting reasonably and in good faith until its liquidation is completed) but adding back the costs and expenses incurred by the Company in returning cash to shareholders and any other extraordinary expenses or costs outside of the ordinary course of realising the portfolio and operating the Company in accordance with past practice.
Share buyback	A purchase of a company's own shares. Shares can either be bought back for cancellation or held in treasury.
Share price	The price of a share as determined by a relevant stock market.
Total Return	A measure of performance that includes both income and capital returns. This takes into account capital gains and reinvestment of dividends paid out by the Company into its Ordinary Shares on the ex-dividend date.
Treasury shares	A company's own shares which are available to be sold by a company to raise funds.
Volatility	A measure of how much a share moves up and down in price over a period of time.

Company Information

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Norman Crighton (Non-executive Chair)
Guy Heald
Marlene Wood

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LS1 4DL

Legal Adviser
Travers Smith LLP
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London
EC1A 2AL

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of RM Infrastructure Income Plc will be held at 4th Floor, 140 Aldersgate Street, London, EC1A 4HY on 29 May 2025 at 11.00 am for the following purposes:

To consider and if thought fit pass the following resolutions of which resolutions 1 to 8 will be proposed as ordinary resolutions and resolutions 9 and 10 will be proposed as special resolutions.

ORDINARY BUSINESS

1. To receive the Company's Annual Report and Accounts for the year ended 31 December 2024 (the "Annual Report").
2. To approve the Directors' Remuneration Report.
3. To re-elect Norman Crighton as a Director.
4. To re-elect Guy Heald as a Director.
5. To re-elect Marlene Wood as a Director.
6. To re-appoint Ernst & Young LLP as auditors to the Company to hold office until the conclusion of the next Annual General Meeting at which accounts are laid before the Company.
7. To authorise the Directors to determine the remuneration of the Auditor.
8. To approve the Company's dividend Policy.

SPECIAL BUSINESS

9. AUTHORITY TO MAKE MARKET PURCHASES

That the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 ("the Act") to make market purchases (within the meaning of section 693(4) of the Act) of its Ordinary Shares of 1p each, provided that:

- the maximum number of Ordinary Shares hereby authorised to be purchased shall be 14,613,658 (representing 14.99 per cent of the Company's issued Ordinary Share capital (excluding shares held in Treasury) at the date of the notice of this meeting);
- the minimum price (exclusive of any expenses) which may be paid for an Ordinary Share is 1p;
- the maximum price (excluding expenses) which may be paid for an Ordinary Share is not more than the higher of (i) 5 per cent above the average of the middle market quotations for the Ordinary Shares for the five business days immediately before the day on which it purchases that share and (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares;
- the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2026 or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed prior to such time; and
- the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.

10. NOTICE OF GENERAL MEETING

That a general meeting of the Company other than an Annual General Meeting may be called on not less than 14 days' notice, provided that this authority shall expire at the conclusion of the Company's next Annual General Meeting after the date of the passing of this resolution.

By order of the Board

For and on behalf of Apex Listed Funds Services (UK) Limited
Company Secretary
28 April 2025

Registered Office:
4th Floor
140 Aldersgate Street
London
EC1A 4HY

Notes to Notice of Annual General Meeting

Website address

1. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from https://rm-funds.co.uk/rm-infrastructure-income/investor-relations/.

Entitlement to attend and vote

2. Only those holders of Ordinary Shares of 1p registered on the Company's register of members at close of business on 27 May 2025 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting), shall be entitled to attend and vote at the meeting.

Appointment of Proxies

3. Members entitled to attend, speak and vote at the meeting (in accordance with Note 2 above) are entitled to appoint one or more proxies to vote electronically via the Investor Centre app or web browser at uk.investorcentre.mpms.mufg.com, Shares held in uncertificated form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with procedures set out in the CREST Manual and institutional investor may also be able to appoint a proxy electronically via the Proxymity platform. In the case of joint members, only one needs to sign the Form of Proxy. The vote of the senior joint member will be accepted to the exclusion of the votes of the other joint members. For this purpose, seniority will be determined by the order in which the names of the members appear in the register of members in respect of the joint shareholding. Unless otherwise indicated on the Form of Proxy, CREST, Proxymity or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting. The completion and return of the Form of Proxy will not stop you attending and voting in person at the meeting should you wish to do so. A proxy need not be a member of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by you. If you choose to appoint multiple proxies use a separate copy of this form (which you may photocopy) for each proxy, and indicate after the proxy's name the number of shares in relation to which they are authorised to act (which, in aggregate, should not exceed the number of Ordinary Shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned in the same envelope.

4. You can appoint the Chairman of the Meeting, or any other person, as your proxy. If you wish to appoint someone other than the Chairman, cross out the words "the Chairman of the Meeting" on the Form of Proxy and insert the full name of your appointee.

