UIL LIMITED

2022

REPORT AND ACCOUNTS

MANAGED BY ICM

A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR

WHY UIL LIMITED?

UIL Limited's ("UIL" or the "Company") objective is to maximise shareholder returns by identifying and investing in compelling long-term investments worldwide, where the underlying value is not reflected in the market share price.

IN THE YEAR TO 30 JUNE 2022

REVENUE EARNINGS PER ORDINARY SHARE	DIVIDENDS PER ORDINARY SHARE	NET ASSET VALUE ("NAV") TOTAL RETURN PER ORDINARY SHARE*	SHARE PRICE TOTAL RETURN PER ORDINARY SHARE*
8.35p	8.00p	-38.1%	-27.6%
(2021: 9.98p)	(2021: 8.00p)	(2021: 50.9%)	(2021: 57.0%)

* See Alternative Performance Measures on pages 108 and 109

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

UIL OFFERS ORDINARY SHAREHOLDERS:

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

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

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

UIL'S INVESTMENT MANAGER

- ICM has been UIL's investment manager since inception+ and prides itself in identifying compelling investment opportunities and working pro-actively with investee companies to improve the economic value for shareholders
- Aligned interest with over 70.0% of UIL held by investors associated with ICM
- ICM offers significant sector expertise

PORTFOLIO STRENGTHS

- Financial Services
- Utilities and Infrastructure
- Technology
- Mining and Resources

INVESTMENT COMPANY OF THE YEAR AWARDS 2021 aic FINALIST FLEXIBLE

+ Inception: (14 August 2003)

UIL LIMITED

CONTENTS

The business of UIL consists of investing the pooled funds of its shareholders in accordance with its investment objective and policy, generating a return for shareholders and spreading the investment risk. UIL has borrowings and gearing is also provided by ZDP shares, issued by its wholly owned subsidiary UIL Finance Limited ("UIL Finance"). The joint portfolio managers of UIL are ICM Investment Management Limited ("ICMIM") and ICM, together referred to as the "Investment Managers".

FINANCIAL CALENDAR

Year End
30 June

Annual General Meeting ("AGM")
10 November 2022

Half Year
31 December

Dividends Payable
September, December, March and June

CURRENT YEAR PERFORMANCE

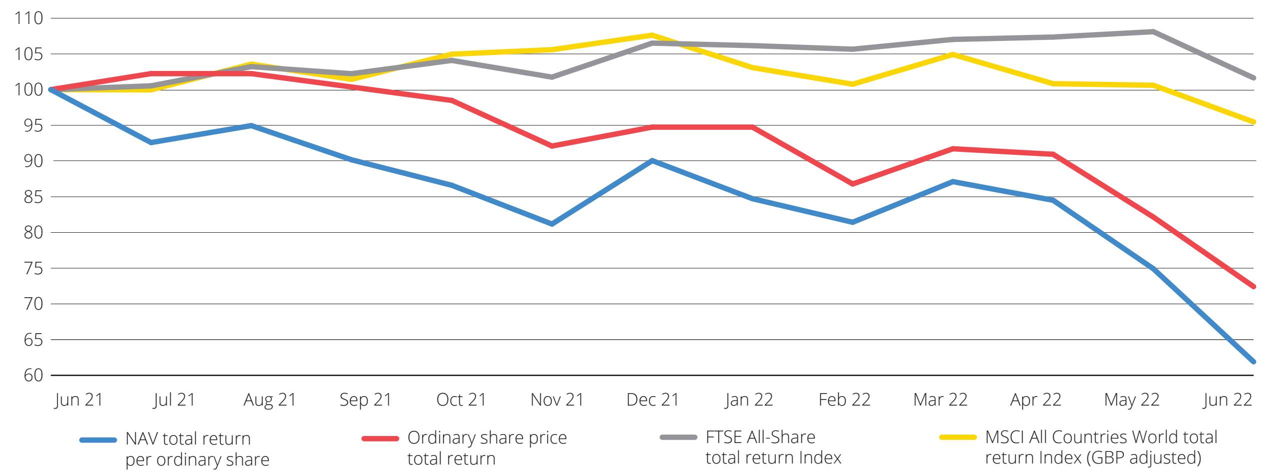
NAV TOTAL RETURN PER ORDINARY SHARE*	SHARE PRICE TOTAL RETURN PER ORDINARY SHARE*	NAV DISCOUNT AS AT 30 JUNE 2022*	GEARING*
-38.1%	-27.6%	28.1%	89.5%
(2021: 50.9%)	(2021: 57.0%)	(2021: 37.9%)	(2021: 48.8%)

REVENUE EARNINGS PER ORDINARY SHARE	DIVIDENDS PER ORDINARY SHARE	REVENUE YIELD*	DIVIDEND YIELD*
8.35p	8.00p	2.0%	4.3%
(2021: 9.98p)	(2021: 8.00p)	(2021: 2.3%)	(2021: 3.0%)

ORDINARY SHARES BOUGHT BACK	AVERAGE PRICE OF SHARES BOUGHT BACK	ONGOING CHARGES EXCLUDING PERFORMANCE FEES*	ONGOING CHARGES INCLUDING PERFORMANCE FEES*
0.5m	266.30p	2.2%	2.2%
(2021: 1.6m)	(2021: 221.29p)	(2021: 2.3%)	(2021: 4.6%)

* See Alternative Performance Measures on pages 108 and 109

TOTAL RETURN COMPARATIVE PERFORMANCE† (pence)
from 30 June 2021 to 30 June 2022



† Rebased to 100 as at 30 June 2021

Source: ICM and Bloomberg

GROUP PERFORMANCE SUMMARY

	30 June 2022	30 June 2021	% change 2022/21
NAV total return per ordinary share[1] (for the year) (%)	(38.1)	50.9	n/a
Share price total return per ordinary share[1] (for the year) (%)	(27.6)	57.0	n/a
Annual compound NAV total return[1] (since inception[2]) (%)	9.5	13.1	n/a
NAV per ordinary share[1] (pence)	260.89	431.51	(39.5)
Ordinary share price (pence)	187.50	268.00	(30.0)
Discount[1] (%)	28.1	37.9	n/a
Returns and dividends (pence)			
Revenue return per ordinary share	8.35	9.98	(16.3)
Capital return per ordinary share	(171.68)	133.81	(228.3)
Total return per ordinary share	(163.33)	143.79	(213.6)
Dividends per ordinary share	8.00[3]	8.00	0.0
FTSE All-Share total return Index	7,981	7,852	1.6
Equity holders' funds (£m)			
Gross assets[4]	410.6	544.4	(24.6)
Bank loans	51.1	48.5	5.4
ZDP shares	140.8	132.1	6.6
Equity holders' funds	218.7	363.8	(39.9)
Revenue account (£m)			
Income	9.9	11.6	(14.7)
Costs (management and other expenses)	1.7	2.1	(19.0)
Finance costs	1.1	1.0	10.0
Net income	7.0	8.5	(17.6)
Financial ratios of the Group (%)			
Ongoing charges figure excluding performance fees[1]	2.2	2.3	n/a
Ongoing charges figure including performance fees[1]	2.2	4.6[5]	n/a
Gearing[1]	89.5	48.8	n/a

[1] See Alternative Performance Measures on pages 108 and 109
[2] All performance data relating to periods prior to 20 June 2007 are in respect of Utilico Investment Trust plc, UIL's predecessor
[3] The fourth quarterly dividend of 2.00p has not been included as a liability in the accounts
[4] Gross assets less current liabilities excluding loans and ZDP shares
[5] Performance fees suffered within underlying funds

CHAIRMAN'S STATEMENT

PETER BURROWS
Chairman

The year to 30 June 2022 was very challenging for investors. UIL gave up all the gains of the prior year, ending the year with NAV per share of 260.89p, a decline of 39.5%. UIL's NAV total return was negative 38.1%. This has dragged UIL's annual compound NAV total return since inception in 2003 down to 9.5%.

Much of this reflects a strong reset by the markets in the face of rising inflation (especially energy and food prices), increasing interest rates by central banks, rising climate change concerns and all exacerbated by the Ukraine war and China's zero Covid policy. UIL's gross assets declined by 24.6% and UIL's gearing has magnified the impact on shareholders.

Since inception in August 2003, UIL has distributed £87.9m in dividends, invested £36.9m in ordinary share buybacks and made net gains of some £239.0m for a total return of 459.6% (adjusted for the exercise of warrants and convertibles). Shareholders should note that the Board and the Investment Managers focus on longer term market indices, whilst including short term comparisons for reference.

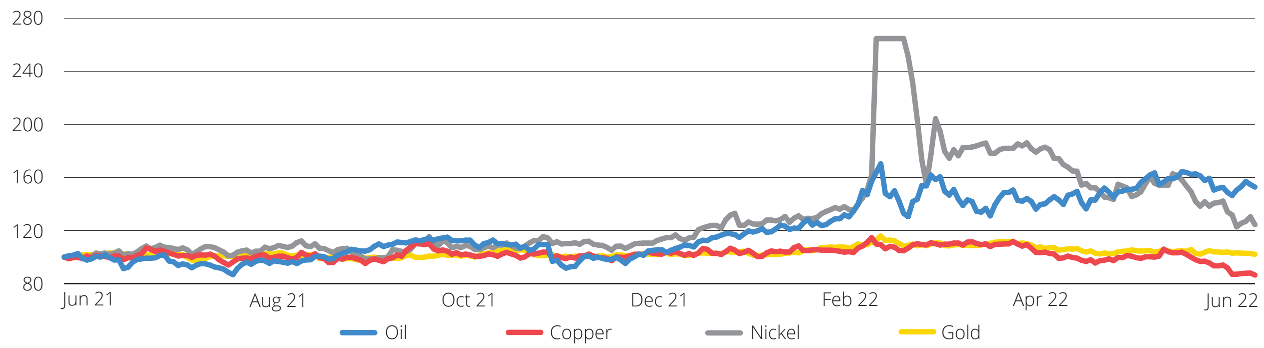
As shareholders are aware, UIL values Utilico Emerging Markets Trust plc ("UEM") and Zeta Resources Limited ("Zeta") based on their market bid prices. As at 30 June 2022, discounts to published NAVs widened to 13.9% for UEM (some £10.1m) and narrowed marginally to 15.4% for Zeta (some £11.7m). Together these discounts amount to £21.8m attributable to UIL. Adding these back would see UIL's adjusted NAV per share increase by 10.0% to 286.89p (30 June 2021: 473.14p) and UIL's implied discount widen to 34.6%.

Most investments have been marked down in the year to 30 June 2022 in the face of significant market weakness. Eight of the top ten holdings by UIL had some significant declines in value. Resimac Group Limited's ("Resimac") share price fell 53.3% during the year. Given Resimac is now held directly by UIL and is 39.9% of Somers Limited's ("Somers") portfolio and Somers is 35.7% of UIL's portfolio, Resimac's weakness has in turn accounted for 56.8% of UIL's portfolio losses of £120.5m over the year. As at 30 June 2022, Resimac shares traded at an annualised historic price earnings ratio of 4.6x and a dividend yield of 7.0%. It is pleasing to see Resimac continuing to buy back its own shares on the market, while operating results have been good.

Resolute Mining Limited ("Resolute") has been a perennial underperformer. Resolute's share price was down 55.4% on the back of lacklustre operational performance and continued concerns over the political outlook in Mali. The Resolute board rightly appointed a new CEO in May 2022. Early signs are that under new leadership Resolute is making good progress.

The Board is pleased to see the ordinary shares discount narrow to under 30.0%, standing at 28.1% as at 30 June 2022. In 2019, the Board determined,

COMMODITIES MOVEMENTS
from 30 June 2021 to 30 June 2022

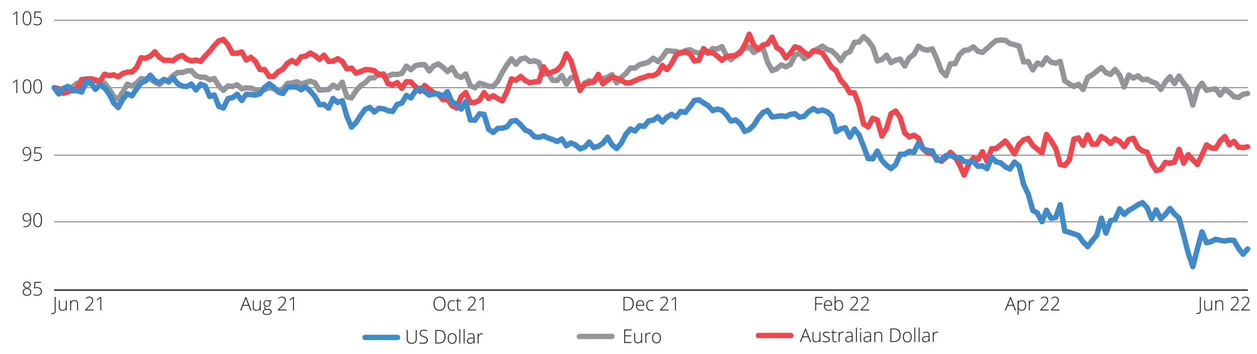


Rebased to 100 as at 30 June 2021

Source: Bloomberg

CURRENCY MOVEMENTS vs STERLING

from 30 June 2021 to 30 June 2022



Rebased to 100 as at 30 June 2021

Source: Bloomberg

in agreement with the Investment Managers and the major shareholder, to target a lower discount level of 20.0% in the medium term. This was communicated to the market with UIL continuing to buy back ordinary shares at high discount levels.

During the year to 30 June 2022, the Company bought back 0.5m ordinary shares (0.5% of opening shares in issue) at an average price of 266.30p.

Consistent with the wider debt markets, UIL's longer dated 2024, 2026 and 2028 ZDP shares are trading at higher gross redemption yields compared to those as at 30 June 2021, being 5.3%, 6.5% and 7.0% respectively. The market prices of the ZDP shares were impacted by interest rate rises by most central banks as inflation increased sharply. UIL's 2022 ZDP shares will be redeemed on 31 October 2022. As at 30 June 2022, UIL's average blended rate of funding costs, including bank debt, increased slightly from 4.5% to 4.7%.

Total revenue income for the year to 30 June 2022 was £9.9m, a decrease of 14.7% from £11.6m in the prior year. This reflects in part the loss of earnings from the Zeta and Somers loans which were significantly reduced in the year, resulting in interest income reducing from £4.8m over the prior year to £2.3m. The revenue return earnings per share ("EPS") of 8.35p represents a decrease of 16.3% over the prior year of 9.98p.

The Board has declared an unchanged fourth quarter dividend of 2.00p per ordinary share which maintains the total for the year at 8.00p, and a yield on the closing share price of 4.3%. The dividend was covered by earnings in the year and undistributed revenue reserves carried forward increased from £12.5m to £12.8m, equal to 15.32p per share. In the absence of unforeseen circumstances, the Board intends to pay further quarterly dividends of 2.00p per ordinary share.

Following the capital return profit of £114.1m last year, there was a capital return loss for the year ended 30 June 2022 of £144.1m. The majority of this was due to unrealised losses on investments and foreign exchange of £136.3m (prior year: gains of £122.7m).

The capital losses has resulted in UIL's gearing rising to 89.5%. This is a disappointing outcome but remains within the 100% gearing target level set some years ago. The 2022 ZDP shares amounting to £51.2m as at 30 June 2022, are redeemable in October this year. As such they are moved to current liabilities and the Investment Managers have taken steps to fund the redemption payment.

GLOBAL EVENTS

Three themes continue to dominate global events: Covid-19, heightened geopolitical tensions and the outlook for inflation and interest rates.

While Covid-19 continues to disrupt, the impact on most economies is very reduced. We now expect it to recede and not be an issue going forward. But the exception is China. As we noted before, their zero policy to Covid-19 sets them apart from every other significant economy, and nearly every country in the world. The economic damage being inflicted on the Chinese economy as a result of this approach is very significant and sad to see. The Chinese consumer confidence has deteriorated to the point where housing is facing very severe challenges. Given that China is the world's second biggest economy, and that housing is some 35% of economic activity this is a significant headwind and of deep concern. It is hard to judge when this dogmatic policy changes.

In the half-yearly report, we referred to heightened geopolitical events and risk of war with devastating consequences for its global economy. Clearly Russia going to war reflects the worst outcome and the question now is what is next. Our view is that it will take time for both sides to exhaust their ambitions, but once they reach a neutral position a negotiated outcome would be expected. Russia's maximum leverage is likely to be early next year, at which point Europe will be facing the worst of the energy crisis they now certainly face.

We also noted at the interim stage the ongoing friction between China and the USA is again a clash of ideologies and will likely lead to ongoing resistance between the two nations and their allies. The tensions over Taiwan are symptomatic of two ideologies facing each other across the economic, political and social divide. This is concerning over the longer term.

Inflation moved markedly higher follow the Russian invasion of the Ukraine. Coupled with surprising low unemployment globally this has driven inflation markedly higher. Central Banks have had to respond much more firmly in combating the very high inflation expectations. This in turn is slowing economic growth. We see this headwind continuing for the rest of the year. However, once the Russian/Ukraine conflict is resolved we expect inflation to subside.

The one unknown in our view is the response of the labour force. The labour market remains tight and the number of unemployed are at record lows in many economies. If this continues, then the shortage of the work force will drive up wages and in turn feed inflation.

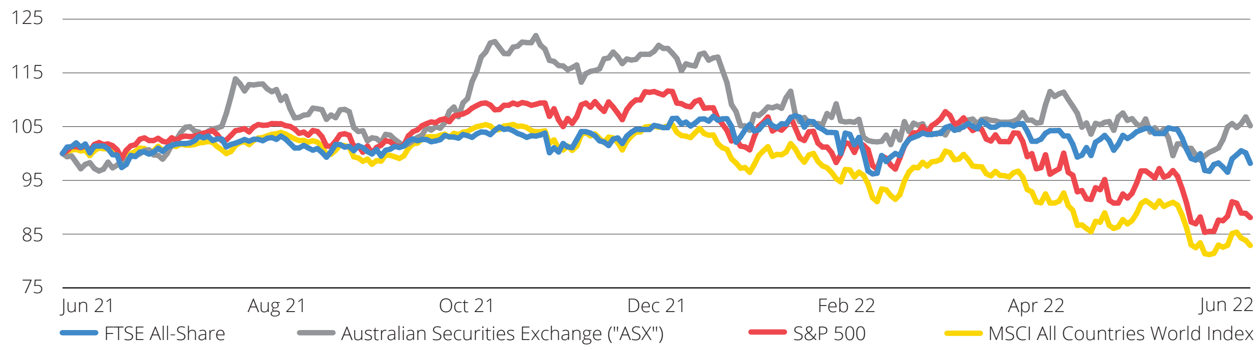
OUTLOOK

The outlook for global economies is inextricably linked to Covid-19 in China, to resolving geopolitical differences and to central banks navigating inflation and interest rate responses. We remain optimistic that solutions can be found and that policy makers can navigate through the challenges. We expect inflation to be elevated for much of 2022, assets valuations to increase, technology to continue to gain market share and commodities to rise in value. Most of our portfolio companies are doing very well in this challenging environment and we expect this to continue.

Peter Burrows AO
Chairman
21 September 2022

INDICES MOVEMENTS

from 30 June 2021 to 30 June 2022



Rebased to 100 as at 30 June 2021

Source: Bloomberg

PERFORMANCE SINCE INCEPTION (14 AUGUST 2003)

ANNUAL COMPOUND NAV TOTAL RETURN*	NAV TOTAL RETURN PER ORDINARY SHARE*	ANNUAL COMPOUND SHARE PRICE TOTAL RETURN*	SHARE PRICE TOTAL RETURN PER ORDINARY SHARE*
9.5%	459.6%	9.7%	473.5%

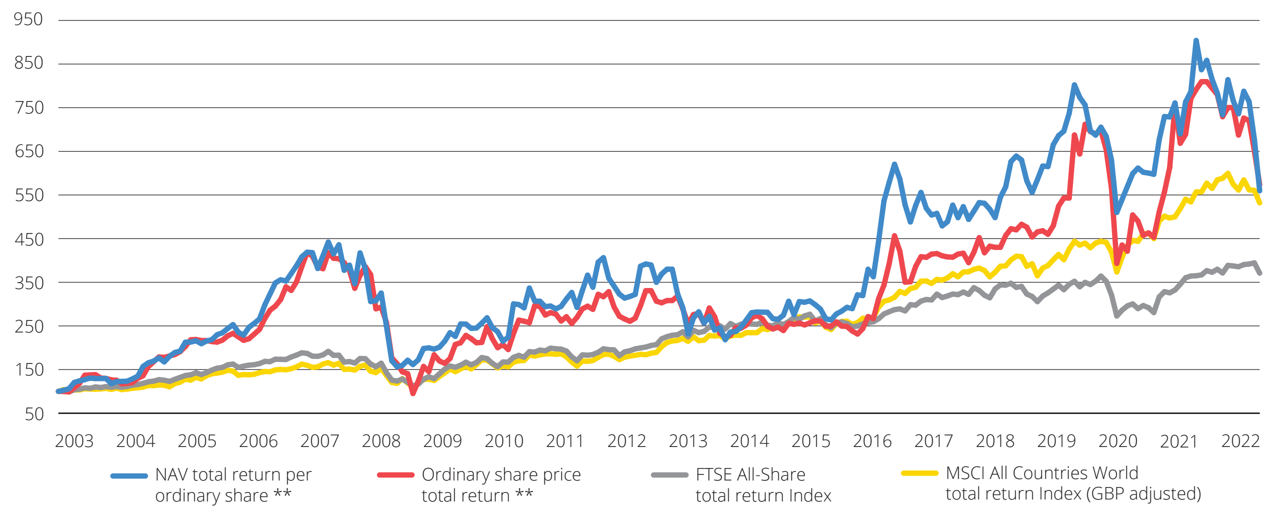
REVENUE EARNINGS PER ORDINARY SHARE	DIVIDENDS PER ORDINARY SHARE	DIVIDENDS PAID OUT	REVENUE RESERVES PER ORDINARY SHARE CARRIED FORWARD*
124.46p	98.83p	£87.9m	15.32p

* See Alternative Performance Measures on pages 108 and 109

ORDINARY SHARES BOUGHT BACK	VALUE OF ORDINARY SHARES BOUGHT BACK	ZDP SHARES ISSUED	ZDP SHARES REDEEMED
29.6m	£36.9m	£379.5m	£414.2m

HISTORIC TOTAL RETURN PERFORMANCE† (pence)

since inception to 30 June 2022

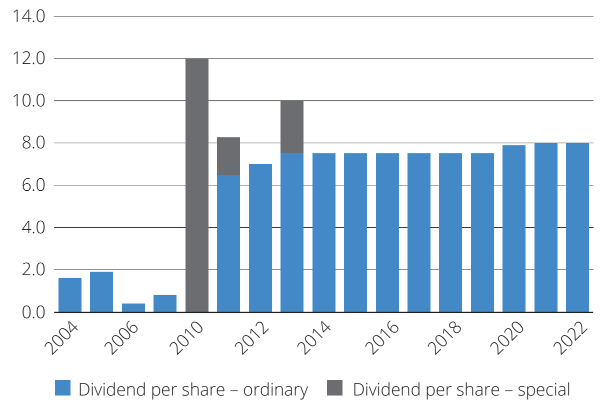


† Rebased to 100 as at 14 August 2003
** Adjusted for the exercise of warrants and convertibles

Source: ICM

DIVIDENDS PER ORDINARY SHARE (pence)

from 30 June 2004 to 30 June 2022

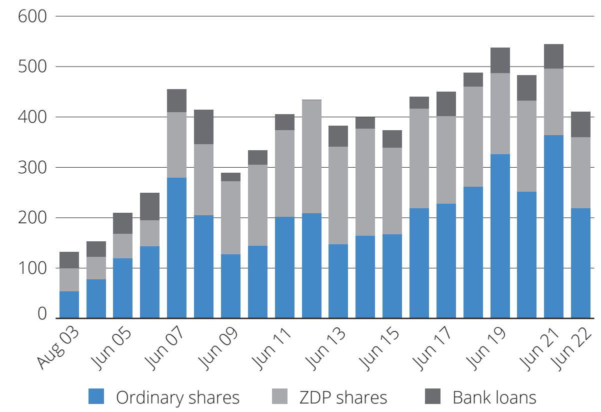


No dividends were paid between 2007 and 2010
2010 refers to a cash distribution

Source: ICM

ALLOCATION OF GROSS ASSETS (£m)

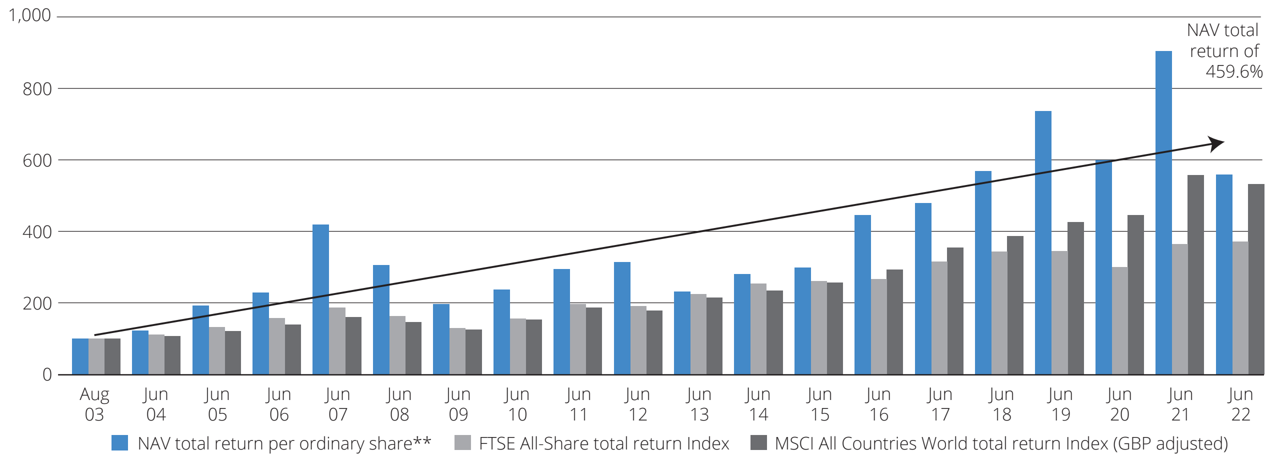
from 14 August 2003 to 30 June 2022



Source: ICM

CUMULATIVE TOTAL RETURN COMPARATIVE PERFORMANCE (pence)

from 14 August 2003 to 30 June 2022 (Rebased to 100 as at 14 August 2003*)



*Inception of Utilico Investment Trust PLC
**Adjusted for the exercise of warrants and convertibles

Source: ICM

INVESTMENT MANAGERS' REPORT

CHARLES JILLINGS
Investment Manager

The year to 30 June 2022 was a very difficult period and unprecedented for investors, and, as anticipated, volatility remained elevated.

UIL reversed the gains of the prior year, ending the year to 30 June 2022 with NAV per share of 260.89p, a decline of 39.5%. This has dragged UIL's annual compound NAV total return since inception in 2003 down to 9.5%.

The added headwind of the Ukraine war exacerbated the already challenging environment of rising inflation, increasing interest rates, Covid relapses (in particular China's zero Covid policy), climate change and escalating China versus US tensions. Equity markets understandably retreated faced with the deluge of material uncertainties.

PORTFOLIO

There was significant volatility over the year, and within the top ten holdings, two holdings increased in value, six declined and two new investments were made. Overall, the decreases significantly outweighed the increases, which led to an overall reduction in the portfolio of £120.5m.

As noted in the Chairman's Statement, UEM and Zeta's share price discounts to NAVs represent a £21.8m reduction to UIL's valuation.

Somers' valuation reduced 43.4% in the year to 30 June 2022, giving back most of its 109.2% gain in the year to 30 June 2021. This was largely driven by Resimac's share price declining by 53.3%, compared to its 143.6% gain in the year to 30 June 2021. Resimac continues to deliver strong operational performance and while some of the valuation tailwinds have reversed over recent months, such as interest rate expectations, we believe the market is undervaluing Resimac's long-term opportunity. Resimac published its annual results for the year to 30 June 2022 and its valuation is modest at a historic price earnings ratio of 4.6x and a dividend yield of 7.0%. It is very pleasing to see Resimac continuing to buy back shares at these current levels.

During the year UIL bought a number of listed investments from Somers at fair value which increased UIL's listed portfolio and thereby improved UIL's bank covenant ratios. We are pleased to be a direct shareholder in Resimac with its strong market outlook over the medium term.

After the year-end, UIL together with its associates bought out the minority shares in Somers at USD 21.00 per share. Following this transaction, Somers distributed a number of investments to the new shareholders. UIL received further shares in Resimac and a holding in The Market Herald, an ASX listed financial news service.

Zeta's share price weakened by 10.8% in the year to 30 June 2022, returning part of the share price increase of 117.6% during the year to 30 June 2021. In the main, this reflected a weakening of the wider resources sector in the face of lower demand from China and a slowing of global GDP feeding through to softer commodity prices. We continue to expect copper prices to remain elevated over the medium to longer term in the face of accelerated demand from the green energy transition by global economies and falling production, as the recent underinvestment in mining leads to supply constraints. Copper Mountain Mining Corporation ("Copper Mountain") is Zeta's largest investment, which has seen its share price reduce by 53.7% in the year to 30 June 2022, but it must be put in context of the gains of 477.8% during the year to 30 June 2021. Copper Mountain reported weaker than expected results in its two most recent quarters due to a confluence of factors, including damage to its secondary crusher in December 2021 (repaired in April 2022), the mining of a lower grade section of the pit, and lower copper prices.

A number of UIL investments have had good operational performance in the year and that was pleasing to see.

UIL bought Panoramic Resources Limited ("Panoramic") shares from Zeta at market price and Zeta used the proceeds to reduce its loan with UIL. The Nickel price was up 24.3% in the year and Panoramic benefitted with a share price rise of 30.0% during the period as it resumed operations. It has been pleasing to see the growing confidence in the management team at Panoramic as it ramps up operations and delivers on its exploration endeavours.

Over the years, Resolute has failed to deliver shareholder value and frustratingly in the year to 30 June 2022 delivered further disappointment given our positive outlook on gold. The board of Resolute took decisive action during the year, making management changes with a view to ensuring better focus on its mining operations. We are starting to see improved performance under the new management team and expect to see improving metrics, stronger cash flows and reduced debt. It has not helped that Mali, where its Syama mine is based, witnessed another military coup during the year and Covid-19 has hampered operations. Resolute's share price fell by 55.4% in the year, in addition to the 55.1% loss during the year to 30 June 2021.

UEM has been a relative standout performer over the year to 30 June 2022 with a total NAV return of negative 1.6% compared to the MSCI emerging markets total return Index (GBP adjusted) ("MSCI") loss of 15.3% over the same period. UEM continues to see strong reporting results from its investee companies with most growing revenues and expanding margins. This is a credit to the investee management teams who continue to deliver in volatile times. UEM is ahead of the MSCI since inception. As with most emerging market funds, UEM's discount has widened to 13.9% as at 30 June 2022. This remains a frustration, but UIL has taken the opportunity of this share price outperformance to reduce its holding and realise some £12.0m during the year.

The ten largest holdings section starting on page 22 provides more information on UIL's key investments, including new additions to the portfolio. We are excited about our new investments and expect them to deliver strong operational outperformance which, combined with improving valuations, should deliver long term value to UIL's shareholders.

FOREIGN EXCHANGE & COMMODITIES

As a global investor, UIL faces both exposure and opportunities from foreign exchange ("FX") movements. To mitigate this risk UIL hedges its ZDP repayment liability to Sterling. As can be seen, the impact on UIL from FX in the year was a significant loss of £10.5m (30 June 2021: gain of £6.3m). This reflects a general weakness in Sterling and we were taken by surprise at the speed and weakness of the currency. We would note that in the face of continued global headwinds we have reduced the FX positions markedly, from a net of £102.0m as at 30 June 2022 to £55.0m as at 31 July 2022. However, the FX losses are more than offset by gains in the portfolio.

Commodities were volatile during the year. Oil reached a year high of up 70.3% and a year low of down 13.2%, ending the year up 52.8%. Copper's volatility increased, with a high/low spread of 28.3%, ending the year at its low point down 13.5%. Nickel was extremely volatile, at one point seeing an outsized options mismatch by one large trader, driving the price up by 164.7%. Nickel ended the year up by 24.3%.

PORTFOLIO ACTIVITY

During the year to 30 June 2022, UIL invested £89.8m and realised £92.8m, including loans repaid by Somers and Zeta. Purchases included investments in Resimac and Panoramic. UIL bought Resimac and Panoramic from Somers and Zeta respectively, to increase the listed holdings of UIL and as a result improve UIL's covenant cover on its bank facility. Somers and Zeta used the proceeds to reduce their debt with UIL.

PLATFORM INVESTMENTS

UIL currently has four platform investments, Somers, Zeta, UEM and Allectus Capital Limited ("Allectus") in its top ten holdings. These investments account for 73.0% of the total portfolio as at 30 June 2022 (30 June 2021: 78.7%). During the year to 30 June 2022, net withdrawals from these platforms amounted to £37.4m (30 June 2021: £16.8m).

DIRECT INVESTMENTS

UIL has six direct investments in its top ten holdings, ICM Mobility Group Limited ("ICM Mobility"), Resimac (which replaced Orbital Corporation Limited ("Orbital")), Resolute, Panoramic (which replaced Sindoh), Starpharma Holdings Limited ("Starpharma"), and

IN THE YEAR TO 30 JUNE 2022

AUSTRALIA & NEW ZEALAND REMAINS UIL'S LARGEST EXPOSURE AT 37.2%

↓ 0.4%

UK IS UIL'S SECOND LARGEST COUNTRY EXPOSURE AT 13.8%

↓ 4.8%

ASIA IS UIL'S THIRD LARGEST EXPOSURE AT 10.5%

↑ 0.1%

EUROPE IS UIL'S FOURTH LARGEST EXPOSURE AT 7.9%

↑ 5.1%

AFRICA IS UIL'S FIFTH LARGEST EXPOSURE AT 7.2%

↑ 2.2%

CANADA IS UIL'S SIXTH LARGEST COUNTRY EXPOSURE AT 5.3%

↓ 2.5%

Note: decreases/increases refer to the movement in the portfolio percentage of the relevant exposure. See page 21 for the full geographical exposure.

SECTOR SPLIT OF INVESTMENTS

Financial Services
38.5%
(2021: 42.7%)

Technology
25.8%
(2021: 17.0%)

Resources
15.4%
(2021: 15.3%)

Infrastructure Investments
12.7%
(2021: 12.7%)

Gold Mining
4.0%
(2021: 6.5%)

Other
3.6%
(2021: 5.8%)

IN THE YEAR TO 30 JUNE 2022

INVESTED*
£89.8m
(2021: £144.8m)

REALISED*
£92.8m
(2021: £206.2m)

TOTAL REVENUE INCOME
£9.9m
(2021: £11.6m)

LEVEL 1 & 2 INVESTMENTS*
£177.6m
(2021: £217.2m)

LEVEL 3 INVESTMENTS*
£238.9m
(2021: £322.9m)

LEVEL 3 % OF TOTAL PORTFOLIO
57.4%
(2021: £59.8%)

* See note 9 to the accounts

Source: ICM

AssetCo plc ("AssetCo"). Orbital's share price fell by 72.9% resulting in it falling outside the top ten. UIL exited Sindoh for a gain on investment of 8.9%.

