



# WS Gresham House UK Micro Cap Fund

Annual Report and Financial Statements  
for the year ended 31 December 2024



## AUTHORISED CORPORATE DIRECTOR ('ACD') AND ALTERNATIVE INVESTMENT FUND MANAGER (AIFM)

---

### WAYSTONE MANAGEMENT (UK) LIMITED

Registered Office:  
3rd Floor  
Central Square  
29 Wellington Street  
Leeds  
United Kingdom  
LS1 4DL  
Telephone: 0345 922 0044  
Email: [wtas-investorservices@waystone.com](mailto:wtas-investorservices@waystone.com)  
(Authorised and regulated by  
the Financial Conduct Authority)

## DIRECTORS OF THE ACD

---

A.M. Berry  
V. Karalekas  
T.K. Madigan\*  
K.J. Midl  
E.E. Tracey\*  
R.E. Wheeler  
S.P. White\*

## PORTFOLIO MANAGER

---

### GRESHAM HOUSE ASSET MANAGEMENT LIMITED

5 New Street Square  
London EC4A 3TW  
(Authorised and regulated by  
the Financial Conduct Authority)

## DEPOSITARY

---

### THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED

160 Queen Victoria Street  
London EC4V 4LA  
(Authorised by the Prudential Regulation Authority  
and regulated by the Financial Conduct Authority  
and Prudential Regulation Authority)

## REGISTRAR

---

### WAYSTONE TRANSFER AGENCY SOLUTIONS (UK) LIMITED

Customer Service Centre:  
3rd Floor  
Central Square  
29 Wellington Street  
Leeds  
United Kingdom  
LS1 4DL  
Telephone: 0345 922 0044  
Fax: 0113 224 6001  
(Authorised and regulated by  
the Financial Conduct Authority)

## INDEPENDENT AUDITOR

---

### KPMG LLP

319 St Vincent Street  
Glasgow G2 5AS  
(Chartered Accountants)

-----  
\* Non-Executive Directors of the ACD.

CONTENTS

ACD’s Report . . . . .2

    Authorised Status. . . . .2

    ACD’s Statement . . . . .2

    Important Information . . . . .3

    Investment Objective and Policy. . . . .3

    Benchmark . . . . .4

    Remuneration Policy . . . . .4

    Securities Financing Transactions. . . . .6

    Task Force on Climate-related Financial Disclosures (‘TCFD’). . . . .6

    Value Assessment . . . . .6

    Portfolio Manager’s Report . . . . .7

    Fund Information . . . . . 11

    Portfolio Statement. . . . . 18

    Summary of Material Portfolio Changes . . . . . 23

Director’s Statement . . . . . 24

Statement of ACD’s Responsibilities. . . . . 25

Statement of Depositary’s Responsibilities . . . . . 26

Report of the Depositary . . . . . 27

Independent Auditor’s Report to the Shareholders  
    of WS Gresham House UK Micro Cap Fund (‘the Fund’). . . . . 28

FINANCIAL STATEMENTS

    Statement of Total Return and. . . . . 33

    Statement of Change in Net Assets Attributable to Shareholders . . 33

    Balance Sheet . . . . . 34

    Notes to the Financial Statements. . . . . 35

    Distribution Table . . . . . 50

General Information. . . . . 52

## ACD'S REPORT

for the year ended 31 December 2024

### Authorised Status

WS Gresham House UK Micro Cap Fund ('the Fund') is an investment company with variable capital incorporated in England and Wales, under registered number IC714 and authorised by the Financial Conduct Authority ('FCA') with effect from 19 February 2009. The Fund has an unlimited duration.

The Fund is a Non-UCITS retail scheme and the base currency of the Fund is pounds sterling or such other currency as may be the lawful currency of the United Kingdom from time to time.

Shareholders are not liable for the debts of the Fund. Shareholders are not liable to make any further payments to the Fund after they have paid the price on purchase of the shares.

The AIFM is the legal person appointed on behalf of the Fund and which (through this appointment) is responsible for managing the Fund in accordance with the AIFM Directive and The Alternative Investment Fund Managers Regulations 2013. This role is performed by the ACD and references to the ACD in this Annual Report and Financial Statements include the AIFM as applicable.

### ACD's Statement

#### Economic Uncertainty

Whilst the outbreak of COVID-19 in March 2020 now seems a distant memory, Russia's incursion into Ukraine in February 2022 remains an unresolved conflict that has led to inflationary pressures globally. Add to this the Israel-Hamas conflict that commenced in October 2023, and we are faced with consequences in both the domestic and global economy. Significant increases in the prices of energy and commodities have reverberated around the world, leading to many countries experiencing inflation at levels not seen for many years. To curb the increase in inflation, many nations' central banks have been progressively increasing interest rates. In light of most economies heading in a downward trajectory, central banks have ended their aggressive monetary tightening and have projected loosening their monetary policies in the second half of 2024. Although the consequences of the geopolitical events remain unclear, the global economy has shown resilience to the inflationary environment and gives hope that a 'soft-landing' is attainable. July brought political uncertainty in Europe with snap elections in the UK and France which eventually had a moderate impact on financial markets. Western Central Banks in the US, Eurozone and UK recently started cutting interest rates to support job market and deteriorating manufacturing activity as inflation has continued to ease. In addition, in the US, the change of political party to Republicans from Democrats had a positive impact on US equities as President-elect Donald Trump vowed to reduce corporate tax and increase spending to boost the economy. The immediate impact on fixed income markets has been negative as his pro-economy policy brought some uncertainty on the future inflation trend, which has been offset by the US Federal Reserve's November and December rate cuts keeping its policy focus unchanged on actual inflation and economic data rather than the results of the elections.

## ACD'S REPORT continued

### Important Information

With effect from 28 June 2024, the registered office of the ACD changed to 3rd Floor, Central Square, 29 Wellington Street, Leeds, United Kingdom, LS1 4DL.

With effect from 8 July 2024, the C Euro Accumulation share class was closed.

With effect from 30 September 2024, the Registrar changed its name from Link Fund Administrators Limited ('LFAL') to Waystone Transfer Agency Solutions (UK) Limited ('WTASL').

### Investment Objective and Policy

The investment objective of the Fund is to achieve capital growth over any five year period, after all costs and charges have been taken.

Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.

The investment policy of the Fund is to invest directly at least 70% of the scheme property by value in the shares of UK companies. The Portfolio Manager views UK companies to be those that are incorporated or domiciled in the UK; and listed or traded on a UK stock exchange.

The Fund will invest directly and/or indirectly at least 60% of the scheme assets by value, in a combination of UK companies that are either listed/traded on the Alternative Investment Market (AIM), or that have a market capitalisation of £250 million and below. The Fund may also invest directly and/or indirectly in shares of UK companies, which have a market capitalisation above £250 million; unlisted UK companies (limited to 10% of the scheme assets by value); non-UK companies, and corporate bonds. The Fund may also hold money market instruments, deposits and cash.

As part of the equities exposure the Fund may also invest in Real Estate Investment Trusts (REITs).

Investments in collective investment schemes is limited to 10%.

The Fund can invest across different industry sectors without limitation.

The Fund may gain exposure to these assets directly by investing in securities issued by companies and governments, and indirectly by investing in other transferable securities (such as depositary receipts) and collective investment schemes (open and closed ended). Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates.

The Fund may use derivatives for Efficient Portfolio Management purposes.

## ACD'S REPORT continued

### Investment Objective and Policy continued

The minimum investment amount and ranges referenced above will not apply under extraordinary market conditions, in which circumstances the Fund may invest in asset classes other than those in which it normally invests in order to mitigate its exposure to market risk. Examples of extraordinary market conditions include economic, political unrest or instability, world events leading to market instability, or any events which give rise to high downside risk. During such periods, the Fund may temporarily invest up to 100% of its total assets in cash and cash equivalents.

### Benchmark

The Fund's comparator benchmark is the IA UK Smaller Companies sector.

The Fund's performance may be compared against the IA UK Smaller Companies sector. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. The comparator benchmark has been selected as we consider it assists investors in evaluating the Fund's performance against the performance of other funds invested in similar assets.