5. You can instruct your proxy how to vote on each resolution by ticking the "For" and "Against" boxes as appropriate (or entering the number of shares which you are entitled to vote). If you wish to abstain from voting on any resolution please tick the box which is marked "Vote Withheld". It should be noted that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of votes "For" and "Against" a resolution. If you do not indicate on the Form of Proxy how your proxy should vote, he/she can exercise his/her discretion as to whether, and if how so how, he/she votes on each resolution, as he/she will do in respect of any other business (including amendments to resolutions) which may properly be conducted at the meeting.

   A company incorporated in England and Wales or Northern Ireland should execute the Form of Proxy under its common seal or otherwise in accordance with Section 44 of the Companies Act 2006 or by signature on its behalf by a duly authorised officer or attorney whose power of attorney or other authority should be enclosed with the Form of Proxy.

Proxy Voting

6. You will not receive a hard copy form of proxy for the 2025 AGM in the post. Instead, you will be able to vote electronically via Investor Centre app or web browser at https://uk.investorcentre.mpms.mufg.com/. You will need to log into your account, or register if you have not previously done so, to register you will need your Investor Code, this is detailed on your share certificate or available from our Registrar, MUFG Corporate Markets. MUFG Corporate Markets Investor Centre is a free app for smartphone and tablet provided by Link Group (the company's registrar) It allows you to securely manage and monitor your shareholdings in real time, take part in online voting, keep your details up to date, access a range of information including payment history and much more. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below. Alternatively, you may access the Link Investor Centre via a web browser at: https://uk.investorcentre.mpms.mufg.com/.

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Notes to Notice of Annual General Meeting

Continued

Appointment of Proxy through physical Form of Proxy

7. If you require a hard copy Form of Proxy (or assistance with how to complete, sign and return it) or assistance in submitting your proxy appointment electronically, please email at shareholderenquiries@cm.mpms.mufg.com or call MUFG Corporate Markets on +44 (0)371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the UK will be charged at the applicable international rate. Lines are open 9:00 a.m. to 5:30 p.m., Monday to Friday, excluding public holidays in England and Wales.

   The Form of Proxy must arrive at MUFG Corporate Markets, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL during usual business hours accompanied by any power of attorney under which it is executed (if applicable) no later than 11.00 am on 27 May 2025 (or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

Appointment of Proxy through CREST

8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting to be held on the above date and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's agent (ID: RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to a proxy's appointee through CREST should be communicated to the appointee through other means.

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

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

   All messages relating to the appointment of a proxy or an instruction to a previously appointed proxy, which are to be transmitted through CREST, must be lodged at 11.00 am on 27 May 2025 in respect of the meeting. Any such messages received before such time will be deemed to have been received at such time. In the case of an adjournment, all messages must be lodged with Link Asset Services no later than 48 hours before the rescheduled meeting.

Appointment of Proxy through Proxymity

9. If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 11.00 am on 27 May 2025 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

Notes to Notice of Annual General Meeting

Continued

Termination of proxy appointments

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

    In the case of a member which is a company, the revocation notice must be executed under its common seal or otherwise in accordance with section 44 of the Companies Act 2006 or by signature on its behalf by an officer or attorney whose power of attorney or other authority should be included with the revocation notice.

    If you attempt to revoke your proxy appointment but the revocation is received after the time specified in note 2 opposite then, subject to the paragraph directly below, your proxy will remain valid.

    Completion of a Form of Proxy will not preclude a member from attending and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will be automatically terminated.

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

Nominated Persons

11. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights:

    > You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (Relevant Member) to be appointed or to have someone else appointed as a proxy for the meeting.

    > If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.

    > Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

    If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in the notes to the form of proxy.

Questions at the Meeting

12. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the meeting unless:

    > answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;

    > the answer has already been given on a website in the form of an answer to a question; or

    > it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Issued Shares and total voting rights

13. As at 25 April 2025 (the latest practicable date before the publication of the Notice) the Company's issued share capital consisted of of 97,848,021 Ordinary Shares and 358,639 Ordinary Shares were held in Treasury. Therefore, the total number of voting rights in the Company is 97,489,382 Ordinary Shares.

Communication

14. Except as provided above, members who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):

    > calling MUFG Corporate Markets shareholder helpline (lines are open from 9:00 am. to 5:30 pm. Monday to Friday, excluding public holidays):

    (i) From UK: 0371 664 0300 (calls are charged at the standard geographic rates and will vary by provider);

    (ii) From Overseas: +44 371 664 0300 (calls from outside the UK are charged at applicable international rates); or

    > in writing to MUFG Corporate Markets, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL.

You may not use any electronic address provided either in this notice of meeting or in any related documents (including the Form of Proxy for this meeting) to communicate with the Company for any purposes other than those expressly stated.

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