GEOGRAPHIC REVIEW

The geographical split of the portfolio, on a look through basis, shows Australia and New Zealand remaining as UIL's largest exposure, decreasing slightly by 0.4% to 37.2% of UIL's total investments (30 June 2021: 37.6%); UK remained second at 13.8%, down 4.8% and Asia remained almost unchanged at 10.5%, up 0.1%. Europe increased by 5.1% to 7.9% of the total portfolio.

SECTOR REVIEWS

Financial Services – 38.5% (30 June 2021: 42.7%)

Somers is UIL's largest investment and accounted for 35.7% of UIL's total investments as at 30 June 2022 (30 June 2021: 42.7%). As already noted, the decrease in Resimac's share price has driven Somers' NAV weakness.

Technology – 25.8% (30 June 2021: 17.0%)

UIL holds a number of early-stage investments in the technology and the pharmaceutical sector, both directly and through ICM Mobility (UIL's fourth largest investment), Allectus (UIL's fifth largest investment), and Starpharma (UIL's ninth largest investment).

Resources (excl. gold mining) – 15.4% (30 June 2021: 15.3%)

UIL's largest investment in resources is Zeta, and UIL now holds Panoramic directly after buying its shares from Zeta.

Infrastructure Investments – 12.7% (30 June 2021: 12.7%)

This consists of Telecommunications, Infrastructure, Electricity, Ports, Road & Rail, Oil & Gas, Renewables, Water & Waste and Airports. UIL's infrastructure exposure is largely through UEM.

Gold Mining – 4.0% (30 June 2021: 6.5%)

UIL's largest investment in gold mining is Resolute, which is held both directly by UIL (3.6% of the total portfolio) and indirectly through Zeta. In addition, Zeta holds 72.0% of Horizon Gold Limited ("Horizon"), an Australian gold mining exploration company. Resolute's share price weakness has been partly offset by Horizon's share price gains.

LEVEL 3 INVESTMENTS

UIL's investment in level 3 companies was 57.4% (30 June 2021: 59.8%) of the total portfolio. There was a reduction from £322.9m as at 30 June 2021 to £238.9m as at 30 June 2022, mainly as a result of a decrease in Somers valuation. The level 3 investments which are unlisted are formally revalued twice a year. It is worth noting that where there is a material event that impacts an unlisted investment, it is revalued at the time, thus keeping the unlisted valuations current.

COVID-19

In June 2022, the Board met in person for the first time in over two years. The Board meets formally three times a year and these Board meetings are interspersed with regular investment updates by Teams to brief the Board on portfolio developments.

GEARING

As a result of the significant pull back in portfolio valuations during the year, gearing increased to 89.5% (30 June 2021: 48.8%), although this remains well inside UIL's target gearing of under 100.0%. At an absolute level UIL's debt increased over the year from £180.8m to £195.7m as at 30 June 2022.

Borrowing costs rose marginally to 4.7% from 4.5%.

Following the redemption of the 2022 ZDP shares on 31 October 2022 and based on June valuations, gearing would fall back to 65.6% and the cost of borrowings would fall to 4.2%.

ZDP SHARES

On a consolidated basis the ZDP shares increased from £132.1m to £140.8m, up 6.6% mainly as a result of the capitalised interest return in the year. 0.8m 2026 ZDP shares were placed out in the year, leaving UIL holding 2.3m 2026 ZDP shares and 0.6m 2028 ZDP shares as at 30 June 2022. With four ZDP issues, UIL has spread the redemptions liability over six years.

The 2022 ZDP shares will be redeemed on 31 October 2022.

BANK DEBT

Bank debt increased to £51.1m as at 30 June 2022 (30 June 2021: £48.5m). This was drawn in Australian Dollars, Euros and US Dollars. Scotiabank Europe PLC's ("Scotiabank") £50.0m committed senior secured

INVESTMENT MANAGERS' REPORT (continued)

multi-currency revolving facility has been extended to 19 September 2023 and novated to the Bank of Nova Scotia, London Branch. The extension requires a reduction in the facility of £12.5m by 30 March 2023.

REVENUE RETURNS

Revenue income for the year to 30 June 2022 reduced to £9.9m from £11.6m, a reduction of 14.7%. This largely reflects the decrease in loans to Somers and Zeta as these were repaid or converted into equity, which in turn contributed to the reduction of interest income from £4.8m to £2.3m.

Management and administration fees and other expenses were down by 19.0% at £1.7m (30 June 2021: £2.1m). Finance costs were up at £1.1m as at 30 June 2022 from £1.0m as at 30 June 2021.

Revenue profit decreased by 17.6% to £7.0m (30 June 2021: £8.5m) and EPS decreased by 16.3% to 8.35p (30 June 2021: 9.98p) driven mainly by the lower revenue income.

CAPITAL RETURNS

Capital total income was at a loss of £136.3m (30 June 2021: gain of £122.7m).

Finance costs reduced by 9.4% to £7.8m (30 June 2021: £8.6m) largely reflecting the lower number of ZDP shares in issue following the 2020 ZDP redemption in October 2020.

The resultant loss for the year to 30 June 2022 on the capital return was £144.1m (30 June 2021: gain of £114.1m) and EPS loss was 171.68p per ordinary share (30 June 2022: gain of 133.81p).

EXPENSE RATIO

The ongoing charges figure, excluding performance fees, was 2.2% as at 30 June 2022 (30 June 2021: 2.3%) and the ongoing charges figure, including performance fees paid in UIL's platform companies, was 2.2% (30 June 2021: 4.6%). No performance fee was earned at the UIL level.

All expenses are borne by the ordinary shareholders.

INVESTMENT APPROACH

UIL continues to develop its core platform investments, which offer the following benefits:

- **Focused strategy.** Each platform has a dedicated mandate and as such is driven by the objective of finding and making attractive investments within its mandate.
- **Dedicated research analysts.** The research analysts for each platform are focused on both understanding the existing portfolio businesses and identifying compelling new investments.
- **Financial support.** Ability to draw on UIL's analytical support and financial backing.
- **Deep knowledge.** Utilising the Investment Managers' knowledge across many jurisdictions to optimise investment opportunities and undertake corporate finance led transactions.

A key driver in shaping the current portfolio is the Investment Managers' three medium-term core views. First, that the world's financial markets are over indebted; second, that technological change offers strong investment upside; and third, that emerging markets offer better GDP growth opportunities than developed markets.

UIL's Investment Managers' emphasis is on individual stock selection, remaining fully invested and focusing on identifying investments whose valuations do not reflect their true long-term value, while at the same time being a supportive shareholder of investee companies. The Investment Managers are relentless bottom-up investors, drawing on in-depth knowledge and capability.

DISRUPTION

There continues to be significant disruption to business models from blockchain to artificial intelligence through to nanotechnology and financial technology. These disruptions are shortening the product life cycle and enabling rapid change to products and processes. ICM is encouraging its investee companies to embrace their opportunities and the consequent journey. UIL is seeking investments that are capital light, have high barriers to entry and business models that are scalable.

Charles Jillings
ICM Investment Management Limited and ICM Limited
21 September 2022

TOP TEN COMPANIES AS AT 30 JUNE 2022

	%	Company	Sector	Description	Fair value £'000s
1	35.7%	Somers Limited	Financial Services	A financial services investment platform, which primarily invests in the banking, wealth management and asset financing sectors.	148,786
2	15.5%	Zeta Resources Limited	Resources	A resources-focused investment platform, which invests in a range of resource entities and base metals exploration and production companies.	64,385
3	15.0%	Utilico Emerging Markets Trust plc	Investment Fund	A UK closed-end investment trust dedicated to investments in infrastructure, utility and related sectors including technology infrastructure in the emerging markets.	62,469
4	12.3%	ICM Mobility Group Limited	Technology	A UK holding company focused on the mobility sector for private and public transport, and invests in businesses shaping the digital transformation of the sector.	51,009
5	6.8%	Allectus Capital Limited	Technology	An investment platform with a value-focused portfolio of technology companies.	28,408
6	2.7%	Resimac Group Limited	Financial Services	A lender for residential mortgages and asset finance in Australia and New Zealand.	11,153
7	2.3%	Resolute Mining Limited	Gold Mining	A gold mining and exploration company with two operating mines in Africa.	9,609
8	1.7%	Panoramic Resources Limited	Resources	A nickel mining company headquartered in Perth, Western Australia.	6,861
9	1.1%	Starpharma Holdings Limited	Pharmaceuticals	A global biopharmaceutical company specialising in research, development and commercialisation of dendrimer products for pharmaceutical applications worldwide.	4,760
10	1.1%	AssetCo plc	Financial Services	Primarily involved in acquiring, managing and operating asset and wealth management activities and interests, together with other related services.	4,722

Note: % relates to % of total investments

MACRO TRENDS AFFECTING OUR PORTFOLIO

GEOPOLITICS AND GLOBALISATION

- Increased political tensions and populism are leading to a rising level of nationalism and protectionism, unwinding several decades of global supply chain integration.
- Protectionism is resulting in higher tariffs and barriers to trade, negatively impacting global GDP and increasing non-productive friction in economies.
- Trade flows and external deficits or surpluses are being rebalanced in many countries, with commensurate effects on foreign exchange and local economies.
- The changing dynamics of trading bloc relationships are resulting in significant shifts in transport and logistics value chains, and associated infrastructure.

RESOURCES

- Rise of electric vehicles and renewables expected to increase long term demand for several commodities, including nickel, copper, lithium and graphite.
- Unprecedented increase in global government debt under previous policy of negative interest rates has led to significant inflation, driving gold investment as protection from fiat money debasement.
- Underinvestment in new oil and gas fields combined with sanctions on Russian energy exports leading to supply constraints and significant energy price inflation.
- Heightened risk to global economy, and thus demand for industrial commodities, due to increased government, corporate and consumer debt levels and the global pandemic.

DIGITALISATION

- 5G mobile and fibre broadband rollout presents opportunities for businesses and benefits to people driven by enhanced applications in sectors including e-commerce, e-government, online education, telemedicine, communications and media.
- Innovative solutions in fintech disintermediating traditional financial sector business models to offer more efficient and secure solutions for payments, credit, investment, tax collection and insurance.
- The increased use of connected sensors, cloud storage and data processing with machine learning techniques will drive new applications to optimise and further automate manufacturing, healthcare, security and transport infrastructure.

FINANCIALS

- Changing demographics and improved financial sophistication of individuals are altering the demand for traditional financial services products, whilst providing a fertile ground for innovation, e.g. Buy-Now, Pay-Later and e-commerce.
- Emphasis on individual responsibility for savings and investments, particularly due to the inability of government and companies to support pension provision schemes.
- Digitalisation means greater use of big data and artificial intelligence (AI), e.g. introduction of open banking will improve financial product efficiency.

GOVERNANCE AND TRANSPARENCY

- Effective governance remains fundamental to long-term investment performance. Corporates with strong governance are consistently demonstrating their ability to navigate economic uncertainty.
- Economies with robust political and institutional structures are inherently more attractive for investment and constant monitoring for any changes to these is necessary.
- Reputational risk becoming as important as financial risk in an era of increased transparency and decreased trust.
- The rise of social media and information exchange have elevated the importance of transparency. Opaque business practices face growing scrutiny.
- Sophistication and frequency of cyber-attacks in the spotlight, increase in enforcement of material financial and civil penalties related to cyber-crime and inadequate protection of consumer data, additional concerns over voice, facial and other biometric protocols.

ENVIRONMENTAL POLICY

- Climate change is now an accepted reality with significant direct and indirect effects on humankind and the global economy.
- Governments and intergovernmental organisations have initiatives in place targeting reductions in the impact of man-made emissions on climate change.
- Major emissions contributors such as the power and transport sectors are seeing a radical shift away from the most polluting technologies.
- Renewables, battery storage, electric vehicles and waste treatment are key areas of development and are increasingly commercial without subsidies.
- Impact of urbanisation growth increases problems such as air and water pollution in cities, leading to related health and economic risks.

EMERGING MARKETS – URBANISATION AND GROWING MIDDLE CLASS

- Trend in emerging markets shows migration to cities, seeking a higher standard of living and higher income opportunities. This requires significant investment in supporting infrastructure, such as roads, metros, railway, electricity networks and sanitation.
- Rising income and social characteristics of emerging middle-class populations result in higher overall consumption and greater propensity to purchase durable goods.
- Emerging middle class increasingly demand a higher degree of public services and a greater focus on quality of life, including education, environmental conditions, tourism and accountability from governmental institutions.

COVID-19 DISRUPTION

- Ongoing disruptions to both production and demand causing supply chain issues.
- Most countries now operating with Covid endemic to the population, outlier remains China which continues with its zero Covid policy with ongoing lockdowns and resultant supply chain disruption.
- Roll out of vaccination programs have helped countries to 'manage' living with the coronavirus.
- Labour shortages in the aftermath of the pandemic are an increasing risk for companies in terms of hiring talent and expertise.

OUR INVESTMENT APPROACH

ICM is a long-term investor and typically operates focused portfolios with narrow investment remits. ICM has several dedicated research teams who have deep knowledge and understanding in their specific sectors, which improves the ability to source and make compelling investments. ICM has approximately USD 2.1bn of assets directly under management and is responsible indirectly for a further USD 22.1bn of assets in subsidiary investments.

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

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

When reviewing investment opportunities, as part of the investment process ICM will look to understand the material ESG factors.

ICM incorporates ESG factors into the investment process in three key ways:

01 UNDERSTANDING

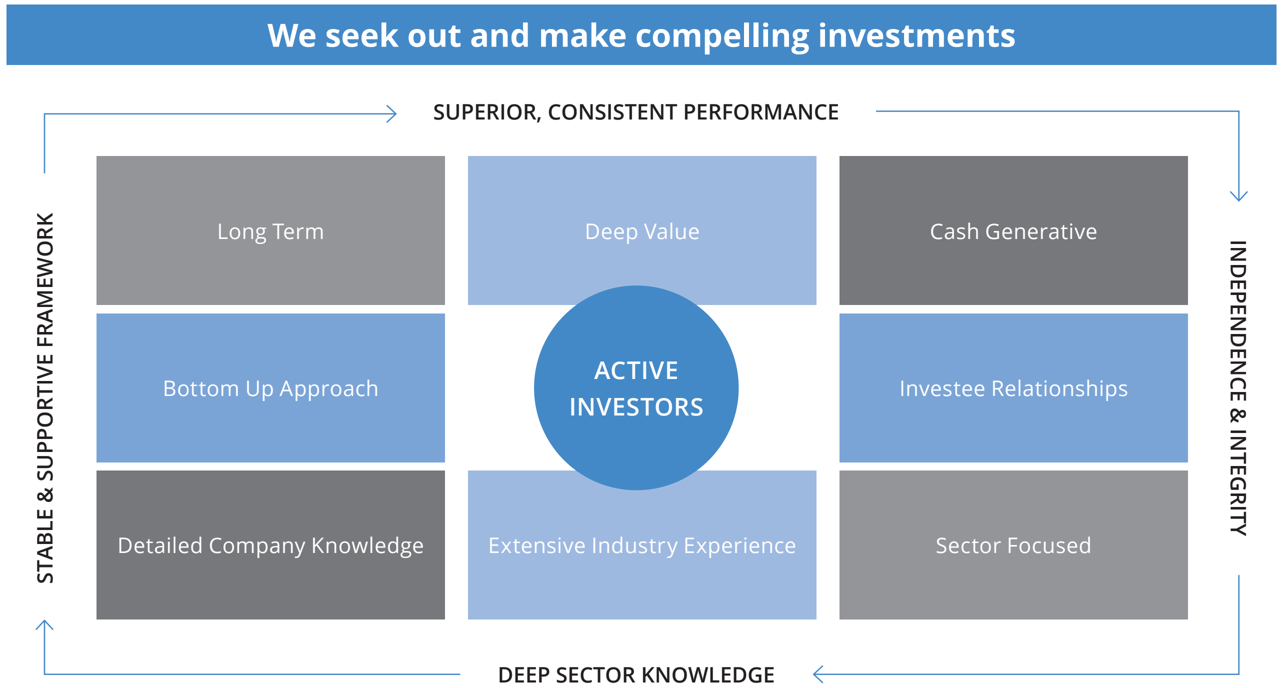
In-depth analysis of the key issues that face potential and current holdings, as well as a deep understanding of the industry in which they operate.

02 INTEGRATION

Incorporate the output of the 'Understanding' component into the full company analysis to ensure a clear and complete picture of the investment opportunity is obtained.

03 ENGAGEMENT

Engage with investee companies on the key issues on a regular basis, both virtually and on location, where possible, to discuss and identify any gaps in their ESG policy to further develop and improve their ESG disclosure and implementation.



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

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

VALUES

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

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

TEAM

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

INVESTMENT PRACTICES

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

FINANCIAL

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

PLATFORMS

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

COMMUNITIES

ICM supports the ICM Foundation, which has identified sustainable, effective and focused education where the biggest impact can be made on individuals and in communities. Over the past decade ICM and its stakeholders have contributed over USD 15.0m to not-for-profit and community organisations.

ESG SPOTLIGHT

The Board believes that it is in the shareholders' interests to consider ESG factors when selecting and retaining investments, and has asked the Investment Managers to take these into account when investing. Where companies in the portfolio are assessed as having a relatively low ESG score, ICM's approach is to engage, where possible with the companies directly with the objective of seeing improvements over time. Details of how ESG forms part of the integrated research analysis, decision-making and ongoing monitoring are set out on page 38. Set out below are examples of the approach taken with two of UIL's investments.

resimac

A leading Australian non-bank lender, with a mortgage book of over AUD 15.0bn.

ESG ANALYSIS:

Resimac helps aspiring homeowners who fall outside the scope of mainstream lenders, for example, the self-employed or individuals with imperfect credit history. In the first half of the full year to 30 June 2022, Resimac provided AUD 2.1bn of specialist mortgage loans, accounting for 60% of total lending.

Resimac plants one Mallee tree for every loan settled; with over 46,000 trees planted to-date, which will offset nearly 6Mkg of carbon. In addition, it works closely with local communities, for example, supporting Food Ladder, a non-for-profit organisation which promotes self-sustaining agricultural practices in Australia, as well as India and Uganda.

ICM ESG CONCLUSION:

ICM continues to actively engage with Resimac on ESG issues, both at board level and throughout the organisation.

PANORAMIC RESOURCES LTD

Owner and operator of the Savannah nickel mine in Western Australia.

ESG ANALYSIS:

Panoramic has implemented transparent ESG reporting, releasing an annual sustainability report delivering ESG performance metrics in alignment with the Global Reporting Initiative framework, although it has not defined target improvements. Panoramic is currently in a transitionary period as it ramps up operations at its Savannah Nickel mine and intends for the sustainability report to become increasingly comprehensive as operations mature.

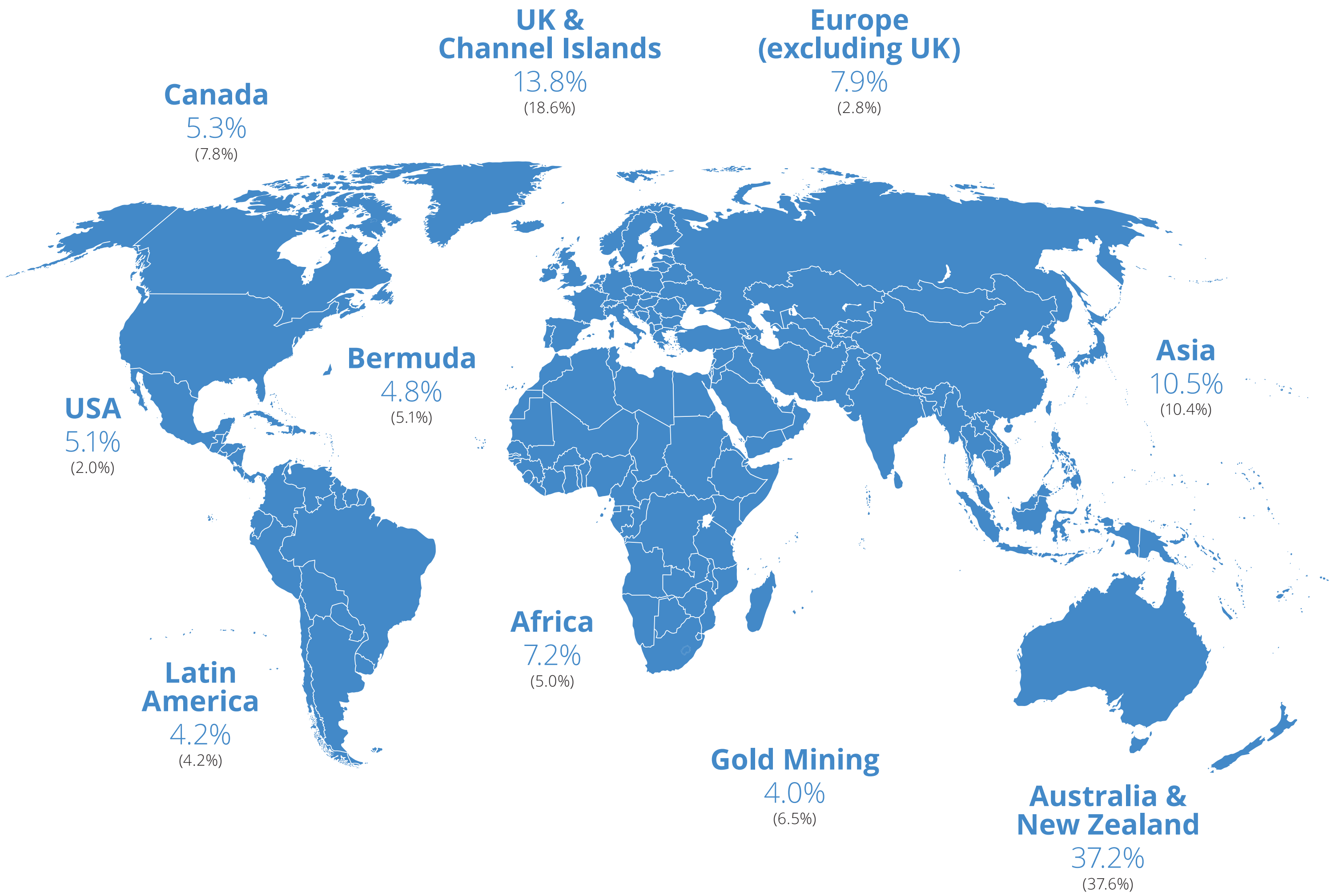
Panoramic continued contributions to local community and social development initiatives during Savannah Nickel's care and maintenance, however, it is unclear if engagement will increase concurrent with full commercial production.

ICM ESG CONCLUSION:

Continued focus on defining emissions and social policy targets will be paramount to Panoramic's ESG journey. With production having resumed in late 2021, the 2022 and 2023 sustainability reports will provide insight into the success of Panoramic's initiatives.

GEOGRAPHICAL INVESTMENT EXPOSURE

(% of total investments on a look-through basis)



We are excited about our new investments and expect them to deliver strong operational outperformance which, combined with improving valuations, should deliver long term value to UIL's shareholders.

Figures in brackets as at 30 June 2021

Source: ICM

TEN LARGEST HOLDINGS

THE VALUE OF THE TEN LARGEST HOLDINGS REPRESENTS

94.2%

(2021: 97.6%) OF THE GROUP'S TOTAL INVESTMENTS

THE VALUE OF FIXED INCOME SECURITIES REPRESENTS

2.1%

(2021: 6.7%) OF THE GROUP'S PORTFOLIO

THE TOTAL NUMBER OF COMPANIES INCLUDED IN THE PORTFOLIO IS

33

(2021: 26 COMPANIES)

1 SOMERS LIMITED

VALUATION

↓43.4%

Sector	Financial Services
Fair Value £'000s	148,786
% of total investments	35.7%

Somers is a financial services investment holding company, whose shares are listed on the Mezzanine of the Bermuda Stock Exchange ("BSX"). Somers is managed by ICM.

Somers shareholders' equity was USD 404.1m as at 30 June 2022 (30 June 2021: USD 679.4m) and Somers' NAV per share of USD 17.77 was down 43.0% for the year. The NAV decrease resulted principally from a decrease in the value of Somers' largest investment, Resimac, whose share price decreased 53.3% during the year despite continuing to report strong underlying performance. Somers declared dividends of USD 0.86 in the year to 30 June 2022 up from USD 0.55 in the prior year. Somers is classified as an investment company under IFRS 10 and, accordingly, values its underlying investments at fair value.

As at 30 June 2022, Somers' three largest investments, which make up 78.4% of its portfolio, were a 58.4% holding in Resimac, a leading non-bank Australian financial institution, with AUD 16.9bn assets under management ("AUM"), a 61.8% holding in Waverton Investment Management Limited (a UK wealth manager with over £12.2bn funds under management and administration), and a 48.4% holding in Thorn Group, an Australian financial services organisation. Somers' gearing ratio was 17.0% up from 13.6% in the previous year. Resimac reported profit after tax for the year to 30 June 2022 of AUD 102.1m (prior year: AUD 107.6m). In July 2022, Somers announced that shareholders, including UIL, representing approximately 95% of Somers' issued share capital had acquired the remaining Somers' issued shares from unconnected shareholders for USD 21.00 per share.

In the year to 30 June 2022, UIL's shareholding in Somers increased by 4.9%.

2 ZETA RESOURCES

SHARE PRICE

↓10.8%

Sector	Resources
Fair Value £'000s	64,385
% of total investments	15.5%

Zeta is a resource-focused investment company, which is listed on the ASX. Zeta is managed by ICM.

In the year ended 30 June 2022, Zeta's NAV per share fell by 22.8%. Zeta's share price closed at a discount of 18.1% (30 June 2021: 20.3%) to NAV per share. It was a volatile year for commodity prices, with most commodity prices peaking in March 2022. In the year to 30 June 2022, nickel was up 24.3%, gold was up 10.9% and oil was up 52.8%, whilst copper was down by 13.5%. Zeta's nickel focused investments were its strongest performers during the period under review, with Panoramic and GME Resources up 30.0% and 97.9%, respectively, while Copper Mountain's share price fell 53.7%. As a leveraged commodity investment company, the value of Zeta's net assets typically rises more when commodity prices rise, while falling more when commodity prices fall as the impact on mining companies is magnified. Zeta has a concentrated portfolio, having built up cornerstone shareholdings in copper, bauxite, gold and nickel companies.

In the year to 30 June 2022, UIL's shareholding in Zeta was unchanged.

3 UTILICO Emerging Markets Trust plc

SHARE PRICE

↓8.0%

Sector	Investment Fund
Fair Value £'000s	62,469
% of total investments	15.0%

UEM is a closed-end investment trust, whose ordinary shares are listed on the premium segment of the Official List of the Financial Conduct Authority and are traded on the Main Market of the London Stock Exchange ("LSE").

UEM is managed by ICM and ICMIM, and invests predominantly in emerging markets with a focus on infrastructure and utility assets. In the twelve months to 30 June 2022, UEM's NAV total return was down by 1.6%, which was significantly ahead of the MSCI Emerging Markets total return Index (GBP adjusted) which was down by 15.3% during the same period. This outperformance reflects the resilient cash generative, operational assets in which UEM invests within the utilities, infrastructure and telecommunication sectors.

Despite the challenging macro environment, UEM's investee companies have continued to announce strong financial results and ongoing dividend payments. In the year to 30 June 2022, UEM's share price decreased by 8.0%, with the discount to NAV widening from 10.8% to 13.9%. Dividends per share increased to 8.00p from 7.78p.

UIL's shareholding in UEM decreased by 15.8% during the year under review.

4 ICM MOBILITY GROUP

VALUATION

↑17.6%

Sector	Technology
Fair Value £'000s	51,009*
% of total investments	12.3%

ICM Mobility is an unlisted investment company focused on the mobility sector, covering private and public transport.

ICM Mobility invests in and partners with companies and government entities shaping the digital transformation of the mobility sector, from planning journeys and issuing smart tickets to streamlining electronic payments and providing insights.

As at 30 June 2022, ICM Mobility had a number of investments including VixTech (an innovative, multi-modal automated fare collection platform that unifies account-based, closed loop and open payments into a single solution); Kuba (a modern and efficient and scalable ticketing solution provider offering Unwire, a Kuba subsidiary, a ticketing service which can be customised to any transportation system); Snapper Services (provides mobile service based solutions designed to improve the customer experience and flexibility of transport ticketing systems) and Littlepay (offers a mass transit transaction payment solution for transit operators, authorities and agencies).

* Includes direct holdings in Littlepay Mobility Ltd and Snapper Services (UK) Limited

5 ALLECTUS CAPITAL

VALUATION

↓5.8%

Sector	Technology
Fair Value £'000s	28,408
% of total investments	6.8%

Allectus is an unlisted investment company with a value focused portfolio of technology businesses and managed by ICM.

Allectus invests in growth-stage companies developing potentially disruptive technologies. Its key verticals comprise fintech, AI, digital health and deep tech. Allectus maintains a selective approach to high conviction opportunities in technology companies, which leverage its global relationships and synergies with other portfolio companies in the ICM Group.

Allectus made several new investments during the year to 30 June 2022, which included Bobidi (US company helping build and refine AI models), AsiaVerify (Singapore company focused on business verification) and Envision (Australian oncology diagnostics company developing novel biomarkers and tests for cancer). In November 2021 one of Allectus' investee companies, Hoolah, was acquired for shares by Shopback (Singapore company offering a cashback and reward program across Asia and Australia). This transaction saw Allectus' equity position converted into Shopback equity and the repayment of the Allectus debt position in Hoolah. In April 2022, Allectus increased its stake in Patchd (US company predicting the onset of sepsis in high-risk patients). In June 2022, Allectus became an investor in Nautilus (US company developing high performance, water-cooled data centres).

6 resimac

SHARE PRICE

↓53.3%

Sector	Financial Services
Fair Value £'000s	11,153
% of total investments	2.7%

Resimac is an ASX listed residential mortgage lender and multichannel distribution business specialising in prime and specialist mortgage lending.

Resimac's share price decreased 53.3% in the twelve months to 30 June 2022 despite continuing to report strong underlying operational performance. Resimac's price reduction was consistent with the share price decreases seen across the wider listed alternate banking sector in Australia.

Resimac is one of Australia and New Zealand's premier non-bank lenders and was recognised as Non-Bank of the Year at the 2020 Australian Mortgage Awards. It operates in targeted market segments and asset classes in Australia and New Zealand. Its primary activities are as a mortgage manager and in originating, servicing and securitising mortgage assets. Resimac has seen record settlements and AUM growth across home loans and asset finance during the year. As at 30 June 2022, principally funded loans and advances to customers increased by 12.6% to AUD 15.7bn with total AUM of AUD 16.9bn. Net profit after tax was AUD 102.1m and these solid results were recorded despite the continued industry pressure on net interest margin, driven by the aggressive pricing strategies of the large Australian banks. Against this competitive environment, Resimac is looking to offer additional products such as asset finance through its new Resimac Asset Finance division. During the year, Resimac issued AUD 5.8bn of Australian and New Zealand Prime and Specialist RMBS.

7 Resolute

SHARE PRICE

↓ 55.4%

Sector	Gold Mining
Fair Value £'000s	9,609
% of total investments	2.3%

Resolute is an Australian domiciled gold mining company, listed on both the ASX and the LSE and has two operating mines: the Syama mine in southern Mali; and the Mako mine in Senegal.

Resolute's share price in the twelve months to 30 June 2022 fell 55.4% despite the gold price improving. During the year under review, Resolute encountered several setbacks. Production in the financial year to 31 December 2021 of 319,271oz gold at all-in sustaining cost ("AISC") of USD 1,370 per ounce underperformed initial guidance of 350,000oz – 375,000oz at AISC USD 1,200 - 1,275 per ounce, as lower grades and power supply disruptions impacted production. The average gold price realised during the year was below spot prices due to hedging requirements. In addition, political issues in Mali resulted in economic and financial sanctions being imposed on Mali by the Economic Community of West Africa on 9 January 2022, which remained in effect until 3 July 2022. The management team at Resolute has changed for the second year in a row, with the COO replacing the CEO hired in the previous year. Guidance for Resolute's operations for the year ending 31 December 2022 has been maintained in the first half of the year at 345,000 ounces at an AISC of USD 1,425 per ounce, despite AISC of USD 1,540 per ounce in the latest quarter due to higher fuel and consumables costs. As at 30 June 2022, Resolute had cash and bullion on hand of USD 81.8m (30 June 2021: USD 88.8m) and total borrowings of USD 264.6m (30 June 2021: USD 308.6m).

UIL's shareholding in Resolute decreased 19.8% in the period under review.

8 Panoramic Resources Ltd

SHARE PRICE

↑ 30.0%

Sector	Resources
Fair Value £'000s	6,861
% of total investments	1.7%

Panoramic is an Australian domiciled nickel mining company, listed on the ASX which owns 100% of the Savannah underground nickel sulphide mine, located in the East Kimberley region of Western Australia.

Panoramic's share price in the twelve months to 30 June 2022 increased 30.0% on account of nickel price improvement and project progression. During the year, Panoramic commenced underground development, with ore production at Savannah restarting in July 2021. Panoramic completed its first shipment of nickel-copper-cobalt concentrate from Savannah on 26 December 2021 and has since completed three further shipments in the first half of 2022. Its fifth shipment was delayed in June largely due to power interruptions in April and planned shutdowns that temporarily reduced throughput. The mine's ramp-up continues and is expected to reach full steady state production by 2024. The mine has twelve years of mine life remaining and has 101,800 tonnes of nickel, 48,500 tonnes of copper and 7,000 tonnes of cobalt in proven and probable reserves. In addition, Panoramic has an active exploration drilling program at Savannah underway. As at 30 June 2022, Panoramic had cash on hand of AUD 22.0m (30 June 2021: AUD 24.5m).

9 Starpharma

SHARE PRICE

↓ 54.2%

Sector	Pharmaceuticals
Fair Value £'000s	4,760
% of total investments	1.1%

Starpharma is a global biopharmaceutical company, specialising in the research, development and commercialisation of dendrimer products for pharmaceutical applications worldwide.

Starpharma has two main areas of focus: Antiviral and Dendrimer Drug Delivery ("DEP"). The antiviral portfolio consists of SPL7013, which is used in Vivagel, a treatment of bacterial vaginosis and Viraleze, a nasal spray which has demonstrated significant antiviral activity against SARS-CoV-2 with 99.9% effectiveness in laboratory studies against the alpha, beta, delta and omicron variants. Viraleze is registered in more than 30 countries. Starpharma's portfolio of DEP therapies is being used to improve current pharmaceuticals, by reducing toxicities and enhancing their performance. DEP drugs are being developed internally and through partnered programs, with an emphasis on anti-cancer therapies. Internally developed DEP therapies are in clinical trials as follows: DEP Docetaxel in Phase 2, DEP Cabazitaxel in Phase 2 and DEP Irinotecan in Phase 2. Furthermore, DEP-gemcitabine product manufacture is complete and ready to commence Phase 1/2 trial in the UK and Australia. Partnered drugs include AZD0466 with AstraZeneca, which is being trialled in several haematologic cancers such NHL and leukaemia and in solid tumours, DEP-antibody drug conjugates (ADC) research partnership with Merck and Genentech for cancer therapy and DEP-anti infectives with Chase Sun.