### Remuneration Policy

Waystone Management (UK) Limited ('WMUK') is committed to ensuring that its remuneration policies and practices are consistent with, and promote, sound and effective risk management. WMUK's remuneration policy is designed to ensure that excessive risk taking is not encouraged by or within WMUK including in respect of the risk profile of the funds it operates, to manage the potential for conflicts of interest in relation to remuneration (having regard, inter alia, to its formal conflicts of interest policy) and to enable WMUK to achieve and maintain a sound capital base.

None of WMUK's staff receives remuneration based on the performance of any individual fund. WMUK acts as the operator of both UK UCITS funds and Alternative Investment Funds ('AIFs').

WMUK delegates portfolio management for the funds to various investment management firms. The portfolio managers' fees and expenses for providing investment management services are paid by the ACD out of its own remuneration under the ACD agreement. The investment management firms may make information on remuneration publicly available in accordance with the disclosure requirements applicable to them. This disclosure is in respect of WMUK activities (including activities performed by its sister company Waystone Transfer Agency Solutions (UK) Limited (WTASL) or by employees of that entity), and excludes activities undertaken by third party investment management firms. WMUK staff do not perform duties solely for particular funds, nor are they remunerated by reference to the performance of any individual fund. Accordingly, the information below is for WMUK as a whole. No attempt has been made to attribute remuneration to the Fund itself.



## ACD'S REPORT continued

### Remuneration Policy continued

Information on WMUK's remuneration arrangements is collated annually, as part of its statutory accounts preparation processes. Accordingly, the information disclosed relates to the year ended 31 December 2023, being the most recent accounting period for which accounts have been prepared by WMUK prior to the production of these accounts. As at 31 December 2023, WMUK operated 83 UK UCITS and 119 AIFs, whose respective assets under management ('AuM') were £36,868 million and £52,751 million. The Fund was valued at £191 million as at that date and represented 0.21% of WMUK's total AuM and 0.36% of its AIF AuM.

The disclosure below represents that required under FUND 3.3.5R (5) and (6) for funds subject to AIFMD obligations.

2023	Number of beneficiaries	Fixed £'000	Variable £'000	Total £'000
Total amount of remuneration paid by WMUK for the financial year to 31 December 2023	166	3,223	324	3,547
Total amount of remuneration paid to members of staff whose activities have a material impact on the risk profile of the funds for the financial year to 31 December 2023				
Senior management (incl all Board members)	7	390	104	494
Staff engaged in control functions	11	411	86	497
Risk takers and other identified staff	17	461	50	511
Any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers	–	–	–	–

WMUK's remuneration arrangement includes fixed salaries, contributory pension arrangements and certain other benefits, and the potential for discretionary bonuses. The amount available for payment of discretionary bonuses is dependent on satisfactory performance by WMUK, and the Waystone Group as a whole, rather than the performance of any individual fund. Bonuses may then be paid to staff to reflect their contribution to WMUK's success. The precise metrics used vary by function, but consideration is given to both qualitative and quantitative measures.

Further details can be found at: <https://www.fundsolutions.net/media/jyu1n3/wmuk-explanation-of-compliance-with-remuneration-code.pdf>.

## ACD'S REPORT continued

### Securities Financing Transactions

The Fund has the ability to utilise Securities Financing Transactions (being transactions such as lending or borrowing of securities, repurchase or reverse repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions). No such transactions have been undertaken in the period covered by this report.

### Task Force on Climate-related Financial Disclosures ('TCFD')

In accordance with current Financial Conduct Authority rules, the ACD is required to publish its own TCFD report and that of each fund. The report can be found at TCFD Reporting ([fundsolutions.net/tcfd-reporting](https://fundsolutions.net/tcfd-reporting)) and the report of the Fund can be found at <https://www.fundsolutions.net/uk/gresham-house-asset-management-limited/ws-gresham-house-uk-micro-cap-fund/tcfd-reporting/>.

Prior to accessing the report of the Fund there is a link to the 'TCFD Reporting Guide' which provides an explanation of the TCFD report.

### Value Assessment

In accordance with current Financial Conduct Authority rules, the ACD is required to carry out an annual assessment on whether the Fund provides value to investors. The outcome of the latest assessment is available on the ACD's website.

## WAYSTONE MANAGEMENT (UK) LIMITED

ACD of WS Gresham House UK Micro Cap Fund  
9 April 2025



## ACD'S REPORT continued

### PORTFOLIO MANAGER'S REPORT

for the year ended 31 December 2024

#### Investment Strategy

Since inception in May of 2009 the Fund has maintained a consistent focus throughout its life on selecting high conviction, niche growth companies to back for the prospect of long-term capital growth.

The Manager focuses on areas of structural growth opportunity and avoids cyclical industries including banks, mining, and oil and gas due to volatility of earnings. The Manager utilises the wider Gresham House platform of research and investment professionals, as well as a network of entrepreneurs, business leaders and industry specialists, to gain a competitive edge over peers in uncovering and analysing UK small-cap stocks which may be below the radar of many investors due to their size and limited research coverage.

Fund composition aims to reflect the Manager's high conviction style, comprising a relatively concentrated portfolio of stocks with the potential to sustainably grow profits and cash flows over the longer term.

#### Overview

UK equity market performance was mixed in 2024: the FTSE All Share ex Investment Trusts Index grew by **9.5%**, the FTSE Smaller Companies ex Investment Trusts Index by **13.7%**, while the FTSE AIM All Share declined by **3.6%**.

UK smaller companies faced several headwinds in 2024 including a continuation of net outflows from UK-focused equity funds totalling £9.6 billion over the period.<sup>1</sup> Much of the outflows from the UK market over the year were recycled into global and US equity funds or passive trackers, driving positive valuation momentum in non-domestic equity markets and leaving UK equities trading at a stark discount to international peers heading into 2025; a discount even more pronounced among UK smaller companies, which are now 28%, 57% and 69% cheaper than UK large caps, US large caps and US smaller companies respectively.<sup>2</sup> The Manager believes in certain instances, valuations of portfolio companies are detached from their operating fundamentals with continued prospects of earnings growth, cash generation and sustainable and progressive dividends underpinning the potential for re-rating.

The period was also characterised by a combination of domestic and global political uncertainty which adversely affected UK equity markets and more so UK smaller companies. Many policies brought forward by the new Labour government in the Autumn budget were received negatively by investors, not least the reduced inheritance tax relief on AIM and the higher corporate costs precipitated by changes to national minimum wage and national insurance legislation. Following conversations with portfolio company management teams since the budget, we believe the recent corporate tax changes will have a broad-based inflationary impact on the UK economy as companies pass on higher costs to prices. We have seen this view mirrored by the upward trajectory of UK government bond yields in Q4, as markets expect higher interest rates for longer than previously assumed.

<sup>1</sup> Calastone UK equity fund flow data, 7 Jan 25.

<sup>2</sup> Bloomberg 12M forward price-to-earnings data as at 12 Jan 25 (Deutsche Numis Smaller Companies ex Investment Trusts plus AIM index versus FTSE 100, S&P 500, and Russell 2000 indices).

## ACD'S REPORT continued

## PORTFOLIO MANAGER'S REPORT continued

Despite a sentiment-based valuation de-rating across the UK smaller companies space in Q4 2024, we believe our focus on resilient business fundamentals such as structural growth trends, non-cyclical markets, high-quality financials (including double-digit EBITDA margins, strong cash generation, and very low financial leverage), and capable management teams executing on clear value creation strategies, underpins a highly attractive multi-year returns opportunity going forward.

### Movements in Net Asset Value

As of 31 December 2024 the gross NAV of the Fund was £155.4m<sup>3</sup> of which 90.1% was invested in equities with a concentration in micro-cap companies. This compared to a NAV of £190.8m<sup>3</sup> at the beginning of the period. The decrease in NAV was due to net outflows from unit holders amounting to £48.2m, contradictory to a revaluation of the portfolio by £12.8m. The Fund delivered a positive return of 8.7% over the period, outperforming the IA UK Smaller Companies sector which returned 6.3%.

### Investment Activity

Investment activity was steady during the period as £22.6m was deployed primarily as follow-on investments into existing portfolio companies and into four new investments. However, the number of portfolio companies decreased from 42 to 41 as activity was weighted towards takeovers.

Examples of new investments include: **MPAC Group**, a global designer and manufacturer of industrial process and packaging automation machinery. The Manager believes the company operates in a market supported by several secular demand drivers, leverages a strong market position amongst a highly fragmented competitor set, and continues to execute on an attractive organic and bolt-on M&A strategy aligned to shareholder value creation; and **Ten Lifestyle Group**, a platform-based global concierge service provider, via a discounted equity placing which will support mobilisation of a new major US contract. The Manager believes the business has clear scope to win new B2B contracts, grow the value of existing contracts through membership growth among underlying mass affluent and high net worth customers, expand margins via a shift to digital self-serve and cost efficiency initiatives, and generate superior cash flows as technology development spend stabilises.

The Manager fully exited five portfolio positions during the period and four due to takeovers. The only organic exit during the period was from **Tatton Asset Management** after a period of share price outperformance led the Manager to take profits.

While the Fund is not explicitly positioned to benefit from private takeover activity, the Manager employs a private equity approach to investing in public markets; one which frequently aligns with private equity houses driving M&A activity in the UK market. Particularly, the Manager shares a focus on resilient financial characteristics such as earnings visibility, high margins, and free cash flow generation, while also preferring structurally growing markets and leading competitive positions.

<sup>3</sup> Based on 12pm Valuation Point.

## ACD'S REPORT continued

## PORTFOLIO MANAGER'S REPORT continued

The Fund also made selective follow-on investments including into: **lomart Group**, a leading UK datacentre and cloud services provider; and **SysGroup** an IT managed services provider to the UK mid-market, via an oversubscribed equity raise, which has a refreshed management team focused on driving growth.

### Investment Performance

The Fund placed 15th out of 43 in the IA UK Smaller Companies sector delivering a return of 8.7% during the period (based on C Institutional share class); outperforming the IA UK Smaller Companies sector by 2.4% over the same period.

Key contributors to aggregate Fund performance during the period were **Windward (+5.3% Contribution to Return ('CTR'))** as an earnings upgrade cycle during the year was followed by a recommended cash acquisition offer from US venture capital firm FTV at a 47% premium to prior-day close or 92% to the six-month volume-weighted average price; **Costain Group (+2.6% CTR)** as financial results during the year demonstrated strategic progress on margin enhancement programmes for FY24 and FY25 while the interim results also announced a £10 million share buyback scheme, collectively driving a material organic re-rating; and **AdvancedAdvT (+2.3% CTR)** which was re-admitted to AIM following its strategic acquisition of Capita's remaining software assets and whose financial results during the period showed strong progress on the strategy to acquire and combine software businesses offering cloud-based services which are critical to customers' front and back office operations.

Key detractors during the period included **lomart Group (-2.2% CTR)** following an underlying profit downgrade in conjunction with a large strategic acquisition which increased near-term financial leverage; **SysGroup (-1.6% CTR)** following interim results which downgraded full-year profit guidance due to elongated sales cycles; and **Argentex Group (-1.6% CTR)** following a profit warning driven by higher than anticipated costs alongside a challenging market backdrop.

### Outlook

Looking ahead to this year, we see a number of short-to-medium term factors supporting Fund performance prospects and believe our companies remain well positioned to offset external headwinds such as high interest rates, low economic growth, and UK government-driven cost inflation. We continue to see the benefits of our consistent and repeatable private equity approach to UK public market investing, leveraging a high-quality expert network to independently validate key investment judgements, providing a sustainable 'edge' over the wider market in terms of investment appraisal and portfolio monitoring.

We also see further upside potential to Fund performance from elevated takeover activity across UK equity markets heading into 2025. While the uncertainty around the Autumn budget led to an M&A slowdown in Q3 '24, we observed an uptick in activity during Q4 and anticipate deal momentum continuing into this year. During 2024, buyers paid on average a 44% premium for UK companies, greater than the five-year average

**ACD'S REPORT** continued**PORTFOLIO MANAGER'S REPORT** continued

despite elevated deal funding costs amidst higher interest rates.<sup>4</sup> From conversations with our private equity network, we understand that private buyers continue to assess the UK market for deal-flow opportunities given the attractive valuations on offer and the relative shortage of investment opportunities in a subdued private M&A market. With c.\$4 trillion of 'dry powder' yet to be deployed,<sup>5</sup> we expect that takeover activity, alongside divisional carveouts, could positively contribute to returns for the Fund in 2025.

We highlight an emerging nuance to this theme in the Smaller Companies space, with carve-outs – where a parent company sells a subsidiary company or business unit – of which there have been 20 'meaningful' instances over the year-to-date. Carve-outs are an underrated yet powerful way for UK companies to unlock real value, with several recent examples where businesses have sold off divisions at valuations higher than the prevailing group valuation – sometimes selling for more than the entire market cap. This shines a light on just how severely undervalued the remaining parts can be.<sup>4</sup>

More broadly, we welcome calls for government reforms in 2025 to encourage UK pension fund participation in domestic equity markets, where they are materially under-penetrated today at defined contribution, defined benefits, and local government levels compared to other developed western nations.<sup>6</sup> Any incremental liquidity as a result of supportive policies would aid marginal buying of UK shares and in turn offer the potential bridge the stark valuation arbitrage to other developed equity markets and precedent M&A transactions.

**Note: Investments carry risks. Past performance is not a guide to future performance. Investors may not get back the amount invested.**

**GRESHAM HOUSE ASSET MANAGEMENT LIMITED**

Portfolio Manager

22 January 2025

-----  
<sup>4</sup> Bloomberg data.

<sup>5</sup> Charles Hall, 'Strategy', Peel Hunt Research, 2 Oct 2024.

<sup>6</sup> Department for Work & Pensions, 'Pension fund investment and the UK economy.'

ACD’S REPORT continued

FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund’s returns have varied. It is a measure of a fund’s volatility. The higher a fund’s past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains.

The rating changed from 5 to 6 during the year for the A Accumulation, C Institutional Income, C Institutional Accumulation and D Accumulation share classes.

The Fund has been classed as 6 because its volatility has been measured as above average to high.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time. The lowest number on the scale does not mean that a fund is a risk free investment.

**Currency Risk:** As the Fund may be exposed to different currencies, changes in exchange rates may decrease the value of your investment.

**Counterparty Risk:** The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

**Liquidity Risk:** Smaller companies’ securities are often traded less frequently than those of larger companies which means they may be more difficult to buy and sell. Their prices may also be subject to short term swings (both up and down) in their value.

**Derivative Risk:** A derivative may not perform as expected and may create losses greater than its cost.

**Concentration Risk:** The Fund may invest in stocks with a particular industry, sector or geographical focus. This means that the performance of a single industry, sector or geographical region within the Fund has a greater effect (loss or gain) on the value of the Fund.

For more information about the Fund’s risks please see the Risk Factors section of the Prospectus which is available at [www.waystone.com](http://www.waystone.com).