In the year ended 30 June 2022, Starpharma reported revenues of AUD 4.8m, effectively doubling last year's revenues of AUD 2.4m. Much of the increase in revenues was driven by Viraleze sales in Vietnam. Starpharma's cash balance as at 30 June 2022 was AUD 49.9m. The net cash burn for the financial year was AUD 13.0m (FY21: AUD 16.5m).

10 AssetCo

SHARE PRICE

↓ 57.4%

Sector	Financial Services
Fair Value £'000s	4,722
% of total investments	1.1%

AssetCo is a UK listed company which is focused on acquiring, managing, and operating asset and wealth management activities and interests, together with other related services.

In January 2021, AssetCo announced that Martin Gilbert and various associates, and funds managed by Toscafund Asset Management, a multi asset fund manager, had acquired a minority holding of 29.8% in AssetCo, and it was to change its strategy and become an asset and wealth management business.

Martin Gilbert has subsequently become Chairman with Campbell Fleming, formerly of Standard Life Aberdeen, as Chief Executive. The AssetCo strategy is principally to focus on making strategic acquisitions and building organic activities in areas of the asset and wealth management sector where structural shifts have the potential to deliver exceptional growth opportunities. This could include acquisitions of undervalued asset and wealth management businesses which have core capabilities that play to these structural shifts, and where active management can unlock value.

AssetCo has made a number of acquisitions in the last twelve months including River & Mercantile, an AIM listed fund manager with £4.2bn AUM, SVM Asset Management, a FCA regulated fund management business with over £500m of AUM and Revera Asset Management, a small Edinburgh based active fund manager.

ZDP SHARES

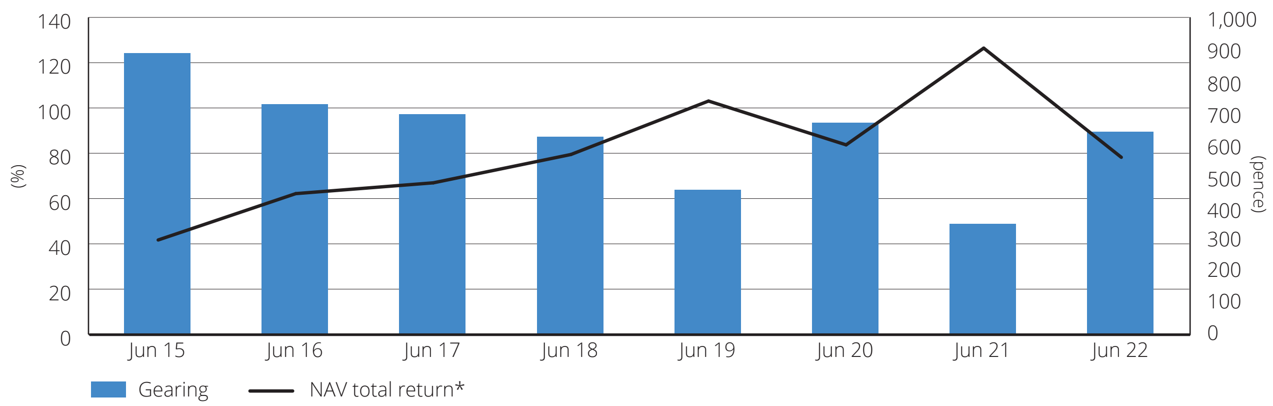
ZDP SHARES[1]

	30 June 2022	30 June 2021	% change 2022/21
2022 ZDP shares (pence)			
Capital entitlement[2] per ZDP share	143.98	135.56	6.2
ZDP share price	144.00	139.50	3.2
2024 ZDP shares (pence)			
Capital entitlement[2] per ZDP share	124.14	118.51	4.8
ZDP share price	122.50	120.50	1.7
2026 ZDP shares (pence)			
Capital entitlement[2] per ZDP share	122.62	116.78	5.0
ZDP share price	115.50	116.00	(0.4)
2028 ZDP shares (pence)			
Capital entitlement[2] per ZDP share	106.87	101.06	5.7
ZDP share price	99.00	100.00	(1.0)

[1] Issued by UIL Finance, a wholly owned subsidiary of UIL
[2] See pages 55 and 56

GEARING/NAV TOTAL RETURN

from 30 June 2015 to 30 June 2022



*Rebased to 100 as at 14 August 2003

Source: ICM

TOTAL ZDP SHARES ISSUED SINCE INCEPTION

£379.5m

TOTAL ZDP SHARES REDEEMED SINCE INCEPTION

£414.2m

TOTAL BORROWINGS

	Jun 2015 £'000s	Jun 2016 £'000s	Jun 2017 £'000s	Jun 2018 £'000s	Jun 2019 £'000s	Jun 2020 £'000s	Jun 2021 £'000s	Jun 2022 £'000s
2014 ZDP								
2016 ZDP	83,493	61,327						
2018 ZDP	62,816	67,548	72,622	50,858				
2020 ZDP	26,132	28,134	48,704	51,940	55,387	59,087		
2022 ZDP		40,352	52,452	55,873	59,499	63,407	48,052	51,166
2024 ZDP				29,408	31,582	33,250	34,996	36,833
2026 ZDP				11,275	13,474	24,791	25,299	27,589
2028 ZDP							23,726	25,225
Total	172,441	197,361	173,778	199,354	159,942	180,535	132,073	140,813
Bank debt	34,362	24,987	47,846	28,495	50,971	54,660	48,761	54,915
Total debt	206,803	222,348	221,624	227,849	210,913	235,195	180,834	195,728
Blended interest rate %	6.5	6.5	6.2	6.1	5.5	5.2	4.5	4.7

Source: ICM

ZDP SHARES – TIMES COVERED BY UIL'S GROSS ASSETS*

	Jun 2015	Jun 2016	Jun 2017	Jun 2018	Jun 2019	Jun 2020	Jun 2021	Jun 2022
2014 ZDP								
2016 ZDP	2.95	5.13						
2018 ZDP	1.80	2.68	3.51	6.50				
2020 ZDP	1.52	2.18	2.38	3.71	4.92	4.23		
2022 ZDP		1.60	1.72	2.44	2.97	2.58	5.41	3.89
2024 ZDP				1.84	2.42	2.11	3.83	2.80
2026 ZDP				1.63	2.08	1.81	3.03	2.23
2028 ZDP							2.50	1.85

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

Source: ICM

TOTAL ZDP AND BANK DEBT AS AT 30 JUNE 2022

£195.7m

GEARING AS AT 30 JUNE 2022

89.5%+

TOTAL DEBT INCREASE DURING THE YEAR

£14.9m

AVERAGE COST OF DEBT FUNDING

4.7%

+ See Alternative Performance Measures on pages 108 and 109

PRINCIPAL ACTIVITY

UIL carries on business as an investment company and its principal activity is portfolio investment.

INVESTMENT OBJECTIVE

UIL's investment objective is to maximise shareholder returns by identifying and investing in investments worldwide where the underlying value is not reflected in the market price.

STRATEGY AND BUSINESS MODEL

UIL invests in accordance with the objective set out above. The Board is collectively responsible to shareholders for the long-term success of the Company. Since the Company has no employees, it outsources its activities to third party service providers, including the appointment of external investment managers to deliver investment performance. The Board oversees and monitors the activities of the service providers with the Board setting investment policy and risk guidelines, together with investment limits.

ICMIM, an English incorporated company authorised and regulated by the Financial Conduct Authority ("FCA") as an alternative investment fund manager ("AIFM") pursuant to the AIFM Regulations, is the Company's AIFM and joint portfolio manager alongside ICM. The investment team responsible for the management of the portfolio is headed by Duncan Saville and Charles Jillings.

ICMIM and ICM, operating under guidelines determined by the Board, have direct responsibility for the decisions relating to the day to day running of the Company and are accountable to the Board for the investment, financial and operating performance of the Company. Other service providers include JP Morgan Chase Bank N.A. – London Branch which provides administration services, JPMorgan Chase Bank N.A. – Jersey which provides custodial services, J.P. Morgan Europe Limited ("JPMEL") which acts as the Company's Depositary under the AIFM Directive and Computershare Investor Services which acts as registrar. ICM has also been appointed Company Secretary.

INVESTMENT POLICY

UIL's investment policy is to identify and invest in opportunities where the underlying value is not reflected in the market price. This perceived undervaluation may arise from factors such as technological change, market motivation, prospective financial engineering opportunities, competition, underperforming management or shareholder apathy.

UIL aims to maximise value for shareholders through a relatively concentrated portfolio of investments including separate closed-end investment companies ("Platforms") which have been or will be established to focus on investments in dedicated market sectors.

UIL has the flexibility to invest in shares, bonds, convertibles, and other types of securities, including non-investment grade bonds and to invest in unlisted securities. UIL may also invest in other investment companies or vehicles, including any managed by the Investment Managers, where such investment would be complementary to UIL's investment objective and policy.

UIL may also use derivative instruments such as American Depositary Receipts, promissory notes, foreign currency hedges, interest rate hedges, contracts for difference, financial futures, call and put options and warrants and similar instruments for investment purposes and efficient portfolio management, including protecting UIL's portfolio and balance sheet from major corrections and reducing, transferring, or eliminating investment risks in its investments. These investments will be long term in nature.

UIL has the flexibility to invest in markets worldwide although investments in the utilities and infrastructure sectors are principally made in the developed markets of Australasia, Western Europe, and North America, as UIL's exposure to the emerging markets infrastructure and utility sectors is primarily through its holding in UEM. UIL has the flexibility to invest directly in these sectors in emerging markets with the prior agreement of UEM.

UIL believes it is appropriate to support investee companies with their capital requirements whilst at the same time maintaining an active and constructive shareholder approach through encouraging a review of the capital structure and business efficiencies. The Investment Managers' team maintains regular contact with investee companies and UIL may often be among the largest shareholders. There are no limits on the proportion of an investee company that UIL may hold and UIL may take legal or management control of a company from time to time.

There will be no material change to the investment policy (including the investment limits and the borrowing limits) without the prior approval of shareholders. Any such change would also require the approval of the ZDP shareholders.

INVESTMENT LIMITS

The Board has prescribed the following limits on the investment policy, all of which are at the time of investment unless otherwise stated.

There are no fixed limits on the allocation of investments between sectors and markets, however the following investment limits apply:

- investments in unlisted companies will, in aggregate, not exceed 25% of gross assets at the time that any new unlisted investment is made. This restriction does not apply to loans to Platforms;
- no single investment will exceed 30% of gross assets at the time such investment is made, save that this limit shall not prevent the exercise of warrants, options or similar convertible instruments acquired prior to the relevant investment reaching the 30% limit. This restriction does not apply to investments in any Platform; and
- no single investment in a Platform will exceed 50 per cent. of gross assets at the time such investment is made, save that this limit shall not prevent the exercise of warrants, options or similar convertible instruments acquired prior to the relevant investment reaching the 50 per cent. limit and provided that no single investment held by such Platform will exceed 30 per cent. of the gross assets at the time such investment is made on a look-through basis.

None of the above restrictions will require the realisation of any of UIL's assets where any restriction is breached as a result of an event outside of the control of the Investment Managers which occurs after the investment is made, but no further relevant assets may be acquired, or loans made by UIL until the relevant restriction can again be complied with.

BORROWING LIMITS

Under UIL's Bye-laws, the Group is permitted to borrow (excluding the gearing provided through the Group's capital structure) an aggregate amount equal to 100% of its gross assets. Borrowings may be drawn down in any currency appropriate for the portfolio.

However, the Board has set a current limit on gearing (being total borrowings excluding ZDP shares measured against gross assets) not exceeding 33.3% at the time of draw down. Borrowings may be drawn down in Sterling, US Dollars, or any currency for which there are corresponding assets within the portfolio (at the time of draw down, the value drawn must not exceed the value of the relevant assets in the portfolio).

The Company has a committed senior secured multicurrency revolving facility with Scotiabank which has been extended and novated to the Bank of Nova Scotia, London Branch and expires on 19 September 2023; as at 30 June 2022 the facility was fully drawn. Further details are included in note 13 to the accounts.

DIVIDEND POLICY

The Board's objective is to maintain or increase the total annual dividend. Dividends are expected to be paid quarterly each year in December, March, June and September. In determining dividend payments, the Board will take account of factors such as income forecasts, retained revenue reserves, the Company's dividend payment record and Bermuda law. The Board also has the flexibility to pay dividends from capital reserves.

RESULTS AND DIVIDENDS

Details of the Company's performance are set out in the Investment Managers' Report. The results for the year ended 30 June 2022 are set out in the attached accounts. The dividends in respect of the year, which total 8.00p, have been declared by way of four interim dividends.

KEY PERFORMANCE INDICATORS

Delivery of shareholder value is achieved through the increase in capital value of the Company's shares and by its income return. The Board reviews performance by reference to a number of Key Performance Indicators ("KPIs") that include the following:

- NAV total return relative to the FTSE All-Share Index
- Share price
- Share price discount to NAV
- Revenue earnings
- Ongoing charges figure

While some elements of performance against KPIs are beyond management control, they provide measures of the Group's absolute and relative performance and are therefore monitored by the Board on a regular basis. These KPIs fall within the definition of Alternative Performance Measures under guidance issued by the European Securities and Markets Authority and additional information explaining how these are calculated is set out on pages 108 and 109.

30 June	2022	2021
NAV total return (%)	(38.1)	50.9
FTSE All-Share total return Index (%)	1.6	21.5
Share price (pence)	187.50	268.00
Discount to NAV (%)	28.1	37.9
Percentage of issued shares bought back during the year (based on opening share capital) (%)	0.5	1.9
Revenue EPS (pence)	8.35	9.98
Ongoing charges figure – excluding performance fees (%)	2.2	2.3

A graph showing the NAV total return performance compared to the FTSE All-Share total return Index can be found on page 3. The ten year record on page 110 shows historic data for the Company.

Discount to NAV: The Board monitors the premium/discount at which the Company's shares trade in relation to the assets. During the year the Company's shares traded at a discount relative to NAV in a range of 18.6% to 39.4% and an average discount of 32.2%. The Board and the Investment Managers closely monitor both movements in the Company's share price and significant dealings in the shares. On 26 July 2019, UIL announced that the Board intends to focus on reducing the discount of the ordinary shares, targeting a discount to NAV of approximately 20% over the medium term. In order to avoid substantial overhangs or shortages of shares in the market the Board asks shareholders to approve resolutions which allow for the buyback of shares and their issuance which can assist in the management of the discount. A total of 460,365 ordinary shares were bought back and cancelled during the year, representing 0.5% of the Company's opening issued share capital.

Earnings and dividends per share: As referred to in "Dividend Policy" above, the Board's objective is to maintain or increase the total annual dividend. The Board and the Investment Managers attach great importance to maintaining dividends per share since dividends form a key component of the total return to shareholders.

The Board declared four quarterly dividends of 2.00p per share in respect of the year ended 30 June 2022. The fourth quarterly dividend will be paid on 30 September 2022 to shareholders on the register as at 2 September 2022. The total dividend for the year was 8.00p per share (2021: 8.00p per share).

Ongoing charges: These are calculated in accordance with the industry measure of costs as a percentage of NAV. The expenses of the Company are reviewed at every Board meeting, with the aim of managing costs incurred and their impact on performance. The ongoing charges figure appears high when compared to other investment companies as the expenses are expressed as a percentage of average net assets (after the deduction of the ZDP shares) and comprises all operational, recurring costs that are payable by the Company or incurred within underlying investee funds. This ratio is sensitive to the size of the Company as well as the level of costs.

OVERVIEW OF THE INVESTMENT VALUATION PROCESS

In preparing UIL's half-yearly and annual financial accounts, the most important accounting judgements and estimates relate to the carrying value of the unlisted investments which are stated at fair value. As at 30 June 2022, 57.4% of UIL's investment portfolio consisted of level 3 investments that were valued using inputs that were not based on observable market data. Given the importance of this area to the integrity of the financial reporting, the Board and the Investment Managers carefully review the valuation policies and processes and the individual valuation methodologies at each reporting date. However, the valuation of unlisted securities is inherently subjective, as it is made on the basis of assumptions which may not prove to be accurate. As detailed in note 29 to the accounts, small changes to inputs may result in material changes to the carrying value of the investments.

VALUATION PROCESS

UIL's valuation policy is the responsibility of the Board, with additional oversight and annual review from the Audit & Risk Committee. The policy is reviewed at least annually.

The valuation of the unlisted investments is the responsibility of the Board, with valuation support and analysis provided by the Investment Managers' valuation team. The investment portfolio is valued at fair value and this is achieved by valuing each investment using an appropriate valuation technique and applying a consistent valuation approach for all investments.

The concept of fair value is key to the valuation process and is defined as "the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date" (International Private Equity and Venture Capital ("IPEV") guidelines, December 2018).

Maximum use is made of market-based information and the valuation methodologies used are those generally used by market participants. Valuations are compliant with IFRS fair value guidelines and guidelines issued by the IPEV valuation board, which set out recommended practice for fair valuing of unlisted investments within the IFRS framework. The valuation of unlisted investments requires the exercise of judgment, and every effort is made to ensure that this judgment is applied objectively and is not used to overstate or understate the valuation result.

The Board reviews the unlisted valuations at each meeting and in conjunction with UIL's external financial reporting process. The Board receives a detailed report from the Investment Managers' valuation team recommending a proposed valuation for each of UIL's investments. The report includes details of all material valuations, explanations for movements and confirmation of the valuation process adopted. Representatives of the Investment Managers are in attendance at these meetings to answer any questions the Board may have on the valuation process and the choice of valuation techniques and inputs. The Board reviews and challenges the assumptions behind the unlisted asset valuations.

VALUATION METHODOLOGIES

The valuation of unlisted investments is normally determined by using one of the following valuation

methodologies and, depending on the investment and relevance of the approach, any or all of these valuation methods could be used.

Earnings Multiples

This valuation methodology is used where the investment is profitable and where a set of comparable listed companies with similar characteristics to its holding can be determined. As several investments are not traded on an active market, the valuations are then adjusted by a liquidity discount with the discount varying depending on the nature of the underlying investment entity and its sector and whether restrictions exist on UIL's ability to sell the asset in an orderly fashion. In certain instances, UIL may use a revenue multiple approach if this is deemed more appropriate.

It is UIL's policy to use reported earnings adjusted for non-recurring items, which are typically sourced from the investee companies' management accounts or audited financial reports. In certain cases, current or projected maintainable earnings provide a more reliable indicator of the company's performance and in these instances an estimate of maintainable earnings is used in the valuation calculation.

Multiples are derived from comparable listed companies in the same business sector. Adjustments are made for relative performance versus the comparables and other company specific factors including size, product offering and growth rates.

Discounted Cash Flow
This methodology may be used for valuing investments with long term stable cash flows and uses maintainable earnings discounted at appropriate rates to reflect the value of the business. Generally, the latest historical accounts are used unless reliable forecast results for the current year are available. Earnings are adjusted where appropriate for exceptional or non-recurring items.

Net Assets
This valuation technique derives the value of an investment by reference to the value of its net assets. This is used for investments whose value derives mainly from the underlying fair value of their assets rather than their earnings, such as unlisted fund investments, property holding companies and other investment businesses. In addition, this valuation approach may also be used for investments that are not making an adequate return on assets and for which a greater value can be realised by liquidating the business and selling its assets.

For unlisted investment companies and limited partnerships, the fair value estimate is based on a summation of the estimated fair value of the underlying investments attributable to the investor. This fund NAV approach may be used where there is evidence that the valuation is derived using fair value principles and the most recent available fund NAV may be adjusted to take account of changes or events to UIL's reporting date.

Recent Investments
For an initial or recent transaction, UIL may value its investment using the recent transaction price for a limited period following the transaction, where the transaction price continues to be representative of fair value.

Imminent Investment Realisation
Where realisation of an investment or a flotation of an investment is imminent and the pricing of the relevant transaction has been substantially agreed, a discount to the expected realisation proceeds or flotation value valuation technique is used. Judgement is applied as to the likely eventual exit proceeds and certainty of completion. This technique is only utilised where a sale or flotation process is materially complete, and the remaining risks are estimated to be small.

Note 29 to the accounts sets out more details on UIL's unlisted investments and the valuation methodologies adopted.

PRINCIPAL RISKS AND RISK MITIGATION

During the year ended 30 June 2022, ICMIM was the Company's AIFM and had sole responsibility for risk management subject to the overall policies, supervision, review and control of the Board.

As required by the Association of Investment Companies ("AIC") Code of Corporate Governance, the Board has undertaken a robust assessment of the principal risks facing the Company. It seeks to mitigate these risks through regular review by the Audit & Risk Committee of the Company's risk register which identifies the risks facing the Company and the likelihood and potential impact of each risk, together with the controls established for mitigation.

During the year the Audit & Risk Committee also discussed and monitored a number of emerging risks that could potentially impact the Company, the principal ones being geopolitical risk and climate change risk. The Audit & Risk Committee has determined that they are not currently sufficiently material to be categorised as separate key risks and are considered within investment risk and market risk below. The Covid-19 pandemic, which emerged in 2020, gave rise to significant challenges for businesses worldwide and this was also taken into account as part of the assessment of risks to the Company.

The principal risks and uncertainties currently faced by the Company and the controls and actions to mitigate those risks, are described below. There have been no significant changes to the principal risks during the year.

KEY RISK FACTORS

INVESTMENT RISK:	**The risk that the investment strategy does not achieve long-term positive total returns for the Company's shareholders.**	The Board monitors the performance of the Company and has established guidelines to ensure that the approved investment policy is pursued by the Investment Managers. The Board regularly reviews strategy in relation to a range of issues including the balance between quoted and unquoted stocks, the allocation of assets between geographic regions and sectors and gearing. The investment process employed by the Investment Managers combines assessment of economic and market conditions in the relevant countries with stock selection. Fundamental analysis forms the basis of the Company's stock selection process, with an emphasis on most investments having sound balance sheets, good cash flows, the ability to pay and sustain dividends, good asset bases as well as market conditions. In addition, ESG factors are also considered when selecting and retaining investments and political risks associated with investing in specific countries are also assessed. Overall, the investment process aims to achieve absolute returns through an active fund management approach and the Board monitors the implementation and results of the investment process with the Investment Managers.
MARKET RISK:	**Adverse market movements in the prices of equity and fixed interest securities, interest rates and foreign currency exchange rates and adverse liquidity could lead to a fall in NAV.**	The Company's portfolio is exposed to equity market risk, interest rate risk, foreign currency risk and liquidity risk. Adverse market conditions may result from factors such as economic conditions, political change, climate change, natural disasters and health epidemics. At each Board meeting the Board reviews the composition of the portfolio, asset allocation, stock selection, unquoted investments and levels of gearing and has set investment restrictions and guidelines which are monitored and reported on by the Investment Managers. The Company's results are reported in Sterling, although the majority of its assets are priced in foreign currencies and therefore any rise or fall in Sterling will lead, respectively, to a fall or rise in the Company's reported NAV. Such factors are out of the control of the Board and the Investment Managers and may give rise to distortions in the reported returns to shareholders. It can be difficult and expensive to hedge some currencies.
KEY STAFF RISK:	**Loss by the Investment Managers of key staff could affect investment returns.**	The quality of the investment management team is a crucial factor in delivering good performance. There are training and development programs in place for employees and the remuneration packages have been developed in order to retain key staff. Any material changes to the management team are considered by the Board at its next meeting; the Board discusses succession planning with the Investment Managers at regular intervals.
DISCOUNT RISK:	**The Company's shares may trade at a discount to their NAV and a widening discount may undermine investor confidence in the Company.**	The Board monitors the price of the Company's shares in relation to their NAV and is focussed on reducing the discount at which they trade. The Board may agree to buy back shares if there is a significant overhang of stock in the market; it targets a discount to NAV of approximately 20% over the medium term.

OPERATIONAL RISK:	**Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company and could affect the ability of the Company to successfully pursue its investment policy.**	The Company's main service providers are listed on page 107. The Audit & Risk Committee monitors the performance and controls (including business continuity procedures) of the service providers at regular intervals. Most of UIL's investments are held in custody for the Company by JPMorgan Chase Bank N.A., Jersey. JPMEL, the Company's depositary services provider, also monitors the movement of cash and assets across the Company's accounts. The Audit & Risk Committee reviews the JP Morgan SOC1 reports, which are reported on by Independent Service Auditors, in relation to its administration, custodial and information technology services. The Board reviews the overall performance of the Investment Managers and all the other service providers on a regular basis. The risk of cyber-crime is high, as it is with most organisations, but the Board regularly seeks assurances from the Investment Managers and other service providers on the preventative steps that they are taking to reduce this risk.
GEARING RISK:	**Whilst the use of borrowings should enhance total return where the return on the Company's underlying securities is rising and exceeds the cost of borrowing, it will have the opposite effect where the underlying return is falling.**	The ordinary shares rank behind bank debt and ZDP shares, making them a geared instrument. The gearing level is high due to the capital structure of the balance sheet. As at 30 June 2022, gearing on net assets, including bank loans, any overdrafts and ZDP shares, was 89.5% (30 June 2021: 48.8%). The Board reviews the level of gearing at each Board meeting. ICMIM monitors compliance with the banking covenants when each drawdown is made and at the end of each month. The Board reviews compliance with the banking covenants at each Board meeting.
REGULATORY RISK:	**Failure to comply with applicable legal and regulatory requirements could lead to suspension of the Company's Stock Exchange listings, financial penalties, a qualified audit report or the Company being subject to tax on capital gains.**	The Investment Managers and the Company's professional advisers monitor developments in relevant laws and regulations and provide regular reports to the Board in respect of the Company's compliance.

VIABILITY STATEMENT

The Board makes an assessment of the longer-term prospects of the Company beyond the timeframe envisaged under the going concern basis of accounting, having regard to the Company's current position and the principal risks it faces. The Company is a long-term investment vehicle and the Board believes that it is appropriate to assess the Company's viability over a long-term horizon. For the purposes of assessing the Company's prospects in accordance with provision 31 of the UK Corporate Governance Code, the Board considers that assessing the Company's prospects over a period of five years is appropriate given the nature of the Company and its investment objective and appropriately reflects the long-term strategy of the Company.

In its assessment of the viability of the Company, the Board has considered each of the Company's principal risks and uncertainties detailed above, as well as the impact of a significant fall in world equity and foreign exchange markets on the value of the Company's investment portfolio and the Company's ability to repay the £131.7m ultimate liability in respect of the 2022, 2024 and 2026 ZDP share issues and its bank debt. The Board is satisfied that it operates an effective risk management process and has concluded a robust assessment of the principal risks facing the Company. The Board has also considered the Company's income and expenditure projections and the fact that the Company's operating expenses comprise a very small percentage of net assets while a significant proportion of the Company's investments comprise listed securities which could likely be sold to meet funding requirements, if necessary. The Board continues to consider the key risks set out in this Strategic Report, the controls and actions to mitigate these risks and the prospects for the Company's portfolio holdings and has concluded that they are unlikely to affect the going concern status or viability of the Company.

As part of this assessment the Board considered a number of stress tests, including short term reverse stress testing, and scenarios which considered the impact of severe stock market and currency volatility on shareholders' funds over a five-year period. Initially, the Company's projections were adjusted to reflect a material reduction in the value of its investments in line with that experienced during the emergence of the Covid-19 pandemic in the first quarter of 2020. The first stress test considered a fall in the market of 40% in the first year with recovery of 10% per annum thereafter. A second test considered a fall in the markets of 20% and adverse sterling movement, the Company's reporting currency, of 10% in the first year with a further fall in markets of 20% in the second year and no movement thereafter. The results demonstrated the impact on the Company's NAV, its expenses, and its ability to meet its liabilities over that period. As a result of this analysis, the Board has concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five years.

PROMOTING THE SUCCESS OF THE COMPANY

Although the Company is domiciled in Bermuda, the Board has considered the guidance set out in the AIC Code of Corporate Governance in relation to Section 172 of the Companies Act 2006 in the UK. This requires the Directors to have a duty to promote the success of the Company for the benefit of its members as a whole and includes having regard (amongst other matters) to fostering relationships with the Company's stakeholders and maintaining a reputation for high standards of business conduct.

As an externally managed investment company, UIL has no employees, customers, operations or premises. Therefore, the Company's key stakeholders (other than its shareholders) are considered to be its service providers, including lenders. The need to promote business relationships with the service providers and maintain a reputation for high standards of business conduct is central to the Directors' decision-making. The Directors believe that fostering constructive and collaborative relationships with the Company's service providers will assist in their promotion of the success of the Company for the benefit of all shareholders and their performance is monitored by the Board and its committees. The principal service provider is the Investment Managers, who are responsible for managing the Company's assets in order to achieve its stated investment objective, and the Board maintains a good working relationship with them. Whilst strong long term investment performance is essential, the Board recognises that to provide an investment vehicle that is sustainable over the long term, both it and the Investment Managers must have regard to ethical and environmental issues that impact society. Accordingly, ESG considerations are an important part of the Investment Managers' investment process as explained more fully below.

The Board seeks to engage with its Investment Managers and other service providers in a collaborative and collegiate manner, whilst also ensuring that appropriate and regular challenge is brought, and evaluation conducted. The aim of this approach is to enhance service levels and strengthen relationships with a view to ensuring the interests of the Company's shareholders are best served by keeping cost levels proportionate and competitive, and by maintaining the highest standards of business conduct.

The Directors aim to act fairly as between the Company's shareholders and the approach to shareholder relations is summarised in the Corporate Governance Statement on pages 50 to 54. The Chairman is available to meet with shareholders as appropriate and the Investment Managers meet regularly with shareholders and their respective representatives, reporting back on views to the Board. Shareholders may also communicate with the Company at any time by writing to the Board at the Company's registered office or contacting the Company's broker. These communication opportunities help inform the Board when considering how best to promote the success of the Company for the benefit of all shareholders over the long term.

In addition to ensuring that the Company's stated investment objective was being pursued, the Directors confirm that they have considered promoting the success of the Company when making decisions, including in relation to:

- the realisation of investments in advance of the redemption of the 2022 ZDP shares;
- the recommendation that shareholders vote in favour of the Company's dividend policy at the forthcoming AGM; and
- the recommendation that shareholders vote in favour of the renewal of the buyback and allotment authorities as set out in the notice of AGM.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

The Board believes that it is in the shareholders' interests to consider ESG factors when selecting and retaining investments, and has asked the Investment Managers to take these into account when investing. The concept of responsible investing has always been a core component of the investment process and the Investment Managers employ a disciplined investment process that seeks to both uncover opportunities and evaluate potential risks, while striving for the best possible return outcomes. When reviewing any investment opportunity, the Investment Managers look to understand the relevant ESG issues in conjunction with the financial, macro and political drivers as part of its investment process, populating an internally built ESG framework due to lack of appropriate coverage from external providers. Relevant and material ESG opportunities and risks can meaningfully affect investment performance, therefore the consideration of ESG issues forms part of the integrated research analysis, decision-making and ongoing monitoring.

The Investment Managers believe that "G" is the core foundation on which all else is built, as strong governance within a company ensures that minority shareholder interests are aligned with other shareholders, management and stakeholders. The Investment Managers' "G" assessment therefore includes questions covering shareholders' rights, transparency and related parties, as well as audit and accounting, board composition and effectiveness, executive oversight and compensation. Each area is assessed and weighted, and the Investment Managers then apply an aggregated weighting towards "G" in line with the strong empirical evidence linking robust corporate governance and performance.

The "E" and "S" are also focal points for the Investment Managers, as assessing key environmental and social risks are essential to a long-term sustainable business model. The Investment Managers identify the most material "E" and "S" risks that are believed to affect each sector and companies are then assessed against each risk. The results from this analysis feed into an "E" and "S" score for each company reflecting, for each material risk, whether suitable/sustainable plans are in place, how clear the company has been in disclosing its approach and how well it is doing against its objective to manage such risk.

Where a portfolio company is assessed as having a relatively low "E", "S" and/or "G" score, ICM's approach is to engage with the company to seek improvements over time. ESG considerations provide a way to identify and review the long-term drivers of an investment that are not found within the financial accounts, thereby enabling the Investment Managers to fully question a company's investment potential from a number of perspectives. Examples of ESG progress on two portfolio companies are set out on page 20.

Where possible, the Investment Managers aim to visit companies to access an in-person opportunity to ask management teams what they perceive to be the key operational, social, and environmental issues, as well as a chance to see assets operating first-hand. ESG disclosures are not always easy to understand given they may not be openly reported or consistently disclosed. The Investment Managers believe that engaging with companies directly is the best first step. Where necessary, the Investment Managers will question and challenge an investee company's management team directly to ensure a full understanding of any challenges and opportunities.

Given the Investment Managers are long term investors, engagement with management teams is and will remain paramount to the investment approach. On behalf of UIL as shareholder, the Investment Managers work actively with investee companies to incorporate stronger ESG principles and vote in a considered manner (including against resolutions) to drive positive change. As referred to above, the Investment Managers believe that governance factors are fundamental to an investment.

ICM is a signatory to the United Nations-supported Principles for Responsible Investment, which is an international network of investors working together to implement its six aspirational principles; and is a member of the Asian Corporate Governance Association which is focused on the implementation of effective corporate governance in Asia. The Investment Managers believe that good stewardship is essential and the principles these various bodies espouse align with its philosophy to protect and increase the value of its investments.

MODERN SLAVERY ACT

Due to the nature of the Company's business, being a company that does not offer goods and services to customers, the Board considers that it is not within the scope of the Modern Slavery Act 2015 because it has no turnover. The Company is therefore not required to make a slavery and human trafficking statement. In any event, the Board considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter.

GENDER DIVERSITY

The Board consists of four male directors and one female director. The Company has no employees and therefore there is nothing further to report in respect of gender representation within the Company. The Company's policy on diversity is detailed in the Corporate Governance Statement on page 53.

GREENHOUSE GAS EMISSIONS AND STREAMLINED ENERGY AND CARBON REPORTING ("SECR")

All the Company's activities are outsourced to third parties. The Company therefore has no greenhouse gas emissions to report from its operations. In addition, the Company considers itself to be a low energy user under the SECR regulations and therefore is not required to disclose energy and carbon information.

BRIBERY ACT

The Company has a zero tolerance policy towards bribery and is committed to carrying out business fairly, honestly and openly. The Investment Managers also adopt a zero tolerance approach and have policies and procedures in place to prevent bribery.

CRIMINAL FINANCE ACT

The Company has a commitment to zero tolerance towards the criminal facilitation of tax evasion.

SOCIAL, HUMAN RIGHTS AND COMMUNITY MATTERS

As an externally-managed investment company, the Company does not have any employees or maintain any premises. It therefore has no material, direct impact on the environment or any particular community and the Company itself has no environmental, human rights, social or community policies. The Board notes the Investment Managers' policy statement in respect of Environmental, Social and Governance issues, as outlined on page 38.