## ACD'S REPORT continued

### FUND INFORMATION continued

#### Comparative Tables

##### A ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.12.24 pence per share	31.12.23 pence per share	31.12.22 pence per share
Opening net asset value per share	4,815.50	4,556.87	6,485.28
Return before operating charges*	475.61	305.20	(1,878.31)
Operating charges	(51.12)	(46.57)	(50.10)
Return after operating charges	424.49	258.63	(1,928.41)
Distributions	(19.38)	(27.76)	(17.44)
Retained distributions on accumulation shares	19.38	27.76	17.44
Closing net asset value per share	5,239.99	4,815.50	4,556.87
* after direct transaction costs of:	2.95	3.17	3.33

##### PERFORMANCE

Return after charges	8.82%	5.68%	(29.74)%
----------------------	-------	-------	----------

##### OTHER INFORMATION

Closing net asset value (£'000)	58,726	53,968	51,081
Closing number of shares	1,120,723	1,120,723	1,120,973
Operating charges	0.99%	0.98%	0.97%
Direct transaction costs	0.06%	0.06%	0.06%

##### PRICES

Highest share price	5,504.21	4,987.40	6,688.77
Lowest share price	4,818.31	4,309.46	4,421.26

## ACD'S REPORT continued

### FUND INFORMATION continued

#### Comparative Tables continued

##### C INSTITUTIONAL ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.12.24 pence per share	31.12.23 pence per share	31.12.22 pence per share
Opening net asset value per share	186.23	176.22	250.80
Return before operating charges*	18.39	11.81	(72.64)
Operating charges	(1.98)	(1.80)	(1.94)
Return after operating charges	16.41	10.01	(74.58)
Distributions	(0.75)	(1.08)	(0.63)
Retained distributions on accumulation shares	0.75	1.08	0.63
Closing net asset value per share	202.64	186.23	176.22
* after direct transaction costs of:	0.11	0.12	0.13

##### PERFORMANCE

Return after charges	8.81%	5.68%	(29.74)%
----------------------	-------	-------	----------

##### OTHER INFORMATION

Closing net asset value (£'000)	60,091	87,067	97,093
Closing number of shares	29,653,908	46,753,348	55,096,258
Operating charges	0.99%	0.98%	0.97%
Direct transaction costs	0.06%	0.06%	0.06%

##### PRICES

Highest share price	212.86	192.87	258.67
Lowest share price	186.33	166.66	170.98



## ACD'S REPORT continued

### FUND INFORMATION continued

#### Comparative Tables continued

##### C INSTITUTIONAL INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.12.24 pence per share	31.12.23 pence per share	31.12.22 pence per share
Opening net asset value per share	177.56	168.98	241.48
Return before operating charges*	17.54	11.34	(69.93)
Operating charges	(1.88)	(1.73)	(1.87)
Return after operating charges	15.66	9.61	(71.80)
Distributions	(0.71)	(1.03)	(0.70)
Closing net asset value per share	192.51	177.56	168.98
* after direct transaction costs of:	0.11	0.12	0.12

##### PERFORMANCE

Return after charges	8.82%	5.69%	(29.73)%
----------------------	-------	-------	----------

##### OTHER INFORMATION

Closing net asset value (£'000)	34,647	47,079	67,735
Closing number of shares	17,997,051	26,515,051	40,085,084
Operating charges	0.99%	0.98%	0.97%
Direct transaction costs	0.06%	0.06%	0.06%

##### PRICES

Highest share price	202.97	184.96	249.05
Lowest share price	177.68	159.82	164.62

## ACD'S REPORT continued

### FUND INFORMATION continued

#### Comparative Tables continued

##### D ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	31.12.24 pence per share	31.12.23 pence per share	31.12.22 pence per share
Opening net asset value per share	112.27	106.08	150.74
Return before operating charges*	11.09	7.11	(43.67)
Operating charges	(1.01)	(0.92)	(0.99)
Return after operating charges	10.08	6.19	(44.66)
Distributions	(0.63)	(0.81)	(0.59)
Retained distributions on accumulation shares	0.63	0.81	0.59
Closing net asset value per share	122.35	112.27	106.08
* after direct transaction costs of:	0.07	0.07	0.08

##### PERFORMANCE

Return after charges	8.98%	5.84%	(29.63)%
----------------------	-------	-------	----------

##### OTHER INFORMATION

Closing net asset value (£'000)	84	78	73
Closing number of shares	68,954	68,954	69,204
Operating charges	0.84%	0.83%	0.82%
Direct transaction costs	0.06%	0.06%	0.06%

##### PRICES

Highest share price	128.45	116.14	155.48
Lowest share price	112.36	100.45	102.90

## ACD'S REPORT continued

### FUND INFORMATION continued

#### Comparative Tables continued

##### D INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.12.24 pence per share	31.12.23 pence per share	31.12.22 pence per share
Opening net asset value per share	109.48	104.16	148.81
Return before operating charges*	10.34	6.52	(43.19)
Operating charges	(0.88)	(0.81)	(0.97)
Return after operating charges	9.46	5.71	(44.16)
Distributions	(0.26)	(0.39)	(0.49)
Closing net asset value per share	118.68	109.48	104.16
* after direct transaction costs of:	0.07	0.07	0.08

##### PERFORMANCE

Return after charges	8.64%	5.48%	(29.68)%
----------------------	-------	-------	----------

##### OTHER INFORMATION

Closing net asset value (£'000)	–	–	–
Closing number of shares	250	250	250
Operating charges	0.75%	0.75%	0.82%
Direct transaction costs	0.06%	0.06%	0.06%

##### PRICES

Highest share price	125.00	113.98	153.48
Lowest share price	109.52	98.37	101.58

ACD’S REPORT continued  
FUND INFORMATION continued

Fund Performance to 31 December 2024 – Cumulative (%)

	1 year	3 years	5 years
WS Gresham House UK Micro Cap Fund	8.69	(20.17)	6.58
IA UK Smaller Companies sector <sup>1</sup>	6.30	(20.63)	2.45

<sup>1</sup> Source: Morningstar Direct.

The performance of the Fund is based on the published price per C Institutional Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the ‘Return after charges’ disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on pages 50 and 51.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

**ACD'S REPORT** continued  
**PORTFOLIO STATEMENT**  
as at 31 December 2024

Holding	Portfolio of Investments	Value £'000	31.12.24 %
	DEBT SECURITIES – 0.96% (31.12.23 – 0.76%)		
1,514,295	Silver Bullet 12% 02/06/2025 <sup>1</sup>	1,475	0.96
	EQUITIES – 89.17% (31.12.23 – 97.33%)		
	UNITED KINGDOM – 80.24% (31.12.23 – 93.94%)		
	TECHNOLOGY – 17.69% (31.12.23 – 16.97%)		
	SOFTWARE AND COMPUTER SERVICES – 17.69% (31.12.23 – 16.97%)		
5,019,356	Access Intelligence	2,710	1.77
4,498,768	ActiveOps	4,859	3.16
3,724,674	AdvancedAdvT	5,773	3.76
3,696,564	Iomart	2,698	1.76
1,976,354	Kooth	3,518	2.29
4,963,097	Netcall	5,211	3.39
14,066,119	SysGroup	2,391	1.56
	TOTAL TECHNOLOGY	27,160	17.69
	TELECOMMUNICATIONS – 0.91% (31.12.23 – 0.73%)		
	TELECOMMUNICATION SERVICE PROVIDERS – 0.91% (31.12.23 – 0.73%)		
4,252,496	Bigblu Broadband	1,403	0.91
	TOTAL TELECOMMUNICATIONS	1,403	0.91

**ACD'S REPORT** continued  
**PORTFOLIO STATEMENT** continued  
as at 31 December 2024

Holding	Portfolio of Investments	Value £'000	31.12.24 %
	HEALTH CARE – 4.40% (31.12.23 – 4.77%)		
	PHARMACEUTICALS AND BIOTECHNOLOGY – 4.40% (31.12.23 – 4.77%)		
2,799,287	Belluscura	238	0.16
3,252,517	Diaceutics	4,001	2.61
9,276,376	EKF Diagnostics	2,505	1.63
	TOTAL HEALTH CARE	6,744	4.40
	FINANCIALS – 12.62% (31.12.23 – 19.50%)		
	FINANCE AND CREDIT SERVICES – 3.32% (31.12.23 – 2.68%)		
6,219,490	Trufin	5,100	3.32
	INVESTMENT BANKING AND BROKERAGE SERVICES – 5.08% (31.12.23 – 13.39%)		
4,470,472	Argentex	1,274	0.83
7,103,933	Frenkel Topping	2,913	1.90
1,057,872	XPS Pensions	3,607	2.35
		7,794	5.08
	CLOSED END INVESTMENTS – 4.04% (31.12.23 – 3.24%)		
1,902,228	Strategic Equity Capital <sup>2,3</sup>	6,201	4.04
	OPEN END AND MISCELLANEOUS INVESTMENT VEHICLES – 0.18% (31.12.23 – 0.19%)		
5,038,702	Earnz	277	0.18
	TOTAL FINANCIALS	19,372	12.62

**ACD'S REPORT** continued  
**PORTFOLIO STATEMENT** continued  
as at 31 December 2024

Holding	Portfolio of Investments	Value £'000	31.12.24 %
	CONSUMER DISCRETIONARY – 15.69% (31.12.23 – 20.61%)		
13,333,333	MEDIA – 0.00% (31.12.23 – 0.00%) Hawkwing <sup>2,4</sup>	–	–
	RETAILERS – 4.66% (31.12.23 – 4.13%)		
16,388,596	Angling Direct	6,392	4.16
2,423,139	Virgin Wines	775	0.50
		<u>7,167</u>	<u>4.66</u>
	TRAVEL AND LEISURE – 11.03% (31.12.23 – 16.48%)		
5,411,924	Everyman Media	2,814	1.83
2,140,687	Hostelworld	2,847	1.85
1,476,265	Loungers	4,488	2.92
10,136,313	Tasty	91	0.06
5,190,562	Ten Lifestyle	2,388	1.56
2,897,252	The Gym <sup>2</sup>	4,311	2.81
		<u>16,939</u>	<u>11.03</u>
	TOTAL CONSUMER DISCRETIONARY	<u>24,106</u>	<u>15.69</u>
	INDUSTRIALS – 24.05% (31.12.23 – 24.80%)		
	CONSTRUCTION AND MATERIALS – 3.15% (31.12.23 – 4.16%)		
4,567,714	Costain <sup>2</sup>	<u>4,842</u>	<u>3.15</u>
	INDUSTRIAL ENGINEERING – 3.57% (31.12.23 – 0.00%)		
979,403	MPAC	<u>5,485</u>	<u>3.57</u>



**ACD'S REPORT** continued  
**PORTFOLIO STATEMENT** continued  
as at 31 December 2024

Holding	Portfolio of Investments	Value £'000	31.12.24 %
	INDUSTRIAL SUPPORT SERVICES – 17.33% (31.12.23 – 20.64%)		
3,512,662	Anexo	2,389	1.56
3,152,716	Begbies Traynor	2,989	1.95
4,482,594	Diales	1,121	0.73
498,556	Elixirr International	3,540	2.31
1,575,270	Fintel	4,174	2.72
837,402	Pinewood Technologies	3,002	1.96
1,263,192	Ricardo	5,305	3.45
1,669,531	Silver Bullet Data Services	1,002	0.65
13,358,269	Staffline	3,072	2.00
		<u>26,594</u>	<u>17.33</u>
	TOTAL INDUSTRIALS	<u>36,921</u>	<u>24.05</u>
	ENERGY – 1.67% (31.12.23 – 2.46%)		
	ALTERNATIVE ENERGY – 1.67% (31.12.23 – 2.46%)		
6,263,429	Inspired	2,568	1.67
	TOTAL ENERGY	<u>2,568</u>	<u>1.67</u>
	UTILITIES – 3.21% (31.12.23 – 4.10%)		
	WASTE AND DISPOSAL SERVICES – 3.21% (31.12.23 – 4.10%)		
3,160,888	Franchise Brands	4,931	3.21
	TOTAL UTILITIES	<u>4,931</u>	<u>3.21</u>
	TOTAL UNITED KINGDOM	<u>123,205</u>	<u>80.24</u>
	BERMUDA – 0.00% (31.12.23 – 0.41%)		
5,299,622	R&Q Insurance <sup>4</sup>	<u>–</u>	<u>–</u>

ACD’S REPORT continued  
PORTFOLIO STATEMENT continued  
as at 31 December 2024

Holding	Portfolio of Investments	Value £'000	31.12.24 %
	ISRAEL – 8.93% (31.12.23 – 2.98%)		
6,624,012	Windward	13,712	8.93
	TOTAL EQUITIES	136,917	89.17
	Portfolio of investments	138,392	90.13
	Net other assets	15,156	9.87
	Net assets	153,548	100.00

The investments have been valued in accordance with note 1(F) of the Accounting Policies and are ordinary shares quoted on the Alternative Investment Market (AIM) unless stated otherwise.

<sup>1</sup> Unlisted security.  
<sup>2</sup> Listed on a regulated market.  
<sup>3</sup> Closed end fund.  
<sup>4</sup> Suspended security.

ACD’S REPORT continued  
SUMMARY OF MATERIAL PORTFOLIO CHANGES  
for the year ended 31 December 2024

Total purchases for the year £'000 (note 16)	22,615	Total sales for the year £'000 (note 16)	82,189
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
MPAC	4,806	Costain	7,320
Pinewood Technologies	4,582	XPS Pensions	7,178
Ten Lifestyle	3,298	Elixirr International	6,889
SysGroup	2,463	Mattioli Woods	6,059
Iomart	2,209	City Pub	5,163
ActiveOps	1,712	Fintel	4,906
Ricardo	632	Ten Entertainment	4,588
Earnz	391	Hostelworld	4,567
Silver Bullet 12% 02/06/2025	327	Alpha Financial Markets Consulting	4,516
Fintel	198	Netcall	4,139

The summary of material portfolio changes represents the 10 largest purchases and sales during the year.

## DIRECTOR'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook and the Investment Funds Sourcebook, as applicable, as issued and amended by the Financial Conduct Authority together with the relevant provisions of the Alternative Investment Fund Manager's Directive and modified by a direction given by the Financial Conduct Authority where the ACD has opted to provide a NURS KII Document, a Key Investor Information Document for Non-UCITS Retail Schemes.

A.M. BERRY

### WAYSTONE MANAGEMENT (UK) LIMITED

ACD of WS Gresham House UK Micro Cap Fund  
9 April 2025

## STATEMENT OF ACD'S RESPONSIBILITIES

The Collective Investment Schemes Sourcebook published by the Financial Conduct Authority ('the COLL Sourcebook') and the Investment Funds Sourcebook (the 'FUND Sourcebook'), as applicable, requires the ACD to prepare financial statements for each annual accounting year which give a true and fair view of the financial position of the Fund and of the net revenue and net capital gains on the property of the Fund for the year.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to wind up the Fund or to cease operations, or have no realistic alternative but to do so;
- 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
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The ACD is responsible for the management of the Fund in accordance with its Instrument of Incorporation, the Prospectus, the COLL and FUND Sourcebook.

## STATEMENT OF DEPOSITARY'S RESPONSIBILITIES

The Depositary must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook and, from 22 July 2014, the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Fund's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as summarised below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Fund and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Fund in accordance with the Regulations.

The Depositary must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried in accordance with the Regulations;
- the value of shares of the Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits;
- the Fund's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ('the AIFM') are carried out (unless they conflict with the Regulations).

The Depositary has a duty to take reasonable care to ensure that the Fund is managed in accordance with the Scheme documents and the Regulations in relation to the investment and borrowing powers applicable to the Fund.

## REPORT OF THE DEPOSITARY

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Fund, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Fund, acting through the AIFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Fund's shares and the application of the Fund's income in accordance with the Regulations and the Scheme documents of the Fund; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Fund in accordance with the Regulations and the Scheme documents of the Fund.

### THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED

Depositary of WS Gresham House UK Micro Cap Fund  
9 April 2025



## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WS GRESHAM HOUSE UK MICRO CAP FUND ('THE FUND')

### Opinion

We have audited the financial statements of the Fund for the year ended 31 December 2024 which comprise the *Statement of Total Return*, the *Statement of Change in Net Assets Attributable to Shareholders*, the *Balance Sheet*, the *Related Notes and Distribution Tables* for the Fund and the accounting policies set out on pages 35 to 37.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the financial position of the Fund as at 31 December 2024 and of the net revenue and the net capital gains on the property of the Fund for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

### 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 have fulfilled our ethical responsibilities under, and are independent of the Fund in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going Concern

The Authorised Corporate Director has prepared the financial statements on the going concern basis as they do not intend to liquidate the Fund or to cease their operations, and as they have concluded that the Fund'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').

In our evaluation of the Authorised Corporate Director's conclusions, we considered the inherent risks to the Fund's business model and analysed how those risks might affect the Fund's financial resources or ability to continue operations over the going concern period.

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WS GRESHAM HOUSE UK MICRO CAP FUND ('THE FUND') continued

Our conclusions based on this work:

- we consider that the Authorised Corporate Director's 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 Authorised Corporate Director's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for the going concern period.

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 Fund will continue in operation.