OUTLOOK

The Board's main focus is on the achievement of the Company's objective of delivering a long-term total return and the future of the Company is dependent upon the success of its investment strategy. The outlook for the Company is discussed in the Chairman's Statement and the main trends and factors likely to affect the future development, performance and position of the Company's business can be found in the Investment Managers' Report.

This Strategic Report was approved by the Board of Directors on 21 September 2022.

By order of the Board
ICM Limited
Company Secretary

21 September 2022

INVESTMENT MANAGERS AND TEAM

ICMIM, a company authorised and regulated by the FCA, was the Company's AIFM during the year ended 30 June 2022 with sole responsibility for risk management, subject to the overall policies, supervision, review and control of the Board and is joint portfolio manager of the Company, alongside ICM.

The Investment Managers are focused on finding investments at valuations that do not reflect their true long term value. Their investment approach is to have a deep understanding of the business fundamentals of each investment and its environment versus its intrinsic value. The Investment Managers are long term investors.

ICM MANAGES OVER

£1.7bn

IN FUNDS DIRECTLY AND IS RESPONSIBLE INDIRECTLY FOR A FURTHER £18.2BN OF ASSETS IN SUBSIDIARY INVESTMENTS. ICM HAS OVER 80 STAFF BASED IN OFFICES IN BERMUDA, CAPE TOWN, DUBLIN, LONDON, SEOUL, SINGAPORE, SYDNEY, VANCOUVER AND WELLINGTON.

UIL HAS A BROAD INVESTMENT MANDATE. TO BETTER EXECUTE THE MANDATE UIL HAS SET UP A NUMBER OF PLATFORMS TO FOCUS THE INVESTMENT PROCESS AND DECISIONS. THE INVESTMENT MANAGERS HAVE MIRRORED THESE PLATFORMS IN ESTABLISHING INVESTMENT TEAMS DEDICATED TO EACH.

The investment teams are led by Duncan Saville and Charles Jillings.

DUNCAN SAVILLE

Duncan Saville, a director of ICM, is a chartered accountant with experience in corporate finance and asset management. He was formerly a non-executive director of Special Utilities Investment Trust PLC and Utilico Investment Trust plc and is an experienced non-executive director having been a director in multiple companies in the financial services, utility, mining and technology sectors. He is currently a non-executive director of ASX listed Resimac Group Limited, H.R.L Morrison & Co Limited and Allectus Capital Limited.

CHARLES JILLINGS

Charles Jillings, a director of ICM and chief executive of ICMIM, is responsible for the day-to-day running of UIL and the investment portfolio. He qualified as a chartered accountant and has extensive experience in corporate finance and asset management. He is an experienced director having previously been a non-executive director of Special Utilities Investment Trust PLC and other companies in the financial services, water and waste sectors. He is currently a director of Somers Limited, Waverton Investment Management Limited, and Allectus Capital Limited.

Core teams assisting them at a senior level, including consultants, are:

UTILITIES & INFRASTRUCTURE

Jacqueline Broers, deputy portfolio manager of UEM, has been involved in the running of UIL and UEM since September 2010. Mrs Broers is focused on the transport sector worldwide with particular emphasis on emerging markets. Prior to joining the investment team, Mrs Broers worked in the corporate finance team at Lehman Brothers and Nomura. Mrs Broers is a qualified chartered accountant.

Jonathan Groocock, deputy portfolio manager of UEM, has been involved in the running of UIL and UEM since February 2011. Mr Groocock is focused on the utilities sector worldwide with particular emphasis on emerging markets. Prior to joining the investment team Mr Groocock had nine years of experience in sell side equity research. Mr Groocock qualified as a CFA charterholder in 2005 and is a non executive director of Petalite Limited.

Mark Lebbell, has been involved in the running of UIL and UEM since their inception and before that was involved with Utilico Investment Trust plc and The Special Utilities Investment Trust PLC since 2000. Mr Lebbell is focused on the communications sector worldwide with particular emphasis on emerging markets. Mr Lebbell is an associate member of the Institute of Engineering and Technology.

FIXED INCOME

Gavin Blessing, joined ICM in 2012. He has over twenty years of experience, mostly in the corporate fixed income markets, both investment grade and high yield. He worked as a credit research analyst and portfolio manager at Goldman Sachs Asset Management in London for 10 years and subsequently as head of credit origination at ISTC in Dublin, Ireland. Prior to joining ICM he was head of bond credit research at Canaccord Genuity in Dublin. Mr Blessing is a qualified chartered accountant and CFA charterholder.

RESOURCES

Dugald Morrison, is responsible for Australasia and in addition, is focused on the resources sector worldwide. He is an experienced investment analyst, having worked in stockbroking, investment banking and investment management firms in New Zealand, the United Kingdom and the United States since 1987. Mr Morrison is a member of the New Zealand Institute of Directors.

TECHNOLOGY

Jason Cheong, heads up ICM's technology investing activities. He is the portfolio manager for Allectus Capital Limited, having worked in private equity, investment banking and corporate law in Australia and the United Kingdom. Prior to joining ICM, he was an investment manager at Brookfield Asset Management. Mr Cheong is a qualified solicitor, admitted to practice in Australia.

INVESTMENT MANAGERS AND TEAM (continued)

FINANCIAL SERVICES

Alasdair Younie is a director of ICM. Mr Younie is responsible for the day to day running of the Somers Group. Mr Younie has extensive experience in financial markets and corporate finance. He worked for six years within the corporate finance department of Arbuthnot Securities Limited in London. He is a director of Allectus Capital Limited, Somers Limited and West Hamilton Holdings Limited. Mr Younie is a member of the Institute of Chartered Accountants in England and Wales.

CORPORATE FINANCE

Sandra Pope is a director of ICMIM. She has over thirty years' experience in corporate finance, having previously worked in corporate finance at Deloitte Haskins & Sells, Hill Samuel Bank and Close Brothers for ten years and has worked for the ICM Group since 1999. Mrs Pope is a qualified chartered accountant and is a director of a number of private companies.

OPERATIONS

Brad Goddard has over thirty years' experience in international markets and finance and their related operations with the ICM Group. He has been involved with UIL since its inception and prior to that, he was involved with The Special Utilities Investment Trust plc. Mr Goddard is currently working closely with Somers' investee companies to achieve greater operational synergies across the Somers Group.

ACCOUNTING

Werner Van Kets has managed various operational and financial aspects of ICM Corporate Services (Pty) Ltd since its inception, which provides accounting and other corporate support services to the ICM group. His previous experience includes Deloitte (South Africa) and Credit Suisse in London. Mr Van Kets is a qualified chartered accountant.

COMPANY SECRETARY, ICM LIMITED

Alastair Moreton, a chartered accountant, joined the ICM team in 2017 to provide company secretarial services to the Company and to UEM. He has over thirty years' experience in corporate finance with Samuel Montagu, HSBC, Arbuthnot Securities and, prior to joining ICM, Stockdale Securities, where he was responsible for the company's closed-end fund corporate clients.

DIRECTORS

PETER BURROWS AO* (CHAIRMAN)

Peter Burrows AO (Chairman) was appointed a Director in September 2011 and Chairman in November 2015. Mr Burrows is an experienced stockbroker and founded his own independent specialist private client stock broking firm, Burrows Limited, in 1986. Mr Burrows was previously the chairman and director of a number of listed and unlisted companies. Mr Burrows was made an officer in the Order of Australia (AO) for his services to medical research, tertiary education and finance.

STUART BRIDGES*

Stuart Bridges (Chairman of Audit & Risk and Management Engagement Committees) was appointed a Director in October 2019. He is Chief Financial Officer of Inigo Limited, a nonlife insurance group operating out of Lloyds of London and a non-executive director of Caledonia Investments plc. He is a chartered accountant and his previous roles included chief financial officer of Control Risks Group, Nex Group plc (formerly ICAP plc) and Hiscox plc. Prior to Hiscox, he held various senior positions in a number of financial services companies in the United Kingdom and United States including Henderson Global Investors.

ALISON HILL*

Alison Hill, FCMA, CGMA, was appointed a Director in November 2015 and is an executive director and chief executive officer of The Argus Group in Bermuda, which provides insurance, retirement and financial services. Ms Hill has over twenty five years' experience in global corporations in the financial services sector. Ms Hill is a trustee and a member of committees of a number of non-corporate organisations in Bermuda. Ms Hill is a Fellow of the Chartered Institute of Management Accountants and a Chartered Global Management Accountant.

CHRISTOPHER SAMUEL*

Christopher Samuel was appointed a Director in November 2015 and was previously Chief Executive of Ignis Asset Management until mid-2014, when it was taken over by Standard Life. He has over twenty five years of board level experience in the investment management sector. He is currently chairman of Blackrock Throgmorton Trust plc, JP Morgan Japanese Investment Trust plc and Quilter Financial Planning Limited as well as a non-executive director of Quilter plc. Mr Samuel is a Chartered Accountant.

DAVID SHILLSON

David Shillson, LLM (Hons), who was appointed a Director in November 2015, is an experienced corporate and commercial lawyer and a senior partner of Dentons Kensington Swan, the New Zealand member of Dentons, the global law firm. He has acted for a variety of clients, particularly in acquisitions and investment structuring, advising on transactional and governance matters across the utilities, transport, energy, technology and finance sectors. Mr Shillson is a member of the New Zealand Law Society and the New Zealand Institute of Directors.

* Independent Director and member of the Audit & Risk Committee and Management Engagement Committee

DIRECTORS' REPORT

The Directors present the Annual Report and Accounts of the Company for the year ended 30 June 2022.

STATUS OF THE COMPANY

UIL is a Bermuda exempted closed-end investment company with registration number 39480. The Company's ordinary shares are admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange and have a secondary listing on the Bermuda Stock Exchange. UIL Finance's ZDP shares are listed on the Standard Segment of the Official List of the Financial Conduct Authority and are traded on the Main Market of the London Stock Exchange. UIL is a member of the AIC in the UK.

The Company's subsidiary undertaking, UIL Finance, carries on business as an investment company.

THE ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE ("AIFMD")

The Company is a non-EU Alternative Investment Fund ("AIF") for the purposes of the AIFMD. The Company has appointed ICMIM, an English incorporated company which is regulated by the FCA, as its AIFM, with sole responsibility for risk management and ICM and ICMIM jointly to provide portfolio management services.

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the annual report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other shareholder information, is available on the Company's website at www.uil.limited.

UIL has also appointed JPMEL as its depositary services provider. JPMEL's responsibilities include general oversight over the issue and cancellation of the Company's shares, the calculation of the NAV, cash monitoring and asset verification and record keeping. JPMEL receives a fee of 2.2bps on UIL's NAV for its services, subject to a minimum fee of £25,000 per annum, payable monthly in arrears.

FUND MANAGEMENT ARRANGEMENTS

The aggregate fees payable by the Company to ICMIM and ICM under the Investment Management Agreement ("IMA") are 0.5% per annum of gross assets after deducting current liabilities (excluding borrowings incurred for investment purposes), payable quarterly in arrears, with such fees to be apportioned between ICMIM and ICM as agreed by them. The Investment Managers may also become entitled to a performance-related fee. The IMA may be terminated on one year's notice in writing and further details of the management and performance fees are disclosed in note 3 to the accounts.

Under the IMA, ICM has been appointed as Company Secretary.

The Board continually reviews the policies and performance of the Investment Managers. The Board's philosophy and the Investment Managers' approach are that the portfolio should consist of shares thought attractive irrespective of their inclusion or weighting in any index. Over the long term, the Board expects the combination of the Company's and Investment Managers' approach to generate a positive return for shareholders. The Board continues to believe that the appointment of ICMIM and ICM on the terms agreed is in the interests of shareholders as a whole.

ADMINISTRATION

The provision of accounting and administration services has been outsourced to JPMorgan Chase Bank N.A. – London Branch (the "Administrator"). The Administrator provides financial and general administrative services to the Company for an annual fee based on the Company's month end NAV (5 bps on the first £100m NAV, 3bps on the next £150m NAV, 2bps on the next £250m NAV and 1.5bps on the next £500m NAV). The Administrator and any of its delegates are also entitled to reimbursement of certain expenses incurred by it in connection with its duties. In addition, ICMIM has appointed Waverton Investment Management Limited ("Waverton") to provide certain support services (including middle office, market dealing and information technology support services). Waverton is entitled to receive an annual fee of 3bps of the Company's gross assets and the Company reimburses ICMIM for its costs and expenses incurred in relation to this agreement.

Annually, the Management Engagement Committee considers the ongoing administrative requirements of the Company and assesses the services provided.

SAFE CUSTODY OF ASSETS

During the year ended 30 June 2022, most of UIL's investments were held in custody for the Company by JPMorgan Chase Bank N.A., Jersey (the "Custodian"). Operational matters with the Custodian are carried out on the Company's behalf by ICMIM and the Administrator in accordance with the IMA and the Administration Agreement. The Custodian is paid a variable fee dependent on the number of trades transacted and the location of the securities held.

FINANCIAL INSTRUMENTS

The Company's financial instruments comprise its investment portfolio, cash balances, bank borrowings and debtors and creditors which arise directly from its operations such as sales and purchases awaiting settlement, and accrued income. The financial risk management objectives and policies arising from its financial instruments and the exposure of the Company to risk are disclosed in note 29 to the accounts.

DIVIDENDS

Dividends of 2.00p per share were paid on 23 December 2021, 31 March 2022 and 30 June 2022. A dividend of 2.00p per share was declared on 23 August 2022 for payment on 30 September 2022 to shareholders on the register as at 2 September 2022. In aggregate, the four interim dividends in respect of the year amount to 8.00p per ordinary share.

ISA AND NMPI

The ordinary shares and the ZDP shares remain qualifying investments under the Individual Savings Account ("ISA") regulations and it is the intention of the Board to continue to satisfy these regulations. Furthermore, the Company currently conducts its affairs so that its shares can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investments and intends to continue to do so for the foreseeable future.

GOING CONCERN

The Board has reviewed the going concern basis of accounting for the Company. A significant proportion of the Company's investments comprise listed securities. 40.5% of the total portfolio as at 30 June 2022 is in level 1 investments which, in most circumstances, could likely be sold to meet funding requirements, if necessary. The Board has performed a detailed assessment of the Company's operational risk and resources including its ability to meet its liabilities as they fall due, by conducting stress tests and scenarios which considered the impact of severe stock market and currency volatility. This is set out in note 28 to the accounts. In light of this work and there being no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least the next twelve months from the date of approval of these financial statements. Accordingly, the Board considers it appropriate to continue to adopt the going concern basis in preparing the accounts.

DIRECTORS

UIL has a Board of five non-executive Directors who oversee and monitor the activities of the Investment

Managers and other service providers and ensure that the Company's investment policy is adhered to. The Board is supported by an Audit & Risk Committee and a Management Engagement Committee, which deal with specific aspects of the Company's affairs. The Corporate Governance Statement, which is set out on pages 50 to 54, forms part of this Directors' Report.

The Directors have a range of business, financial and asset management skills as well as experience relevant to the direction and control of the Company. Brief biographical details of the members of the Board are shown on page 43. All the Directors are independent other than Mr Shillson, who is a partner of Dentons Kensington Swan, a New Zealand law firm which has acted for members of the UIL and ICM groups.

UIL's Bye-laws require that a Director shall retire and be subject to re-election at the first AGM after appointment and at least every three years thereafter. However, in accordance with the AIC Code of Corporate Governance, all the directors are subject to annual re-election.

The nature of an investment company and the relationship between the Board and the Investment Managers are such that it is considered unnecessary to identify a senior independent director. Any of the Directors is available to shareholders if they have concerns which have not been resolved through the normal channels of contact with the Chairman or the Investment Managers, or for which such channels are inappropriate.

DIRECTORS' INDEMNITY AND INSURANCE

As permitted by the Company's Bye-laws, the Directors have the benefit of an indemnity under which the Company has agreed to indemnify each Director, to the extent permitted by law, in respect of certain liabilities incurred as a result of carrying out his/her role as a Director of the Company. The indemnity was in place during the year and as at the date of this report. UIL also maintains Directors' and Officers' liability insurance which provides appropriate cover for any legal action brought against the Directors.

DIRECTORS' INTERESTS

The Directors' interests in the ordinary share capital of the Company are disclosed in the Directors' Remuneration Report.

No Director was a party to, or had any interests in, any contract or arrangement with the Company at any time during the year or at the year end. There are no agreements between the Company and its Directors concerning compensation for loss of office.

A Director must avoid a situation where he/she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests. The Directors have declared any potential conflicts of interest to the Company which are reviewed regularly by the Board. The Directors have undertaken to advise the Company Secretary and/or Chairman as soon as they become aware of any potential conflicts of interest.

SHARE CAPITAL

As at 30 June 2022 the issued ordinary share capital of the Company and the total voting rights were 83,842,918 ordinary shares. As at the date of this report the issued share capital and total voting rights were 83,842,918 ordinary shares. There are no restrictions on the transfer of securities in the Company and there are no special rights attached to any of the shares.

SHARE ISSUES AND REPURCHASES

UIL has the authority to purchase shares in the market and to issue new shares for cash. During the year ended 30 June 2022 the Company purchased 460,365 ordinary shares for cancellation. The current authority to repurchase shares was granted to Directors on 10 November 2021 and expires at the conclusion of the next AGM. The Directors are proposing that their authority to buy back up to 14.99% of the Company's shares and to issue new shares up to 5% of the Company's issued ordinary share capital be renewed at the forthcoming AGM.

SUBSTANTIAL SHARE INTERESTS

As at the date of this report, the Company had received notification from Mr Duncan Saville that he had an interest in 62,618,221 ordinary shares (74.7% of UIL's issued share capital) which included the holding of General Provincial Life Pension Fund Limited (54,851,533 ordinary shares (65.4%)).

THE COMMON REPORTING STANDARD

Tax legislation under The OECD (Organisation for Economic Co-operation and Development) Common Reporting Standard for Automatic Exchange of Financial Account Information (the "Common Reporting Standard") was introduced on 1 January 2016. The legislation requires UIL, as an investment company, to provide personal information on shareholders to the Company's local tax authority in Bermuda. The Bermuda tax authority may in turn exchange the information with the tax authorities of another country or countries in which the shareholder may be tax resident, where those countries (or tax authorities in those countries) have entered into agreements to exchange financial account information. The Company's registrars have been engaged to collate such information and file reports on behalf of the Company.

All new shareholders, excluding those whose shares are held as depositary interests, who are entered on the share register will be sent a certification form for the purposes of collecting this information.

AUDIT INFORMATION AND AUDITOR

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

LISTING RULE 9.8.4R

The ordinary shares of UIL are admitted to the Specialist Fund Segment and therefore the Listing Rules do not technically apply to it. However it has agreed to comply voluntarily with certain key provisions of the Listing Rules, including Listing Rule 9.8, and confirms that there are no instances where the Company is required to make disclosures in respect of Listing Rule 9.8.4R (information to be included in annual report and accounts).

ANNUAL GENERAL MEETING

The following information to be discussed at the forthcoming AGM is important and requires your immediate attention. If you are in any doubt about the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended). If you have sold or transferred all of your shares in the Company, you should pass this document, together with any other accompanying documents including the form of proxy, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The business of the AGM consists of 12 resolutions. Resolutions 1 to 11 (inclusive) will be proposed as ordinary resolutions and resolution 12 will be proposed as a special resolution.

Ordinary Resolution 1 – Annual Report and Financial Statements

This resolution seeks shareholder approval to receive the Directors' Report, the Independent Auditor's Report and the Financial Statements for the year ended 30 June 2022.

Ordinary Resolution 2 – Approval of the Directors' Remuneration Report

This resolution is an advisory vote on the Directors' Remuneration Report.

Ordinary Resolution 3 – Approval of the Company's dividend policy

This resolution seeks shareholder approval of the Company's dividend policy to pay four interim dividends per year. Under the Company's Bye-laws, the Board is authorised to approve the payment of interim dividends without the need for the prior approval of the Company's shareholders.

Having regard to corporate governance best practice relating to the payment of interim dividends without the approval of a final dividend by a company's shareholders, the Board has decided to seek express approval from shareholders of its dividend policy to pay four interim dividends per year. If this resolution is not passed, it is the intention of the Board to refrain from authorising any further interim dividends until such time as the Company's dividend policy is approved by its shareholders.

Ordinary Resolutions 4 to 8 (inclusive) – Re-election of Directors

The biographies of the Directors are set out on page 43 and are incorporated into this report by reference.

Resolution 4 relates to the re-election of Mr Peter Burrows who was appointed Chairman on 16 November 2015, having joined the Board on 16 September 2011. Mr Burrows' leadership of the Board as Chairman draws on his long and varied experience on the boards of many listed and unlisted companies. His focus is on long-term strategic issues, which are key topics of Board discussion.

Resolution 5 relates to the re-election of Mr Stuart Bridges who was appointed on 2 October 2019. Mr Bridges is a chartered accountant with many years of experience both as a chief financial officer and as chair of audit and risk committees in the financial services sector. He therefore brings this strong background and skills to his role as the Company's Audit & Risk Committee Chairman.

Resolution 6 relates to the re-election of Ms Alison Hill who was appointed on 16 November 2015. Ms Hill is based in Bermuda and is an executive director and chief executive officer of the financial services company, The Argus Group. She therefore brings extensive financial services experience and knowledge of Bermuda to her role on the Board.

Resolution 7 relates to the re-election of Mr Christopher Samuel who was appointed on 16 November 2015. Mr Samuel's extensive experience in the investment management industry and as chairman of other investment companies means that he brings in-depth knowledge and expertise in investment matters to his role on the Board.

Resolution 8 relates to the re-election of Mr David Shillson who was appointed on 16 November 2015. Mr Shillson brings significant legal experience to his role on the Board which draws on a track record of advising on acquisitions and investment structuring in many of the sectors in which the Company invests.

Ordinary Resolutions 9 and 10 – Appointment of the external Auditor and the Auditor's Remuneration

These resolutions relate to the appointment and remuneration of the Company's auditor. The Company, through its Audit & Risk Committee, has considered the independence and objectivity of the external auditor and is satisfied that the proposed Auditor is independent. Further information in relation to the assessment of the existing Auditor's independence can be found in the report of the Audit & Risk Committee.

Resolutions relating to the following items of special business will be proposed at the forthcoming AGM:

Ordinary Resolution 11 – Authority to buy back shares

This resolution seeks to renew the authority granted to Directors enabling the Company to purchase its own shares. The Directors will consider repurchasing shares in the market if they believe it to be in shareholders' interests and as a means of correcting any imbalance between supply and demand for the Company's shares. Any shares purchased pursuant to this resolution shall be cancelled immediately upon completion of the purchase or held, sold, transferred or otherwise dealt with as treasury shares.

The Directors are seeking authority to purchase in the market up to 12,560,000 ordinary shares (representing approximately 14.99% of the issued ordinary shares as at the date of the Notice of AGM). This authority, unless renewed at an earlier general meeting, will expire at the conclusion of the next AGM of the Company to be held in 2023.

Special Resolution 12 – Authority to disapply pre-emption rights

The Company's Bye-laws provide that, unless otherwise determined by a special resolution, the Company is not able to allot ordinary shares for cash without offering them to existing shareholders first in proportion to their shareholdings. This resolution will grant the Company authority to dis-apply these pre-emption rights in respect of up to 4,192,000 ordinary shares (representing approximately 5% of the issued ordinary shares as at the date of the Notice of AGM). Any such sale of shares would only be made at prices greater than NAV and would therefore increase the assets underlying each share. This resolution will expire at the conclusion of the next AGM of the Company to be held in 2023 unless renewed prior to that date at an earlier general meeting.

Resolution 12 is a special resolution and will require the approval of a 75% majority of votes cast in respect of it.

RECOMMENDATION

The Board considers that each of the resolutions to be proposed at the AGM is likely to promote the success of the Company for the benefit of its members as a whole and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that shareholders vote in favour of these resolutions as they intend to do in respect of their own beneficial holdings.

By order of the Board
ICM Limited
Secretary

21 September 2022

THE COMPANY'S CORPORATE GOVERNANCE FRAMEWORK

Corporate Governance is the process by which the board of directors of a company protects shareholders' interests and by which it seeks to enhance shareholder value. Shareholders hold the directors responsible for the stewardship of a company's affairs, delegating authority and responsibility to the directors to manage the company on their behalf and holding them accountable for its performance. Responsibility for good governance lies with the Board. The Board considers the practice of good governance to be an integral part of the way it manages the Company and is committed to maintaining high standards of financial reporting, transparency and business integrity.

The governance framework of the Company reflects the fact that, as an investment company, it has no full-time employees and outsources its activities to third party service providers.

THE BOARD

Five non-executive directors (NEDs)

CHAIRMAN:
Peter Burrows

KEY OBJECTIVES:

- to set strategy, values and standards;
- to provide leadership within a framework of prudent and effective controls which enable risks to be assessed and managed; and
- to constructively challenge and scrutinise performance of all outsourced activities.

AUDIT & RISK COMMITTEE

All the independent Directors

CHAIRMAN:
Stuart Bridges

KEY OBJECTIVE:

- to oversee the financial reporting and control environment.

MANAGEMENT ENGAGEMENT COMMITTEE

All the independent Directors

CHAIRMAN:
Stuart Bridges

KEY OBJECTIVES:

- to review the performance of the Investment Managers and the Administrator; and
- to review the performance of other service providers.

NOMINATION COMMITTEE FUNCTION

The Board as a whole performs this function

KEY OBJECTIVES:

- to regularly review the Board's structure and composition; and
- to consider any new appointments.

REMUNERATION COMMITTEE FUNCTION

The Board as a whole performs this function

KEY OBJECTIVE:

- to set the remuneration policy for the Directors of the Company.

THE AIC CODE OF CORPORATE GOVERNANCE

The Board's principal governance reporting obligation is in relation to the UK Corporate Governance Code (the "UK Code") issued by the Financial Reporting Council ("FRC") in July 2018. However, it is recognised that investment companies have special circumstances which have an impact on their governance arrangements. An investment company typically has no employees and the roles of portfolio manager, administration, accounting and company secretarial tend to be outsourced to a third party. The AIC has therefore drawn up its own set of guidelines known as the AIC Code of Corporate Governance (the "AIC Code") issued in February 2019, which recognises the nature of investment companies by focusing on matters such as board independence and the review of management and other third party contracts. The FRC has endorsed the AIC Code and confirmed that companies which report against the AIC Code will be meeting their obligations in relation to the UK Code and paragraph LR 9.8.6 of the FCA's Listing Rules. The Board believes that reporting against the principles and recommendations of the AIC Code will provide better information to shareholders.

The UK Code is available from the FRC's website at www.frc.org.uk. The AIC Code is available from the Association of Investment Companies' website at www.theaic.co.uk.

COMPLIANCE WITH THE AIC CODE

During the year ended 30 June 2022, the Company complied with the recommendations of the AIC Code and the relevant provisions of the UK Code, except those relating to:

- the role of the chief executive;
- executive directors' remuneration;
- the need for an internal audit function;
- nomination of a senior independent director; and
- membership of the Audit & Risk Committee by the Chairman of the Board.

For the reasons set out in the AIC Code and as explained in the UK Code, the Board considers these provisions are not relevant to the position of UIL, being an externally managed investment company. The Board is composed entirely of non-executive directors and therefore the Board does not believe it is necessary to nominate a senior independent director. In addition, as explained in the Audit & Risk Committee Report, the Chairman of the Board is also a member of the Audit & Risk Committee, as permitted by the AIC Code.

Information on how the Company has applied the principles of the AIC Code and the UK Code is set out below.

THE BOARD

The Board is responsible to shareholders for the overall stewardship of the Company. A formal schedule of matters reserved for the decision of the Board has been adopted. Investment policy and strategy are determined by the Board and it is also responsible for the gearing policy, dividend policy, public documents, such as the Annual Report and Financial Statements, the buy-back policy and corporate governance matters. In order to enable the Directors to discharge their responsibilities effectively the Board has full and timely access to relevant information.

The Board meets at least three times a year, with additional Board and Committee meetings being held on an ad hoc basis to consider investment performance and particular issues as they arise. Key representatives of the Investment Managers attend each meeting and between these meetings there is regular contact with the Investment Managers. Board meetings may often be held in countries where the Company holds investments and the Board will meet with investee companies and local experts.

The Board has direct access to the advice and services of the Company Secretary, who is an employee of ICM. The Company Secretary, with advice from the Company's lawyers and financial advisers, is responsible for ensuring that the Board and Committee procedures are followed and that applicable rules and regulations are complied with. The Company Secretary is also responsible to the Board for ensuring timely delivery of information and reports and that the statutory obligations of the Company are met. The Company Secretary is responsible for advising the Board, through the Chairman, on all governance matters.

There is an agreed procedure for Directors, in the furtherance of their duties, to take legal advice at the Company's expense, having first consulted with the Chairman.

During the year, none of the Directors took on any significant new commitments or appointments. All of the Directors consider that they have sufficient time to discharge their duties.

There were three Board meetings, three Audit & Risk Committee meetings and one Management Engagement Committee meeting held during the year and the attendance by the Directors was as follows:

	Board	Audit & Risk Committee	Management Engagement Committee
Number of scheduled meetings held during the year	3	3	1
Peter Burrows	3	3	1
Stuart Bridges	3	3	1
Alison Hill	3	3	1
Christopher Samuel	3	3	1
David Shillson	3	n/a	n/a

Apart from the meetings detailed above, there were a number of meetings held by committees of the Board to discuss investment performance, approve the declaration of quarterly dividends and other ad hoc items.

AUDIT & RISK COMMITTEE

The Audit & Risk Committee comprises all the independent Directors of the Company and is chaired by Mr Bridges. Further details of the Audit & Risk Committee are provided in its report starting on page 60.

MANAGEMENT ENGAGEMENT COMMITTEE

The Management Engagement Committee, which is currently chaired by Mr Bridges, comprises all the independent Directors of the Company and meets at least once a year.

The Investment Managers' performance is considered by the Board at every meeting, with a formal evaluation by the Management Engagement Committee annually. The Board received detailed reports and views from the Investment Managers on investment policy, asset allocation, gearing and risk at each Board meeting in the year ended 30 June 2022, with ad hoc market/company updates if there were significant movements in the intervening period.

The Management Engagement Committee also considers the effectiveness of the administration services provided by the Investment Managers and Administrator and the performance of other third party service providers. In this regard the Committee assessed the services provided by the Investment Managers, the Administrator and the other service providers to be good.

REMUNERATION COMMITTEE

The Board as a whole undertakes the work which would otherwise be undertaken by a Remuneration Committee. Further details are provided in the Directors' Remuneration Report starting on page 57.

INTERNAL CONTROLS

The Directors acknowledge that they are responsible for ensuring that the Company maintains a sound system of internal financial and non-financial controls ("internal controls") to safeguard shareholders' investments and the Company's assets.

The Company's system of internal control is designed to manage rather than eliminate risk of failure to achieve the Company's investment objective and/or adhere to the Company's investment policy and/or investment limits. The system can therefore only provide reasonable and not absolute assurance against material misstatement or loss.

The Investment Managers, Administrator and Custodian maintain their own systems of internal controls and the Board and the Audit & Risk Committee receive regular reports from these service providers.

The Board meets regularly, at least three times a year. It reviews financial reports and performance against relevant stock market criteria and the Company's peer group, amongst other things. The effectiveness of the Company's system of internal controls, including financial, operational and compliance and risk management systems is reviewed at least bi-annually against risk parameters approved by the Board. The Board confirms that the necessary actions are taken to remedy any significant failings or weaknesses identified from its review. No significant failings or weaknesses occurred during the year ended 30 June 2022 or subsequently up to the date of this report.

BOARD DIVERSITY, APPOINTMENT, RE-ELECTION AND TENURE

The Board as a whole undertakes the responsibilities which would otherwise be assumed by a nomination committee since the Board is composed solely of non-executive Directors. It considers the size and structure of the Board, including the balance of expertise and skills brought by individual Directors. It has regard to board diversity and recognises the value of progressive refreshing of and succession planning for, company boards and such matters are discussed by the Board as a whole at least annually. The Board also seeks to have Directors in different jurisdictions who understand the key influences on businesses in their area, whether they are economic, political, regulatory or other issues. The Board's policy on diversity, including gender, is to take this into account during the recruitment process. Any new appointment is considered on the basis of the skills and experience that the individual would bring to the Board, regardless of gender or other forms of diversity, and therefore no targets have been set against which to report. As at the date of this report, the Board consists of four men and one woman.

The Board is of the view that length of service does not necessarily compromise the independence or contribution of directors of an investment company, where continuity and experience can add significantly to the strength of the Board. This is supported by the views on independence expressed in the AIC Code. No limit on the overall length of service of any of the Company's Directors, including the Chairman, has been imposed. All Directors are subject to annual re-election.

The Board reviews succession planning at least annually. Appointments of new Directors will be made on a formalised basis with the Chairman agreeing, in conjunction with his colleagues, a job specification and other relevant selection criteria and the methods of recruitment (where appropriate using an external recruitment agency), selection and appointment. The potential Director would meet with Board members prior to formal appointment. An induction process will be undertaken, with new appointees to the Board being given a full briefing on the workings and processes of the Company and the management of the Company by the Chairman, the Investment Managers, the Company Secretary and other appropriate persons. All appointments are subject to subsequent confirmation by shareholders in general meeting.

BOARD, COMMITTEE AND DIRECTORS' PERFORMANCE APPRAISAL

The Directors recognise the importance of the AIC Code's recommendations in respect of evaluating the performance of the Board, the Committees and individual Directors. This encompasses both quantitative and qualitative measures of performance including:

- attendance at meetings;
- the independence of individual Directors;
- the ability of Directors to make an effective contribution to the Board and Committees through the range and diversity of skills and experience each Director brings to their role; and
- the Board's ability to challenge the Investment Managers' recommendations, suggest areas of debate and set the future strategy of the Company.

The Board opted to conduct performance evaluation through questionnaires and discussion between the Directors, the Chairman and the chairmen of the Committees. This process is conducted by the Chairman reviewing individually with each of the Directors their performance, contribution and commitment to the Company and the possible further development of skills. In addition, the Chair of the Audit & Risk Committee reviews the performance of the Chairman with the other Directors, taking into account the views of the Investment Managers. The relevant points arising from these meetings are then reported to, and discussed by, the Board as a whole. This process has been carried out in respect of the year under review and will be conducted on an annual basis. The result of this year's performance evaluation process was that the Board, the Committees of the Board and the Directors individually were all assessed to have performed satisfactorily. No follow-up actions were required.

It is not felt appropriate currently to employ the services of, or to incur the additional expense of, an external third party to conduct the evaluation process as an appropriate process is in place; this will, however, be kept under review.

RELATIONS WITH SHAREHOLDERS

UIL welcomes the views of shareholders and places great importance on communication with shareholders.

The prime medium by which the Company communicates with shareholders is through the half-yearly and annual financial reports, which aim to provide shareholders with a full understanding of the Company's activities and its results. This information is supplemented by the calculation and publication, via a Regulatory Information Service, of the NAV of the Company's shares and by monthly fact sheets produced by the Investment Managers. Shareholders can visit the Company's website: www.uil.limited in order to access copies of half-yearly and annual financial reports, factsheets and regulatory announcements.

The Investment Managers hold meetings with the Company's largest shareholders and report back to the Board on these meetings. The Chairman and other Directors are available to discuss any concerns with shareholders, if required and shareholders may communicate with the Company at any time by writing to the Board at the Company's registered office or contacting the Company's broker.