### 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 Fund'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 ACD, the Depositary, the Administrator and the Portfolio Manager.

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. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally non-judgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

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 identified and selected a sample of journal entries made at the end of the reporting period and tested those substantively including all material post-closing entries. 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.

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WS GRESHAM HOUSE UK MICRO CAP FUND ('THE FUND') continued

### 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 ACD and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

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

Firstly, the Fund is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Fund 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 and bribery and corruption legislation recognising the Fund's activities. 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.

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WS GRESHAM HOUSE UK MICRO CAP FUND ('THE FUND') continued

### Other Information

The Authorised Corporate Director is 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; and
- in our opinion the information given in the Authorised Corporate Director's Report is consistent with the financial statements.

### Matters on Which We Are Required to Report by Exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Fund have not been kept; or
- the financial statements are not in agreement with the accounting records.

### Authorised Corporate Director's (Waystone Management (UK) Limited) Responsibilities

As explained more fully in their statement set out on page 25 the Authorised Corporate Director is responsible for: the preparation of financial statements that 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 Fund'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 Fund 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](http://www.frc.org.uk/auditorsresponsibilities).

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WS GRESHAM HOUSE UK MICRO CAP FUND ('THE FUND') continued

### The Purpose of Our Audit Work and to Whom We Owe Our Responsibilities

This report is made solely to the Fund's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Fund's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**WIQAS QAISER**  
**FOR AND ON BEHALF OF KPMG LLP, STATUTORY AUDITOR**

Chartered Accountants  
20 Castle Terrace  
Edinburgh  
EH1 2EG  
9 April 2025

## FINANCIAL STATEMENTS

### STATEMENT OF TOTAL RETURN AND STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 31 December 2024

	Notes	£'000	31.12.24 £'000	£'000	31.12.23 £'000
Income:					
Net capital gains	3		15,766		10,068
Revenue	4	2,443		3,321	
Expenses	5	(1,778)		(2,110)	
Interest payable and similar charges	7	<u>–</u>		<u>(1)</u>	
Net revenue before taxation		665		1,210	
Taxation	6	<u>–</u>		<u>–</u>	
Net revenue after taxation			665		1,210
<b>Total return before distributions</b>			16,431		11,278
Distributions	8		<u>(665)</u>		<u>(1,210)</u>
<b>Change in net assets attributable to shareholders from investment activities</b>			<u>15,766</u>		<u>10,068</u>

	Note	£'000	31.12.24 £'000	£'000	31.12.23 £'000
<b>Opening net assets attributable to shareholders</b>			188,192		215,982
Amounts receivable on issue of shares		16,511		25,079	
Amounts payable on redemption of shares		<u>(67,363)</u>		<u>(63,752)</u>	
			(50,852)		(38,673)
<b>Change in net assets attributable to shareholders from investment activities</b>			15,766		10,068
Retained distributions on Accumulation shares			440		815
Unclaimed distributions	2		<u>2</u>		<u>–</u>
<b>Closing net assets attributable to shareholders</b>			<u>153,548</u>		<u>188,192</u>

FINANCIAL STATEMENTS continued  
BALANCE SHEET  
as at 31 December 2024

	Notes	31.12.24 £'000	31.12.23 £'000
ASSETS			
Fixed assets			
Investments		138,392	184,598
Current assets			
Debtors	9	136	423
Cash and cash equivalents	10	15,395	4,130
Total assets		153,923	189,151
LIABILITIES			
Creditors			
Distribution payable	11	(129)	(273)
Other creditors	11	(246)	(686)
Total liabilities		(375)	(959)
Net assets attributable to shareholders		153,548	188,192



## FINANCIAL STATEMENTS continued

### NOTES TO THE FINANCIAL STATEMENTS

#### for the year ended 31 December 2024

#### 1. Accounting Policies

The principal accounting policies, which have been applied in both the current and prior year, are set out below.

##### (A) BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014, as amended.

These financial statements are prepared on a going concern basis. The ACD has made an assessment of the Fund's ability to continue as a going concern, and is satisfied it has the resources to continue in business for the foreseeable future and is not aware of any material uncertainties that may cast significant doubt on this assessment. This assessment is made as at the date of issue of these financial statements, covering the subsequent 12 months, and considers liquidity, declines in global capital markets, known redemption levels, expense projections and key service provider's operational resilience. The ACD also considered the Fund's continued ability to meet ongoing costs, and is satisfied it has the resources to meet these costs and to continue in business.

##### (B) RECOGNITION OF REVENUE

Dividends on quoted equities are recognised when the securities are quoted ex-dividend.

Distributions from collective investment schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the investment in the scheme and does not form part of the distributable revenue.

Revenue from unquoted equity investments is recognised when the dividend is declared.

Revenue on debt securities is accounted for on an effective yield basis.

Interest on bank and other cash deposits is recognised on an accruals basis.

Revenue is recognised gross of any withholding taxes but excludes attributable tax credits.

##### (C) TREATMENT OF EXPENSES

All expenses, except for those relating to the purchase and sale of investments, are charged against revenue.

## FINANCIAL STATEMENTS continued

### NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

#### (D) ALLOCATION OF REVENUE AND EXPENSES TO MULTIPLE SHARE CLASSES

Any revenue or expense not directly attributable to a particular share class will normally be allocated pro-rata to the net assets of the relevant share classes unless a different allocation method is deemed more appropriate by the ACD.

All share classes are ranked pari passu and have no particular rights or terms attached, including rights on winding up.

#### (E) TAXATION

Corporation tax is provided at 20% on taxable revenue, after deduction of allowable expenses.

Where overseas tax has been deducted from overseas revenue that tax can, in some instances, be set off against the corporation tax payable by way of double tax relief and where this is the case the offset is reflected in the tax charge.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

#### (F) BASIS OF VALUATION OF INVESTMENTS

All investments are valued at their fair value as at close of business on the last business day of the financial year.

Quoted investments are valued at fair value which generally is the bid price, excluding any accrued interest in the case of debt securities. Accrued interest on debt securities is included in revenue.

Collective investment schemes are valued at published bid prices for dual priced funds and at published prices for single priced funds.

For investments for which there is no quoted price or for which the quoted price is unreliable, fair value is determined by the ACD, taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance, maturity of the company and other relevant factors.

#### (G) EXCHANGE RATES

The base and functional currency of the Fund is pounds sterling. Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the exchange rate prevailing at close of business on the last business day of the financial year.

**FINANCIAL STATEMENTS** continued**NOTES TO THE FINANCIAL STATEMENTS** continued

for the year ended 31 December 2024

**(H) DILUTION LEVY**

The ACD may require a dilution levy on the purchase and redemption of shares if, in its opinion, the existing shareholders (for purchases) or remaining shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances: where the scheme property is in continual decline; on the Fund experiencing large levels of net purchases relative to its size; on 'large deals' (typically being a purchase or redemption of shares to a size exceeding 5% of the Net Asset Value of the Fund); in any case where the ACD is of the opinion that the interests of existing or remaining shareholders require the imposition of a dilution levy.

**(I) PORTFOLIO TRANSACTION COSTS**

Direct transaction costs may consist of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Debt security investments have no separately identifiable transaction costs as they form part of the dealing spread. Indirect transaction costs may be incurred on transactions in underlying schemes but these do not form part of the direct transaction costs disclosures. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The average portfolio dealing spread disclosed is the difference between the bid and offer prices of investments at the balance sheet date, including the effect of foreign exchange, expressed as a percentage of the value determined by reference to the offer price.

**2. Distribution Policies**

Surplus revenue after expenses and taxation, as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to shareholders. Any deficit of revenue is deducted from capital.

Interim distributions may be made at the ACD's discretion. Final distributions are made in accordance with the COLL Sourcebook.

Distributions which have remained unclaimed by shareholders for more than six years are credited to the capital property of the Fund.

The ordinary element of stock received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue of the Fund. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of any distribution.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. Amounts recognised as capital are deducted from the cost of the investment. The tax accounting treatment follows the treatment of the principal amount.