By order of the Board
ICM Limited
Company Secretary

21 September 2022

Since inception, UIL has created a NAV total return for shareholders of 459.6%

UIL has a leveraged balance sheet structure, with the ordinary shares leveraged by the ZDP shares and bank debt.

ORDINARY SHARES

The number of ordinary shares in issue, and the voting rights, as at 30 June 2022 was 83,842,918 shares. The ordinary shares are entitled to all the revenue profits of the Company available for distribution and resolved to be distributed by the Directors by way of a dividend. The Directors consider the payment of dividends on a quarterly basis.

On a winding up, holders of ordinary shares will be entitled, after payment of all debts and the satisfaction of all liabilities of the Company, to the winding up revenue profits of the Company and thereafter, after paying to UIL Finance for its ZDP shareholders their accrued capital entitlement, to all the remaining assets of the Company.

ZDP SHARES

The ZDP shares are issued by UIL Finance, a wholly-owned subsidiary of UIL. The ZDP shares carry no entitlement to income and the whole of any return will take the form of capital.

2022 ZDP SHARES

35,569,069 2022 ZDP shares were in issue as at 30 June 2022. The 2022 ZDP shares rank for payment in priority to the ordinary shares (save for any undistributed revenue profit on winding up) and the 2024, 2026 and 2028 ZDP shares but rank behind the bank debt for capital repayment of 146.99p per 2022 ZDP share on 31 October 2022. The capital repayment is equivalent to a redemption yield of 6.25% per annum based on the initial capital entitlement of 100.00p.

2024 ZDP SHARES

30,000,000 2024 ZDP shares were in issue as at 30 June 2022. The 2024 ZDP shares rank for payment in priority to the ordinary shares (save for any undistributed revenue profit on winding up) and the 2026 and 2028 ZDP shares but rank behind the bank debt and the 2022 ZDP shares for capital repayment of 138.35p per 2024 ZDP share on 31 October 2024. The capital repayment is equivalent to a redemption yield of 4.75% per annum based on the initial capital entitlement of 100.00p.

2026 ZDP SHARES

25,000,000 2026 ZDP shares were in issue as at 30 June 2022, of which 2,309,620 were held by UIL. The 2026 ZDP shares rank for payment in priority to the ordinary shares (save for any undistributed revenue profit on winding up) and the 2028 ZDP shares but rank behind the bank debt, and the 2022 and 2024 ZDP shares for capital repayment of 151.50p per 2026 ZDP share on 31 October 2026. The capital repayment is equivalent to a redemption yield of 5.00% per annum based on the initial capital entitlement of 100.00p.

2028 ZDP SHARES

25,000,000 2028 ZDP shares were in issue as at 30 June 2022, of which 583,735 were held by UIL. The 2028 ZDP shares rank for payment in priority to the ordinary shares (save for any undistributed revenue profit on winding up) but rank behind the bank debt, and the 2022, 2024 and 2026 ZDP shares for capital repayment of 152.29p per 2028 ZDP share on 31 October 2028. The capital repayment is equivalent to a redemption yield of 5.75% per annum based on the initial capital entitlement of 100.00p.

BANK DEBT

As at 30 June 2022, UIL had a £50.0m multi-currency loan facility provided by Scotiabank, secured against the Company's assets by way of a debenture, which was fully drawn.

SENSITIVITY OF RETURNS AND RISK PROFILES

Ordinary shares rank behind the ZDP shares (save for any undistributed revenue profit on a winding up) and bank debt such that they represent a geared instrument. For every £100 of gross assets of the Company as at 30 June 2022, the ordinary shares could be said to be interested in £53.26 of those assets after deducting the prior claims as above. This makes the ordinary shares more sensitive to movements in gross assets. Based on these amounts, a 1.0% movement in gross assets would change the NAV attributable to ordinary shares by 1.9%.

The interest cost of UIL's bank debt, combined with the annual accruals in respect of ZDP shares, represents a blended rate of 4.7% as at 30 June 2022.

Based on their final entitlement of 146.99p per share, the final entitlement of the 2022 ZDP shares was covered 3.89 times by gross assets as at 30 June 2022. Should the gross assets fall by 74.3% over the remaining life of the 2022 ZDP shares, then the 2022 ZDP shares would not receive their final entitlement in full. Should gross assets fall by 86.9%, the 2022 ZDP shares would receive no payment at the end of their life.

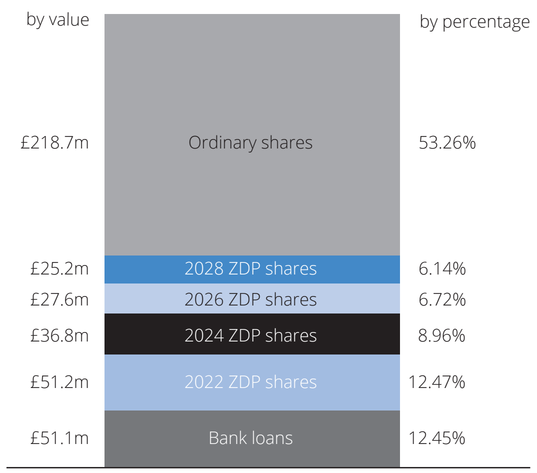
Based on their final entitlement of 138.35p per share, the final entitlement of the 2024 ZDP shares was covered 2.80 times by gross assets as at 30 June 2022. Should the gross assets fall by 64.3% over the remaining life of the 2024 ZDP shares, then the 2024 ZDP shares would not receive their final entitlement in full. Should gross assets fall by 74.3%, equivalent to an annual fall of 44.1%, the 2024 ZDP shares would receive no payment at the end of their life.

Based on their final entitlement of 151.50p per share, the final entitlement of the 2026 ZDP shares was covered 2.23 times by gross assets as at 30 June 2022. Should the gross assets fall by 55.2% over the remaining life of the 2026 ZDP shares, then the 2026 ZDP shares would not receive their final entitlement in full. Should gross assets fall by 64.3%, equivalent to an annual fall of 21.1%, the 2026 ZDP shares would receive no payment at the end of their life.

Based on their final entitlement of 152.29p per share, the final entitlement of the 2028 ZDP shares was covered 1.85 times by gross assets as at 30 June 2022. Should the gross assets fall by 46.0% over the remaining life of the 2028 ZDP shares, then the 2028 ZDP shares would not receive their final entitlement in full. Should gross assets fall by 55.2%, equivalent to an annual fall of 11.9%, the 2028 ZDP shares would receive no payment at the end of their life.

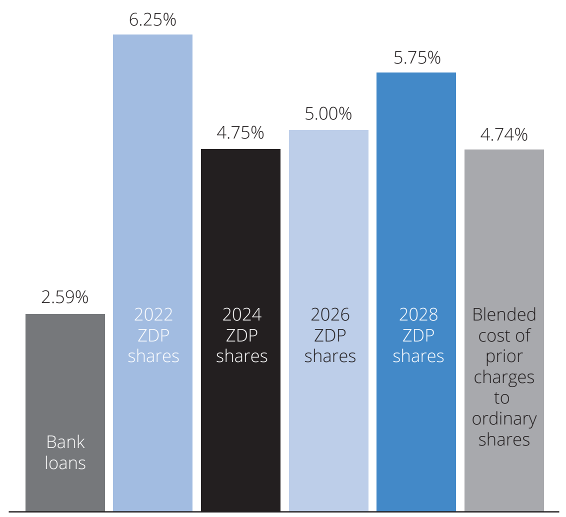
SPLIT OF GROSS ASSETS

as at 30 June 2022



CONSOLIDATED FUNDING COST STRUCTURE

as at 30 June 2022



DIRECTORS' REMUNERATION REPORT

The Board presents the report on Directors' remuneration for the year ended 30 June 2022. The report comprises a remuneration policy, which is subject to a triennial binding shareholder vote, or sooner if an alteration to the policy is proposed, and a report on remuneration, which is subject to an annual advisory vote. An ordinary resolution for the approval of this report will be put to shareholders at the Company's forthcoming AGM. Where certain parts of the disclosures provided have been audited, they are indicated as such. The auditor's opinion is included in their report starting on page 64.

The Board's policy on remuneration is set out below. A key element is that fees payable to Directors should reflect the time spent by them on the Company's affairs and should be sufficient to attract and retain individuals with suitable knowledge and experience to promote the long term success of the Company whilst also reflecting the time commitment and responsibilities of the role. There were no changes to the policy during the year.

The Board is composed solely of non-executive Directors, none of whom has a service contract with the Company and therefore no remuneration committee has been appointed. The Board as a whole undertakes the responsibilities which would otherwise be assumed by a remuneration committee.

DIRECTORS' REMUNERATION POLICY

The Board considers the level of the Directors fees at least annually. The Board determines the level of Directors' fees within the limit currently set by the Company's Bye-laws, which limit the aggregate fees payable to the Directors to a total of £250,000 per annum.

The Board's policy is to set Directors' remuneration at a level commensurate with the skills and experience necessary for the effective stewardship of the Company and the expected contribution of the Board as a whole in continuing to achieve the investment objective. Time committed to the Company's business and the specific responsibilities of the Chairman, Directors and the chairman of the Audit & Risk Committee are taken into account. The policy aims to be fair and reasonable in relation to comparable investment companies.

The fees are fixed and are payable in cash, quarterly in arrears. Directors are entitled to be reimbursed for any reasonable expenses properly incurred by them in connection with the performance of their duties and attendance at Board and general meetings and Committee meetings. Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

Directors are provided with a letter of appointment when they join the Board. There is no provision for compensation upon early termination of appointment. The letters of appointment are available on request at the Company's registered office during business hours.

DIRECTORS' REMUNERATION

The Board reviews the fees payable to the Chairman and Directors annually. The review in respect of the year ending 30 June 2023 has resulted in the increases being applied to the annual fees as detailed in the table below.

Year ending 30 June	2023 £'000s	2022* £'000s
Chairman	50.0	47.6
Directors	37.0	35.2
Chairman of Audit & Risk Committee	47.8	45.5

* Actual

VOTING AT ANNUAL GENERAL MEETING

A resolution to approve the Remuneration Report was put to shareholders at the AGM of the Company held on 10 November 2021. Of the votes cast, 99.99% were in favour and 0.01% were against; this resolution will be put to shareholders again this year. The Company seeks shareholder approval for its remuneration policy on a triennial basis and a binding resolution was last put to shareholders at the AGM held on 8 December 2020. Of the votes cast, 99.98% were in favour and 0.02% were against. A resolution to approve the remuneration policy will be put to shareholders at the AGM to be held in 2023.

DIRECTORS' ANNUAL REPORT ON REMUNERATION (AUDITED)

A single figure for the total remuneration of each Director is set out in the table below for the year ended 30 June 2022.

Year ended 30 June	2022 £	2021 £
Peter Burrows	47,600	46,000
Stuart Bridges	45,500	44,000
Alison Hill	35,200	34,000
Christopher Samuel	35,200	34,000
David Shillson	35,200	34,000
Total	198,700	192,000

ANNUAL PERCENTAGE CHANGE IN DIRECTORS' REMUNERATION

The following table sets out the annual percentage change in Directors' remuneration compared to the previous year.

Year ended 30 June	2022 %	2021 %	2020 %
Peter Burrows[1]	3.5	100.0	(48.9)
Stuart Bridges	3.4	0.0	2.3
Alison Hill	3.5	0.0	2.3
Christopher Samuel	3.5	0.0	2.3
David Shillson	3.5	0.0	2.3

[1] Mr Burrows waived 50% of his fee entitlement during the year ended 30 June 2020.

RELATIVE IMPORTANCE OF SPEND ON PAY

The following table compares the remuneration paid to the Directors with aggregate distributions paid to shareholders relating to the year to 30 June 2022 and the prior year. Although this disclosure is a statutory requirement, the Directors consider that comparison of Directors' remuneration with annual dividends and share buybacks does not provide a meaningful measure relative to the Company's overall performance as an investment company with an objective of providing shareholders with long-term total return.

Year ended 30 June	2022 £'000s	2021 £'000s	CHANGE £'000s
Aggregate Directors' emoluments	199	192	7
Aggregate dividends	6,714	6,813	(99)
Aggregate share buybacks	1,227	3,623	(2,396)

DIRECTORS' BENEFICIAL SHARE INTERESTS (AUDITED)

The Directors' (and any connected persons) holdings of ordinary shares are detailed below:

As at 30 June	2022	2021
Peter Burrows	909,617	909,617
Stuart Bridges	159,736	136,937
Alison Hill	99,254	81,619
Christopher Samuel	219,998	212,991
David Shillson	141,812	123,109

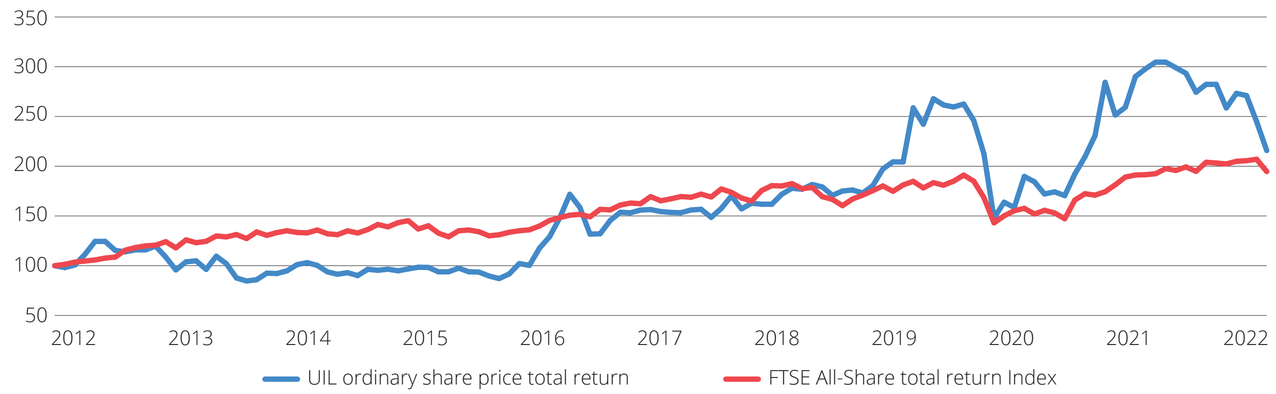
[1] Since the year end, no Director has acquired or sold any ordinary shares

COMPANY PERFORMANCE

The graph below compares, for the ten years ended 30 June 2022, the ordinary share price total return (see page 108) to the FTSE All-Share total return Index. The FTSE All-Share total return Index has been chosen since it represents a comparable broad equity market index and it is used by the Company to compare its performance against over the long term.

SHARE PRICE TOTAL RETURN (pence)

from 30 June 2012 to 30 June 2022 (rebased to 100 as at 30 June 2012)



Source: ICM

On behalf of the Board
Peter Burrows
Chairman

21 September 2022

AUDIT & RISK COMMITTEE REPORT

STUART BRIDGES
Chairman of the Audit & Risk Committee

As chairman of the Audit & Risk Committee, I am pleased to present the Committee's report to shareholders for the year ended 30 June 2022.

ROLE AND RESPONSIBILITIES

UIL has established a separately chaired Audit & Risk Committee whose duties include considering and recommending to the Board for approval the contents of the half yearly and annual financial statements and providing an opinion as to whether the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy. The Committee also reviews the external Auditors' report on the annual financial statements and is responsible for reviewing and forming an opinion on the effectiveness of the external audit process and audit quality. Other duties include reviewing the appropriateness of the Company's accounting policies and ensuring the adequacy of the internal control systems and standards.

The Audit & Risk Committee meets at least three times a year. Two of the planned meetings are held prior to the Board meetings to review the half yearly and annual results. Representatives of the Investment Managers attend all meetings.

COMPOSITION

During the year ended 30 June 2022, the Audit & Risk Committee consisted of all the independent Directors of the Company. It is considered that there is a range of recent and relevant financial experience amongst the members of the Audit & Risk Committee together with experience of the investment trust sector. In light of the Chairman of the Board's relevant financial services experience, his continued independence and his valued contributions in Committee meetings, the Audit & Risk Committee considers it appropriate that he is a member.

RESPONSIBILITIES AND REVIEW OF THE EXTERNAL AUDIT

During the year the principal activities of the Audit & Risk Committee included:

- considering and recommending to the Board for approval the contents of the half yearly and annual financial statements and reviewing the external auditor's report;
- management of the relationship with the external auditor, including its appointment and the evaluation of scope, execution, cost effectiveness, independence and objectivity;
- reviewing and approving the external auditors' plan for the financial year, with a focus on the identification of areas of audit risk, and consideration of the appropriateness of the level of audit materiality adopted;
- reviewing and recommending to the Board for approval the audit and non-audit fees payable to the external auditor and the terms of its engagement;
- evaluation of reports received from the external auditor with respect to the annual financial statements and its review of the half-yearly report;
- reviewing the efficacy of the external audit process and making a recommendation to the Board with respect to the reappointment of the external auditors;
- evaluation of the effectiveness of the internal control and risk management systems including reports received on the operational controls of the Company's service providers and reports from the Company's depositary;
- reviewing the appropriateness of the Company's accounting policies; and
- monitoring developments in accounting and reporting requirements that impact on the Company's compliance with relevant statutory and listing requirements.

AUDITOR AND AUDIT TENURE

KPMG LLP ("KPMG") has been the auditor of the Company since 2012, following a competitive tender process. The Audit & Risk Committee decides when it is appropriate to put the role of auditor out to tender.

The audit partner has rotated regularly. Mr John Waterson was appointed the lead audit partner in 2020. The Audit & Risk Committee has considered the independence of the auditor and the objectivity of the audit process and is satisfied that KPMG has fulfilled its obligations to shareholders as independent auditor to the Company.

It is the Company's policy not to seek substantial non-audit services from its auditor unless they relate to a review of the half yearly report as the Board considers the auditor is best placed to provide this work. If the provision of significant non-audit services were to be considered, the Committee would procure such services from an accountancy firm other than the auditor. Non-audit fees paid to KPMG by the Company amounted to £12,000 for the year ended 30 June 2022 (2021: £10,000) and related to the agreed procedures on the half yearly accounts. The Committee has considered the threats to independence from the provision of this service and concluded that since appropriate safeguards exist there is no impact to auditor independence.

The partner and manager of the audit team at KPMG presented their audit plan to the Audit & Risk Committee in advance of the financial year end. Items of audit focus were discussed, agreed and given particular attention during the audit process. KPMG reported to the Audit & Risk Committee on these items, their independence and other matters. This report was considered by the Audit & Risk Committee and discussed with KPMG and the Investment Managers prior to approval of the annual financial report.

Members of the Audit & Risk Committee meet *in camera* with the external auditor at least annually.

ACCOUNTING MATTERS AND SIGNIFICANT AREAS

For the year ended 30 June 2022 the accounting matters that were subject to specific consideration by the Audit & Risk Committee and consultation with KPMG where necessary were as follows:

SIGNIFICANT AREA	HOW ADDRESSED
Value of level 3 investments	Investments that are classified as level 3 are valued using a variety of techniques to determine a fair value, as set out in note 1(d) to the accounts. All such valuations are carefully reviewed by the Audit & Risk Committee with the Investment Managers. The Audit & Risk Committee receives detailed information on all level 3 investments and it discusses and challenges the valuations with the Investment Managers. It considers market comparables and discusses any proposed revaluations with the Investment Managers.

The Audit & Risk Committee reviewed the external audit plan at an early stage and concluded that the appropriate areas of audit risk relevant to the Company had been identified and that suitable audit procedures had been put in place to obtain reasonable assurance that the financial statements as a whole would be free of material misstatements.

As a result, and following a thorough review process, the Audit & Risk Committee advised the Board that it is satisfied that, taken as a whole, the annual financial report for the year ended 30 June 2022 is fair, balanced, and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy. In reaching this conclusion, the Audit & Risk Committee has assumed that the reader of the report would have a reasonable level of knowledge of investments.

EXTERNAL AUDIT, REVIEW OF ITS EFFECTIVENESS AND AUDITOR REAPPOINTMENT

The Audit & Risk Committee advises the Board on the appointment of the external auditor, its remuneration for audit and non-audit work and its cost effectiveness, independence, and objectivity.

As part of the review of the effectiveness of the audit process, a formal evaluation process incorporating views from the members of the Audit & Risk Committee and relevant personnel at the Investment Managers is followed and feedback is provided to KPMG. Areas covered by this review include:

- the calibre of the audit firm, including reputation and industry presence;
- the extent of quality controls including review processes, second director oversight and annual reports from its regulator;
- the performance of the audit team, including skills of individuals, specialist knowledge, partner involvement, team member continuity and quality and timeliness of audit planning and execution;
- audit communication including planning, relevant accounting and regulatory developments, approach to significant accounting risks, communication of audit results and recommendations on corporate reporting;
- ethical standards including independence and integrity of the audit team, lines of communication to the Audit & Risk Committee and partner rotation; and
- reasonableness of the audit fees.

For the year ended 30 June 2022, the Audit & Risk Committee is satisfied that the audit process was effective.

Resolutions proposing the reappointment of KPMG as the Company's auditor and authorising the Directors to determine its remuneration will be put to the shareholders at the forthcoming AGM.

INTERNAL CONTROLS AND RISK MANAGEMENT

UIL's risk assessment focus and the way in which significant risks are managed is a key area of focus for the Audit & Risk Committee. Work here was driven by the Audit & Risk Committee's assessment of the risks arising in the Company's operations and identification of the controls exercised by the Board and its delegates, the Investment Managers, the Administrator and other service providers. These are recorded in risk matrices prepared by ICMIM as the Company's AIFM with responsibility for risk management, which continue to serve as an effective tool to highlight and monitor the principal risks, details of which are provided in the Strategic Report. It also received and considered, together with representatives of the Investment Managers, reports in relation to the operational controls of the Investment Managers, Administrator and Custodian. These reviews identified no issues of significance.

WHISTLEBLOWING POLICY

The Committee has also reviewed and accepted the 'whistleblowing' policy that has been put in place by the Investment Managers under which their staff, in confidence, can raise concerns about possible improprieties in matters of financial reporting or other matters, in so far as they affect the Company.

INTERNAL AUDIT

Due to the nature of the Company, being an externally managed investment company with no executive employees, the Company does not have its own internal audit function. The Committee and the Board have concluded that there is no current need for such a function, based on the satisfactory operation of controls within the Company's service providers.

Stuart Bridges
Chairman of the Audit & Risk Committee

21 September 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES in respect of the Annual Report and Financial Statements

The Directors are responsible for preparing the Annual Report and the Group and parent Company Accounts in accordance with applicable law and regulations.

The Directors are required to prepare Group and parent Company financial statements for each financial year. They have elected to prepare the Group financial statements in accordance with UK adopted International Accounting Standards and applicable law and have elected to prepare the parent Company financial statements on the same basis.

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 Group and parent Company and of their profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK adopted International Accounting Standards;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 1981 of Bermuda. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors have decided to prepare voluntarily a Directors' Remuneration Report in accordance with Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 made under the UK Companies Act 2006, as if those requirements applied to the Company. The Directors have also decided to prepare voluntarily a Corporate Governance Statement under the UK Corporate Governance Code as if the Company were required to comply with the Listing Rules of the Financial Conduct Authority applicable to UK premium listed companies.

In accordance with Disclosure Guidance and Transparency Rule 4.1.14R, the financial statements will form part of the annual financial report prepared using the single electronic reporting format under the TD ESEF Regulation. The auditor's report on these financial statements provides no assurance over the ESEF format.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK and Bermuda governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE ANNUAL FINANCIAL REPORT

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company, and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, is fair, balanced, and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Approved by the Board and signed on its behalf by:
Peter Burrows
Chairman

21 September 2022

Independent auditor's report

to the members of UIL Limited

1. Our opinion is unmodified

We have audited the financial statements of UIL Limited ("the Company") for the year ended 30 June 2022 which comprise the Group and Company Income Statements, Group and Company Statements of Changes in Equity, Group and Company Statements of Financial Position, Group and Company Statements of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

— give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 June 2022 and of the Group's and Parent Company's loss for the year then ended; and

— have been properly prepared in accordance with UK-adopted international accounting standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit and Risk Committee.

We were first appointed by the Shareholders as auditor for the year ended 30 June 2013. The period of total uninterrupted engagement is for the ten financial years ended 30 June 2022. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to other listed entities.

Overview	
Materiality: group financial statements as a whole	£4.1m (2021:£5.4m) 1% (2021: 1%) of group total assets
Coverage	100% (2021:100%) of group total assets

Key audit matters		**vs 2021**
Recurring risks	Valuation of certain specific level 3 investments	◄►

2. Key audit matters: our assessment of risks of material misstatement

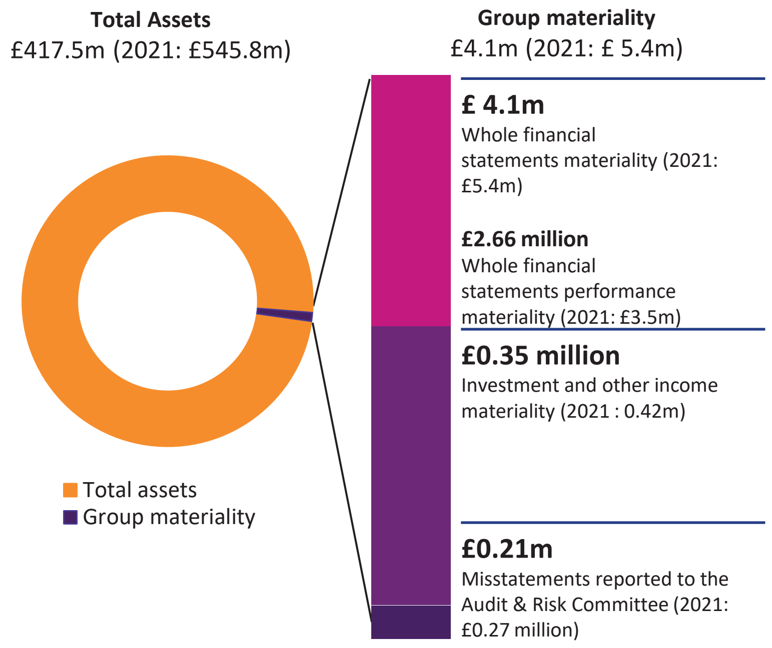
Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matter, in arriving at our audit opinion above, together with our key audit procedures to address this matter, and as required for public interest entities, our results from those procedures. This matter was addressed, and our results are based on procedures undertaken, in the context of and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on this matter.

	The risk	Our response
Valuation of certain Level 3 investments – Group and Company key audit matter (Certain specific investments within the total of level 3 investment of £238.9 m; 2021: £322.9 m) *Refer to page 61 (Audit & Risk Committee Report), pages 77 and 78 (accounting policy) and pages 83,84 and 101 to 103 (financial disclosures).*	**Subjective valuation:** Valuation of unlisted investments is an inherently judgemental area, and we have assessed that certain of the unlisted investments are subject to significant risk over the judgements and estimates inherent in the valuations. The quantum of the investments subject to the significant risk is £221.1m out of a total unlisted investment balance of £238.9m (4 of 23 investments). The factors considered in assessing which unlisted investments were subject to significant risk included the quantum of the individual investment, performance of the investment, nature of the asset held as well as the estimation uncertainty of the methodology and inputs used. Unlisted investments are measured at fair value, which is established in accordance with the International Private Equity and Venture Capital Valuation Guidelines, by using measurements of value such as discounted cashflows, prices of recent orderly transactions, earnings multiples, and net assets. The financial statements note 29 discloses the range/sensitivity estimated by the Group.	We performed the tests below rather than seeking to rely on any of the Company's controls, because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described below: Our procedures included: **Historical comparisons**: We assessed investment realisations in the period where relevant, comparing: (i) repayments of debt investments to repayment timeline expectations previously communicated by management; and (ii) current year fair values to management narrative of expectations communicated in previous periods, to understand the reasons for significant variances and to determine whether they were indicative of bias or error in the approach to valuations. A retrospective review of prior period audited accounts, in comparison to prior period management accounts included as key inputs to valuations was also undertaken to assess the accuracy of management information provided. **Methodology choice**: In the context of observed industry best practice and the provisions of the International Private Equity and Venture Capital Valuation Guidelines, we challenged the appropriateness of the valuation basis selected.

2. Key audit matters: our assessment of risks of material misstatement (cont.)

The risk	Our response
	Our valuation experience: We challenged the investment manager on key judgements affecting investee company valuations, such as discount factors and the choice of benchmark for earnings multiples. We compared key underlying financial data inputs to external sources, investee company audited accounts and management information as applicable. We challenged the assumptions around sustainability of earnings based on the plans of the investee companies and whether these are achievable and we obtained an understanding of existing and prospective investee company cashflows to understand whether borrowings can be serviced or whether refinancing may be required. Our work included consideration of events which occurred subsequent to the year end up until the date of this audit report. **Comparing valuations:** Where a recent transaction has been used to value a holding, we obtained an understanding of the circumstances surrounding the transaction and whether it was considered to be on an arms-length basis and suitable as an input into a valuation. We also assessed whether subsequent changes post sale or events such as market or entity specific factors would imply a change in value. For the valuation of fund interests and other investment companies where share of NAV is the practical expedient, we obtained and agreed the latest reported net asset values from the fund managers; and **Assessing transparency:** We considered the appropriateness, in accordance with relevant accounting standards, of the disclosures in respect of level 3 investments and the effect of changing one or more inputs to reasonably possible alternative valuation assumptions. **Our results:** We found the Group's and Company's valuation of certain specific Level 3 investments to be acceptable (2021: acceptable).

3. Our application of materiality and an overview of the scope of our audit



Materiality for the Group financial statements as a whole was set at £4.1m (2021: £5.4m), determined with reference to a benchmark of total assets of which it represents 1% (2021: 1%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 65% (2021: 65%) of materiality for the financial statements as a whole, which equates to £2.66m (2021 : £3.5m). We applied this percentage in our determination of performance materiality based on the level of identified misstatements during the prior year audit.

In addition, we applied materiality of £0.35m (2021: £0.42 million) and performance materiality of £0.26m (2021: £0.32m) to Investment and other income for which we believe misstatements of lesser amounts than materiality for the financial statements as a whole could be reasonably be expected to influence the Company's members' assessment of the financial performance of the Group.

Materiality for the parent company financial statements as a whole was set at £4m (2021: £5.3 m). This is lower than the materiality we would otherwise have determined with reference to Parent Company's total assets, of which it represents 0.95% of the Parent Company's total assets (2021: 0.97%). Performance materiality was set at 65% (2021 : 65%) of materiality for the financial statements as a whole, which equates to £2.6m (2021 : £3.4m) for the parent company. We applied this percentage in our determination of performance materiality based on the level of identified misstatements during the prior year audit.

We agreed to report to the Audit & Risk Committee any corrected or uncorrected identified misstatements exceeding £0.21m (2021: £0.27m) for the Group, £0.20m (2021: £0.25 million) for the Company, or £0.02m in relation to Investment and other income (2021: £ 0.02m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's 2 (2021: 2) reporting components, we subjected 2 (2021: 2) to full scope audits for group purposes. The audit was performed using the materiality and performance materiality level set out above

The scope of the audit work performed was fully substantive as we did not rely upon the Group's internal control over financial reporting.

4. Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group and the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Company's available financial resources and its ability operate over this period were;

— The impact of a significant reduction in the valuation of investments and the implications for the Group and Company's debt covenants;
— The liquidity of the investment portfolio and its ability to meet the liabilities of the Group and Company as and when they fall due; and
— The operational resilience of key service organisations.

We considered whether these risks could plausibly affect the liquidity in the going concern period by assessing the degree of downside assumption that, individually and collectively, could result in a liquidity issue, taking into account the Group and Company's liquid investment position (and the results of their reverse stress testing).

We considered whether the going concern disclosure in notes 1 and 28 to the financial statements give a full and accurate description of the Directors' assessment of going concern, including the identified risks and related sensitivities

Our conclusions based on this work:

— we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
— we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period; and
— we have nothing material to add or draw attention to in relation to the Directors' statement in notes 1 and 28 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period, and we found the going concern disclosure in notes 1 and 28 to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

5. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

— Enquiring of Directors as to the Group and Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
— Assessing the segregation of duties in place between the Directors, the Administrator and the Group and Company's Investment Manager; and
— Reading Board and Audit and Risk Committee minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgments such as the valuation of unlisted investments. We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We substantively tested all material post closing entries and, based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

On this audit we have rebutted the fraud risk related to revenue recognition because the revenue is non judgemental and straightforward, with limited opportunity for manipulation. We did not identify any significant unusual transaction or additional fraud risks.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Directors, the Investment Manager and the Administrator (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations. As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation) and listing regulations, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

5. Fraud and breaches of laws and regulations – ability to detect (continued)

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: : money laundering, data protection, bribery and corruption legislation, and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities and its legal form.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Directors' remuneration report

In addition to our audit of the financial statements, the directors have engaged us to audit the information in the Directors' Remuneration Report that is described as having been audited, which the directors have decided to prepare as if the Company were required to comply with the requirements of Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008 No. 410) made under the UK 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, as if those requirements applied to the Company.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

— the Directors' confirmation within Principal Risks and Risk Mitigation on pages 34 to 36 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
— the Principal Risks and Risk Mitigation disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
— the Directors' explanation in the viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

— the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
— the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee, and how these issues were addressed; and
— the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

In addition to our audit of the financial statements, the Directors have engaged us to review their Corporate Governance Statement as if the Company were required to comply with the Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority in relation to those matters. Under the terms of our engagement we are required to review the 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.

We have nothing to report in this respect.

7. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 63, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

In accordance with Disclosure Guidance and Transparency Rule 4.1.14R, the financial statements will form part of the annual financial report prepared using the single electronic reporting format under the TD ESEF Regulation. The auditor's report on these financial statements provides no assurance over the ESEF format.

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

This report is made solely to the Company's members, as a body, in accordance with in accordance with section 90 (2) of the Companies Act 1981 of Bermuda and the terms of our engagement by the Company. 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 the further matters we are required to state to them in accordance with the terms agreed with the Company, 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.

John Waterson

for and on behalf of KPMG LLP

Chartered Accountants

20 Castle Terrace Edinburgh

EH1 2EG

21 September 2022

KPMG

GROUP INCOME STATEMENT

Notes	for the year to 30 June			2022			2021
		Revenue return £'000s	**Capital return £'000s**	**Total return £'000s**	Revenue return £'000s	Capital return £'000s	Total return £'000s
9	(Losses)/gains on investments	**–**	**(120,524)**	**(120,524)**	–	112,465	112,465
12	(Losses)/gains on derivative financial instruments	**–**	**(10,532)**	**(10,532)**	–	6,319	6,319
	Foreign exchange (losses)/gains	**–**	**(5,264)**	**(5,264)**	–	3,904	3,904
2	Investment and other income	**9,879**	**–**	**9,879**	11,555	–	11,555
	Total income/(loss)	**9,879**	**(136,320)**	**(126,441)**	11,555	122,688	134,243
3	Management and administration fees	**(852)**	**–**	**(852)**	(982)	–	(982)
4	Other expenses	**(819)**	**(3)**	**(822)**	(1,069)	(5)	(1,074)
	Profit/(loss) before finance costs and taxation	**8,208**	**(136,323)**	**(128,115)**	9,504	122,683	132,187
5	Finance costs	**(1,132)**	**(7,790)**	**(8,922)**	(994)	(8,601)	(9,595)
	Profit/(loss) before taxation	**7,076**	**(144,113)**	**(137,037)**	8,510	114,082	122,592
6	Taxation	**(63)**	**–**	**(63)**	–	–	–
	Profit/(loss) for the year	**7,013**	**(144,113)**	**(137,100)**	8,510	114,082	122,592
7	**Earnings per ordinary share – pence**	**8.35**	**(171.68)**	**(163.33)**	9.98	133.81	143.79

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

All items in the above statement derive from continuing operations.

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

The notes on pages 77 to 103 form part of these financial statements.

COMPANY INCOME STATEMENT

Notes	for the year to 30 June			2022			2021
		Revenue return £'000s	Capital return £'000s	Total return £'000s	Revenue return £'000s	Capital return £'000s	Total return £'000s
9	(Losses)/gains on investments	–	(120,529)	(120,529)	–	112,986	112,986
12	(Losses)/gains on derivative financial instruments	–	(10,532)	(10,532)	–	6,319	6,319
	Foreign exchange (losses)/gains	–	(5,264)	(5,264)	–	3,904	3,904
2	Investment and other income	9,879	–	9,879	11,555	–	11,555
	Total income/(loss)	9,879	(136,325)	(126,446)	11,555	123,209	134,764
3	Management and administration fees	(852)	–	(852)	(982)	–	(982)
4	Other expenses	(819)	(3)	(822)	(1,069)	(5)	(1,074)
	Profit/(loss) before finance costs and taxation	8,208	(136,328)	(128,120)	9,504	123,204	132,708
5	Finance costs	(1,132)	(7,988)	(9,120)	(994)	(8,762)	(9,756)
	Profit/(loss) before taxation	7,076	(144,316)	(137,240)	8,510	114,442	122,952
6	Taxation	(63)	–	(63)	–	–	–
	Profit/(loss) for the year	7,013	(144,316)	(137,303)	8,510	114,442	122,952
7	**Earnings per ordinary share – pence**	8.35	(171.92)	(163.57)	9.98	134.24	144.22

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

All items in the above statement derive from continuing operations.

All income is attributable to the equity holders of the Company.

The notes on pages 77 to 103 form part of these financial statements.

GROUP STATEMENT OF CHANGES IN EQUITY

Notes	for the year to 30 June 2022	Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s	Non-distributable reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total £'000s
	Balance as at 30 June 2021	8,430	6,986	233,866	32,069	69,883	12,547	363,781
20	Transfer of reserves	–	32,069	–	(32,069)	–	–	–
	(Loss)/profit for the year	–	–	–	–	(144,113)	7,013	(137,100)
8	Ordinary dividends paid	–	–	–	–	–	(6,714)	(6,714)
17	Shares purchased by the Company	(46)	(1,181)	–	–	–	–	(1,227)
	Balance at 30 June 2022	8,384	37,874	233,866	–	(74,230)	12,846	218,740

Notes	for the year to 30 June 2021	Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s	Non-distributable reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total £'000s
	Balance as at 30 June 2020	8,594	10,445	233,866	32,069	(44,199)	10,850	251,625
	Profit for the year	–	–	–	–	114,082	8,510	122,592
8	Ordinary dividends paid	–	–	–	–	–	(6,813)	(6,813)
17	Shares purchased by the Company	(164)	(3,459)	–	–	–	–	(3,623)
	Balance at 30 June 2021	8,430	6,986	233,866	32,069	69,883	12,547	363,781

The notes on pages 77 to 103 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year to 30 June 2022

Notes		Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s	Non-distributable reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total £'000s
	Balance as at 30 June 2021	8,430	6,986	233,866	32,069	69,853	12,547	363,751
20	Transfer of reserves	–	32,069	–	(32,069)	–	–	–
	(Loss)/profit for the year	–	–	–	–	(144,316)	7,013	(137,303)
8	Ordinary dividends paid	–	–	–	–	–	(6,714)	(6,714)
17	Shares purchased by the Company	(46)	(1,181)	–	–	–	–	(1,227)
	Balance at 30 June 2022	**8,384**	**37,874**	**233,866**	**–**	**(74,463)**	**12,846**	**218,507**

for the year to 30 June 2021

Notes		Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s	Non-distributable reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total £'000s
	Balance as at 30 June 2020	8,594	10,445	233,866	32,069	(44,589)	10,850	251,235
	Profit for the year	–	–	–	–	114,442	8,510	122,952
8	Ordinary dividends paid	–	–	–	–	–	(6,813)	(6,813)
17	Shares purchased by the Company	(164)	(3,459)	–	–	–	–	(3,623)
	Balance at 30 June 2021	8,430	6,986	233,866	32,069	69,853	12,547	363,751

The notes on pages 77 to 103 form part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

Notes	as at 30 June	Group 2022 £'000s	Group 2021 £'000s	Company 2022 £'000s	Company 2021 £'000s
	Non-current assets				
9	Investments	**416,516**	540,074	**419,715**	544,228
	Current assets				
11	Other receivables	**444**	1,411	**444**	1,411
12	Derivative financial instruments	**620**	1,047	**620**	1,047
	Cash and cash equivalents	**8**	3,324	**8**	3,324
		1,072	5,782	**1,072**	5,782
	Current liabilities				
13	Loans	**(51,080)**	(48,548)	**(51,080)**	(48,548)
14	Other payables	**(4,393)**	(827)	**(55,559)**	(827)
12	Derivative financial instruments	**(2,562)**	(627)	**(2,562)**	(627)
15	Zero dividend preference shares	**(51,166)**	–	**–**	–
		(109,201)	(50,002)	**(109,201)**	(50,002)
	Net current liabilities	**(108,129)**	(44,220)	**(108,129)**	(44,220)
	Total assets less current liabilities	**308,387**	495,854	**311,586**	500,008
	Non-current liabilities				
16	Other payables	**–**	–	**(93,079)**	(136,257)
15	Zero dividend preference shares	**(89,647)**	(132,073)	**–**	–
	Net assets	**218,740**	363,781	**218,507**	363,751
	Equity attributable to equity holders				
17	Ordinary share capital	**8,384**	8,430	**8,384**	8,430
18	Share premium account	**37,874**	6,986	**37,874**	6,986
19	Special reserve	**233,866**	233,866	**233,866**	233,866
20	Non-distributable reserve	**–**	32,069	**–**	32,069
21	Capital reserves	**(74,230)**	69,883	**(74,463)**	69,853
22	Revenue reserve	**12,846**	12,547	**12,846**	12,547
	Total attributable to equity holders	**218,740**	363,781	**218,507**	363,751
23	**Net asset value per ordinary share – pence**	**260.89**	431.51	**260.61**	431.48

The notes on pages 77 to 103 form part of these financial statements.

Approved by the Board on 21 September 2022 and signed on its behalf by

Peter Burrows
Chairman

STATEMENTS OF CASH FLOWS

	Group		Company	
for the year to 30 June	**2022 £'000s**	2021 £'000s	**2022 £'000s**	2021 £'000s
(Loss)/profit before taxation	**(137,037)**	122,592	**(137,240)**	122,952
Deduct investment income - dividends*	**(7,539)**	–	**(7,539)**	–
Deduct investment income - interest*	**(2,338)**	–	**(2,338)**	–
Deduct bank interest	**(2)**	–	**(2)**	–
Add back bank interest charged	**1,132**	–	**1,132**	–
Add back losses/(gains) on investments	**120,524**	(112,465)	**120,529**	(112,986)
Add back losses/(gains) on derivative financial instruments	**10,532**	(6,319)	**10,532**	(6,319)
Add back foreign exchange losses/(gains)	**5,264**	(3,904)	**5,264**	(3,904)
Deduct non-cash flows on income	**–**	(8,167)	**-**	(8,167)
Decrease in accrued income	**–**	526	**-**	526
(Increase)/decrease in other debtors	**(4)**	2,134	**(4)**	2,134
Increase/(decrease) in creditors	**10**	(177)	**10**	(177)
Deduct ZDP shares finance costs	**7,790**	8,601	**-**	–
Deduct intra-group loan account finance costs	**–**	–	**7,988**	8,762
Net cash outflow from operating activities before dividends and interest	**(1,668)**	2,821	**(1,668)**	2,821
Dividends received*	**3,039**	–	**3,039**	–
Investment income - interest received*	**369**	–	**369**	–
Bank interest received	**2**	–	**2**	–
Interest paid	**(1,141)**	–	**(1,141)**	–
Taxation paid	**(63)**	–	**(63)**	–
Cash flows from operating activities	**538**	2,821	**538**	2,821
Investing activities:				
Purchases of investments	**(40,733)**	(52,154)	**(40,733)**	(52,920)
Sales of investments	**51,150**	121,274	**52,100**	121,274
Net settlement of derivatives	**(8,170)**	619	**(8,170)**	619
Cash flows from investing activities	**2,247**	69,739	**3,197**	68,973
Financing activities:				
Equity dividends paid	**(6,714)**	(6,813)	**(6,714)**	(6,813)
Drawdowns of bank loans	**1,894**	–	**1,894**	–
Repayment of bank loans	**(3,147)**	(606)**	**(3,147)**	(606)**
Cash flows from issue of ZDP shares	**950**	4,114	**–**	4,114
Cash flows from redemption of ZDP shares	**–**	(61,177)	**–**	(60,411)
Cash paid for ordinary shares purchased for cancellation	**(1,227)**	(3,623)	**(1,227)**	(3,623)
Cash flows from financing activities	**(8,244)**	(68,105)	**(9,194)**	(67,339)
Net (decrease)/increase in cash and cash equivalents	**(5,459)**	4,455	**(5,459)**	4,455
Cash and cash equivalents at the beginning of the year	**3,111**	(3,256)	**3,111**	(3,256)
Effect of movement in foreign exchange	**(1,479)**	1,912	**(1,479)**	1,912
Cash and cash equivalents at the end of the year	**(3,827)**	3,111	**(3,827)**	3,111
Comprised of:				
Cash	**8**	3,324	**8**	3,324
Bank overdraft	**(3,835)**	(213)	**(3,835)**	(213)
Total	**(3,827)**	3,111	**(3,827)**	3,111

* Disclosed under "Non-cash flows on income" in 2021
** Disclosed as "Movement on loans" in 2021
The notes on pages 77 to 103 form part of these financial statements.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The Company, UIL Limited, is an investment company incorporated in Bermuda and traded on the Specialist Fund Segment of the Main Market of the London Stock Exchange. The Company commenced trading on 20 June 2007.

The Group Accounts comprise the results of the Company and UIL Finance Limited ("UIL Finance").

The Group is engaged in a single segment of business, focusing on maximising shareholder returns by identifying and investing in investments where the underlying value is not reflected in the market price.

(a) Basis of accounting

The Accounts have been prepared on a going concern basis (see note 28) in accordance with UK adopted international accounting standards (2021: EU adopted international accounting standards), which comprise standards and interpretations approved by the IASB, and International Accounting Standards and Standing Interpretations Committee interpretations approved by the IASC that remain in effect.

There have been no significant changes to the accounting policies during the year to 30 June 2022.

The Board has determined by having regard to the currency of the Company's share capital, the predominant currency in which its shareholders operate and the currency in which dividends are paid by the Company, that Sterling is the functional and reporting currency.

Where presentational recommendations set out in the revised Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP"), issued in the UK by the Association of Investment Companies ("AIC") in April 2021, do not conflict with the requirements of IFRS, the Directors have prepared the Accounts on a basis consistent with the recommendations of the SORP, in the belief that this will aid comparison with similar investment companies incorporated and listed in the United Kingdom.

In accordance with the SORP, the Income Statement 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, dividend income, operating expenses, finance costs and taxation (insofar as they are not allocated to capital, as described in notes 1(j) and 1(k)). 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 and on cash and borrowings. Net capital returns are allocated via the capital return to capital reserves.

Dividends on ordinary shares may be paid out of the special reserve, revenue reserve and the capital reserves.

A number of new standards and amendments to standards and interpretations, which have not been applied in preparing these accounts, were in issue but not effective. None of these are expected to have a material effect on the accounts of the Group.

The key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to the valuation of unlisted investments, details of which are set out in accounting policy 1(d).

(b) Basis of consolidation

The consolidated Accounts include the Accounts of the Company and its operating subsidiary, UIL Finance. All intra group transactions, balances, income and expenses are eliminated on consolidation. Other subsidiaries and associate undertakings held as part of the investment portfolio (see note 1(d) below) are not accounted for in the Group Accounts, but are carried at fair value through profit or loss.

(c) Financial instruments

Financial instruments include non-current assets, derivative assets and liabilities and long-term debt instruments. For those financial instruments carried at fair value, accounting standards recognise a hierarchy of fair value measurements for financial instruments which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The classification of instruments depends on the lowest significant applicable input, as follows:

Level 1 – Unadjusted, fully accessible and current quoted prices in active markets for identical assets or liabilities. Included within this category are investments listed on any recognised stock exchange or quoted on any secondary market.

Level 2 – Quoted prices for similar assets or liabilities, or other directly or indirectly observable inputs which exist for the duration of the period of investment. Examples of such instruments would be convertible loans in listed investee companies, securities for which the quoted price has been recently suspended, securities for which an offer price has been announced in the market, forward exchange contracts and certain other derivative instruments.

Level 3 – External inputs are unobservable. Value is the Directors' best estimate of fair value, based on advice from relevant knowledgeable experts, use of recognised valuation techniques and on assumptions as to what inputs other market participants would apply in pricing the same or similar instruments. Included in level 3 are investments in private companies or securities, whether invested in directly, via loans or through pooled private equity vehicles.

(d) Valuation of investments and derivative financial instruments held at fair value through profit or loss

Investment purchases and sales are accounted for on the trade date, inclusive of transaction costs. Investments, including both equity and loans, used for efficient portfolio management are classified as being at fair value through profit or loss. As the Company's business is investing in financial assets with a view to profiting from their total return in the form of dividends, interest or increases in fair value, its investments (including those ordinarily classified as subsidiaries under IFRS 10 but exempted by that financial reporting standard from the requirement to be consolidated) are designated as being at fair value through profit or loss on initial recognition. Derivatives including forward foreign exchange contracts and options are accounted for as a financial asset/liability at fair value through profit or loss. The Company manages and evaluates the performance of these investments and derivatives on a fair value basis in accordance with its investment strategy and information about the Company is provided internally on this basis to the Company's Directors and key management personnel. Gains and losses on investments and on derivatives are analysed within the Income Statement as capital returns. Quoted investments are shown at fair value using market bid prices. The fair value of unquoted investments is determined by the Board in accordance with the International Private Equity and Venture Capital Valuation guidelines. In exercising its judgement over the value of these investments, the Board uses valuation techniques which take into account, where appropriate, latest dealing prices, valuations from reliable sources, net asset values, earnings multiples, recent orderly transactions in similar securities, time to expected repayment and other relevant factors (see key valuations techniques on pages 101 to 103).

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances. Bank overdrafts are included as a component of cash and cash equivalents for the purpose of the cash flow statement only.

(f) Bank borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value and subsequently measured at amortised cost using the effective interest method. No debt instruments held during the year required hierarchical classification. Finance charges, including interest, are accrued using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the year. See note 1(k) below for allocation of finance costs between revenue and capital return within the Income Statement.

(g) ZDP shares

The ZDP shares, due to be redeemed on 31 October 2022, 2024, 2026 and 2028 at a redemption value, including accrued capitalised returns (see note 15) of 146.99 pence per share, 138.35 pence per share, 151.50 pence per share and 152.29 pence per share respectively, have been classified as liabilities, as they represent an obligation on behalf of the Group to deliver to their holders a fixed and determinable amount at the redemption date. They are accordingly accounted for at amortised cost, using the effective interest method as per IFRS 9 "Financial Instruments". ZDP shares held by the Company are deemed cancelled for Group purposes. The Company has undertaken (i) to repay any interest free loan, and (ii) to reimburse UIL Finance (by way of payment in advance, if required) any and all costs, expenses, fees or interest UIL Finance incurs or is otherwise liable to pay to the holder of the ZDP Shares so as to enable UIL Finance to pay the final capital entitlement of each class of ZDP Share on their respective redemption date. The intra group loans are accordingly accounted for at amortised cost, using the effective interest method.

(h) Foreign currency

Foreign currency assets and liabilities are expressed in Sterling at rates of exchange ruling at the statement of financial position date. Foreign currency transactions are translated at the rates of exchange ruling at the dates of those transactions. Exchange profits and losses on currency balances are credited or charged to the Income Statement and analysed as capital or revenue as appropriate. Forward foreign exchange contracts are valued in accordance with quoted market rates.

(i) Investment and other income

Dividends receivable are brought into the Income Statement and analysed as revenue return (except where, in the opinion of the Directors, their nature indicates they should be recognised as capital) on the ex-dividend date or, where no ex-dividend date is quoted, when the Group's right to receive payment is established. Where the Group or the Company has elected to receive its dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is recognised as revenue return. Any excess in the value of the shares received over the amount of the cash dividend foregone is recognised as capital return. Interest on debt securities is accrued on a time basis using the effective interest method. Bank and short-term deposit interest is recognised on an accruals basis. These are brought into the Income Statement and analysed as revenue returns.

(j) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the Income Statement and analysed under revenue return except for those expenses incidental to the acquisition or disposal of investments and performance related fees (calculated under the terms of the management agreement), which are analysed under the capital return, as the Directors believe such fees arise from capital performance.

(k) Finance costs

Finance costs are accounted for using the effective interest method, recognised through the Income Statement and analysed under the revenue return except those finance costs of the ZDP shares and intra group loans which are analysed under the capital return.

(l) Dividends payable

Dividends paid by the Company are accounted for in the year in which the Company is liable to pay them and are reflected in the Statement of Changes in Equity. Under Bermuda law, the Company is unable to pay a dividend unless, after payment, the realisable value of its assets will not be less than the aggregate of its liabilities and it is able to pay its liabilities as they fall due.

(m) Capital reserves

The following items are accounted for through the Income Statement as capital returns and transferred to capital reserves:

Capital reserve – arising on investments sold

- gains and losses on the disposal of investments and derivative instruments
- exchange differences of a capital nature
- expenses allocated in accordance with notes 1(j) and 1(k)

Capital reserve – arising on investments held

- increases and decreases in the valuation of investments and derivative instruments held at the year end.

(n) Use of estimates and judgements

The presentation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on perceived risks, historical experience, expectations of plausible future events and other factors. Actual results may differ from these estimates.

The areas requiring the most significant judgement and estimation in the preparation of the financial statements are: accounting for the value of unquoted investments; and the classification of the subsidiaries as investment entities.

The policy for valuation of unquoted securities is set out in note 1(d) and further information on Board procedures is contained in the Audit & Risk Committee Report and note 29(d). The fair value of unquoted (level 3) investments, as disclosed in note 9, represented 57.4% of total investments as at 30 June 2022 (2021: 59.8%).

Details of the subsidiaries are set out in note 10. The Board has reviewed the classification and characteristics of the subsidiaries and except for UIL Finance determined that where the subsidiaries carry on business as investment companies they do not fall under s32 of IFRS 10 as providing services that relate to UIL's investment activities. UIL has therefore not consolidated these subsidiaries and measures them at fair value through profit and loss in accordance with IFRS 9.1.

2. INVESTMENT AND OTHER INCOME

			2022			2021
Group and Company	**Revenue £'000s**	**Capital £'000s**	**Total £'000s**	Revenue £'000s	Capital £'000s	Total £'000s
Investment income:						
Dividends*	**7,539**	**–**	**7,539**	6,781	–	6,781
Interest*	**2,338**	**–**	**2,338**	4,774	–	4,774
	9,877	**–**	**9,877**	11,555	–	11,555
Other income:						
Interest on cash and short-term deposits	**2**	**–**	**2**	–	–	–
Total income	**9,879**	**–**	**9,879**	11,555	–	11,555

* Includes scrip income (dividends and capitalised interest) of £6,822,000 (2021: £8,025,000)

3. MANAGEMENT AND ADMINISTRATION FEES

Group and Company	Revenue £'000s 2022	Capital £'000s 2022	Total £'000s 2022	Revenue £'000s 2021	Capital £'000s 2021	Total £'000s 2021
Payable to:						
ICM/ICMIM – management fee and secretarial fees	**576**	**–**	**576**	726	–	726
Administration fees	**276**	**–**	**276**	256	–	256
	852	**–**	**852**	982	–	982

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

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

The annual management fee is 0.5% per annum based on total assets less current liabilities (excluding borrowings and excluding the value of all holdings in companies managed or advised by the Investment Managers or any of their subsidiaries from which they receive a management fee), calculated and payable quarterly in arrears. The agreement with ICM and ICMIM may be terminated upon one year's notice given by the Company or by ICM and ICMIM, acting together.

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

In the year to 30 June 2022, UIL's NAV return is below the required hurdle calculated at 8.5% return to entitle the Investment Managers to a performance fee and therefore no performance fee has been accrued.

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

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

4. OTHER EXPENSES

Group and Company	Revenue £'000s 2022	Capital £'000s 2022	Total £'000s 2022	Revenue £'000s 2021	Capital £'000s 2021	Total £'000s 2021
Auditor's remuneration (see note 4A)	**155**	**–**	**155**	180	–	180
Broker and consultancy fees	**42**	**–**	**42**	40	–	40
Custody fees	**24**	**–**	**24**	45	–	45
Directors' fees for services to the Company						
(see Directors' Remuneration Report on pages 57 to 59)	**199**	**–**	**199**	192	–	192
Travel expenses	**43**	**–**	**43**	2	–	2
Professional and legal fees	**71**	**–**	**71**	330	–	330
Sundry expenses	**285**	**3**	**288**	280	5	285
	819	**3**	**822**	1,069	5	1,074

4A. AUDITOR'S REMUNERATION

Fees paid to the Group's auditor are summarised below:

Group Auditor – KPMG LLP **Group and Company Annual Audit Fees**	**2022 £'000s**	2021 £'000s
Audit of the Group and Company's annual financial statements	**123**	110
Additional audit costs for the prior year	**20**	60
Other non-audit services – agreed procedures on interim financial statements	**12**	10
Total auditor's remuneration for the year	**155**	180

5. FINANCE COSTS

Group	Revenue £'000s 2022	Capital £'000s 2022	Total £'000s 2022	Revenue £'000s 2021	Capital £'000s 2021	Total £'000s 2021
Loans and bank overdrafts	**(1,132)**	**–**	**(1,132)**	994	–	994
ZDP shares	**–**	**(7,790)**	**(7,790)**	–	8,601	8,601
	(1,132)	**(7,790)**	**(8,922)**	994	8,601	9,595

Company	Revenue £'000s 2022	Capital £'000s 2022	Total £'000s 2022	Revenue £'000s 2021	Capital £'000s 2021	Total £'000s 2021
Loans and bank overdrafts	**(1,132)**	**–**	**(1,132)**	994	–	994
Intra-group loan account	**–**	**(7,988)**	**(7,988)**	–	8,762	8,762
	(1,132)	**(7,988)**	**(9,120)**	994	8,762	9,756

NOTES TO THE ACCOUNTS (continued)

6. TAXATION

Group and Company	Revenue £'000s (2022)	Capital £'000s (2022)	Total £'000s (2022)	Revenue £'000s (2021)	Capital £'000s (2021)	Total £'000s (2021)
Overseas taxation	**(63)**	**–**	**(63)**	–	–	–

Except as stated above, profits of the Company and subsidiaries for the year are not subject to any taxation within their countries of residence (2021: same).

7. EARNINGS PER ORDINARY SHARE

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

	Group 2022 £'000s	Group 2021 £'000s	Company 2022 £'000s	Company 2021 £'000s
Revenue	**7,013**	8,510	**7,013**	8,510
Capital	**(144,113)**	114,082	**(144,316)**	114,442
Total	**(137,100)**	122,592	**(137,303)**	122,952
	Number	Number	**Number**	Number
Weighted average number of shares in issue during the year for earnings per share calculations	**83,942,540**	85,255,099	**83,942,540**	85,255,099

8. DIVIDENDS

Group and Company	Record date	Payment date	2022 £'000s	2021 £'000s
2019 Fourth quarterly of 1.875p	04-Sep-20	25-Sep-20	**–**	1,719
2020 First quarterly of 1.875p	04-Dec-20	21-Dec-20	**–**	1,719
2020 Second quarterly of 2.000p	05-Mar-21	31-Mar-21	**–**	1,689
2020 Third quarterly of 2.000p	04-Jun-21	28-Jun-21	**–**	1,686
2020 Fourth quarterly of 2.000p	03-Sep-21	30-Sep-21	**1,680**	–
2021 First quarterly of 2.000p	03-Dec-21	23-Dec-21	**1,680**	–
2021 Second quarterly of 2.000p	04-Mar-22	31-Mar-22	**1,677**	–
2021 Third quarterly of 2.000p	06-Jun-22	30-Jun-22	**1,677**	–
			6,714	6,813

The Directors declared a fourth quarterly dividend in respect of the year ended 30 June 2022 of 2.00p per share payable on 30 September 2022 to all ordinary shareholders on the register at close of business on 2 September 2022. The total cost of the dividend, which has not been accrued in the results for the year to 30 June 2022, is £1,677,000 based on 83,842,918 ordinary shares in issue.

9. INVESTMENTS

Group	Level 1 £'000s (2022)	Level 2 £'000s (2022)	Level 3 £'000s (2022)	Total £'000s (2022)	Level 1 £'000s (2021)	Level 2 £'000s (2021)	Level 3 £'000s (2021)	Total £'000s (2021)
Investments brought forward								
Cost	**205,741**	**–**	**219,605**	**425,346**	127,930	156,666	216,524	501,120
Gains/(losses)	**11,469**	**–**	**103,259**	**114,728**	23,475	3,269	(38,867)	(12,123)
Valuation	**217,210**	**–**	**322,864**	**540,074**	151,405	159,935	177,657	488,997
Movements in the year:								
Transfer between levels*	**(11,723)**	**11,723**	**–**	**–**	19,719	(134,348)	114,629	–
Purchases at cost	**35,319**	**1,082**	**53,378**	**89,779**	36,883	–	107,934	144,817
Sales								
proceeds	**(21,364)**	**–**	**(71,449)**	**(92,813)**	(16,607)	(25,521)	(164,077)	(206,205)
(losses)/gains on investments	**(46,236)**	**(8,416)**	**(65,872)**	**(120,524)**	25,810	(66)	86,721	112,465
Valuation at 30 June	**173,206**	**4,389**	**238,921**	**416,516**	217,210	–	322,864	540,074
Analysed at 30 June								
Cost	**207,332**	**11,365**	**199,073**	**417,770**	205,741	–	219,605	425,346
(Losses)/gains	**(34,126)**	**(6,976)**	**39,848**	**(1,254)**	11,469	–	103,259	114,728
Valuation	**173,206**	**4,389**	**238,921**	**416,516**	217,210	–	322,864	540,074

* Transfers due to the changes in liquidity (2021: transfers due to the changes in liquidity, availability of observable market data and delisting of investee companies. Transfers in level 1 includes a £1.1m transfer to level 3). The book cost and fair value were transferred using the 30 June 2021 balances (2021: 30 June 2020 balances)

The Group received £92,813,000 (2021: £206,205,000) from investments sold in the year. The book cost of these investments when they were purchased was £97,355,000 (2021: £220,591,000). 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

Disposals in level 3 investments includes £58.7m related to repayment of capital and £2.4m of capital distribution (2021: £100.1m related to repayment of capital and £11.7m of capital distribution)

Level 1 includes investments listed on any recognised stock exchange or quoted on any secondary market

Level 2 includes holdings linked directly to companies whose prices are quoted and quoted investments that are thinly traded

Level 3 includes investments in private companies and other unquoted securities

NOTES TO THE ACCOUNTS (continued)

Company	2022 Level 1 £'000s	2022 Level 2 £'000s	2022 Level 3 £'000s	2022 Total £'000s	2021 Level 1 £'000s	2021 Level 2 £'000s	2021 Level 3 £'000s	2021 Total £'000s
Investments brought forward								
Cost	**206,325**	**3,169**	**219,605**	**429,099**	127,930	159,069	216,524	503,523
Gains/(losses)	**11,463**	**407**	**103,259**	**115,129**	23,475	3,149	(38,867)	(12,243)
	217,788	**3,576**	**322,864**	**544,228**	151,405	162,218	177,657	491,280
Movements in the year:								
Transfer between levels*	**(8,725)**	**8,725**	**–**	**–**	19,719	(134,348)	114,629	–
Purchases at cost	**35,319**	**1,082**	**53,378**	**89,779**	37,467	766	107,934	146,167
Sales								
proceeds	**(22,314)**	**–**	**(71,449)**	**(93,763)**	(16,607)	(25,521)	(164,077)	(206,205)
(losses)/gains on investments	**(46,229)**	**(8,428)**	**(65,872)**	**(120,529)**	25,804	461	86,721	112,986
Valuation at 30 June	**175,839**	**4,955**	**238,921**	**419,715**	217,788	3,576	322,864	544,228
Analysed at 30 June								
Cost	**209,685**	**11,949**	**199,073**	**420,707**	206,325	3,169	219,605	429,099
(Losses)/gains	**(33,846)**	**(6,994)**	**39,848**	**(992)**	11,463	407	103,259	115,129
Valuation	**175,839**	**4,955**	**238,921**	**419,715**	217,788	3,576	322,864	544,228

* Transfers due to the changes to liquidity (2021: transfers due to the changes to liquidity, availability of observable market data and delisting of investee companies. Transfers in level 1 includes a £1.1m transfer to level 3). The book cost and fair value were transferred using the 30 June 2021 balances (2021: 30 June 2020 balances)

The Company received £93,763,000 (2021: £206,205,000) from investments sold in the year. The book cost of these investments when they were purchased was £98,171,000 (2021: £220,591,000). 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

Disposals in level 3 investments includes £58.7m related to repayment of capital and £2.4m of capital distribution (2021: £100.1m related to repayment of capital and £11.7m of capital distribution)

Level 1 includes investments listed on any recognised stock exchange or quoted on any secondary market

Level 2 includes holdings linked directly to companies whose prices are quoted and quoted investments that are thinly traded

Level 3 includes investments in private companies and other unquoted securities

(Losses)/gains on investments held at fair value	Group 2022 £'000s	Group 2021 £'000s	Company 2022 £'000s	Company 2021 £'000s
Losses on investments sold	**(4,542)**	(14,386)	**(4,408)**	(14,386)
(Losses)/gains on investments held	**(115,982)**	126,851	**(116,121)**	127,372
Total (losses)/gains on investments	**(120,524)**	112,465	**(120,529)**	112,986

Group and Company

In the year the following material level 3 holdings were sold:

	Proceeds £'000s	Cost £'000s	Carrying value at the end of the previous accounting period £'000s
Nautilus Data Technologies Inc Convertible Bond	**8,124**	**7,239**	**n/a+**
Novareum Blockchain Asset Fund Limited ("Novareum")	**2,770**	**1,967**	**n/a+**

+Purchased in the year

Associated undertakings

Under IFRS10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in Other Entities, the following associate undertakings are held as part of the investment portfolio and consequently are accounted for as investments at fair value through profit and loss:

	Country of registration and incorporation	Number of ordinary shares held	2022 % of ordinary shares held	2021 % of ordinary shares held
Carebook Technologies Inc ("Carebook")	Canada	36,046,167	**46.5**	–
DTI Group Ltd ("DTI")	Australia	103,193,989	**23.0**	30.9
ICM Mobility Group Limited ("ICM Mobility")	United Kingdom	93,166,922	**39.8**	39.8
Littlepay Mobility Ltd ("Littlepay")	United Kingdom	4,257,079*	**49.2**	49.3
Orbital Corporation Limited ("Orbital")	Australia	27,565,888	**30.3**	30.4
Resimac Group Limited ("Resimac")	Australia	123,342,981**	**29.6**	26.6
Serkel Solutions Pty Ltd ("Serkel")	Australia	10,510	**33.3**	33.3
SmileStyler Solutions Pty Ltd ("SmileStyler")	Australia	1,151,434	**24.0**	24.0
Somers Limited ("Somers")	Bermuda	10,168,462	**44.7**	44.5
SportEngaged Ltd	UK	25	**20.0**	20.0

* Shares held directly 1,445,000 and indirectly through ICM Mobility 2,812,079.

** Shares held directly 17,127,747 and indirectly through Somers 106,215,234.

Transactions in the year to 30 June 2022 with associated undertakings

Transactions with associated undertakings	
Carebook	Pursuant to a loan agreement dated 22 December 2021 under which UIL has agreed to loan monies to Carebook, UIL advanced to Carebook a loan of CAD 0.5m. As at 30 June 2022, the balance of the loan and interest outstanding was CAD 0.5m. The loan bears interest at an annual rate of the Canadian variable bank rate + 10% and is repayable on 21 December 2026. On 3 August 2021, UIL participated in a private placement to buy 11m Carebook shares for a total consideration of CAD 11.0m. UIL also received 5.5m Warrants (exercisable at CAD 1.47 until 5 August 2023) on a free of charge basis. In May 2022, UIL underwrote a Carebook rights issue at CAD 0.15 per share. UIL exercised its allocated 8,933,716 shares under the offer and additionally purchased the shortfall of 12,892,251 shares for a total CAD 3.3m. UIL also received 193,383 Warrants (exercisable at CAD 0.16 until 17 May 2024) on a free of charge basis.
DTI	There were no transactions during the year.
ICM Mobility	Pursuant to a loan agreement dated 1 June 2021 under which UIL has agreed to loan monies to ICM Mobility, UIL advanced to ICM Mobility £2.2m and ICM Mobility repaid £34k. On 23 December 2021, agreement was made to increase the loan by £0.3m and in exchange UIL reduced its investment in Littlepay's equity by £0.3m. On 28 April 2022 the loan was increased by £0.4m and UIL's equity in ICM Mobility was decreased by £0.4m. UIL capitalised £1.6m of the loan on 31 December 2021 and a further £1.3m of the loan on the 24 June 2022. As at 30 June 2022, the loan balance was nil. The loan is interest free and is converted into equity on a bi-annual basis.
Littlepay	Distributed to UIL AUD 0.4m in the year. On 23 December 2021 the equity in Littlepay was reduced by AUD 0.3m (see ICM Mobility above).
Orbital	In October 2021, Orbital undertook a pro-rata renounceable rights issue at AUD 0.50 per share on the basis on one new share for every six existing shares. UIL took up its allocated 3,937,984 rights under the offer at cost of AUD 2.0m.
Resimac	There were no transactions during the year.
Serkel	There were no transactions during the year.