**FINANCIAL STATEMENTS** continued  
**NOTES TO THE FINANCIAL STATEMENTS** continued  
for the year ended 31 December 2024

### 3. Net Capital Gains

The net capital gains during the year comprise:

	31.12.24 £'000	31.12.23 £'000
Non-derivative securities	15,767	10,070
Transaction charges	(1)	(2)
Net capital gains	15,766	10,068

The net capital gains figure includes realised gains of £18,405,000 and unrealised losses of £30,865,000 (31.12.23: includes realised gains of £3,744,000 and unrealised losses of £28,227,000). The realised gains on investments in the current year include amounts previously recognised as unrealised gains in the prior year.

Where realised gains/losses include gains/losses arising in previous periods, a corresponding loss/gain is included in unrealised gains/losses.

### 4. Revenue

	31.12.24 £'000	31.12.23 £'000
Non-taxable dividends	1,905	2,927
Interest on debt securities	200	(53)
Bank interest	338	447
Total revenue	2,443	3,321

### 5. Expenses

	31.12.24 £'000	31.12.23 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	1,622	1,948
Legal and professional fees	14	14
Typesetting costs	1	2
Registration fees	69	73
TCFD fees	4	–
	1,710	2,037

**FINANCIAL STATEMENTS** continued**NOTES TO THE FINANCIAL STATEMENTS** continued

for the year ended 31 December 2024

	31.12.24 £'000	31.12.23 £'000
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	50	54
Safe custody and other bank charges	8	9
	58	63
Other expenses:		
Audit fees	10	10
Total expenses	1,778	2,110

The Portfolio Manager's fees and expenses (plus VAT thereon) for providing portfolio management services are paid by the ACD out of its remuneration.

**6. Taxation**

	31.12.24 £'000	31.12.23 £'000
a) Analysis of charge for the year		
Corporation tax at 20%	—	—
Current tax charge	—	—
Deferred tax – origination and reversal of timing differences (note 6c)	—	—
Total taxation (note 6b)	—	—

**b) Factors affecting the tax charge for the year**

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.12.23: 20%). The difference is explained below:

	31.12.24 £'000	31.12.23 £'000
Net revenue before taxation	665	1,210
Corporation tax at 20%	133	242

**FINANCIAL STATEMENTS** continued  
**NOTES TO THE FINANCIAL STATEMENTS** continued  
for the year ended 31 December 2024

	31.12.24 £'000	31.12.23 £'000
Effects of:		
Non-taxable dividends	(381)	(585)
Prior year adjustment	–	(1)
Unutilised excess management expenses	248	344
Corporation tax charge	–	–
Total tax charge (note 6a)	–	–

c) Deferred tax

At the year end there is a potential deferred tax asset of £3,277,000 (31.12.23: £3,029,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current or prior year.

**7. Interest Payable and Similar Charges**

	31.12.24 £'000	31.12.23 £'000
Interest payable	–	1
Total interest payable and similar charges	–	1

**8. Distributions**

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.12.24 £'000	31.12.23 £'000
Interim	–	–
Final	568	1,088
	568	1,088
Add: Revenue deducted on redemption of shares	135	143
Deduct: Revenue received on issue of shares	(38)	(21)
Net distributions for the year	665	1,210

Details of the distributions per share are set out in the table on pages 50 and 51.

**FINANCIAL STATEMENTS** continued  
**NOTES TO THE FINANCIAL STATEMENTS** continued  
for the year ended 31 December 2024

**9. Debtors**

	31.12.24 £'000	31.12.23 £'000
Amounts receivable for issue of shares	86	15
Sales awaiting settlement	–	106
Accrued revenue:		
Non-taxable dividends	45	77
Interest from debt securities	–	220
	45	297
Taxation recoverable:		
Overseas withholding tax	5	5
Total debtors	136	423

**10. Cash and Cash Equivalents**

	31.12.24 £'000	31.12.23 £'000
Bank balances	15,395	4,130
Total cash and cash equivalents	15,395	4,130

**11. Creditors**

	31.12.24 £'000	31.12.23 £'000
Distribution payable	129	273

**FINANCIAL STATEMENTS** continued  
**NOTES TO THE FINANCIAL STATEMENTS** continued  
for the year ended 31 December 2024

	31.12.24 £'000	31.12.23 £'000
<b>Other Creditors</b>		
Amounts payable for redemption of shares	106	518
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	115	142
Legal and professional fees	2	1
Typesetting costs	1	1
Registration fees	6	7
TCFD fees	1	–
	125	151
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	4	4
Transaction charges	–	1
Safe custody and other bank charges	1	2
	5	7
Other expenses	10	10
Total other creditors	246	686

## 12. Related Party Transactions

The Annual Management Charge, TCFD fees and legal and professional fees payable to Waystone Management (UK) Limited ('WMUK') ('the ACD'), registration fees payable to Waystone Transfer Agency Solutions (UK) Limited and typesetting costs payable to Waystone Administration Solutions (UK) Limited (both companies are associates of the ACD) are disclosed in note 5 and amounts due at the year end are disclosed in note 11.

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 31 and amounts due at the year end are disclosed in notes 9 and 11.

WMUK and its associates (including other authorised investment funds managed by WMUK or its associates) held 1,722 (31.12.23: 1,421) of the Fund's shares at the balance sheet date.



## FINANCIAL STATEMENTS continued

### NOTES TO THE FINANCIAL STATEMENTS continued

#### for the year ended 31 December 2024

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue of the Fund:

Transact Nominees Limited 29.97% (31.12.23: 22.22%)

### 13. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.12.23: none).

### 14. Shares in Issue

	A Accumulation	C Institutional Accumulation	C Institutional Income
Annual Management Charge	0.90%	0.90%	0.90%
Opening shares in issue	1,120,723	46,753,348	26,515,051
Issues	–	7,132,153	1,210,218
Redemptions	–	(24,231,593)	(9,728,218)
Closing shares in issue	<u>1,120,723</u>	<u>29,653,908</u>	<u>17,997,051</u>

  

	C Euro Accumulation <sup>1</sup>	D Accumulation	D Income
Annual Management Charge	0.90%	0.75%	0.75%
Opening shares in issue	250	68,954	250
Issues	–	–	–
Redemptions	(250)	–	–
Closing shares in issue	<u>–</u>	<u>68,954</u>	<u>250</u>

### 15. Risk Management Policies

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management (including hedging) purposes.

-----  
<sup>1</sup> Share class closed 8 July 2024.

## FINANCIAL STATEMENTS continued

### NOTES TO THE FINANCIAL STATEMENTS continued

#### for the year ended 31 December 2024

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Portfolio Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

#### (A) CREDIT RISK

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Portfolio Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

#### (B) INTEREST RATE RISK

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes exposes the Fund to indirect interest rate risk to the extent that they invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The Fund takes on interest rate risk within its investment portfolio where the ACD and Portfolio Manager believe that the expected return compensates for the overall risk. The ACD and Portfolio Manager continue to monitor the level of interest rate risk posed by the Fund's underlying investments on a regular basis. As the Fund has no significant direct exposure to interest rate risk, no sensitivity analysis has been presented.

FINANCIAL STATEMENTS continued  
NOTES TO THE FINANCIAL STATEMENTS continued  
for the year ended 31 December 2024

The table below shows the interest rate risk profile:

	31.12.24 £'000	31.12.23 £'000
Fixed rate investments	1,475	1,416
Investments on which interest is not paid	136,917	183,182
Total investments	138,392	184,598

Investments on which interest is not paid include equities, contracts for difference, futures and forward currency contracts.

(C) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the Sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than Sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the Sterling equivalent value. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

The Fund does not have any significant exposure to foreign currency risk, and therefore no foreign currency table or sensitivity analysis has been presented.

(D) LEVERAGE

The ACD is required to calculate and monitor the level of leverage of the Fund, expressed as a ratio between the exposure of the Fund and its Net Asset Value, under both the gross and commitment methods (in accordance with articles 7 and 8 of The Alternative Investment Fund Managers Regulations 2013). For a fund with no borrowing or derivative usage the leverage ratio would be 1:1 under the commitment method. The gross method calculation excludes cash and cash equivalents which are highly liquid.

As at 31 December 2024, leverage under the gross method was 0.90:1 and leverage under the commitment method was 1:1 (31.12.23: 0.98:1 and 1:1 respectively).