SmileStyler	There were no transactions during the year.
Somers	Somers paid dividends of USD 8.5m to UIL and UIL received 477,882 ordinary shares as part of a dividend reinvestment program. Pursuant to loan agreements dated 1 September 2016 (USD loan), 22 June 2018 (£ loan) and 5 September 2019 (AUD loan), under which UIL has agreed to loan monies to Somers, UIL advanced to Somers loans of USD 1.5m and AUD 5.8m, Somers repaid USD 10.5m (part paid via the transfer of 208,190 AssetCo shares for fair value of £2.7m to UIL), £2.2m and AUD 9.0m and UIL received interest of USD 357k, £55k and AUD 83k. As at 30 June 2022, the balance of the loans and interest outstanding was USD nil, £ nil and AUD nil. The loans bear interest at an annual rate of 6.0% and are repayable on not less than 12 months' notice. Also see Zeta Resources Limited ("Zeta") disclosures on page 87.
SportEngaged Ltd	There were no transactions during the year.

Significant interests

In addition to the above, the Group and Company have a holding of 3% or more of any class of share capital of the following investments, which are material in the context of the Accounts:

Undertaking	Country of registration and incorporation	Class of instrument held	**2022 % of class of instrument held**	2021 % of class of instrument held
Resolute Mining Limited	Australia	Ordinary Shares	**6.8**	8.5
Starpharma Holdings Limited	Australia	Ordinary Shares	**3.0**	3.0
Utilico Emerging Markets Trust plc	United Kingdom	Ordinary Shares	**14.4**	16.3

10. SUBSIDIARY UNDERTAKINGS

The following was a subsidiary undertaking of the Company at 30 June 2022 and 30 June 2021.

	Country of operation, registration and incorporation	**Number and class of shares held**	**Holding and voting rights %**
UIL Finance Limited	Bermuda	10 ordinary shares of 10p nil paid share	100

The subsidiary was incorporated, and commenced trading, on 17 January 2007 to carry on business as an investment company.

Under IFRS 10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in Other Entities, the following are subsidiaries of the Company, held as part of the investment portfolio, and are accounted for as investments at fair value through profit and loss.

		2022		2021	
	Country of registration and incorporation	**Number of ordinary shares held**	**Holding and voting rights %**	Number of ordinary shares held	Holding and voting rights %
Allectus Capital Limited ("Allectus Capital")	Bermuda	**100**	**50.0**	100	50.0
Allectus Quantum Holdings Limited ("Allectus Quantum")	UK	**501**	**50.0**	–	–
Bermuda First Investment Company Limited ("BFIC")	Bermuda	**–**	**–**	1,891,195	94.2
Coldharbour Technology Limited ("Coldharbour")	United Kingdom	**29,660,694**	**96.5**	29,660,694	96.5
Elevate Platform Limited ("Elevate")	United Kingdom	**44,348,478***	**51.0**	44,348,478*	51.0
Energy Holdings Ltd	Bermuda	**100**	**100.0**	100	100.0
Newtel Holdings Limited ("Newtel")	Jersey	**115,920**	**100.0**	115,920	100.0
Novareum	Cayman Islands	**28,361**	**57.5**	–	–
Snapper Services (UK) Limited	United Kingdom	**5,014,238****	**50.0**	5,014,238**	50.0
UIL Holdings Pte Ltd	Singapore	**–**	**–**	100	100.0
Zeta	Bermuda	**344,573,832**	**61.0**	344,573,832	60.9

* Preference shares
** Shares held directly 1,703,400 and indirectly through ICM Mobility 3,310,838.

Transactions in the year to 30 June 2022 with subsidiaries held as investments

Allectus Capital	Pursuant to a loan agreement dated 1 September 2016 under which UIL has agreed to loan monies to Allectus Capital, UIL advanced to Allectus Capital USD 7.0m and Allectus Capital repaid USD 6.7m. As part of a share purchase agreement ("SPA"), UIL transferred to Allectus Capital, Nautilus Data Tech Inc convertible notes for USD 10.7m and in exchange received listed holdings with fair values of £2.9m and the loan was increased by USD 7.1m. UIL also received a bond in Invigor Group for fair value of AUD 1.2m and in exchange reduced the loan by USD 0.8m. On 30 June 2022, the balance of the loan was USD 6.6m. The loan is interest free and is converted into equity on an annual basis.
Allectus Quantum	UIL paid £0.2m for the 50% equity holding of Allectus Quantum. Pursuant to a loan agreement dated 20 April 2022 under which UIL has agreed to loan monies to Allectus Quantum, UIL advanced to Allectus Quantum a loan of £2.3m. The loan is interest free and is converted into equity on an annual basis. On 28 June 2022 the full loan of £2.3m was capitalised.
BFIC	BFIC was dissolved on 7 December 2021. There were no transactions during the period.
Coldharbour	Coldharbour appointed liquidators in January 2022. To effect a solvent liquidation process, UIL signed a deed of release which forgave the loan in its entirety (GBP 1.1m) with zero value from principal or interest recovered.
Elevate	Pursuant to a loan agreement dated 1 January 2019 under which UIL has agreed to loan monies to Elevate, UIL advanced to Elevate £0.4m. As at 30 June 2022, the balance of the loan and interest outstanding was £1.6m. The loan bears interest at an annual rate of 6.0% and is repayable on 31 December 2023.
Energy Holdings Ltd	There were no transactions during the year.
Newtel	UIL advanced £0.2m to Newtel as part of its working capital loan to Newtel. As at 30 June 2022 the loan balance was £5.5m and is repayable on demand.
Novareum	UIL invested USD5.0m and redeemed USD2.9m in the year.
Snapper Services (UK) Limited	Snapper Services (UK) Limited changed its name from ICM Mobility International Ltd in the year. There were no transactions during the year.

NOTES TO THE ACCOUNTS (continued)

UIL Holdings Pte Ltd	UIL Holdings Pte Ltd was dissolved on 8 November 2021. There were no transactions during the period.
Zeta	Pursuant to loan agreements dated 1 September 2016 (AUD loan) and 1 May 2018 (CAD loan), under which UIL has agreed to loan monies to Zeta, UIL advanced to Zeta loans of AUD 7.2m and CAD 0.4m and received from Zeta repayments of AUD 32.0m (AUD 16.0m being settled via the transfer of Panoramic Resources shares to UIL, AUD 2.2m being settled by the transfer of Resimac shares to UIL from Somers as part of a SPA between UIL and Somers, and the balance of AUD 13.8m being settled via cash) and CAD 19.9m (CAD 17.1m being settled by the transfer of Resimac shares to UIL from Somers as part of a SPA between UIL and Somers, and the balance of CAD 2.8m being settled via cash) and capitalisation of interest of AUD 1.1m and CAD 0.9m. As at 30 June 2022, the balance of the loans and interest outstanding was AUD nil and CAD nil. The AUD loan bears interest at an annual rate of 7.5% and the CAD loan bears interest at an annual rate of 7.25%. The loans are repayable on not less than 12 months' notice.

11. OTHER RECEIVABLES – CURRENT ASSETS

Group and Company	2022 £'000s	2021 £'000s
Securities sold for future settlement	**419**	492
Accrued income	**9**	907
Prepayments and other debtors	**16**	12
	444	1,411

12. DERIVATIVE FINANCIAL INSTRUMENTS

	2022			2021		
Group and Company	**Current assets £'000s**	**Current liabilities £'000s**	**Net current assets/ (liabilities) £'000s**	Current assets £'000s	Current liabilities £'000s	Net current assets/ (liabilities) £'000s
Forward foreign exchange contracts	**620**	**(2,562)**	**(1,942)**	1,047	(627)	420

The above derivatives are classified as level 2 as defined in note 1(c).

Changes in derivatives

Changes in total net current derivative financial instruments are as follows:

Group and Company	2022 £'000s	2021 £'000s
Valuation brought forward	**420**	(5,280)
Net settlements	**8,170**	(619)
(Losses)/gains	**(10,532)**	6,319
Valuation carried forward	**(1,942)**	420

13. LOANS – CURRENT LIABILITY

Group and Company	2022 £'000s	2021 £'000s
Bank Loans		
AUD 12.5m rolled over July 2021	**–**	6,793
AUD 12.9m rolled over July 2021	**–**	7,000
AUD 9.0m rolled over August 2021	**–**	4,891
EUR 5.0m rolled over July 2021	**–**	4,292
EUR 5.6m rolled over September 2021	**–**	4,786
USD 21.8m rolled over July 2021	**–**	15,744
USD 7.0m rolled over September 2021	**–**	5,042
AUD 12.5m rolled to September 2022	**7,078**	–
AUD 12.3m rolled to September 2022	**6,961**	–
AUD 8.7m rolled to September 2022	**4,954**	–
EUR 5.0m rolled to September 2022	**4,304**	–
EUR 5.4m rolled to September 2022	**4,690**	–
USD 20.9m rolled over July 2022 to September 2022	**17,235**	–
USD 7.1m rolled to September 2022	**5,858**	–
	51,080	48,548

The Company has a committed loan facility of £50,000,000 from Scotiabank Europe PLC ("Scotiabank") and was fully drawn as at 30 June 2022. The facility was extended in September 2022 to 19 September 2023 and novated to the Bank of Nova Scotia, London Branch, reducing to £37.5m on 30 March 2023. Commissions are charged on any undrawn amounts at commercial rates. The terms of the loan facility, including those related to accelerated repayment and costs of repayment and the loan covenants, are typical of those normally found in facilities of this nature. Bank of Nova Scotia, London Branch has a floating charge over the assets of the Company in respect of amounts owing under the loan facility.

14. OTHER PAYABLES

	Group		**Company**	
	2022 £'000s	2021 £'000s	**2022 £'000s**	2021 £'000s
Securities purchased for future settlement	**–**	57	**–**	57
Bank overdraft	**3,835**	213	**3,835**	213
Intra-group loans	**–**	–	**51,166**	–
Accrued finance costs	**111**	120	**111**	120
Accrued expenses	**447**	437	**447**	437
	4,393	827	**55,559**	827

The Directors consider that the carrying values of other payables are equivalent to their fair value.

15. ZDP SHARES

	Group	
ZDP shares – current liabilities	**2022 £'000s**	2021 £'000s
2022 ZDP shares	**51,166**	–
ZDP Shares – non-current liabilities		
2022 ZDP shares	**–**	48,052
2024 ZDP shares	**36,833**	34,996
2026 ZDP shares	**27,589**	25,299
2028 ZDP shares	**25,225**	23,726
	89,647	132,073
Total ZDP shares liabilities	**140,813**	132,073

Authorised ZDP shares at 30 June 2022 and 30 June 2021 are as follows:	**Number**	**£'000s**
2022 ZDP shares	**63,686,754**	**3,387**
2024 ZDP shares	**76,717,291**	**2,917**
2026 ZDP shares	**25,000,000**	**2,500**
2028 ZDP shares	**44,842,717**	**1,734**

2022	**Number**	**2022 £'000s**	**Number**	**2024 £'000s**	**Number**	**2026 £'000s**	**Number**	**2028 £'000s**	**Total £'000s**
Balance at 30 June 2021	**35,569,069**	**48,052**	**30,000,000**	**34,996**	**21,890,380**	**25,299**	**24,416,265**	**23,726**	**132,073**
Issue of ZDP shares	**–**	**–**	**–**	**–**	**800,000**	**950***	**–**	**–**	**950**
Finance costs (see note 5)	**–**	**3,114**	**–**	**1,837**	**–**	**1,340**	**–**	**1,499**	**7,790**
Balance at 30 June 2022	**35,569,069**	**51,166**	**30,000,000**	**36,833**	**22,690,380**	**27,589**	**24,416,265**	**25,225**	**140,813**

* Sold by the Company in the market, an issue of ZDP shares for Group accounting

2021	Number	2020 £'000s	Number	2022 £'000s	Number	2024 £'000s	Number	2026 £'000s	Number	2028 £'000s	Total £'000s
Balance as at 30 June 2020	39,000,000	59,087	50,000,000	63,407	30,000,000	33,250	22,596,706	24,791	–	–	180,535
Issue of ZDP shares	–	–	–	–	–	–	–	–	24,416,265	24,417	24,417
Issue costs of ZDP shares	–	–	–	–	–	–	–	–	–	(964)	(964)
Redemption of ZDP shares	(39,000,000)	(60,411)	(14,430,931)	(19,338)	–	–	–	–	–	–	(79,749)
ZDP shares purchased by the Company	–	–	–	–	–	–	(706,326)	(767)	–	–	(767)
Finance costs (see note 5)	–	1,324	–	3,983	–	1,746	–	1,275	–	273	8,601
Balance as at 30 June 2021	–	–	35,569,069	48,052	30,000,000	34,996	21,890,380	25,299	24,416,265	23,726	132,073

The Company held 3,109,620 2026 ZDP shares as at 30 June 2021. In the year, the Company sold 800,000 2026 ZDP shares in the open market, receiving £0.95m. The Company held 2,309,620 2026 ZDP shares as at 30 June 2022.

The Company held 583,735 2028 ZDP shares as at 30 June 2021 and 30 June 2022.

2022 ZDP shares

Based on the initial entitlement of a 2022 ZDP share of 100p on 23 June 2016, a 2022 ZDP share will have a final capital entitlement at the end of its life on 31 October 2022 of 146.99p equating to a 6.25% per annum gross redemption yield. The capital entitlement (excluding issue costs) per 2022 ZDP share as at 30 June 2022 was 143.98p (2021: 135.56p).

2024 ZDP shares

Based on the initial entitlement of a 2024 ZDP share of 100p on 2 November 2018, a 2024 ZDP share will have a final capital entitlement at the end of its life on 31 October 2024 of 138.35p equating to a 4.75% per annum gross redemption yield. The capital entitlement (excluding issue costs) per 2024 ZDP share as at 30 June 2022 was 124.14p (2021: 118.51p).

2026 ZDP shares

Based on the initial entitlement of a 2026 ZDP share of 100p on 26 April 2018, a 2026 ZDP share will have a final capital entitlement at the end of its life on 31 October 2026 of 151.50p equating to a 5.00% per annum gross redemption yield. The capital entitlement (excluding issue costs) per 2026 ZDP share as at 30 June 2022 was 122.62p (2021: 116.78p).

2028 ZDP shares

Based on the initial entitlement of a 2028 ZDP share of 100p on 23 April 2021, a 2028 ZDP share will have a final capital entitlement at the end of its life on 31 October 2028 of 152.29p equating to a 5.75% per annum gross redemption yield. The capital entitlement (excluding issue costs) per 2028 ZDP share as at 30 June 2022 was 106.87p (2021: 101.06p).

The ZDP shares are traded on the London Stock Exchange and are stated at amortised cost using the effective interest method. The ZDP shares carry no entitlement to income however they have a pre-determined final capital entitlement which ranks behind all other liabilities and creditors of UIL Finance and UIL but in priority to the ordinary shares of the Company save in respect of certain winding up revenue profits.

The growth of each ZDP accrues daily and is reflected in the capital return and NAV per ZDP share on an effective interest rate basis. The ZDP shares do not carry any voting rights at general meetings of the Company. However the Company will not be able to carry out certain corporate actions unless it obtains at separate meeting's approval of each class of ZDP shareholders. Separate approval of each class of ZDP shareholders must be obtained in respect of any proposals which would affect their respective rights, including any resolution to wind up the Company. In addition the approval of ZDP shareholders by the passing of a special resolution at separate class meetings of the ZDP shareholders is required in relation to any proposal to modify, alter or abrogate the rights attaching to any class of the ZDP shares and in relation to any proposal by the Company or its parent company which would reduce the Group's cover of the existing ZDP shares below 1.35 times.

On a liquidation of UIL and/or UIL Finance, to the extent that the relevant classes of ZDP shares have not already been redeemed, the shares shall rank in the following order of priority in relation to the repayment of their accrued capital entitlement as at the date of liquidation:

i. the 2022 ZDP shares shall rank in priority to the 2024 ZDP shares, the 2026 ZDP shares and the 2028 ZDP shares;

ii. the 2024 ZDP shares shall rank in priority to the 2026 ZDP shares and the 2028 ZDP shares; and

iii. the 2026 ZDP shares shall rank in priority to the 2028 ZDP shares.

The entitlement of ZDP shareholders of a particular class shall be determined in proportion to their holdings of ZDP shares of that class.

16. OTHER PAYABLES - NON-CURRENT LIABILITY

Company	**2022 £'000s**	2021 £'000s
Intra-group loans	**93,079**	136,257

In consideration for UIL Finance agreeing to transfer to the Company certain assets, the Company has undertaken (i) to repay any interest free loan, and (ii) to reimburse UIL Finance (by way of payment in advance, if required) any and all costs, expenses, fees or interest UIL Finance incurs or is otherwise liable to pay to the holder of the ZDP shares so as to enable UIL Finance to pay the final capital entitlement of each class of ZDP share on their respective redemption date. The amount owed in the accounts as at 30 June 2022 is a current liability of £51,166,000 and a non-current liability of £93,079,000 (2021: non-current liability of £136,257,000) based on the entitlements of the ZDP shareholders at the relevant date. The loan is repayable on the date when the underlying ZDP shares are redeemed.

NOTES TO THE ACCOUNTS (continued)

17. ORDINARY SHARE CAPITAL

	Number	£'000s
Equity share capital:		
Ordinary shares of 10p each with voting rights		
Authorised	**250,000,000**	**25,000**

2022	**Total shares in issue Number**	**Total shares in issue £'000s**
Balance at 30 June 2021	**84,303,283**	**8,430**
Purchased for cancellation	**(460,365)**	**(46)**
Balance at 30 June 2022	**83,842,918**	**8,384**

2021	Total shares in issue Number	Total shares in issue £'000s
Balance at 30 June 2020	85,939,314	8,594
Purchased for cancellation	(1,636,031)	(164)
Balance at 30 June 2021	84,303,283	8,430

During the year the Company bought back for cancellation 460,365 (2021: 1,636,031) ordinary shares at a total cost of £1,227,000 (2021: £3,623,000). No further ordinary shares have been purchased for cancellation since the year end.

In addition to receiving the income distributed by way of dividend, the ordinary shareholders will be entitled to any balances on the revenue reserve at the winding up date, together with the assets of the Company remaining after payment of the ZDP shareholders' entitlement. The ordinary shareholders participate in all general meetings of the Company on the basis of one vote for each share held.

18. SHARE PREMIUM ACCOUNT

Group and Company	**2022 £'000s**	2021 £'000s
Balance brought forward	**6,986**	10,445
Purchase of ordinary shares	**(1,181)**	(3,459)
Transfer from Non-distributable Reserve (see note 20)	**32,069**	–
Balance carried forward	**37,874**	6,986

19. SPECIAL RESERVE

Group and Company	**2022 £'000s**	2021 £'000s
Balance brought forward and carried forward	**233,866**	233,866

The reserve will not constitute winding up revenue profits in the event of the Company's liquidation.

20. NON-DISTRIBUTABLE RESERVE

Group and Company	**2022 £'000s**	2021 £'000s
Balance brought forward	**32,069**	32,069
Transfer to Share Premium Account	**(32,069)**	–
Balance carried forward	**–**	32,069

The Non-distributable Reserve was created when the warrants issued in 2007 were exercised, following the recommendation by the SORP in issue at that time. The current SORP no longer requires this accounting treatment and the reserve has therefore been transferred back to the Share Premium Account. There is no impact to distributable reserves under Bermuda Law as a result of this transfer.

21. CAPITAL RESERVES

	Group		**Company**	
Capital reserves comprise:	**2022 £'000s**	2021 £'000s	**2022 £'000s**	2021 £'000s
Arising on investments sold	**(72,976)**	(44,845)	**(73,471)**	(45,276)
Arising on revaluation of investments held	**(1,254)**	114,728	**(992)**	115,129
Balance as at 30 June	**(74,230)**	69,883	**(74,463)**	69,853

Included within the Capital Reserve movement for the year is £2,444,000 (2021: £11,735,000) of capital distributions, £3,000 (2021: £20,000) of transaction costs on purchases of investments and £27,000 (2021 £16,000) of transaction costs on sales of investments.

22. REVENUE RESERVE

	Group		**Company**	
	2022 £'000s	2021 £'000s	**2022 £'000s**	2021 £'000s
Balance brought forward	**12,547**	10,850	**12,547**	10,850
Amount transferred to revenue reserve	**7,013**	8,510	**7,013**	8,510
Dividends paid in the year	**(6,714)**	(6,813)	**(6,714)**	(6,813)
Balance as at 30 June	**12,846**	12,547	**12,846**	12,547

Under Bermuda Law, a company cannot declare or pay a dividend, or make a distribution out of contributed surplus, unless there are reasonable grounds for believing that: the company is and will after the payment be able to meet its liabilities as they become due; and the realisable value of the company's assets will not thereby be less than the aggregate of its liabilities. The net assets of the Company as at 30 June 2022 was £218.7m (2021: £363.8m).

23. NET ASSET VALUE PER ORDINARY SHARE

NAV per ordinary share is based on net assets at the year end of £218,740,000 for the Group and £218,507,000 for the Company (2021: £363,781,000 for the Group and £363,751,000 for the Company) and on 83,842,918 ordinary shares in issue at the year end (2021: 84,303,283).

24. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group

2022	Balance at 30 June 2021 £'000s	Transactions in the year £'000s	Cash flows £'000s	Non-cash flow changes: Foreign exchange movement £'000s	Non-cash flow changes: Finance costs £'000s	Balance at 30 June 2022 £'000s
Bank loans	48,548	–	(1,253)	3,785	–	51,080
ZDP shares	132,073	–	950	–	7,790	140,813
Dividends paid	–	6,714	(6,714)	–	–	–
Repurchase of shares for cancellation	–	1,227	(1,227)	–	–	–
	180,621	7,941	(8,244)	3,785	7,790	191,893

2021	Balance at 30 June 2020 £'000s	Transactions in the year £'000s	Cash flows £'000s	Non-cash flow changes: Foreign exchange movement £'000s	Non-cash flow changes: Finance costs £'000s	Balance at 30 June 2021 £'000s
Bank loans	50,646	–	(106)	(1,992)	–	48,548
Coldharbour loan	500	–	(500)	–	–	–
ZDP shares	180,535	–	(57,063)	–	8,601	132,073
Dividends paid	–	6,813	(6,813)	–	–	–
Repurchase of shares for cancellation	–	3,623	(3,623)	–	–	–
	231,681	10,436	(68,105)	(1,992)	8,601	180,621

Company

2022	Balance at 30 June 2021 £'000s	Transactions in the year £'000s	Cash flows £'000s	Non-cash flow changes: Foreign exchange movement £'000s	Non-cash flow changes: Finance costs £'000s	Balance at 30 June 2022 £'000s
Bank loans	48,548	–	(1,253)	3,785	–	51,080
Intra-group loans	136,257	–	–	–	7,988	144,245
Dividends paid	–	6,714	(6,714)	–	–	–
Repurchase of shares for cancellation	–	1,227	(1,227)	–	–	–
	184,805	7,941	(9,194)	3,785	7,988	195,325

2021	Balance at 30 June 2020 £'000s	Transactions in the year £'000s	Cash flows £'000s	Non-cash flow changes: Foreign exchange movement £'000s	Non-cash flow changes: Finance costs £'000s	Issue of ZDP shares £'000s	Balance at 30 June 2021 £'000s
Bank loans	50,646	–	(106)	(1,992)	–		48,548
Coldharbour loan	500	–	(500)	–	–		–
Intra-group loans	183,208	–	(56,297)	–	8,762	584	136,257
Dividends paid	–	6,813	(6,813)	–	–	–	–
Repurchase of shares for cancellation	–	3,623	(3,623)	–	–	–	–
	234,354	10,436	(67,339)	(1,992)	8,762	584	184,805

25. ULTIMATE PARENT UNDERTAKING

In the opinion of the Directors, the Group's ultimate parent undertaking is Somers Isles Private Trust Company Limited ("SIPTCL"), a company incorporated in Bermuda and owned by Mr Duncan Saville.

26. RELATED PARTY TRANSACTIONS

The following are considered related parties of UIL:

Ultimate parent undertaking:

UIL's majority shareholder General Provincial Life Pension Fund Limited ("GPLPF") holds 65.4% of UIL's shares. Union Mutual Pension Fund Limited ("UMPF") holds 9.1% of UIL's shares. The ultimate parent undertaking of GPLPF and UMPF is SIPTCL as referred to in note 25.

Subsidiaries of UIL:

Allectus Capital, Allectus Quantum, BFIC, Coldharbour, Elevate, Energy Holdings Ltd, Newtel, Novareum, Snapper Services (UK) Limited, UIL Holdings Pte Ltd and Zeta. On consolidation, transactions between the Company and UIL Finance have been eliminated. BFIC and UIL Holdings Pte Ltd were dissolved and struck off during the year.

Associated undertakings:

Carebook, DTI, ICM Mobility, Littlepay, Orbital, Resimac, Serkel, Smilestyler, Somers and SportEngaged Ltd.

Subsidiaries of the above subsidiaries and associated undertakings:

Allectus Capital: Own Solutions AC Limited, Own Solutions Financial Services Limited, Aplauz CH GmbH, Aplauz NL B.V., Stiching Aplauz Foundation. Global Equity Risk Protection Limited ("GERP-ACL") was sold by Allectus Capital during the year ended 30 June 2022.

Allectus Quantum: Allectus Quantum Ltd and Diraq Pty Ltd.

ICM Mobility: Kuba Group Limited, Vix AFC Limited, Vix Holdings Ltd, Vix Tech Pte Ltd and Vix Technology Limited.

Littlepay: Littlepay Limited, Littlepay Pty Ltd, Littlepay Inc.

Resimac: Access Home Loans Pty Ltd, Access Network Management Pty Ltd, Auspak Financial Services Pty Ltd, FAI First Mortgage Pty Ltd, Independent Mortgage Corporation Pty Ltd, Resimac Est Pty Ltd and Resimac Limited.

Snapper Services (UK) Limited: Snapper App Co 1 Limited, Snapper App Co 2 Limited, Snapper Platform Co Limited and Snapper Services Ltd.

Somers: AssetCo plc, PCF Group plc, Somers Pte Ltd, Somers Treasury Pty Ltd, Somers UK (Holdings) Limited, Waverton and West Hamilton Holdings Limited.

Zeta: Horizon Gold Limited, Kumarina Resources Pty Ltd, Zeta Energy Pte Ltd, Zeta Investments Limited and Zeta Minerals Ltd.

Key management entities and persons:

ICM and ICMIM and the board of directors of ICM, Alasdair Younie, Charles Jillings, Duncan Saville and of ICMIM, Charles Jillings and Sandra Pope. ICM Corporate Services (Pty) Ltd is a wholly owned subsidiary of ICM.

Persons exercising control of UIL:

The Board of UIL.

Company controlled by key management persons:

Mitre Investments Limited.

The following transactions were carried out during the year to 30 June 2022 between the Company and its related parties above:

UIL Finance

Loans from UIL Finance to UIL of £136.3m as at 30 June 2021 increased by £7.9m, to £144.2m as at 30 June 2022. The loans are repayable on any ZDP share repayment date.

Subsidiaries of UIL

Transactions are disclosed in note 10.

Associated undertakings:

Transactions are disclosed in note 9.

Subsidiaries of the above subsidiaries and associated undertakings:

There were no transactions during the year to 30 June 2022 with any of the subsidiaries of the above subsidiaries and associated undertakings.

Key management entities and persons:

ICM and ICMIM are joint portfolio managers of UIL. Other than investment management fees, secretarial costs and performance fees as set out in note 3, and reimbursed expenses of £1,000, there were no other transactions with ICM or ICMIM or ICM Corporate Services (Pty) Ltd. At the period-end £192,000 remained outstanding to ICM and ICMIM in respect of management and company secretarial fees and £ nil in respect of performance fees.

Mr Younie is a director of BCB, BFIC, GERP, PIL, PML, Somers and West Hamilton Holdings Limited. Mr Jillings is a director of Allectus Capital, GERP, PIL, PML, Somers and Waverton. Mr Jillings received dividends from UIL of £28,000. Mr Saville is a director of Allectus Capital, BFIC, GPLPF, GERP, Newtel, PIL, PML, Resimac, VixTech, West Hamilton Holdings Limited and Zeta Energy Pte Ltd. There were no other transactions in the year with Alasdair Younie, Charles Jillings, Duncan Saville and Sandra Pope and UIL.

The Board:

Fees paid to Directors were: Chairman £47,600 per annum; Chairman of Audit & Risk Committee £45,500 per annum and Directors £35,200 per annum. The Board received aggregate remuneration of £198,700 for services as Directors. As at 30 June 2022, £nil remained outstanding to the Directors. In addition to their fees, the Directors received dividends totalling £119,543 during the year. There were no other transactions in the year with the Board and UIL.

Companies controlled by key management persons:

GPLPF received dividends of £4,388,123 from UIL, UMPF received dividends of £602,999 from UIL and Mitre Investments Limited received dividends of £216,607 from UIL. There were no other transactions between companies controlled by key management and UIL during the year to 30 June 2022.

27. OPERATING SEGMENTS

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

28. GOING CONCERN

Notwithstanding that the Group has reported net current liabilities of £108,129,000 as at 30 June 2022 (2021: £44,220,000), the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Board's going concern assessment has focussed on the forecast liquidity of the Group for 12 months from the date of approval of the financial statements. This analysis assumes that the Company will meet some of its short term obligations through the sale of level 1 securities, which represented 41.6% of the Company's total portfolio as at 30 June 2022. As part of this assessment the Board has considered a severe but plausible downside that reflects the impact of the key risks set out in the Strategic Report and an assessment of the Company's ability to meet its liabilities as they fall due (including the loan liabilities in note 13 and the 2022 ZDP shares liabilities in note 15), assuming a significant reduction in asset values and accompanying currency volatility.

The severe but plausible downside assumes a breach of bank loan covenants leading to the repayment of bank loan liabilities and a significant reduction in asset values in line with that experienced during the emergence of the Covid-19 pandemic in the first quarter of 2020. The Board also considered reverse stress testing to identify the reduction in the valuation of liquid investments that would cause the Group to be unable to meet its net current liabilities, being primarily the bank loan of £51,080,000 and the repayment to the 2022 ZDP share holders of £52,283,000. The Board is confident that the reduction in asset values implied by the reverse stress test is not plausible even in the current volatile environment.

As at the year end, the Company had a £50m multicurrency loan facility with Scotiabank expiring on 30 September 2022. Drawdowns under the facility are detailed in note 13. Subsequent to the year end, UIL entered into an amendment agreement, novated from Scotiabank to the Bank of Nova Scotia, London Branch, inter alia, extending the expiry date to 19 September 2023, with the facility reducing to £37.5m on 30 March 2023. Post 19 September 2023, the Company will either extend or replace the facility or repay the outstanding debt when due from portfolio realisations.

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

29. FINANCIAL RISK MANAGEMENT

The Group's investment objective is to maximise shareholder returns by identifying and investing in compelling long-term investments worldwide, where the underlying value is not reflected in the market share price.

The Group seeks to meet its investment objective by investing principally in a direct and indirect diversified portfolio of both listed and unlisted companies. Derivative instruments may be used for purposes of hedging the underlying portfolio of investments. The Group has the power to take out both short and long term borrowings. In pursuing the objective, the Group is exposed to financial risks which could result in a reduction of either or both of the value of the net assets and the profits available for distribution by way of dividend. These financial risks are principally related to the market (currency movements, interest rate changes and security price movements), liquidity and credit and counterparty risk. The Board of Directors, together with the Investment Managers, is responsible for the Group's risk management. The Directors' policies and processes for managing the financial risks are set out in (a), (b) and (c) below.

The Company's risks include the risks within UIL Finance and therefore only the Group risks are analysed below as the differences are not considered to be significant. The accounting policies which govern the reported Statement of Financial Position carrying values of the underlying financial assets and liabilities, as well as the related income and expenditure, are set out in note 1. The policies are in compliance with IFRS and best practice, and include the valuation of financial assets and liabilities at fair value except as noted in (d) below and in note 15 in respect of ZDP shares. The Group does not make use of hedge accounting rules.

(a) Market risks

The fair value of equity and other financial securities held in the Group's portfolio and derivative financial instruments fluctuates with changes in market prices. Prices are themselves affected by movements in currencies and interest rates and by other financial issues, including the market perception of future risks. The Board sets policies for managing these risks within the Group's objective and meets regularly to review full, timely and relevant information on investment performance and financial results. The Investment Managers assess exposure to market risks when making each investment decision and monitor on-going market risk within the portfolio. The Group's other assets and liabilities may be denominated in currencies other than Sterling and may also be exposed to interest rate risks. The Investment Managers and the Board regularly monitor these risks. The Group does not normally hold significant cash balances. Borrowings are limited to amounts and currencies commensurate with the portfolio's exposure to those currencies, thereby limiting the Group's exposure to future changes in exchange rates.

Gearing may be short- or long-term, in Sterling and foreign currencies, and enables the Group to take a long-term view of the countries and markets in which it is invested without having to be concerned about short-term volatility. Income earned in foreign currencies is converted to Sterling on receipt. The Board regularly monitors the effects on net revenue of interest earned on deposits and paid on gearing.

Currency exposure

The principal currencies to which the Group was exposed were the Australian Dollar, Canadian Dollar, Euro and US Dollar (2021: Australian Dollar, Euro and US Dollar)
The Group's assets and liabilities as at 30 June (shown at fair value, except derivatives at gross exposure value), by currency excluding Sterling based on the country of primary exposure, are shown below:

2022	AUD £'000s	CAD £'000s	EUR £'000s	USD £'000s	Other £'000s	Total £'000s
Other receivables	8	–	–	–	–	8
Derivative financial instruments – assets	16,969	2,553	–	7,199	–	26,721
Cash and cash equivalents	–	8	–	–	–	8
Derivative financial instruments – liabilities	(38,777)	(30,805)	(7,749)	(43,728)	–	(121,059)
Short-term borrowings	(18,993)	–	(8,994)	(23,093)	–	(51,080)
Net monetary liabilities	(40,793)	(28,244)	(16,743)	(59,622)	–	(145,402)
Investments	146,224	22,068	32,982	21,087	136,909	359,270
Net financial assets	105,431	(6,176)	16,239	(38,535)	136,909	213,868

2021	AUD £'000s	EUR £'000s	USD £'000s	Other £'000s	Total £'000s
Other receivables	695	311	–	393	1,399
Derivative financial instruments – assets	24,843	–	–	7,732	32,575
Cash and cash equivalents	1,291	–	2,004	28	3,323
Derivative financial instruments – liabilities	(64,799)	–	(27,141)	(17,697)	(109,637)
Short-term borrowings	(18,684)	(9,078)	(20,786)	–	(48,548)
Net monetary liabilities	(56,654)	(8,767)	(45,923)	(9,544)	(120,888)
Investments	114,995	–	250,970	19,505	385,470
Net financial assets	58,341	(8,767)	205,047	9,961	264,582

Based on the financial assets and liabilities held, and exchange rates applying, as at the Statement of Financial Position date, a weakening or strengthening of Sterling against each of these currencies by 10% would have had the following approximate effect on annualised income after tax and on NAV per share:

				2022			2021
Weakening of Sterling	**AUD £'000s**	**CAD £'000s**	**EUR £'000s**	**USD £'000s**	AUD £'000s	EUR £'000s	USD £'000s
Income Statement							
Revenue profit for the year	**81**	**2**	**–**	**61**	127	–	–
Capital profit/(loss) for the year	**11,715**	**(686)**	**1,804**	**(1,614)**	6,405	(974)	22,783
Total profit/(loss) for the year	**11,796**	**(684)**	**1,804**	**(1,553)**	6,532	(974)	22,783

				2022			2021
Strengthening of Sterling	**AUD £'000s**	**CAD £'000s**	**EUR £'000s**	**USD £'000s**	AUD £'000s	EUR £'000s	USD £'000s
Income Statement							
Revenue loss for the year	**(81)**	**(2)**	**–**	**(61)**	(127)	–	–
Capital (loss)/profit for the year	**(11,715)**	**686**	**(1,804)**	**1,614**	(6,405)	974	(22,783)
Total (loss)/profit for the year	**(11,796)**	**684**	**(1,804)**	**1,553**	(6,532)	974	(22,783)

These analyses are broadly representative of the Group's activities during the current year as a whole, although the level of the Group's exposure to currencies fluctuates in accordance with the investment and risk management processes.