(E) LIQUIDITY RISK

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation. The ACD monitors the liquidity profile of the Fund daily.

In assessing the liquidity profile of the Fund, the ACD assesses how much of the Fund can be realised under normal and stressed market conditions, and the impact this would have on the structure of the Fund.

## FINANCIAL STATEMENTS continued

### NOTES TO THE FINANCIAL STATEMENTS continued

#### for the year ended 31 December 2024

Based on this analysis 27.52% of the portfolio can be liquidated within 7 days and 54.19% within 30 days (31.12.23: 3.70% within 5 days and 9.09% within 21 days). Given this and the ACD's understanding of the investor base, it is considered that the liquidity profile of the Fund is acceptable.

All financial liabilities are payable in one year or less, or on demand.

#### (F) MARKET PRICE RISK

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £6,920,000 (31.12.23: £9,230,000). A 5% decrease would have an equal and opposite effect.

#### (G) DERIVATIVES

The Fund held no derivatives in the current or prior year.

**FINANCIAL STATEMENTS** continued  
**NOTES TO THE FINANCIAL STATEMENTS** continued  
for the year ended 31 December 2024

**16. Portfolio Transaction Costs**

31.12.24	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	22,122	23	28	22,173
Collective investment schemes	114	–	1	115
Debt securities	327	–	–	327
Purchases total	<u>22,563</u>	<u>23</u>	<u>29</u>	<u>22,615</u>
Transaction cost % of purchases total		0.10%	0.13%	
Transaction cost % of average NAV		0.01%	0.02%	
Ordinary shares	82,019	(51)	–	81,968
Collective investment schemes	221	–	–	221
Sales total	<u>82,240</u>	<u>(51)</u>	<u>–</u>	<u>82,189</u>
Transaction cost % of sales total		0.06%	–	
Transaction cost % of average NAV		0.03%	–	

Average portfolio dealing spread at 31.12.24 is 2.67% (31.12.23: 2.88%).

**FINANCIAL STATEMENTS** continued**NOTES TO THE FINANCIAL STATEMENTS** continued

for the year ended 31 December 2024

	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
<b>31.12.23</b>				
Ordinary shares	36,183	52	46	36,281
Collective investment schemes	94	–	1	95
Purchases total	<u>36,277</u>	<u>52</u>	<u>47</u>	<u>36,376</u>
Transaction cost % of purchases total		0.14%	0.13%	
Transaction cost % of average NAV		0.02%	0.02%	
Ordinary shares	53,717	(45)	–	53,672
Collective investment schemes	39	–	–	39
Sales total	<u>53,756</u>	<u>(45)</u>	<u>–</u>	<u>53,711</u>
Transaction cost % of sales total		0.08%	–	
Transaction cost % of average NAV		0.02%	–	

The collective investment schemes include closed end funds.

**17. Fair Value Hierarchy**

Investments are categorised into the following levels based on their fair value measurement:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs (see note 1(F) of the Accounting Policies).

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>31.12.24</b>				
Investment assets	<u>134,529</u>	<u>2,388</u>	<u>1,475</u>	<u>138,392</u>
<b>31.12.23</b>				
Investment assets	<u>183,182</u>	<u>–</u>	<u>1,416</u>	<u>184,598</u>

FINANCIAL STATEMENTS continued  
NOTES TO THE FINANCIAL STATEMENTS continued  
for the year ended 31 December 2024

18. Subsequent Events

As at 8 April 2025, the price of each of the Fund’s share classes, compared to that at the balance sheet date, has moved as follows:

Share class	Balance sheet date	08.04.25	Movement
A Accumulation	5,297.96	4,772.01	(9.93)%
C Institutional Accumulation	204.88	184.54	(9.93)%
C Institutional Income	195.36	175.33	(10.25)%
D Accumulation	123.70	111.47	(9.89)%
D Income	120.25	108.04	(10.16)%

The decrease in the prices is primarily due to unfavourable market conditions. These accounts were approved on 9 April 2025.

## FINANCIAL STATEMENTS continued

### DISTRIBUTION TABLE

for the year ended 31 December 2024 – in pence per share (unless stated otherwise)

#### EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes. Where there is no distribution at interim, the final distribution is deemed to run for the whole year.

Group 2	Final
From	01.01.24
To	31.12.24

#### A ACCUMULATION SHARES

There were no interim distributions in the current or prior year.

Final	Net Revenue	Equalisation	Allocation 30.04.25	Allocated 30.04.24
Group 1	19.3769	–	19.3769	27.7591
Group 2	19.3769	0.0000	19.3769	27.7591

#### C INSTITUTIONAL ACCUMULATION SHARES

There were no interim distributions in the current or prior year.

Final	Net Revenue	Equalisation	Allocation 30.04.25	Allocated 30.04.24
Group 1	0.7488	–	0.7488	1.0769
Group 2	0.3399	0.4089	0.7488	1.0769

#### C INSTITUTIONAL INCOME SHARES

There were no interim distributions in the current or prior year.

Final	Net Revenue	Equalisation	Payable 30.04.25	Paid 30.04.24
Group 1	0.7141	–	0.7141	1.0267
Group 2	0.4344	0.2797	0.7141	1.0267



FINANCIAL STATEMENTS continued  
DISTRIBUTION TABLE continued

C EURO ACCUMULATION SHARES (CENTS)

There were no interim distributions in the current or prior year.

Final	Net Revenue	Equalisation	Allocation 30.04.25	Allocated 30.04.24
Group 1	N/A	N/A	N/A	0.8000
Group 2	N/A	N/A	N/A	0.8000

C Euro Accumulation shares closed 8 July 2024.

D ACCUMULATION SHARES

There were no interim distributions in the current or prior year.

Final	Net Revenue	Equalisation	Allocation 30.04.25	Allocated 30.04.24
Group 1	0.6330	–	0.6330	0.8128
Group 2	0.6330	0.0000	0.6330	0.8128

D INCOME SHARES

There were no interim distributions in the current or prior year.

Final	Net Revenue	Equalisation	Payable 30.04.25	Paid 30.04.24
Group 1	0.2600	–	0.2600	0.3920
Group 2	0.2600	0.0000	0.2600	0.3920

## GENERAL INFORMATION

### Share Capital

The minimum share capital of the Fund is £1,000,000 and the maximum share capital is £500,000,000.

### Classes of Shares

The Instrument of Incorporation allows income and accumulation shares to be issued.

Holders of income shares are entitled to be paid the distributable income attributed to such shares on any relevant interim and annual allocation dates.

Holders of accumulation shares are not entitled to be paid the income attributed to such shares, but that income is automatically transferred to (and retained as part of) the capital assets of the Fund on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation share.

### Valuation Point

The current valuation point of the Fund is at 12.00 noon (London time) on each business day. Valuations may be made at other times with the Depositary's approval.

### Buying and Selling Shares

The ACD will accept orders to buy or sell shares on normal business days between 8.30am and 5.30pm (London time) and transactions will be effected at prices determined by the following valuation. Instructions to buy or sell shares may be either in writing to: PO Box 389, Darlington DL1 9UF or by telephone on 0345 922 0044.

### Prices

The prices of all shares are published on every dealing day on the ACD's website: [www.waystone.com](http://www.waystone.com). The prices of shares may also be obtained by calling 0345 922 0044 during the ACD's normal business hours.

### Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Documents and the most recent interim and annual reports may be inspected at, and obtained from, the ACD at 3rd Floor, Central Square, 29 Wellington Street, Leeds, United Kingdom, LS1 4DL during normal business hours on any business day, in addition to being available at [www.waystone.com](http://www.waystone.com).

Shareholders who have any complaints about the operation of the Fund should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR. Information about the Financial Ombudsman can be found on its website at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

## GENERAL INFORMATION continued

### Data Protection Act

Shareholders' names will be added to a mailing list which may be used by the ACD, its associates or third parties to inform investors of other products by sending details of such products. Shareholders who do not want to receive such details should write to the ACD requesting their removal from any such mailing list.

## Waystone

3rd Floor  
Central Square  
29 Wellington Street  
Leeds  
United Kingdom  
LS1 4DL

[www.waystone.com](http://www.waystone.com)