Interest rate exposure

The exposure of the financial assets and liabilities to interest rate risks as at 30 June is shown below:

			2022			2021
	Total £'000s	**Within one year £'000s**	**More than one year £'000s**	Total £'000s	Within one year £'000s	More than one year £'000s
Exposure to floating rates						
Cash and margin account	**8**	**8**	**–**	3,324	3,324	–
Bank overdraft	**(3,835)**	**(3,835)**	**–**	(213)	(213)	–
Borrowings	**(51,080)**	**(51,080)**	**–**	(48,548)	(48,548)	–
	(54,907)	**(54,907)**	**–**	(45,437)	(45,437)	–
Exposure to fixed rates						
ZDP shares	**(140,813)**	**(51,166)**	**(89,647)**	(132,073)	–	(132,073)
Net exposures						
At year end	**(195,720)**	**(106,073)**	**(89,647)**	(177,510)	(45,437)	(132,073)
Maximum in year	**(199,716)**	**(112,232)**	**(87,484)**	(238,270)	(115,657)	(122,613)
Minimum in year	**(177,510)**	**(45,437)**	**(132,073)**	(166,819)	(42,048)	(124,771)

	Total £'000s	**Exposure to floating interest rates £'000s**	**Exposure to fixed interest rates £'000s**	Total £'000s	Exposure to floating interest rates £'000s	Exposure to fixed interest rates £'000s
Maximum in year	**(199,716)**	**(61,715)**	**(138,001)**	(238,270)	(55,928)	(182,342)
Minimum in year	**(177,510)**	**(45,437)**	**(132,073)**	(166,819)	(42,048)	(124,771)

Exposures vary throughout the year as a consequence of changes in the make-up of the net assets of the Group arising out of the investment and risk management processes. Interest received on cash balances or paid on overdrafts is at ruling market rates. Finance costs on the ZDP shares are fixed (see note 15). Interest paid on borrowings is at ruling market rates (2021: same). The Group's total returns and net assets are sensitive to changes in interest rates on cash and borrowings. Based on the financial assets and liabilities held, and the interest rates pertaining, at each Statement of Financial Position date, a decrease or increase in interest rates by 2% would have had the following approximate effects on the Group Income Statement revenue and capital returns after tax and on the NAV per share.

		2022		2021
	Increase in rate £'000s	**Decrease in rate £'000s**	Increase in rate £'000s	Decrease in rate £'000s
Revenue profit for the year	**(1,098)**	**1,098**	(909)	909
Capital profit for the year	**–**	**–**	–	–
Total profit for the year	**(1,098)**	**1,098**	(909)	909

Other market risk exposures

The portfolio of investments, valued at £416,516,000 as at 30 June 2022 (2021: £540,074,000) is exposed to market price changes. The Group enters into currency and index options in managing its exposure to other market risks.

The Investment Managers assess these exposures at the time of making each investment decision. The Board reviews overall exposures at each meeting against indices and other relevant information. An analysis of the portfolio by country and major industrial sector are set out on pages 21 and 12 respectively. The Investment Managers operate a strategic market position via the purchase and sale of equity index put and call options, principally on the S&P500 Index. The level of the position is kept under constant review, and will depend upon several factors including the relative performance of markets, the price of options as compared to the market, and the Investment Managers' view of likely future volatility and market movements. During the year to 30 June 2022, the Group did not purchase or sell any S&P options.

Based on the portfolio of investments at the Statement of Financial Position date, and assuming other factors, including derivative financial instrument exposure, remain constant, a decrease or increase in the fair values of the portfolio by 20% would have had the following approximate effects on the Income Statement Capital Return after tax and on the NAV per share:

		2022		2021
	Increase in value	**Decrease in value**	Increase in value	Decrease in value
Income Statement capital profit for the year (£'000s)	**83,303**	**(83,303)**	108,846	(108,846)

(b) Liquidity risk exposure

The Group and the Company are required to raise funds to meet commitments associated with financial instruments including ZDP shares. These funds may be raised either through the realisation of assets or through increased borrowing. The risk of the Group or the Company not having sufficient liquidity at any time is not considered by the Board to be significant, given: the number of quoted investments held in the Group's portfolio, 19 as at 30 June 2022 (18 as at 30 June 2021); the liquid nature of the portfolio of investments; the geographical and sector diversity of the portfolio (see pages 21 and 12 respectively); and the existence of an on-going loan facility agreement. Cash balances are held with reputable banks with high quality external credit ratings.

The Investment Managers review liquidity at the time of making each investment decision. The Board reviews liquidity exposure at each meeting. The Group has bank loan facilities of £50.0m as set out in note 13 and ZDP share liabilities of £140.8m as set out in note 15. The contractual maturities of the financial liabilities, based on the earliest date on which payment can be required, were as follows:

	2022				2021			
	Three months or less £'000s	**More than three months but less than one year £'000s**	**More than one year £'000s**	**Total £'000s**	Three months or less £'000s	More than three months but less than one year £'000s	More than one year £'000s	Total £'000s
Securities purchased for future settlement	**–**	**–**	**–**	**–**	57	–	–	57
Bank overdraft	**3,835**	**–**	**–**	**3,835**	213	–	–	213
Other creditors	**447**	**–**	**–**	**447**	437	–	–	437
Derivative financial instruments	**99,750**	**40,497**	**–**	**140,247**	139,451	–	–	139,451
Loans	**51,564**	**–**	**–**	**51,564**	37,172	11,714	–	48,886
ZDP shares	**–**	**52,283**	**113,064**	**165,347**	–	–	132,073	132,073
	155,596	**92,780**	**113,064**	**361,440**	177,330	11,714	132,073	321,117

(c) Credit risk and counterparty exposure

The Group is exposed to potential failure by counterparties to deliver securities for which the Group has paid, or to pay for securities which the Group has delivered. The Board approves all counterparties used in such transactions, which must be settled on a basis of delivery against payment (except where local market conditions do not permit). A list of pre-approved counterparties is maintained and regularly reviewed by Waverton and the Board. Broker counterparties are selected based on a combination of criteria, including credit rating, statement of financial position strength and membership of a relevant regulatory body. Cash and deposits are held with reputable banks. The Group has an on-going contract with its custodians for the provision of custody services. The contracts are reviewed regularly. Details of securities held in custody on behalf of the Group are received and reconciled monthly. Prior to making investments in debt instruments, the Investment Managers have in place a process of review that includes an evaluation of a potential investee company's ability to service and repay its debt. The Investment Managers review the financial position of investee companies on a regular basis. To the extent that the Investment Managers carry out duties (or cause similar duties to be carried out by third parties) on the Group's behalf, the Group is exposed to counterparty risk. The Board assesses this risk continuously through regular meetings with management.

In summary, compared to the amounts included in the Statement of Financial Position, the maximum exposure to credit risk was as follows:

	2022		2021	
Current assets	**30 June £'000s**	**Maximum exposure in the year £'000s**	30 June £'000s	Maximum exposure in the year £'000s
Cash at bank	**8**	**4,496**	3,324	55,841
Margin account	**–**	**–**	–	2,104
Financial assets through profit and loss				
Investments in debt instruments	**8,672**	**39,138**	36,089	79,499
Derivatives (forward foreign exchange contracts)	**138,305**	**168,050**	139,871	198,145

None of the Group's financial assets are past due or impaired. The Group's principal custodian is JPMorgan Chase Bank N.A.– Jersey Branch.

(d) Fair values of financial assets and liabilities

The assets and liabilities of the Group are, in the opinion of the Directors, reflected in the Statement of Financial Position at fair value except for ZDP shares which are carried at amortised cost using effective interest rate basis (see note 15). Borrowings under loan facilities do not have a value materially different from their capital repayment amount. Borrowings in foreign currencies are converted into Sterling at exchanges rates ruling at each valuation date.

The fair values of ZDP shares derived from their quoted market price as at 30 June, were:

	2022 £'000s	2021 £'000s
2022 ZDP shares	**51,219**	49,619
2024 ZDP shares	**36,750**	36,150
2026 ZDP shares	**26,207**	25,393
2028 ZDP shares	**24,172**	24,416

Unquoted investments are valued based on professional assumptions and advice that is not wholly supported by prices from current market transactions or by observable market data. The Directors make use of recognised valuation techniques and may take account of recent arms' length transactions in the same or similar investments.

The Directors regularly review the principles applied by the Investment Managers to those valuations to ensure they comply with the Group's accounting policies and with fair value principles.

Level 3 financial instruments

Valuation methodology

The objective of using valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Company uses proprietary valuation models, which are compliant with IPEV guidelines and IFRS 13 and which are usually developed from recognised valuation techniques. Some or all of the significant inputs into these models may not be observable in the market and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows of the financial instrument being valued, determination of the probability of counterparty default and prepayments, peer group multiple and selection of appropriate discount rates.

Fair value estimates obtained from such models are adjusted for any other factors, such as controlling interest, historical and projected financial data, entity specific strengths and weaknesses, or model uncertainties, to the extent that the Company believes that a third party market participant would take them into account in pricing a transaction.

The Directors have satisfied themselves as to the methodology used, the discount rates and key assumptions applied, and the valuations. The level 3 assets comprise of a number of unlisted investments at various stages of development and each has been assessed based on its industry, location and business cycle. The valuation methodologies include net assets, discounted cash flows, cost of recent investment or last funding round, listed peer comparison or peer group multiple or dividend yield as appropriate. Where applicable, the Directors have considered observable data and events to underpin the valuations. A discount has been applied, where appropriate, to reflect both the unlisted nature of the investments and business risks. UIL currently has investments in a number of level 3 closed-end investment companies including Allectus Capital, ICM Mobility and Somers. These closed-end fund interests are valued on a net assets basis, estimated based on the managers' NAVs. Managers' NAVs use recognised valuation techniques consistent with IFRS and are normally subject to audit. The fund valuations included in these financial statements were based principally on the 30 June 2022 managers' NAVs and these NAVs have been reviewed to ensure that the economic impact of the rising interest rate environment, inflation, the Ukraine war, and Covid-19 have been considered.

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

Level 3 inputs are sensitive to assumptions made when ascertaining fair value. The following section details the sensitivity of valuations to variations in key inputs. The level of change selected is considered to be reasonable, based on observation of market conditions and historic trends. In assessing the level of reasonably possible outcomes consideration was also given to the impact on valuations of the increased level of volatility in equity markets during the first half of 2022, principally reflecting concerns about increasing rates of inflation, tightening energy supplies, rising interest rates and the Ukraine war. The valuations of fund interests are based on the managers' NAVs and these managers have advised that they have taken into account these economic and market concerns. The impact on the valuations has been varied and largely linked to their relevant sectors and this has been reflected in the level of sensitivities applied.

For each unlisted holding valued over £5.0m, the significant valuation inputs have been sensitised by a percentage deemed to reflect the relative degree of estimation uncertainty.

Allectus Capital Bermuda incorporated

Valuation inputs: Market value for portfolio of investments.

Valuation methodology: UIL has used the portfolio's NAV and carried its investment at £22.9m (2021: £21.4m) and loans at £5.5m (2021: £nil). The cost of these investments was £23.9m (2021: £18.5m). The financial results of Allectus Capital are not publically available. Allectus Capital's portfolio is concentrated in the technology sector and its NAV was valued using valuation techniques consistent with IFRS and was subject to audit. The Directors considered together both the increased volatility in technology equity markets and the increased level of unlisted investments within Allectus Capital's portfolio and assessed that the valuation uncertainty had increased over the year. Accordingly, Allectus Capital's fair value has been given a sensitivity of 20% (2021: 10%) to reflect a higher level of uncertainty over the managers valuations of Allectus Capital's portfolio.

Sensitivities: Should the value of holdings in Allectus Capital move by 20% the gain or loss would be £5.7m.

ICM Mobility (including direct holdings in Littlepay and Snapper Services (UK) Limited) UK incorporated

Valuation inputs: Market value for portfolio of investments.

Valuation methodology: UIL has used ICM Mobility's and Snapper Services (UK) Limited portfolio NAVs and its direct investment in Littlepay has been valued using earnings and revenue peer multiples. UIL values the investments at £51.0m (2021: £41.9m). The cost of these investments was £32.4m (£30.5m). For the year to 30 June 2022, ICM Mobility's turnover was £12.6m and pre tax profits were £12.4m and as at 30 June 2022 the net assets were £110.2m. For the year to 30 June 2021, the latest publicly available information, Littlepay's turnover was £nil and pre tax loss was £59k, and as at 30 June 2021 the net assets were £5.9m. ICM Mobility's portfolio is focused in the transit payments sector and its NAV was valued using valuation techniques consistent with IFRS and was subject to audit. The Directors considered ICM Mobility's sector and current market turbulence, in ICM Mobility's portfolio valuations and assessed that the valuation uncertainty was at a medium level.

As at 30 June 2022 ICM Mobility's investment portfolio was heavily concentrated, and all its holdings were valued using valuation techniques. The valuation methodologies employed by ICM Mobility consisted predominantly of peer group earnings and revenue multiples with most of the entity's investments valued using these methodologies. Earnings and revenue were considered over historic, current and forecast periods. Its portfolio holdings were also heavily weighted towards the growth stage of their business life cycles resulting in a higher degree of management judgement and estimation in the determination of their fair value. ICM Mobility's fair value has been given a sensitivity of 20% (2021: 20%) to reflect a higher level of uncertainty over the managers valuations of ICM Mobility's portfolio.

Sensitivities: Should the value of ICM Mobility move by 20% the gain or loss would be £10.2m.

Somers Bermuda incorporated

Somers is UIL's largest investment with a value of £148.8m as at 30 June 2022 (2021: £220.1m) and accounts for 35.7% (2021: 42.7%) of UIL's total portfolio. The cost of this investment was £89.4m (£84.9m).

Valuation inputs: Market value for portfolio of investments.

Valuation methodology: UIL values its holding of Somers shares based on estimated NAV per share. The Directors believe this is the most appropriate basis for valuing the investment in Somers. Somers shares are listed on the BSX. As at 30 June 2022, the Somers shares were deemed not to trade in an active market and as at the 30 June 2022 measurement date, the Directors consider that the listed share price did not represent fair value. In making their assessment the Directors considered the very low level of trading in Somers shares, the large disconnect between the listed share price and Somers' NAV, and the absence of movement in Somers' listed share price in response to changing financial performance and other developments at Somers.

Somers is a financial services investment holding company, listed on the BSX. It is classified as an investment company under IFRS 10 and, accordingly, values its underlying investments at fair value. Somers applies valuation techniques consistent with IFRS and is subject to annual audit. As an investment company, Somers' value is based primarily on the performance and valuation of its portfolio of investments which are concentrated in the banking, wealth management and asset financing sectors. For its year ended 30 September 2021, Somers recorded total income of USD 218.0m, net income before tax of USD 197.8m and net assets of USD 617.8m. As at 30 June 2022, Somers' three largest investments, which make up 78.4% of its portfolio, were a 58.4% holding in Resimac, a non-bank Australian financial institution, a 61.8% holding in Waverton, a UK wealth manager, and a 48.4% holding in Thorn Group, an Australian diversified financial services organisation.

As at 30 June 2022 28% of Somers' investment portfolio was valued using valuation techniques and these investments have been given a sensitivity of 10% (2021: 5%) to reflect a degree of uncertainty over the managers valuations. The remaining 72% of Somers' portfolio was valued using their listed share price.

Sensitivities: Should the value of Somers move by 10% the gain or loss would be USD 18.1m (£14.9m).

Arria NLG Limited ("Arria") New Zealand incorporated

UIL hold 6.6m ordinary shares in Arria which it valued at £1.2m as at 30 June 2022. The cost of this investment was £0.7m. In arriving at its valuation, UIL applied a peer revenue multiple to estimated recurring revenue. According to its most recent published accounts, Arria was materially loss making, cash flow negative, and they may have insufficient cash reserves if their expected capital raise activities do not proceed as planned. Against this, their revenues have recently gained traction and appear to be growing very strongly. Arria has also had historic success in raising funds. In arriving at their valuation, the Directors considered Arria's historic financial track record, their recent uplift in revenues and Arria's reliance on successful future capital raising. The Directors assessed that while the valuation uncertainty over Arria was high, should Arria's recent growth trajectory continue and should they have success in raising capital this would be expected to contribute to a valuation uplift. Accordingly, Arria's fair value has been given a sensitivity of 400% to reflect the high level of uncertainty over the future position of Arria.

Sensitivities: Should the value of UIL's holding in Arria increase by 400% the gain or loss would be £4.6m.

Other unlisted companies

Valuation methodology: UIL has a further 19 (2021: 13) unlisted holdings valued below £2.5m (2021: £2.5m) each. These holdings were valued using a variety of methods, including; listed peer comparison or peer group multiple, discounted cash flow, net assets, dividend yields, and cost of recent investments adjusted for events subsequent to acquisition that impact fair value. The total value of these 19 holdings was £9.6m as at 30 June 2022 (2021: £6.0m).

Sensitivities: If the value of all these lower valued investments moved by 10.0%, this would have an impact on the investment portfolio value of £1.0m or 0.2%. A 20.0% change would have an impact on the investment portfolio value of £1.9m or 0.5%.

(e) Capital risk management

The objective of the Group is stated as being to maximise shareholder returns by identifying and investing in investments where the underlying value is not reflected in the market price. In pursuing this long term objective, the Board has a responsibility for ensuring the Group's ability to continue as a going concern. It must therefore maintain its capital structure through varying market conditions. This involves the ability to: issue and buy back share capital within limits set by the shareholders in general meeting; borrow monies in the short and long term; and pay dividends to shareholders out of current year earnings as well as out of brought forward reserves. Changes to ordinary share capital are set out in note 17.

Dividends are set out in note 8. Bank loans are set out in note 13. ZDP shares are set out in note 15.

30. CONTINGENT LIABILITIES

UIL has given a guarantee to Bank of Nova Scotia to settle derivative transactions traded by Somers. Somers has not and is not expected to use this facility. It is not expected that UIL will incur any liability.

31. COMMITMENTS

UIL has made a £1m convertible loan note facility available to Coda Cloud Limited. This facility has not been drawn nor is it expected to be drawn for the next six months.

ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE ("AIMFD")

In accordance with the AIFMD, information in relation to the Group's leverage and the remuneration of the Company's AIFM, ICMIM, is required to be made available to investors. Detailed regulatory disclosures including those on the AIFM's remuneration policy are available on the Company's website or from ICMIM on request.

The Group's maximum and actual leverage as at 30 June are shown below:

Leverage exposure	**2022** Gross method	**2022** Commitment method	2021 Gross method	2021 Commitment method
Maximum permitted limit	**425%**	**425%**	425%	425%
Actual	**236%**	**236%**	251%	251%

The leverage limits are set by the AIFM and approved by the Board. The AIFM is also required to comply with the gearing parameters set by the Board in relation to borrowings.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of UIL Limited will be held at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda on Thursday, 10 November 2022 at 5.00pm (local time) for the purpose of considering and, if thought fit, passing the following resolutions (which will be proposed in the case of resolutions 1 to 11, as ordinary resolutions and, in the case of resolution 12, as a special resolution).

ORDINARY BUSINESS

1. To receive and adopt the report of the Directors of the Company and the financial statements for the year ended 30 June 2022, together with the report of the auditor thereon.
2. To approve the Directors' Remuneration Report for the year ended 30 June 2022.
3. To approve the Company's dividend policy to pay four interim dividends per year.
4. To re-elect Mr P Burrows as a Director.
5. To re-elect Mr S Bridges as a Director.
6. To re-elect Ms A Hill as a Director.
7. To re-elect Mr C Samuel as a Director.
8. To re-elect Mr D Shillson as a Director.
9. To re-appoint KPMG LLP as auditor of the Company to hold office until the conclusion of the next Annual General Meeting of the Company.
10. To authorise the Directors to determine the auditor's remuneration.

SPECIAL BUSINESS

Ordinary resolution

11. That, in substitution for the Company's existing authority to make market purchases of ordinary shares of 10p in the Company ("Ordinary Shares"), the Company be and it is generally and unconditionally authorised to make market purchases of Ordinary Shares, provided that:
    (a) the maximum number of Ordinary Shares hereby authorised to be purchased is 12,560,000 (being the equivalent of approximately 14.99% of the issued Ordinary Shares as at the date of this notice);
    (b) the minimum price which may be paid for an Ordinary Share shall be 10p;
    (c) the maximum price (exclusive of expenses payable by the Company) which may be paid for an Ordinary Share shall be the higher of:
        (i) 105% of the average of the middle market quotations of the Ordinary Shares for the five business days prior to the date on which such shares are contracted to be purchased; and
        (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out;
    (d) such purchases shall be made in accordance with the Companies Act 1981 of Bermuda; and
    (e) unless renewed, the authority hereby conferred shall expire at the conclusion of the Annual General Meeting to be held in 2023 save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after the expiration of such authority.

Special resolution

12. That, for the purpose of Bye-law 4A of the Company's Bye-laws, the Company may issue Relevant Securities (as defined in the Bye-laws) representing up to 4,192,000 Ordinary Shares, equivalent to approximately 5% of the total number of Ordinary Shares in issue as at the date of this notice otherwise than on a pre-emptive basis, provided that such disapplication shall expire (unless and to the extent previously revoked, varied or renewed by the Company in general meeting by Special Resolution (as defined in the Bye-laws)) at the earlier of the conclusion of the Annual General Meeting to be held in 2023 or 18 months from the date of this resolution but so that this power shall enable the Company to make such offers or agreements before such expiry which would or might otherwise require Relevant Securities to be issued after such expiry and the Directors may issue Relevant Securities in pursuance of such offer or agreement as if such expiry had not occurred.

By order of the Board
ICM Limited, Secretary

21 September 2022

NOTES

1. Only the holders of ordinary shares registered on the register of members of the Company at close of business on 8 November 2022 shall be entitled to attend and vote or to be represented at the meeting in respect of the ordinary shares registered in their name at that time. Changes to entries on the register after close of business on 8 November 2022 shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
3. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any person holding 5% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules need not make a separate notification to the Company and the Financial Conduct Authority.
4. Any such person holding 5% or more of the voting rights in the Company who appoints a person other than the Chairman as his proxy will need to ensure that both he and such person complies with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules.
5. A form of proxy is provided with this notice of meeting. The return of a form of proxy will not preclude a member from attending the meeting and voting in person if he/she wishes to do so. To be valid, a form of proxy for use at the meeting and the power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, must be deposited with the Company's registrars, Computershare Investor Services (Bermuda) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY not later than 5:00 pm (GMT) on 8 November 2022.

   Alternatively, shareholders can vote or appoint a proxy electronically by visiting www.eproxyappointment.com/login. You will be asked to enter the Control Number, the Shareholder Reference Number and PIN which are printed on the form of proxy. The latest time for the submission of proxy votes electronically is 5:00 pm (GMT) on 8 November 2022. To appoint more than one proxy, an additional proxy form(s) may be obtained by contacting the Registrar's helpline on 0370 707 1196 or you may photocopy the form of proxy. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by marking the box provided if the proxy instruction is one of multiple instructions being given. All forms of proxy must be signed and should be returned together in the same envelope.
6. Investors holding ordinary shares in the Company through depository interests should ensure that Forms of Instruction are returned to The Depositary, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY not later than 5:00 pm (GMT) on 7 November 2022 or give an instruction via the CREST system as detailed under note 7. Please note only depositary interest holders registered on the depositary interest register at close of business on 7 November 2022 shall be entitled to attend and vote or to be represented at the meeting. Changes to entries on the depositary interest register after close of business on 7 November 2022 shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. Depositary interest holders who are CREST members and who wish to issue an instruction through the CREST electronic voting appointment service may do so by using the procedures described in the CREST manual (available from www.euroclear.com). 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 services provider(s), who will be able to take the appropriate action on their behalf.

   In order for instructions made using the CREST service to be valid, the appropriate CREST message (a "CREST Voting Instruction") must be properly authenticated in accordance with the specifications of Euroclear UK & International Limited ("EUI") and must contain the information required for such instructions, as described in the CREST Manual (available from www.euroclear.com). The message, regardless of whether it relates to the voting instruction or to an amendment to the instruction given to the Depositary must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) no later than 5:00 pm, (GMT) on 7 November 2022. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST applications host) from which the issuer's agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST.

   CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the transmission of CREST Voting 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 the CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a CREST Voting Instruction is transmitted by means of the CREST service 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 Voting Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
8. The register of Directors' holdings is available for inspection at the registered office of the Company during normal business hours on any weekday and will be available at the place of the meeting from 15 minutes prior to the commencement of the meeting until the conclusion thereof.
9. No service contracts exist between the Company and any of the Directors, who hold office in accordance with letters of appointment and the Company's Bye-laws. The letters of appointment are available for inspection on request at the Company's registered office and at the Annual General Meeting.
10. As at the date of publication of this Notice of Annual General Meeting, the Company's issued share capital consisted of 83,842,918 ordinary shares of 10p each. Each ordinary share carries the right to one vote and therefore the total voting rights in the Company as at the date of this report are 83,842,918.

COMPANY INFORMATION

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

REGISTERED OFFICE
Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda
Company Registration Number: 39480
LEI: 213800CTZ7TEIE7YM468

AIFM AND JOINT PORTFOLIO MANAGER
ICM Investment Management Limited
Ridge Court, The Ridge, Epsom, Surrey, KT18 7EP
United Kingdom
Telephone number 01372 271486
Authorised and regulated in the UK by the Financial Conduct Authority

JOINT PORTFOLIO MANAGER AND SECRETARY
ICM Limited
34 Bermudiana Road, Hamilton HM 11, Bermuda

ASSISTANT SECRETARY
Conyers Corporate Services (Bermuda) Limited
Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda

ADMINISTRATOR
JP Morgan Chase Bank N.A. – London Branch
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Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

BROKER
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(as to English law)
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United Kingdom

LEGAL ADVISOR TO THE COMPANY
(as to Bermuda law)
Conyers Dill & Pearman Limited
Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda

AUDITOR
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Member of the Institute of Chartered Accountants in England and Wales

DEPOSITARY SERVICES PROVIDER
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Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

CUSTODIAN
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JPMorgan House, Grenville Street, St Helier
Jersey JE4 8QH

REGISTRAR
Computershare Investor Services (Bermuda) Limited
5 Reid Street, Hamilton HM 11, Bermuda
Telephone number 0370 707 1196

REGISTRAR TO THE DEPOSITARY INTERESTS AND CREST AGENT
Computershare Investor Services PLC
The Pavilions, Bridgwater Road, Bristol BS99 6ZY
United Kingdom

ALTERNATIVE PERFORMANCE MEASURES

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

Discount/Premium – if the share price is lower than the NAV per ordinary share, the shares are trading at a discount. Shares trading at a price above NAV per ordinary share are said to be at a premium. As at 30 June 2022 the ordinary share price was 187.50p (2021: 268.00p) and the NAV per ordinary share was 260.89p (2021: 431.51p), the discount was therefore 28.1% (2021: 37.9%).

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

	page	2022 £'000s	2021 £'000s
Bank overdraft	89	**3,835**	213
Cash and cash equivalents	75	**(8)**	(3,324)
Bank loans	75	**51,080**	48,548
ZDP shares	90	**140,813**	132,073
Total debt		**195,720**	177,510
Net assets attributable to equity holders	75	**218,740**	363,781
Gearing	4	**89.5%**	48.8%

NAV per ordinary share – the value of the Group's net assets divided by the number of ordinary shares in issue (see note 23 to the accounts).

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

Year to 30 June 2022	Dividend rate (pence)	NAV (pence)	Share price (pence)
30-Jun-21	**n/a**	**431.51**	**268.00**
30-Sep-21	**2.000**	**387.13**	**267.00**
23-Dec-21	**2.000**	**372.95**	**245.00**
31-Mar-22	**2.000**	**370.02**	**240.00**
30-Jun-22	**2.000**	**260.69**	**187.50**
30-Jun-22	**n/a**	**260.69**	**187.50**
Total return		**(38.1%)**	**(27.6%)**

Year to 30 June 2021	Dividend rate (pence)	NAV (pence)	Share price (pence)
30-Jun-20	n/a	292.79	177.50
25-Sep-20	2.000	295.59	160.00
21-Dec-20	2.000	325.51	191.50
31-Mar-21	2.000	331.07	228.00
28-Jun-21	2.000	395.11	257.00
30-Jun-21	n/a	431.51	268.00
Total return		50.9%	57.0%

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

Total return	2022 NAV (pence)	2022 Share price (pence)	2021 NAV (pence)	2021 Share price (pence)
NAV 14 August 2003 (pence)	**99.47**	**85.67**	99.47	85.67
Total dividend, warrants and CULS adjustment factor	**2.1336**	**2.6203**	2.0840	2.5314
NAV/Share price at year end (pence)	**260.69**	**187.5**	431.51	268.00
Adjusted NAV/Share price at 30 June (pence)	**556.63**	**491.30**	899.25	678.42
Total return since inception	**459.6%**	**473.5%**	804.0%	691.9%

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

	2022 NAV	2022 Share price	2021 NAV	2021 Share price
Annual compound NAV total return since inception	**9.5%**	**9.7%**	13.1%	12.3%

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

Ongoing charges calculation (excluding performance fees)	page	2022 £'000s	2021 £'000s
Management and administration fees	71	**852**	982
Other expenses	71	**819**	830
Expenses suffered within underlying funds		**5,221**	4,784
Total expenses for ongoing charges calculation		**6,892**	6,596
Average weekly NAV of the Group		**306,929**	282,613
Ongoing Charges	4	**2.2%**	2.3%

Ongoing charges calculation (including performance fees)	page	2022 £'000s	2021 £'000s
Management and administration fees	71	**852**	982
Other expenses	71	**819**	830
Expenses suffered within underlying funds		**5,221**	11,184
Total expenses for ongoing charges calculation		**6,892**	12,996
Average weekly NAV of the Group		**306,929**	282,613
Ongoing Charges	4	**2.2%**	4.6%

Revenue yield – represents the ratio of total income in the year over average gross assets in the year.

	page	2022 £'000s	2021 £'000s
Income	71	**9,879**	11,555
Average Gross assets		**491,667**	499,467
Revenue yield		**2.0%**	2.3%

Dividend yield – represents the ratio of dividends per ordinary share over closing ordinary share price.

	page	2022 pence	2021 pence
Dividends per ordinary shares	4	**8.00**	8.00
Ordinary share price	4	**187.50**	268.00
Dividend yield		**4.3%**	3.0%

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

	page	2022	2021
Revenue reserves (£'000s)	75	**12,846**	12,547
Number of ordinary shares in issue at 30 June	92	**83,842,918**	84,303,283
Revenue reserves per ordinary share carried forward (pence)		**15.32**	14.88

HISTORICAL PERFORMANCE

at 30 June	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013[1]
NAV per ordinary share (pence)	**260.89**	431.51	292.79	369.57	291.79	252.86	241.12	169.00	165.84	148.33
Ordinary share price (pence)	**187.50**	268.00	177.50	199.00	174.50	164.00	130.75	117.00	128.00	130.00
Discount (%)	**28.1**	37.9	39.4	46.2	40.2	35.1	45.8	30.8	22.8	12.4
Returns and dividends (pence)										
Revenue return per ordinary share	**8.35**	9.98	9.77	7.63	6.67	6.38	6.23	7.84	7.03	12.06
Capital return per ordinary share	**(171.68)**	133.81	(81.30)	75.34	38.96	12.46	68.45	2.47	19.85	(63.65)
Total return per ordinary share	**(163.33)**	143.79	(71.53)	82.97	45.63	18.84	74.68	10.31	26.88	(51.59)
Dividend per ordinary share	**8.000[2]**	8.000	7.875	7.500	7.500	7.500	7.500	7.500	7.500	10.000[3]
FTSE All-Share total return Index	**7,981**	7,852	6,465	7,431	7,389	6,777	5,737	5,614	5,471	4,837
ZDP shares[4] (pence)										
2022 ZDP shares										
Capital entitlement[5] per ZDP share	**143.98**	135.56	127.59	120.03	113.01	106.37	100.12	n/a	n/a	n/a
ZDP share price	**144.00**	139.50	126.50	132.00	124.50	119.50	104.50	n/a	n/a	n/a
2024 ZDP shares										
Capital entitlement[5] per ZDP share	**124.14**	118.51	113.13	107.97	103.10	n/a	n/a	n/a	n/a	n/a
ZDP share price	**122.50**	120.50	105.50	114.00	107.50	n/a	n/a	n/a	n/a	n/a
2026 ZDP shares										
Capital entitlement[5] per ZDP share	**122.62**	116.78	111.21	105.89	100.87	n/a	n/a	n/a	n/a	n/a
ZDP share price	**115.50**	116.00	92.25	107.50	102.25	n/a	n/a	n/a	n/a	n/a
2028 ZDP shares										
Capital entitlement[5] per ZDP share	**106.87**	101.60	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
ZDP share price	**99.00**	100.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Equity holders' funds (£m)										
Gross assets[6]	**410.6**	544.4	483.3	537.2	488.3	449.7	440.7	373.4	399.1	383.0
Bank debt	**51.1**	48.5	50.6	51.0	27.8	47.8	24.7	34.4	22.2	42.5
ZDP shares	**140.8**	132.1	180.5	159.9	199.4	173.8	197.4	172.4	212.5	193.4
Other debt	**–**	–	0.5	–	–	–	–	–	–	–
Equity holders' funds	**218.7**	363.8	251.6	326.3	261.1	228.1	218.6	166.6	164.4	147.1
Revenue account (£m)										
Income	**9.9**	11.6	12.7	11.2	10.6	10.7	10.5	11.2	10.4	16.2
Costs (management and other expenses)	**1.7**	2.1	2.6	2.8	2.8	2.9	1.9	1.8	2.1	3.2
Finance costs	**1.1**	1.0	1.6	1.6	1.6	1.8	1.7	1.1	0.9	0.8
Financial ratios of the Group (%)										
Ongoing charges figure[7] (excluding performance fee)	**2.2**	2.3	2.1	2.1	2.2	2.1	3.3	2.0	2.2	1.8
Gearing[7]	**89.5**	48.8	93.4	63.7	87.3	97.2	101.6	124.1	144.4	160.4

[1] Restated on adoption of IFRS10 Consolidated Financial Statements
[2] The fourth quarterly dividend of 2.00p has not been included as a liability in the accounts
[3] Includes the special dividend of 2.50p per share
[4] Issued by UIL Finance, a wholly owned subsidiary of UIL
[5] See pages 55 and 56
[6] Gross assets less current liabilities excluding loans
[7] See Alternative Performance Measures on pages 108 and 109

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